

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

OF THE  
CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2010

PREPARED BY

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT



CITY OF SIOUX CITY, IOWA  
INTRODUCTORY SECTION



**CITY OF SIOUX CITY, IOWA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2010**

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## THE COVER

This year's cover showcases the Dale Street Park Splash Pad on its opening day, August 13, 2009, located at 1514 Dale Street in Sioux City.

The Splash Pad is the first of its kind in Sioux City and features a foaming geyser, a water jelly, raining bells, frog and monkey cannons, and a dumping pelican. The water system is activated when a patron touches a particular post bringing fresh, non-recycled water to splash around. The system is timed to shut off periodically; ensuring the conservation of water when the pad is not in use.

The Splash Pad, along with new playground equipment, swing set, basketball court, and shelter have brought new life to the Dale Street Park.

## ABOUT SIOUX CITY, IA

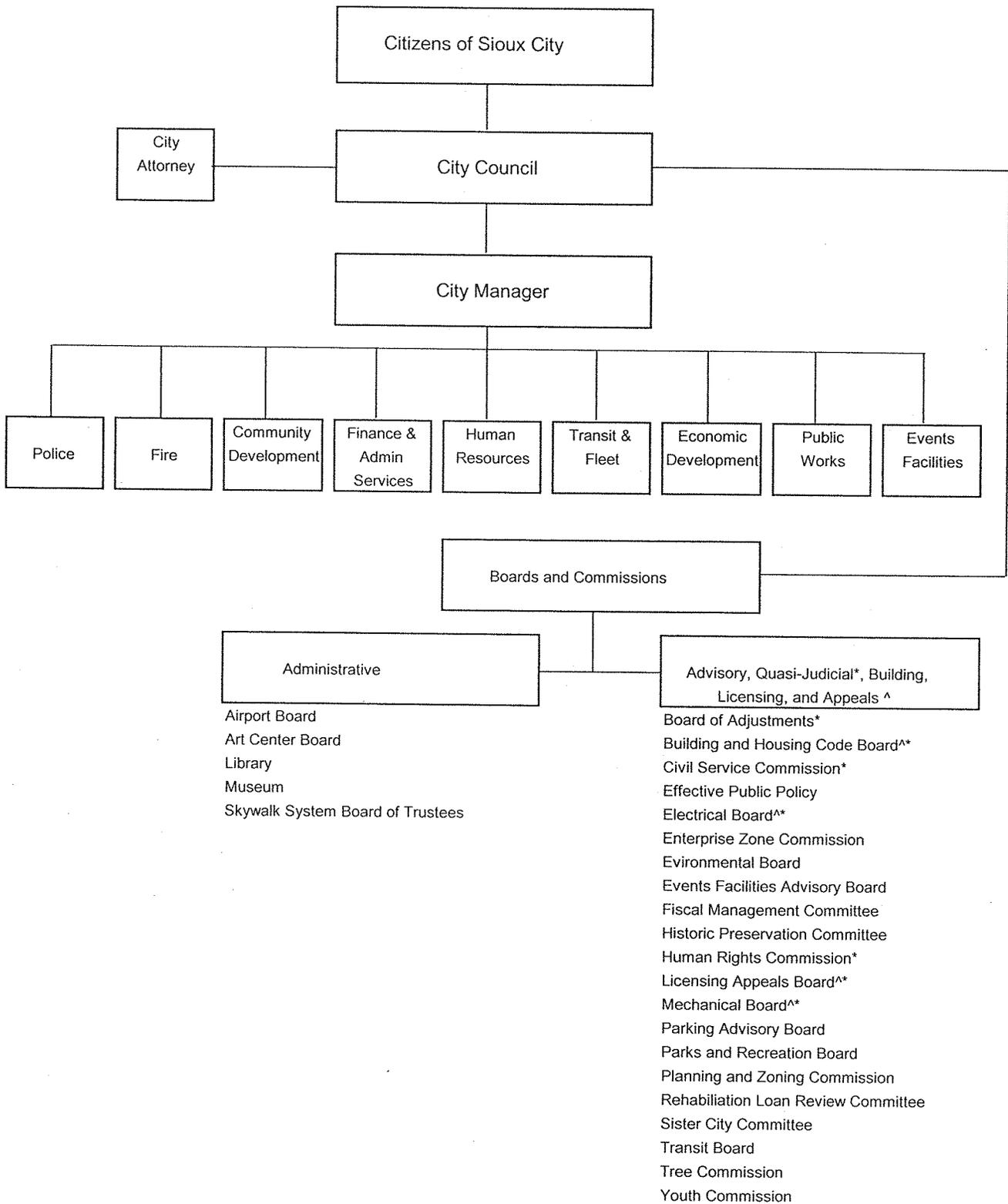
The City of Sioux City, Iowa has had a long and colorful past. Founded in 1854, its roots go back to the days of the early fur traders. Located in the center of America's heartland, Sioux City is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the States of Iowa, Nebraska, and South Dakota. This Tri-State area is known as Siouxland.

Sioux City was a major transportation and marketing center, only behind St. Louis and Chicago. In the 1880's, Sioux City gained the reputation of being a wild, corrupt, and uncivilized place due to the many political scandals and open defiance and conflict over such matters as the temperance laws.

On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. In 1962, Sioux City was awarded the "All-America City" status by Look Magazine and the National Municipal League. Sioux City received the "All-America City" designation again in 1990. Growth in food processing continues to place Sioux City in the national spotlight. In its 2010 Top 10 Metro Rankings Report, Business Facilities magazine ranked the Sioux City metro as #1 in the Top 5 Metro Food Processing Industry Growth category for the second consecutive year. Sioux City, Iowa garnered top 10 rankings for Emerging Logistics/Distribution Centers with less than 500,000 residents and for Economic Growth Potential in an area with less than 200,000 residents.

Sioux City has become known as a regional medical community servicing the area covered by a 50-mile radius. Sioux City boasts of having two hospitals with over 300 beds each. In 1992, the Siouxland Community Health Center was created to serve the needs of area residents that are without health insurance or lack adequate coverage. The Center is funded by a grant from the Federal Government and is supported by several community organizations and agencies. In addition to having the latest in hospital services available, the medical community offers a family practice residency program.

Siouxland is the headquarters to several national companies including Tyson Foods, Soo Honey Association, American PopCorn, Wilson Trailer, Inc., BPI Technology, Inc., and Great West Casualty Company.



# SCHEDULE OF CITY OFFICIALS

June 30, 2010

## Elected Officials

		Term Expires
Mayor	Michael Hobart	January 1, 2012
Mayor Pro Tem	Thomas Padgett	January 1, 2014
Council Member	John Fitch	January 1, 2014
Council Member	Keith Radig	January 1, 2014
Council Member	Aaron Rochester	January 1, 2012

## Council Appointed Officials

		Date of Appointment
City Manager	Paul Eckert	March 22, 2002
City Attorney	Andrew Mai	February 4, 2008
City Clerk	Lisa McCardle	June 24, 2006

## City Manager and Board Appointed Officials

		Date of Appointment
Art Center Director	Albert Harris	March 25, 2002
Assistant City Manager	Robert Padmore	June 14, 2008
Director of Community Development/Planning	Catherine Olson	March 2, 2009
Director of Human Rights Commission	Karen Mackey	March 22, 2004
Economic Development Director	Martin Dougherty	September 13, 2006
Executive Director Events Facilities	Aran Rush	December 18, 2008
Fire Chief	Thomas Everett	October 13, 2008
Human Resources Director	Bridey Hayes	June 27, 2005
Library Director	Betsy Thompson	June 21, 1995
Museum Director	Steve Hansen	December 17, 2001
Police Chief	Douglas Young	April 1, 2009
Public Works Director	Chris Payer	August 25, 2008
Purchasing/Fleet/Transit/Airport Director	Curt Miller	December 26, 1978

**SIoux<sup>TM</sup>**  
**CITY**



Offices of the City Manager & Finance Director

*City of Sioux City, Iowa*

P O Box 447

Sioux City, IA 51102-0447

November 9, 2010

Honorable Mayor  
Members of the City Council  
Citizens of Sioux City, IA  
City of Sioux City, IA

The comprehensive annual financial report of the City of Sioux City, Iowa for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

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

The financial statements and schedules included in this report reflect all the funds of the City in accordance with standards set by the Governmental Accounting Standards Board.

The City has established a comprehensive internal control framework that is designed to compile sufficiently reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records and transactions of all administrative departments of the City by the State Auditor or by a Certified Public Accountant selected by the City Council. The audit for fiscal year 2010 was performed by Williams & Company, Certified Public Accountants. Williams & Company concluded that the City of Sioux City's financial statements for year ended June 30, 2010, are fairly presented in conformity with GAAP. Williams & Company's auditor's report is presented in the financial section of this report.

### GOVERNMENT PROFILE

The City of Sioux City was incorporated in 1855, and is located in the northwest part of Iowa. The western border is the Missouri River and abuts the states of Nebraska and South Dakota. The City currently occupies a land area of 60 square miles and serves a population of 85,013.

The City is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs

periodically when deemed appropriate by the City Council. The City has operated under the council-manager form of government since 1954. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, the City Attorney and the City Treasurer. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms and the mayor is separately elected. The City provides a full range of services.

The following schedule details the available services:

<b><u>Cultural</u></b>	<b><u>Fire Services</u></b>	<b><u>Police Services</u></b>	<b><u>Utilities</u></b>
Art Center	Suppression	Patrol	Water
Museum	Prevention	Prevention	Sewer
Library	Training	Investigation	Solid Waste
Events Facilities	Hazardous Materials	Safety	Storm Sewer
<b><u>Public Works</u></b>	<b><u>Community Development</u></b>	<b><u>Transportation</u></b>	
Streets/Bridges/Waters	Planning/Zoning	Airport	
Traffic/Parking	Inspections	Transit	
Engineering	Housing		
Recreation/Aquatics	Economic Development		
Cemeteries	Property		

The State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. Any amendments to the City budget must be prepared and adopted in the same manner as the original budget. With the exception of capital improvement projects and encumbrances, all other appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on the basis consistent with generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of budgetary control is mandated by State law at the program structure level for all funds rather than at the individual fund level. The City maintains control over the program structure by reviewing estimated purchase amounts prior to release of purchase orders. Purchases orders are encumbered and open encumbrances are reported as reservations of fund balances at June 30.

The Finance and Administrative Services Department is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse. The Department also ensures that adequate data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City continues to demonstrate its responsibility for sound financial management through the statements and schedules included in the financial section of this report.

## ECONOMIC CONDITION

### LOCAL ECONOMY

During the past fiscal year, the City's economy felt the loss of 1,500 jobs when Smithfield closed their John Morrell plant in Sioux City. Additionally, Terra Industries, a national fertilizer company with its headquarters in Sioux City, merged with CF Industries resulting in a loss of 125 corporate jobs. Despite these losses and a sluggish economy nationally, the City's unemployment rate in September, 2010 was 7.1%, which is considerably below the national rate of 9.2% for the same period.

Despite these setbacks, the City continues to make headway by offering plenty of locations for new or expanding businesses, and continues to see development activity throughout the community. Sioux City was named the top U.S. growth center for food processing for the second consecutive year by Business Facilities Magazine, and was also named to the top 10 Economic Growth Potential in an area with less than 200,000 residents. Sioux City had an influx of 30,000 visitors in July 2010 when the City hosted the first leg of a seven-day, 442-mile trek across Iowa, known as the (Des Moines) Register's Annual Great Bike Ride Across Iowa (RAGBRAI). With the multitude of bikers and support crew, the City enjoyed a much needed piece of Iowa's largest tourism event which delivered an economic jolt to the entire metro area, after a tough year within the business community.

#### Downtown:

The downtown area offers both an entertainment aspect and a professional business setting. Expansion and growth are evident with the addition of Delta Air Lines' 50 new jobs at its downtown location reservations center located in the former JC Penny's building. Several historic buildings in downtown Sioux City are being saved and utilized to their fullest potential. The United Center located at 302 Jones Street, is a 100-year old warehouse that has been recently been transformed into fully-functional, upscale office space and residential condos. Also being renovated, is the 12-story Badgerow Building at 622 Fourth Street, which offers "Class A" office space ideal for data centers and high-tech businesses. The Badgerow Building's first tenant is Raspberry's Bistro and Fine Pastry which relocated from its South Sioux City location to the first floor in October 2010. Additionally, the Pearl Street Historic District is undergoing a transformation to create a new commercial and entertainment district similar to Sioux City's Historic 4<sup>th</sup> Street District.

#### Pierce Street Corridor:

Street improvements are scheduled to take place next year to enhance the development already underway between 14<sup>th</sup> and 18<sup>th</sup> Streets. A new Kum & Go convenience store is currently under construction at 14<sup>th</sup> & Pierce Street to redevelop the site of the former Wirick Apartment Building. Additionally, the City is working with Siouxland Housing Development Corporation (SHDC) to construct six new owner-occupied housing units at 1302 Douglas Street. Paul Davis Restoration, which provides restoration services following fires, flooding and other disasters, expanded its facility to the former Williams TV and Appliance building at 1610 Pierce Street. The company has seen substantial growth recently and was able to expand and consolidate its two locations into one existing facility in Sioux City. Select Foods, Inc. purchased the former Fareway building at 1730 Pierce Street and will function as a full-service grocery store.

The Yards: Van Meter Industrial, a wholesale distributor of electrical supplies opened a new 39,000 square-foot, \$2 million facility in the City's former stockyards area, now called The Yards.

Southbridge: The newest area of development is Southbridge Business Park, an industrial area south of the Sioux Gateway Airport that will eventually encompass up to 10,000 acres of industrial land. The City will focus on such industries as wind energy manufacturing, data centers, advanced manufacturing and food processing. The City recently applied for a \$2 million federal grant to help pay for a new rail line in the Southbridge area that would service any industry that locates in the Southbridge area. The Iowa Department of Transportation Commission recently awarded the City about \$4.8 million in Revitalizing Iowa's Sound Economy (RISE) grant money to fund 16,400 feet of roadway in the Southbridge Business Park and to provide paved access to over 400 acres of land for industrial development.

Hoeven Valley: Outer Drive, a major thoroughfare on the north side of Sioux City was finally connected with both Highway 75 and the Highway 20 bi-pass, in January 2010 allowing access around the entire City. The \$35.1 million project allows the Hoeven Valley along the Floyd River Channel to develop to full City standards as an industrial corridor, where \$21 million is being invested for infrastructure. Development interest in the 165 acres of land surrounding the Outer Drive and Floyd Boulevard intersection has intensified in recent months due to an increase in traffic flow of nearly 27,000 vehicles. A new Casey's gas station and convenience store recently opened along Floyd Boulevard near the core of future growth. The City is committed to promoting the land for commercial and industrial use, while an additional 357 acres zoned for residential use north of Outer Drive, is expected to spur additional housing on the north side.

### **LONG-TERM FINANCIAL PLANNING**

Southbridge Development in the southern portion of Sioux City, near Sergeant Bluff, Iowa, constitutes \$20 million of capital money budgeted in the next fiscal year. \$11.55 million of this will be funded by the Iowa Revolving Loan Program while \$4.5 million will be grant funded. A water plant will also be constructed in the Southbridge area. The construction of this plant is mandated by the Iowa Department of Natural Resources (IDNR) and will add 10 million gallons of water a day to the current water supply. The cost of the Southbridge Water Plant project is expected to be \$33 million and should be completed by 2011. The water plant will be funded entirely by the Iowa Revolving Loan Program. The Waste Water Treatment Plant (WWTP) was also funded by the Iowa Revolving Loan Fund Program for over \$98 million over the last several fiscal years. The Iowa Revolving Loan Programs are repaid at 3% interest rate with an average repayment period of 20 years for water and 30 years for sewer.

## RELEVANT FINANCIAL POLICIES

The City of Sioux City abides by its adopted debt policy. The policy states:

*It shall be the policy of the City of Sioux City, Iowa to maintain a debt policy which will provide for proper planning of capital expenditures, financing requirements, and guidelines for the issuance of various debt instruments. The results help secure favorable rating and competitive lower interest costs on all types of borrowing instruments; thereby holding borrowing costs to a minimum and providing a savings to all taxpayers.*

*It is the City's desire and direction to assure that such debt obligations are issued and administered in such a fashion as to obtain the best long-term financial advantage to the City and its residents, while making every effort to maintain and improve the City's bond ratings and reputation in the investment community.*

The City reviews its debt capacity thoroughly each budget year to ensure that it complies with State law, and is at a level that will allow sufficient development projects in the community, while still able to respond to emergencies or unforeseen opportunities. The City adjusts its borrowings or postpones issuance of debt as necessary to abide by its debt policy. The State debt limit is 5% of assessed value, however the City has self-imposed limit of 70% of debt capacity. If the 70% level will be exceeded, the additional debt issuance is to be tied directly to an Economic Development project which will generate an adequate payment to cover the debt service. The City is currently at about 53.9% of its debt capacity, with a Moody's debt rating of Aa2 and Standard and Poor's (S&P) rating of AA.

## MAJOR INITIATIVES

Sioux City invests in a wide array of capital improvement projects each year. These projects are funded by issuing bonds and are paid back over a period of 10 years with interest paid every six months. The projects range from annual street light repairs and well replacements, to median enhancements and pool improvements.

In fiscal year 2010 the City spent about \$54 million on capital improvement projects. The three largest projects were: Waste Water Treatment Plant, \$20.9 million, Outer Belt/Floyd to Lewis, \$6.22 million, and Infrastructure Reconstruction \$3.94 million.

The City expects to spend significant capital amounts in fiscal year 2011 as well. Development of the Southbridge area, just south of the airport, will support major industrial development opportunities including infrastructure and several large development sites and is budgeted at just over \$20 million. Additionally, the Southbridge Water Plant project is set at \$33 million, which will supply ample water to the Southbridge area as growth occurs. \$6 million is expected to be spent on Annual Infrastructure Reconstruction and allows for the repaving of streets and updating of accompanying water, sewer and storm sewers.

The City has supported the Sioux City Community School District over the years in their effort to replace or renovate various schools. The City's strong commitment to education strengthens neighborhoods, enhances economic development efforts and improves the quality of life for families in the community. The school district is receiving infrastructure funds from the State of Iowa under the 1-cent state sales tax law that went into effect July 1, 2008. Under the new law, the school district receives more money per student than under the local option sales tax that was in effect prior to July of 2008. The school district's receipt of the sales tax funds for school infrastructure is favored since it eliminates substantial debt issuance for the City providing property tax relief for its citizens. Regardless of the sources of funds, six new schools have been built in the last eight years including Irving Elementary, Leeds Elementary, and Unity Elementary School. Current school developments taking place include Liberty Elementary School, replacing Smith and Everett Schools and opening in 2011, and Spaulding Park Elementary School, replacing Joy and Longfellow and opening in 2012.

## AWARDS AND ACKNOWLEDGEMENTS

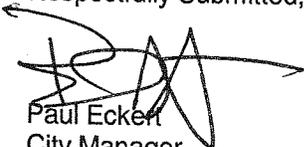
**Certificate of Achievement** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Sioux City, Iowa has received a Certificate of Achievement every year since fiscal year 1984 except for fiscal year 1996 and 1998. We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate. The fiscal year 1996 report's production was delayed past the submittal deadline because of the City's financial application software change at the beginning of the fiscal year. The fiscal year 1998 report's production was delayed past the submittal deadline because of changes in personnel and software.

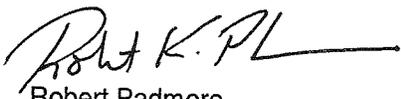
**Acknowledgment** - The preparation and completion of the 2010 Comprehensive Annual Financial Report was made possible by the dedicated service of Finance Division employees. Each member of the Division has our sincere appreciation for the contributions they made toward this report. Sioux City is very fortunate to have such excellent, versatile and dedicated people.

In closing, without the leadership and support of the City Council, the preparation of this report would not have been possible.

Respectfully Submitted,



Paul Eckert  
City Manager



Robert Padmore  
Assistant City Manager  
Finance and Administrative Services

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

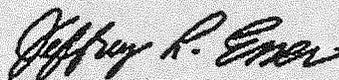
City of Sioux City  
Iowa

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

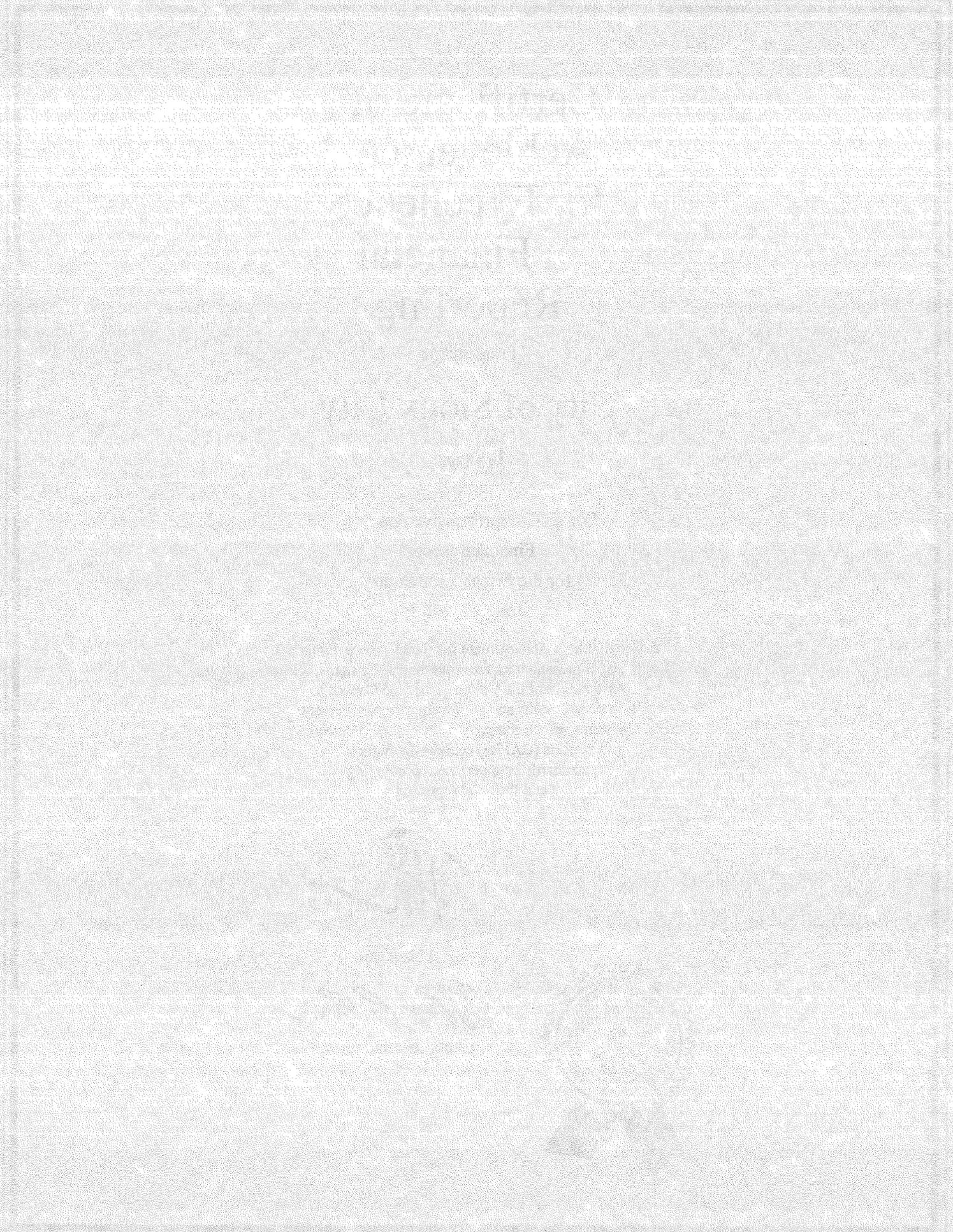


President



Executive Director





THE  
FEDERAL  
BUREAU OF  
INVESTIGATION  
OF THE  
DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.



CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION





705 Douglas Street, Suite 214  
P.O. Box 298  
Sioux City, IA 51101  
Phone (712) 252-5337

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor,  
Members of the City Council  
City of Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2010 on our consideration of the City of Sioux City, Iowa'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB Schedule of Funding Progress, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, essential part of financial reporting for placing the basic financial statements in an appropriate operational economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, Other Financial Information and Statistical Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Sioux City, Iowa. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The accompanying combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying Schedule of Expenditures of Passenger Facility Charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and they are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Williams & Company, P.C.*  
Certified Public Accountants

Sioux City, Iowa  
November 9, 2010



## Management Discussion and Analysis

June 30, 2010

This discussion and analysis of the City of Sioux City's financial performance provides an overview of the City's financial activities for the fiscal year ending June 30, 2010. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page xi and the City's financial statements which follow this report.

### Financial Highlights

- The assets of the City of Sioux City exceeded liabilities at June 30, 2010, by \$400,491,666. Of this amount, \$46,269,973 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$28,940,800 during the year. Of this amount the net assets of our Governmental Activities increased \$18,709,890 and the net assets of our Business-Type Activities increased \$10,230,910.
- The largest factor in the increase in fund balance was the amount by which capital outlays exceeded depreciation, \$18,525,493.
- The City's long term debt increased \$25,426,774 (14%). Contributing to the increase was the issuance of three series of general obligation bonds totaling \$21,455,000 and refunding general obligation bonds totaling \$4,580,000. The bond proceeds were used to fund the fiscal year 2010 Capital Improvement Program. Notes payable increased by \$20,156,357 in the enterprise funds due to additional State Revolving Loans. Outstanding General Obligation debt totals \$105,220,000.

### OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## REPORTING THE CITY AS A WHOLE

### The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Sioux City in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net assets, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

In the Statement of Net Assets and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental Activities** - Most of the City's basic services are reported here, such as Police, Fire, Public Works and Parks departments, and General Administration. Property taxes and state and federal grants finance most of these activities.
- **Business-Type Activities** - The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Solid Waste, Airport and Parking funds.

## REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City Council also establishes funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as Sales Tax Revenues). The City has the following types of funds:

- **Governmental Funds** - Most of the City's basic services are included in governmental funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. We describe the relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following each Governmental Fund financial statement.

- **Proprietary funds** - When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds report and the business-type activities reported in the government-wide statements, is the detail and additional information, such as cash flows, provided in the proprietary funds report.

## **THE CITY AS TRUSTEE**

### **Reporting the City's Fiduciary Responsibilities**

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. The City is the trustee, or fiduciary, for the Woodbury County Information and Communications Commission funds which can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary funds statements.

## **THE CITY AS A WHOLE**

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City's net assets reflects its investment in capital assets (land, buildings and improvements, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparison chart shows the changes in net assets for the years ended June 30, 2010, and 2009:

	General Governmental Activities	
	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$151,627,285	\$145,794,094
Capital Assets	<u>328,002,115</u>	<u>310,238,435</u>
Total Assets	479,629,400	456,032,529
Other Liabilities	58,126,308	79,079,954
Long-Term Liabilities Outstanding	<u>135,368,437</u>	<u>109,527,810</u>
Total Liabilities	193,494,745	188,607,764
Net Assets:		
Invested in Capital Assets, Net of Related Debt	227,946,599	215,118,921
Restricted	28,468,804	10,725,164
Unrestricted	<u>29,719,252</u>	<u>41,580,680</u>
Total Net Assets	<u>\$286,134,655</u>	<u>\$267,424,765</u>

This summary reflects an increase in total net assets of 7.0% for the governmental activities and an increase of 9.8% in the business-type activities.

The restricted portion of net assets (7.1%) is subject to external restrictions on how these resources may be used. The remaining balance of unrestricted net assets (\$46,269,973) may be used to meet any ongoing obligations to citizens and creditors.

The government's net assets increased \$28.9 million during the current fiscal year. This change in net assets can be attributed to increases in charges for services, operating grants and miscellaneous non-operating revenues.

Business-Type Activities		Totals	
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
\$29,927,242	\$24,213,004	\$181,554,527	\$170,007,098
<u>200,101,331</u>	<u>169,625,833</u>	<u>528,103,446</u>	<u>479,864,268</u>
230,028,573	193,838,837	709,657,973	649,871,366
11,123,126	7,813,806	69,249,434	86,893,760
<u>104,548,436</u>	<u>81,898,930</u>	<u>239,916,873</u>	<u>191,426,740</u>
115,671,562	89,712,736	309,166,307	278,320,500
97,806,290	89,062,832	325,752,889	304,181,753
---	---	28,468,804	10,725,164
<u>16,550,721</u>	<u>15,063,269</u>	<u>46,269,973</u>	<u>56,643,949</u>
<u>\$114,357,011</u>	<u>\$104,126,101</u>	<u>\$400,491,666</u>	<u>\$371,550,866</u>

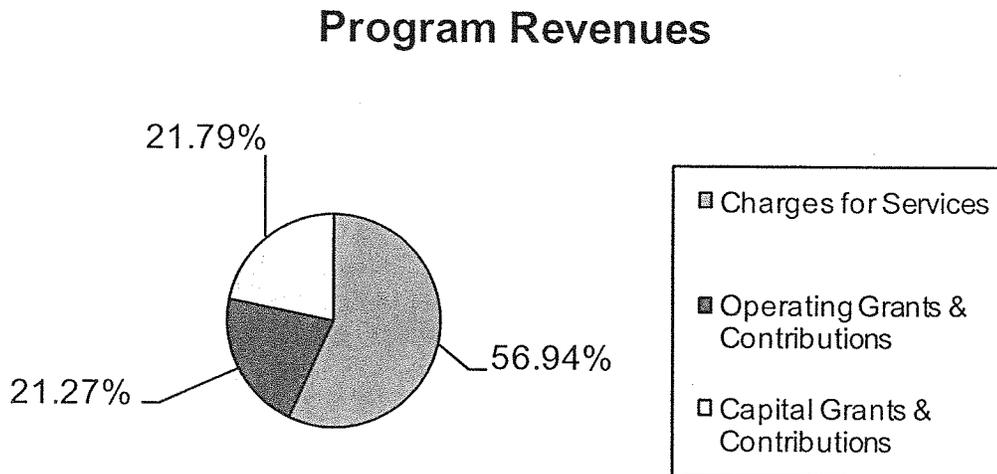
Governmental activities decreased 7.0% while Business-Type Activities increased 9.8%. Details of the changes in net assets are shown as follows:

Revenue Source	Governmental Activities	
	2010	2009
<b>Program Revenues:</b>		
Charges for Services	\$17,793,198	\$16,144,190
Operating Grants and Contributions	20,164,596	18,059,563
Capital Grants and Contributions	15,344,878	6,050,466
<b>Total Program Revenues</b>	<b>53,302,672</b>	<b>40,254,219</b>
<b>General Revenues :</b>		
Property Taxes	50,213,734	50,788,744
Franchise Taxes	2,426,557	2,586,811
Hotel-Motel Taxes	1,098,913	1,061,104
Local Option Sales Taxes	11,132,267	10,992,806
Interest	1,070,516	1,457,756
Revenue from the Sale of Uncapitalized Property	644,883	539,534
Miscellaneous	2,002,806	1,751,700
Net Gain on Sale of Capital Assets	---	87,064
<b>Total General Revenues</b>	<b>68,589,676</b>	<b>69,265,519</b>
<b>Total Revenues</b>	<b>121,892,348</b>	<b>109,519,738</b>
<b>Expenses:</b>		
Public Safety	32,815,671	31,565,111
Public Works	18,703,073	17,695,921
Culture and Recreation	18,748,901	18,427,540
Community and Economic Development	14,585,952	10,847,635
General Government	11,884,328	12,097,651
Debt Service	5,908,003	6,309,941
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skywalk	---	---
<b>Total Expenses</b>	<b>102,645,928</b>	<b>96,943,799</b>
<b>Increase in Net Assets Before Extraordinary Items and Transfers</b>	<b>19,246,420</b>	<b>12,575,939</b>
Extraordinary Items	---	(14,034,170)
Transfers	(536,530)	(895,066)
<b>Increase (Decrease) in Net Assets</b>	<b>18,709,890</b>	<b>(2,353,297)</b>
<b>Net Assets -Beginning of Year</b>	<b>267,424,765</b>	<b>269,778,062</b>
<b>Net Assets</b>	<b>\$286,134,655</b>	<b>\$267,424,765</b>

Business-Type Activities		Totals	
2010	2009	2010	2009
\$36,542,740	\$35,114,763	\$54,335,938	\$51,258,953
131,069	2,329,283	20,295,665	20,388,846
5,454,015	---	20,798,893	6,050,466
<u>42,127,824</u>	<u>37,444,046</u>	<u>95,430,496</u>	<u>77,698,265</u>
---	---	50,213,734	50,788,744
---	---	2,426,557	2,586,811
---	---	1,098,913	1,061,104
---	---	11,132,267	10,992,806
299,164	497,295	1,369,680	1,955,051
---	---	644,883	539,534
247,668	1,670,839	2,250,474	3,422,539
---	8,624	---	95,688
<u>546,832</u>	<u>2,176,758</u>	<u>69,136,508</u>	<u>71,442,277</u>
<u>42,674,656</u>	<u>39,620,804</u>	<u>164,567,004</u>	<u>149,140,542</u>
---	---	32,815,671	31,565,111
---	---	18,703,073	17,695,921
---	---	18,748,901	18,427,540
---	---	14,585,952	10,847,635
---	---	11,884,328	12,097,651
---	---	5,908,003	6,309,941
3,683,947	3,624,184	3,683,947	3,624,184
9,462,914	9,046,687	9,462,914	9,046,687
13,573,929	12,493,265	13,573,929	12,493,265
4,469,177	4,242,223	4,469,177	4,242,223
1,412,106	1,671,573	1,412,106	1,671,573
378,203	318,624	378,203	318,624
<u>32,980,276</u>	<u>31,396,556</u>	<u>135,626,204</u>	<u>128,340,355</u>
<u>9,694,380</u>	<u>8,224,248</u>	<u>28,940,800</u>	<u>20,800,187</u>
---	---	---	(14,034,170)
<u>536,530</u>	<u>895,066</u>	<u>---</u>	<u>---</u>
<u>10,230,910</u>	<u>9,119,314</u>	<u>28,940,800</u>	<u>6,766,017</u>
<u>104,126,101</u>	<u>95,006,787</u>	<u>371,550,866</u>	<u>364,784,849</u>
<u>\$114,357,011</u>	<u>\$104,126,101</u>	<u>\$400,491,666</u>	<u>\$371,550,866</u>

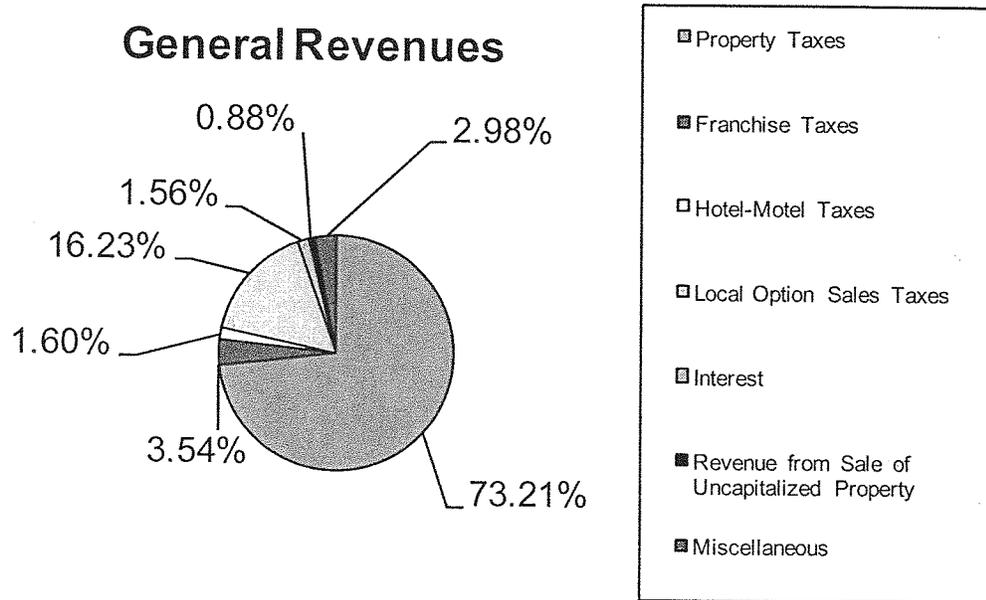
Program revenues totaled \$95,430,496 for fiscal year 2010. Governmental Activities provided \$53,302,672 and Business-Type Activities provided \$42,127,824. Revenue collected for Charges for Services during fiscal year 2010 was \$54,335,938, accounting for approximately 56.9% of the total program revenues. Total Governmental charges for services increased \$1.6 million. \$532,000 is due to Red Light Photo Enforcement fines, \$602,000 is due to the Tyson Events Center suite lease revenues and naming rights revenues previously committed to the debt service fund being released to Events Center operations, and \$626,000 is due to internal service fund insurance premium increases. Operating grants increased \$978,000 for Community and Economic Development due to receiving several American Recovery and Reinvestment Act (ARRA) grants. Public Works operating grants increased \$962,000 due in part to receiving the I-Jobs State ARRA grant for \$371,000 and due to State Road Use Tax Funds increasing \$514,000. Capital grants increased \$4.7 million for Public Works, also due largely in part to several additional ARRA grants. Culture and Recreation had an increase in capital grants relating to the City's new Museum, with \$1.8 million in grants and \$1.8 million in private donations. Community and Economic Development capital grants increased \$1.6 million because of an Environmental Protection Agency (EPA) grant relating to the KD Station demolition. In the Business-Type funds, revenues from charges for services increased \$1.4 million as a result of an 8.5% rate increase in the Sewer System and a 7% rate increase in the Water System. The Airport has an increase in capital grants due to receiving an ARRA grant from the Federal Aviation Administration for about \$4 million.

The following chart breaks down program revenues by source:



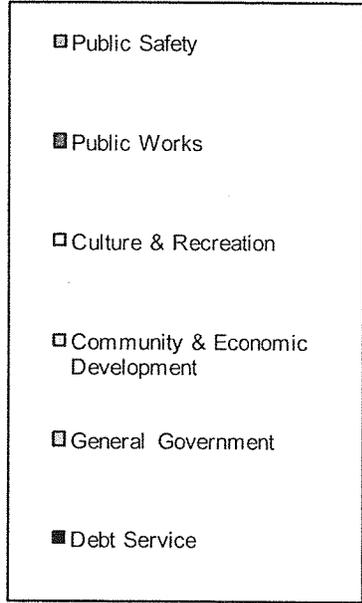
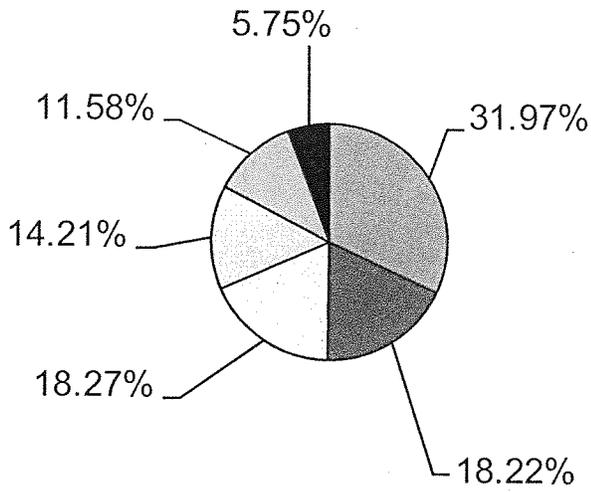
General Revenues for fiscal year 2010 totaled \$69,136,508, which is \$2.3 million less than fiscal year 2009. Governmental Activities provided \$68,589,676 and Business-Type Activities provided \$546,832. Property tax revenues for fiscal year 2010 totaled \$50,213,734, accounting for 72.8% of General Revenues, but \$575,000 lower than fiscal year 2009 due to a lower tax base. Interest income decreased \$585,000 due to dismal economic conditions, and miscellaneous revenue decreased \$1.1 million due to an insurance settlement received from a class-action lawsuit in fiscal year 2009.

The following chart breaks down General Revenues by source:

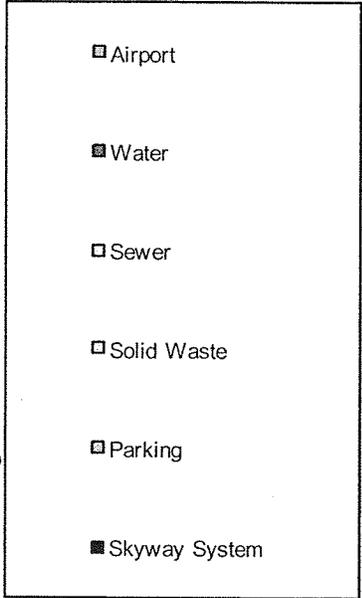
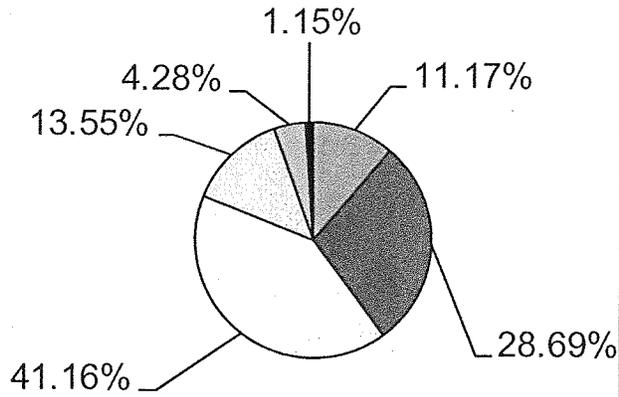


Expenses for fiscal year 2010 totaled \$135,626,204. Expenses for General Governmental Activities totaled \$102,645,928 accounting for 76% of total expenses. Business-Type Activity expenses totaled \$32,980,276 for 24% of the total. Public Safety expenses increased \$1.2 million mainly due to contractual obligations relating to employee wages. Public Works expenses increased \$1 million due to the increase in grants. Community and Economic Development expenses increased \$3.7 million due to additional ARRA grants received. The Sewer fund expenses increased about \$1.1 million due to a maintenance contract price increase of \$626,000 and \$379,000 for construction costs. The Water fund expenses increased \$416,000 for increases in employee contract obligations and for higher depreciation expenses. Other business-type activity's net expenses remained fairly steady. The expenses are shown below:

## Governmental Expenses



## Business-Type Expenses



The following table shows the activities included within each program level:

Program Level	Activity
Public Safety	Individual and Community Protection, Physical Health
Public Works	Public Service, Utilities, Transportation
Culture and Recreation	Education and Culture
Community and Economic Development	Housing and Community Development
General Government	Policy and Administration
Debt Service	Debt

### Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$32,815,671 and received \$2,762,490 in revenue thus leaving a cost to the taxpayer of \$30,053,181 to be funded by various methods. This format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, COPS Grants, Block Grants
Community and Economic Development	HUD Grants, Building Permits, Licenses
General Government	Internal Service – Charges for Services

The total cost of governmental activities this year was \$102,645,928. Of these costs, \$17,793,198 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions were \$35,509,474, leaving a Net Expense of \$49,343,256 for governmental activities. These expenses were covered with tax revenues, interest and other general revenues. The Statement of Activities in the financial section provides further detail. The Net (Expense) Revenue by governmental activity is shown in the following table:

<u>Functions/Programs</u>	<u>Net (Expense) Revenue</u>	
	<u>FY10</u>	<u>FY09</u>
<b><u>Governmental Activities</u></b>		
Public Safety	\$(30,053,181)	\$(28,913,277)
Public Works	5,168,292	469,348
Culture & Recreation	(9,290,796)	(12,965,357)
Community & Economic Development	(4,037,731)	(2,394,459)
General Government	(5,282,741)	(6,643,928)
Debt Service	(5,847,099)	(6,241,907)
Total Net (Expense) Revenue		
Government Activities	(49,343,256)	(56,689,580)
General Revenues & Transfers	68,053,146	54,336,283
Change in Net Assets	<u>\$18,709,890</u>	<u>\$(2,353,297)</u>

Total resources available during the year to finance governmental operations were \$388,780,583, consisting of Net Assets at July 1, 2009 of \$267,424,765, Program Revenues of \$53,302,672, General Revenues of \$68,589,676 and Transfers of \$(536,530). Total Governmental Activities during the year expended \$102,645,928; thus, Net Assets were increased by \$18,709,890 to \$286,134,655.

### Business-Type Activities

Business-type activities increased the City's net assets by \$10,230,910.

The cost of all Proprietary activities this year was \$32,980,276. As shown in the Statement of Activities, the amounts paid by users of the systems was \$36,542,740, and \$5,585,084 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$9,147,548. As discussed in the revenue section, the Sewer System revenues increased almost \$1 million due to an 8.5% sewer rate increase in fiscal year 2010. Sewer expenses increased \$626,000 due to a maintenance contract price increase and \$379,000 relating to construction costs. The Water System revenues increased due to a 7.0% rate increase with expense increases staying relatively steady which is reflected in the net increase in the Water System. The Airport has an increase in capital grants due to receiving an ARRA grant from the Federal Aviation Administration for about \$4 million.

The Net (Expense) Revenue by Business-Type Activity is shown in the following table:

<u>Business-Type Activities</u>	<u>Net (Expense) Revenue</u>	
	<u>FY10</u>	<u>FY09</u>
Airport System	\$3,018,374	\$179,206
Water System	2,345,439	1,944,030
Sewer System	3,796,532	3,984,965
Solid Waste System	138,114	391,849
Parking	(150,911)	(452,560)
<b>Total Net (Expense) Revenue Business-Type Activities</b>	<b>9,147,548</b>	<b>6,047,490</b>
<b>General Revenues &amp; Transfers</b>	<b>1,083,362</b>	<b>3,071,824</b>
<b>Change in Net Assets</b>	<b>\$10,230,910</b>	<b>\$9,119,314</b>

Total resources available during the year to finance Proprietary Fund activities were \$147,337,287, consisting of Restated Net Assets at July 1, 2009 of \$104,126,101, program revenues of \$42,127,824, General Revenues of \$546,832, and transfers of \$536,530. Total Proprietary Fund Activities during the year expended \$32,980,276, thus Net Assets were increased by \$10,230,910 to \$114,357,011.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Fund balances that are not categorized as non-spendable, restricted, or committed may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$76,943,019, a total increase of \$5,356,233 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$8,205,929 is 18.3% of expenditures, which is at the upper end of the City's goal of a fund balance between 12% and 20% of expenditures. During the year, revenues exceeded expenditures in the general fund by \$53,417, a decrease of \$33,123 from fiscal year 2009. The net change in the fund balance was not significant, but when reviewed in detail, several factors are evident. As discussed earlier at the government-wide level, (as charges for services), the Red Light Photo Enforcement fines increased the regulatory fees in the General Fund by \$532,000, while interest income decreased \$574,000 due to nationwide low interest rates. Public Safety expenditures increased \$953,000 due mainly to employee payroll contract increases and General Government expenditures increased \$830,000 due to increased cost of services.

The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for, and the payment of, general long-term debt principal, interest and related costs. The fiscal year 2010 fund balance of \$7,312,419 increased \$3,177,606 from the fiscal year 2009 fund balance. The net increase in the fund balance is the result of a higher debt service tax rate resulting in \$5.8 million in tax revenue, and \$2.4 million less in general obligation bond debt payments. The majority (97.5%) of the fund balance is restricted for debt service, while the remainder is non-spendable as it is for long-term notes receivable.

The Capital Improvements Fund accounts for and reports all financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities, excluding those financed by Proprietary Funds and Fiduciary Funds. The fund balance increased by \$3,138,086 million from fiscal year 2009. Intergovernmental revenues increased \$7.6 million and, as discussed in the revenue section, \$4.7 million was for Public Works, due largely in part to several American Recovery and Reinvestment Act (ARRA) grants, while Culture and Recreation had an increase of over \$3 million relating to money received for the City's new Museum, with \$1.8 million of that amount coming from private donations. Capital expenditures increased \$8.7 million, due to the timing of construction projects in which funds are borrowed in one year and spent in another fiscal year.

The Enterprise Funds, which account for operations that are similar to a private business, had total net assets increase by \$10,230,910 in fiscal year 2010. The Airport fund net assets increased \$3,555,065 due to a \$4 million ARRA grant received from the Federal Aviation Administration, while operating revenues and expenses remained relatively constant. With total revenues of \$11.3 million, which increased due to a 7% rate increase, combined with only a slight increase in expenses of \$470,000, resulted in a \$2.7 million increase in net assets for the Water System. Although Sewer maintenance contract expenses increased \$626,000 and interest expense increased \$479,000, the Sewer fund balance increased \$3.8 million mainly because of an 8.5% rate increase resulting in revenues of \$17.4 million.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2010 original (adopted) General Fund amount of \$50,651,480 to the final budget amount of \$64,645,409, shows a net increase of \$13,993,929.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$50,651,480	\$311,300	\$50,962,780	\$13,682,629	\$64,645,409

The following table shows the General Fund budget variances by program structure:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Amended Budget</u>
<b><u>EXPENDITURES</u></b>			
Public Safety	\$33,665,509	\$30,895,548	\$(2,769,961)
Public Works	2,039,474	1,585,620	(453,854)
Culture & Recreation	14,330,191	7,606,952	(6,723,239)
Community & Economic Development	1,262,882	1,187,696	(75,186)
General Government	9,694,036	3,557,460	(6,136,576)
	60,992,092	44,833,276	(16,158,816)
Transfers Out	3,653,317	3,885,266	231,949
Total Expenditures	<u>\$64,645,409</u>	<u>\$48,718,542</u>	<u>\$(15,926,867)</u>

The City complied with statutory requirements and did not exceed the budget by program structure.

In fiscal year 2010, appropriations increased \$14 million between the original budget and the final amended budget. Public Safety increased \$4.2 million, Culture and Recreation increased \$6.3 million, and General Government increased \$3.1 million all due to additional grants received during the fiscal year and due to accrual and year-end budget adjustments.

## CAPITAL ASSETS

The City's investment in capital assets, including land, building and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2010 was \$325,752,889 (net of accumulated depreciation and outstanding financings). This is an increase of \$21,571,136 (7.09%) from fiscal year 2009. The gross additions to capital assets for fiscal year 2010 are as follows:

	General Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Land	\$2,377,265	\$1,627,086	\$ 83,153	\$ ---
Infrastructure	2,138,199	7,079,470	---	---
Buildings	671,602	---	7,139,799	---
Improvements-Other than Buildings	784,139	4,083,229	3,865,000	11,829,503
Equipment	2,448,400	2,509,406	104,840	37,268
Construction in Progress	23,803,111	13,260,993	35,062,323	22,248,685
Total Gross Additions	<u>\$32,222,716</u>	<u>\$28,560,184</u>	<u>\$46,255,115</u>	<u>\$34,115,456</u>

	Totals	
	2010	2009
Land	\$2,460,418	\$1,627,086
Infrastructure	2,138,199	7,079,470
Buildings	7,811,401	---
Improvements-Other than Buildings	4,649,139	15,912,732
Equipment	2,553,240	2,546,674
Construction in Progress	58,865,434	35,509,678
Total Gross Additions	<u>\$78,477,831</u>	<u>\$62,675,640</u>

Construction in progress was the major capital outlay for Governmental Activities in fiscal year 2010. The majority of the expenditures for capital outlays were incurred by the Capital Improvement Fund and included: The Outer Belt Floyd to Lewis, the New Museum, and Military Road/Center/Riverside Blvd. The majority of expenditures in improvements included: Convention Center Updates, Long Lines Chiller, Grandview Park Band Shell, and Police/Fire Headquarters Windows. Land was acquired for the following projects: Chambers Street Extension and Perry Creek/Kings Highway. The majority of the equipment acquired was licensed vehicles and contractor's mobile by the City's Central Maintenance Garage fund which is an Internal Service Fund.

For Business-Type Activities, construction in progress included the Waste Water Treatment Plant Rehabilitation, the Airport Terminal Renovation, the Water Plant-Southbridge and the Water Plant/Andrews Connect. Improvements included Annual Infrastructure Reconstruction.

See Note 4 to the financial statements for more information on the City's capital assets.

## **DEBT ADMINISTRATION**

At year end, the City had \$201,109,289 of debt outstanding. This is an increase of \$25,426,774 from the prior year. Of this amount \$98,803,831 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds). \$102,295,041 is to be repaid from the City's Municipal Enterprises.

Debt administration is rather conservative since all City general obligation debt is to be repaid within the next 12 years. This rapid repayment when combined with the use of Tax Increment Financing and Local Option Sales Tax Revenue has allowed the City to maintain our Aa bond rating. This rating is the second highest possible rating and reflects well on our community.

The City has taken advantage of the Federal Government's new Build America Bonds Program in the upcoming fiscal year 2011. This program, under the American Recovery and Reinvestment Act of 2009, provides funding for state and local governments to pursue capital projects at lower borrowing costs. Municipalities offer tax-exempt bonds, but due to the recession, the capability of financing new projects has declined significantly. The bonds are taxable bonds issued by state and local governments that will give them access to conventional corporate debt markets. The Treasury Department will make a direct payment to the City in an amount equal to 35% of the interest payment on the Build America Bonds. Because of this federal subsidy, the City will have lower net borrowing costs and be able to reach more sources of borrowing than with traditional tax-exempt bonds by making the bonds more attractive to a larger group of investors. The City has elected to issue \$10.8 million in Build America Bonds that will be paid out of the Water Fund.

The City continues to operate well under State debt capacity limitations. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of all taxable property in the community. The City's debt capacity is \$182,006,722. With outstanding general obligation debt applicable to this limit of \$98,103,294, the City is utilizing 53.9% of this limit. More detailed information on debt administration is provided in Note 6 of the financial statements.

## **ECONOMIC FACTORS**

Sioux City faces many economic challenges that many other municipalities across Iowa must tackle each year when developing the budget. Iowa's rollback factor is one major factor. This adjustment to the assessed valuation can substantially lower the City's tax revenue. This effect combined with increased costs for supplies and services can often limit the City's ability to effectively meet the needs of its citizens. Road maintenance is one major portion of those services that Sioux City must provide that is proving much more difficult since State funding for road use cannot entirely fund those costs. Another issue is the salary and benefits obligations, which include the City's group health insurance. These costs have increased substantially over the last few years and can be expected to continue in that direction.

The City has also recognized the need to rehabilitate one major service that it provides. The waste water treatment plant has exceeded its useful life and needs many updates to be able to function as it should. Therefore, the City is upgrading the plant to meet several regulatory requirements. The large and costly changes are estimated at \$98 million. As mentioned

previously, the City has increased its sewer rates in an effort to be able to pay for these upgrades. Another factor that is to the City's advantage is the use of the State Revolving Loan Program. This program provides the City with 3% loans over 30 years to finance the City's sewer improvements. While the debt still needs to be repaid, this opportunity to do necessary work at low interest rates is unlikely to be repeated often and should be utilized.

In addition to upgrading the Waste Water Treatment Plant, the City has taken over operations and maintenance of the facility. The City has determined that converting to a municipally operated facility will benefit tax and rate payers and will result in improved customer service for residents, businesses, and users in regional communities. The City will be able to more easily work with and meet the needs of the large entities that discharge large quantities of waste. The City will staff the plant with about 25 employees and will give the current employees at the plant the opportunity to stay under the new City run management.

The City is doing its best to bring new growth to the area even when economic conditions are unstable. Utilization of its Tax Increment Financing (TIF), namely the Donner area, has allowed the City to develop into the southern portion of the City's boundaries, appropriately termed "Southbridge", which is near the City's airport. The site will be ready for an industrial-type company that is looking to easily move into the Sioux City area, thus ultimately expanding Sioux City's tax base. The Iowa Department of Transportation Commission has awarded \$4,791,519 to the City of Sioux City from the Revitalizing Iowa's Sound Economy (RISE) grant to help support the development of the Southbridge Business Park. Program funds will assist with the construction of 16,400 feet of roadway and provide paved access to over 400 acres of land for industrial development. Planned improvements, which began this summer, include Harbor Drive, 225th Street, Andrew Drive and access to the interstate. Other projects have also received substantial grant funding, including two grants for the water treatment plant being built in Southbridge; \$8 million in state I-Jobs funds and \$25 million in state revolving loan funds. The City also has other pending grant applications for both federal and state funds which will help support rail and essential infrastructure. Several projects with prospective companies will be influenced by these funds and are projected to create or retain thousands of jobs and bring millions of dollars in capital investment to Sioux City.

The City was awarded several American Recovery and Reinvestment Act (ARRA) Stimulus Grants in fiscal year 2010 totaling over \$11 million. These grants allowed the City to invest in a wide range of projects to jump-start the economy during these tough economic times. The grants include:

<b>Program Name</b>	<b>Grantor Agency</b>	<b>Amount</b>
Neighborhood Stabilization Program	Department of Economic Development	\$1,158,426
Community Development Block Grant	Department of Housing & Urban Development	509,481
Homeless Prevent/Rapid Re-housing Prog	Department of Housing & Urban Development	779,497
Lead-Based Paint Hazard Control	Department of Housing & Urban Development	1,983,747
Violence Against Women	Department of Justice	7,578
Byrne-Justice Assistance Grant (JAG)	Woodbury County-Department of Justice	184,820
Iowa/Byrne-Justice Assistance Grant (JAG)	Department of Justice	218,959
Airport Improvement Project	Federal Aviation Administration	3,965,686
Highway Planning and Construction-ARRA	Department of Transportation	792,853
Highway Planning and Construction-ARRA	Department of Transportation	495,533
ARRA Non-Urbanized Capital Assistance	Federal Transit Administration	339,483
Transit Capital Improvement Grant	Federal Transit Administration	353,602
Transit Capital Improvement Grant	Federal Transit Administration	84,251
Brownfield Assessment and Cleanup	Environmental Protection Agency	650,000
Energy Efficiency & Conversation Block Grant	U.S. Department of Energy	201,300
I-Jobs	Department of Transportation	101,516
	<b>Total</b>	<b>\$11,826,732</b>

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Finance and Administrative Services Department at 712-279-6207.

CITY OF SIOUX CITY, IOWA  
BASIC FINANCIAL STATEMENTS



CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 70,246,184	\$ 18,844,367	\$ 89,090,551
Accounts Receivable	1,766,602	6,412,036	8,178,638
Accrued Interest Receivable	626,145	25,180	651,325
Notes Receivable	16,898,717	1,000	16,899,717
Special Assessments	1,393,779	---	1,393,779
Due from Other Governments	59,277,765	3,461,230	62,738,995
Internal Balances	(155,103)	155,103	---
Inventories, at Cost	444,206	---	444,206
Prepaid Items	534,116	3,801	537,917
Bond Issue Costs	408,086	1,024,525	1,432,611
Investment in Joint Venture	186,788	---	186,788
Capital Assets not being depreciated:			
Land	42,673,294	3,059,023	45,732,317
Construction in Progress	74,645,336	106,635,720	181,281,056
Capital Assets net of accumulated depreciation:			
Infrastructure	94,988,088	---	94,988,088
Buildings	64,619,819	13,669,220	78,289,039
Buildings under Capital Lease	3,261,750	---	3,261,750
Improvements other than buildings	39,134,231	75,470,690	114,604,921
Equipment	8,679,597	1,266,678	9,946,275
<b>Total Assets</b>	<b>479,629,400</b>	<b>230,028,573</b>	<b>709,657,973</b>
<b>LIABILITIES</b>			
Accounts Payable	3,483,577	807,353	4,290,930
Accrued Wages	1,646,629	146,208	1,792,837
Accrued Interest Payable	303,961	259,951	563,912
Contracts and Retainers Payable	3,506,053	8,861,023	12,367,076
Due to Other Governments	16,513	264,872	281,385
Matured Bonds and Coupons Payable	1,740	13,719	15,459
Deferred Revenue	49,167,835	---	49,167,835
Unearned Revenue	---	770,000	770,000
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	16,000,198	1,151,788	17,151,986
Notes Payable	5,000	7,512,848	7,517,848
Compensated Absences	2,551,057	264,186	2,815,243
Estimated Liability for Damage Claims	1,265,000	---	1,265,000
Estimated Liability for Landfill Closure	---	64,637	64,637
Due in more than one year			
General Obligation Bonds Payable	84,044,901	5,264,381	89,309,282
Notes Payable	5,417	88,366,024	88,371,441
Estimated Post Retirement Benefit Obligation	12,831,003	---	12,831,003
Compensated Absences	1,121,093	161,351	1,282,444
Estimated Liability for Damage Claims	17,544,768	---	17,544,768
Estimated Liability for Landfill Closure	---	1,763,221	1,763,221
<b>Total Liabilities</b>	<b>193,494,745</b>	<b>115,671,562</b>	<b>309,166,307</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt Restricted for:	227,946,599	97,806,290	325,752,889
Capital Improvements	19,204,876	---	19,204,876
Debt Service	8,262,859	---	8,262,859
Endowment, non-expendable	1,001,069	---	1,001,069
Total Restricted	28,468,804	---	28,468,804
Unrestricted	29,719,252	16,550,721	46,269,973
<b>Total Net Assets</b>	<b>\$ 286,134,655</b>	<b>\$ 114,357,011</b>	<b>\$ 400,491,666</b>

The notes to the financial statements are an integral part of this statement.

CITY OF SIOUX CITY, IOWA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Public Safety	\$ 32,815,671	\$ 1,051,542	\$ 1,696,195	\$ 14,753
Public Works	18,703,073	4,257,041	9,921,679	9,692,645
Culture and Recreation	18,748,901	5,898,699	240,442	3,318,964
Community and Economic Development	14,585,952	208,647	8,202,863	2,136,711
General Government	11,884,328	6,377,269	103,417	120,901
Debt Service	5,908,003	---	---	60,904
Total Governmental Activities	102,645,928	17,793,198	20,164,596	15,344,878
<b>Business-Type Activities:</b>				
Airport	3,683,947	1,559,765	131,069	5,011,487
Water	9,462,914	11,365,825	---	442,528
Sewer	13,573,929	17,370,461	---	---
Solid Waste	4,469,177	4,607,291	---	---
Parking	1,412,106	1,261,195	---	---
Skyway System	378,203	378,203	---	---
Total Business-Type Activities	32,980,276	36,542,740	131,069	5,454,015
Total Functions/Programs	\$ 135,626,204	\$ 54,335,938	\$ 20,295,665	\$ 20,798,893

General Revenues:  
Property Taxes  
Franchise Taxes  
Hotel-Motel Taxes  
Local Option Sales Taxes  
Interest  
Revenue from Sale of Uncapitalized Property  
Miscellaneous

Transfers  
Total General Revenues and Transfers  
Changes in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

*The notes to the financial statements are an integral part of this statement.*

EXHIBIT 2

Net (Expenses) Revenues and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (30,053,181)	\$ ---	\$ (30,053,181)
5,168,292	---	5,168,292
(9,290,796)	---	(9,290,796)
(4,037,731)	---	(4,037,731)
(5,282,741)	---	(5,282,741)
(5,847,099)	---	(5,847,099)
(49,343,256)	---	(49,343,256)
---	3,018,374	3,018,374
---	2,345,439	2,345,439
---	3,796,532	3,796,532
---	138,114	138,114
---	(150,911)	(150,911)
---	---	---
---	9,147,548	9,147,548
\$ (49,343,256)	\$ 9,147,548	\$ (40,195,708)
50,213,734	---	50,213,734
2,426,557	---	2,426,557
1,098,913	---	1,098,913
11,132,267	---	11,132,267
1,070,516	299,164	1,369,680
644,883	---	644,883
2,002,806	247,668	2,250,474
(536,530)	536,530	---
68,053,146	1,083,362	69,136,508
18,709,890	10,230,910	28,940,800
267,424,765	104,126,101	371,550,866
\$ 286,134,655	\$ 114,357,011	\$ 400,491,666

CITY OF SIOUX CITY, IOWA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

<b>ASSETS</b>	General	Other Employee Benefits	Local Option Sales Tax
Cash and Cash Equivalents	\$ 5,255,548	\$ 3,515	\$ 237,631
Investment in Joint Venture	186,788	---	---
Accounts Receivable	761,502	---	7,953
Accrued Interest Receivable	107,854	---	9,846
Notes Receivable	22,000	---	404,992
Special Assessments	---	---	---
Due from Other Governments	20,630,122	8,447,513	1,813,923
Due from Other Funds	2,289,826	---	---
Inventories	---	---	---
Prepaid Items	---	---	---
Total Assets	<u>29,253,640</u>	<u>8,451,028</u>	<u>2,474,345</u>
<b>LIABILITIES</b>			
Accounts Payable	248,765	50,228	---
Accrued Wages	1,256,157	---	---
Contracts and Retainers Payable	7,361	---	---
Due to Other Governments	5,455	---	---
Due to Other Funds	4,531	---	---
Matured Bonds and Coupons Payable	---	---	---
Deferred Revenue	19,525,442	8,275,700	---
Total Liabilities	<u>21,047,711</u>	<u>8,325,928</u>	<u>---</u>
<b>FUND BALANCES</b>			
Non-Spendable:			
Inventory	---	---	---
Prepaid Items	---	---	---
Long-Term Notes Receivable	22,000	---	404,992
Endowment, non-expendable	---	---	---
Restricted	---	125,100	---
Committed	446,436	---	---
Assigned	---	---	2,069,353
Unassigned	7,737,493	---	---
Total Fund Balances	<u>8,205,929</u>	<u>125,100</u>	<u>2,474,345</u>
Total Liabilities and Fund Balances	<u>\$ 29,253,640</u>	<u>\$ 8,451,028</u>	<u>\$ 2,474,345</u>

*The notes to the financial statements are an integral part of this statement.*

EXHIBIT 3

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 6,649,031	\$ 38,550,665	\$ 4,923,243	\$ 55,619,633
---	---	---	186,788
11,550	234,029	276,087	1,291,121
145	70	501,445	619,360
184,012	9,048,534	7,184,188	16,843,726
1,393,779	---	---	1,393,779
21,139,476	3,604,701	3,642,030	59,277,765
---	22,401	3,450	2,315,677
---	---	101,735	101,735
---	---	358,358	358,358
<u>29,377,993</u>	<u>51,460,400</u>	<u>16,990,536</u>	<u>138,007,942</u>
---	1,637,003	844,885	2,780,881
---	19,268	305,684	1,581,109
---	3,235,773	261,119	3,504,253
---	---	11,058	16,513
---	400,000	2,171,089	2,575,620
1,740	---	---	1,740
<u>22,063,834</u>	<u>---</u>	<u>739,831</u>	<u>50,604,807</u>
22,065,574	5,292,044	4,333,666	61,064,923
---	---	101,735	101,735
---	---	358,358	358,358
184,012	9,048,534	7,184,188	16,843,726
---	---	1,001,069	1,001,069
7,127,123	---	3,078,718	10,330,941
1,284	17,914,946	917,756	19,280,422
---	19,204,876	2,097,829	23,372,058
---	---	(2,082,783)	5,654,710
<u>7,312,419</u>	<u>46,168,356</u>	<u>12,656,870</u>	<u>76,943,019</u>
<u>\$ 29,377,993</u>	<u>\$ 51,460,400</u>	<u>\$ 16,990,536</u>	<u>\$ 138,007,942</u>

CITY OF SIOUX CITY, IOWA  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2010

EXHIBIT 3A

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

Total Fund Balances - Governmental Funds (Exhibit 3)		\$	76,943,019
Infrastructure, property and equipment used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:			
Land			
Construction in Progress	42,673,294		
Infrastructure, net of \$43,256,880 accumulated depreciation	74,645,336		
Buildings, net of \$21,111,693 accumulated depreciation	94,988,088		
Buildings under Capital Lease, net of \$4,413,250 accumulated depreciation	64,619,819		
Improvements other than Buildings, net of \$16,005,647 accumulated depreciation	3,261,750		
Equipment, net of \$13,554,876 accumulated depreciation	38,913,879		
Total Capital Assets	1,406,383		320,508,549
Internal Service funds (See Exhibit 5) are used by management to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's fleet and are included in the Statement of Net Assets.			(9,357,825)
Deferred Revenues that provide current financial resources for governmental activities.			1,436,973
Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.			(303,961)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.			
Bond Issue Costs	408,086		
Bond Discount	100,926		
Bond Premium	(1,342,194)		
Total Bond Issue Costs (See Note 6)	(1,342,194)		(833,182)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds	(98,803,831)		
Notes Payable	(10,417)		
Compensated Absences	(3,444,670)		
Total Long-term Liabilities (See Note 6)	(102,258,918)		(102,258,918)
Total Net Assets - Governmental Activities (Exhibit 1)		\$	286,134,655

The notes to the financial statements are an integral part of this statement.



**CITY OF SIOUX CITY, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>REVENUES</u>	General	Other Employee Benefits	Local Option Sales Tax
Taxes	\$ 22,905,931	\$ 8,153,636	\$ 11,132,267
Special Assessments	140,703	---	---
Regulatory Fees	1,809,309	---	---
Intergovernmental Revenue	1,881,967	---	---
Revenue from Use of Property	381,886	---	---
Charges for Services	4,748,719	---	---
Interest	219,896	---	9,594
Contributions	193,988	---	---
Miscellaneous	396,754	---	---
Total Revenue	<u>32,679,153</u>	<u>8,153,636</u>	<u>11,141,861</u>
<u>EXPENDITURES</u>			
Current:			
Public Safety	30,895,548	1,138,177	---
Public Works	1,585,620	---	---
Culture and Recreation	7,606,952	135,682	---
Community and Economic Development	1,187,696	17,273	27,702
General Government	3,557,460	17,089	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	<u>44,833,276</u>	<u>1,308,221</u>	<u>27,702</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,154,123)	6,845,415	11,114,159
<u>OTHER FINANCING SOURCES (USES)</u>			
Issuance of Debt	---	---	---
Issuance of Refunding Bonds	---	---	---
Payment for Refunded Bonds	---	---	---
Premiums on Bonds Issued	---	---	---
Discounts on Bonds Issued	---	---	---
Proceeds from the Sale of Uncapitalized Assets	---	---	---
Proceeds from the Sale of Capitalized Assets	---	---	---
Transfers In	16,092,806	---	80,000
Transfers Out	(3,885,266)	(7,529,037)	(11,275,000)
Total Other Financing Sources (Uses)	<u>12,207,540</u>	<u>(7,529,037)</u>	<u>(11,195,000)</u>
Net Change in Fund Balance	53,417	(683,622)	(80,841)
Fund Balance - Beginning of Year	<u>8,152,512</u>	<u>808,722</u>	<u>2,555,186</u>
Fund Balance - End of Year	<u>\$ 8,205,929</u>	<u>\$ 125,100</u>	<u>\$ 2,474,345</u>

*The notes to the financial statements are an integral part of this statement.*

EXHIBIT 4

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 22,074,682	\$ ---	\$ 686,430	\$ 64,952,946
60,904	---	19,309	220,916
---	---	---	1,809,309
---	13,271,776	18,088,641	33,242,384
---	347,773	4,403,540	5,133,199
---	---	3,375,888	8,124,607
31,161	347,645	440,593	1,048,889
---	1,812,594	---	2,006,582
2,836	40,000	657,155	1,096,745
<u>22,169,583</u>	<u>15,819,788</u>	<u>27,671,556</u>	<u>117,635,577</u>
---	---	---	32,033,725
---	---	12,823,479	14,409,099
---	---	7,848,953	15,591,587
---	---	9,092,912	10,325,583
---	---	---	3,574,549
21,045,791	---	---	21,045,791
---	34,037,802	---	34,037,802
<u>21,045,791</u>	<u>34,037,802</u>	<u>29,765,344</u>	<u>131,018,136</u>
1,123,792	(18,218,014)	(2,093,788)	(13,382,559)
356,587	18,481,053	---	18,837,640
4,580,000	---	---	4,580,000
(4,725,000)	---	---	(4,725,000)
672,987	---	---	672,987
(12,480)	---	---	(12,480)
---	39,508	---	39,508
---	62,667	---	62,667
3,565,958	6,247,135	4,341,199	30,327,098
(2,384,238)	(3,474,263)	(2,495,824)	(31,043,628)
<u>2,053,814</u>	<u>21,356,100</u>	<u>1,845,375</u>	<u>18,738,792</u>
3,177,606	3,138,086	(248,413)	5,356,233
<u>4,134,813</u>	<u>43,030,270</u>	<u>12,905,283</u>	<u>71,586,786</u>
<u>\$ 7,312,419</u>	<u>\$ 46,168,356</u>	<u>\$ 12,656,870</u>	<u>\$ 76,943,019</u>

CITY OF SIOUX CITY, IOWA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE TO THE STATEMENT OF ACTIVITIES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

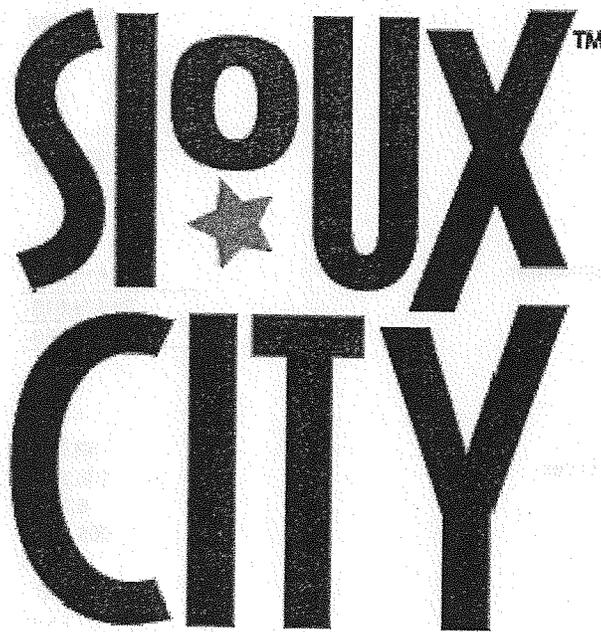
Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Governmental Funds (Exhibit 4)	\$	5,356,233
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$27,663,064) exceeded depreciation (\$9,137,571) in the current period.		18,525,493
Governmental funds report the proceeds from the sale of fixed assets as revenue whereas the statement of activities reports the gain or (loss) on the disposal of fixed assets. This is the effect on the change in net assets on the statement of activities.		(394,864)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		109,193
Accrued interest expense that does not require current financial resources.		(3,987)
Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:		(213,113)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when new debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Debt Issued:		
General Obligation Bonds	(18,837,640)	
Refunding Bonds	(4,580,000)	
Bond Costs	98,146	
Bond Discounts	12,480	
Bond Premium	(672,987)	
Repayments:		
General Obligation Bonds	14,993,323	
Refunding Bonds	4,725,000	
Bond Charges	45,725	
Notes Payable	4,583	
Net Adjustment (See Note 6)	<u>4,583</u>	(4,211,370)
Internal Service funds (See Exhibit 6) are used by the City to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's equipment and are included in the Statement of Net Assets. The net expense of the Internal Service funds is reported with governmental activities.		<u>(457,695)</u>
Changes in Net Assets - Governmental Activities (Exhibit 2)	\$	<u>18,709,890</u>

The notes to the financial statements are an integral part of this statement.

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 2011

	2011	2010
ASSETS		
Current Assets		
Accounts receivable	1,234,567	987,654
Inventory	567,890	432,109
Prepaid expenses	123,456	87,654
Other current assets	345,678	210,987
Total Current Assets	2,271,591	1,718,404
Non-current Assets		
Property, plant and equipment	876,543	765,432
Intangible assets	210,987	123,456
Other non-current assets	432,109	345,678
Total Non-current Assets	1,519,639	1,234,567
Total Assets	3,791,230	2,952,971
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	987,654	876,543
Short-term debt	432,109	345,678
Other current liabilities	210,987	123,456
Total Current Liabilities	1,630,750	1,345,678
Non-current Liabilities		
Long-term debt	765,432	654,321
Other non-current liabilities	123,456	87,654
Total Non-current Liabilities	888,888	741,975
Total Liabilities	2,519,638	2,087,653
Equity		
Common stock	1,000,000	1,000,000
Retained earnings	271,592	865,318
Total Equity	1,271,592	1,865,318
Total Liabilities and Equity	3,791,230	2,952,971



Management's discussion and analysis of financial condition and results of operations for the year ended 2011. This section provides a detailed overview of the company's performance, including a review of the financial statements and a discussion of the company's strategy and outlook for the future. The company has achieved significant growth in sales and profitability over the past year, and is well-positioned to continue its upward trajectory in the coming years.

CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

Business-Type Activities

	<u>Airport</u>	<u>Water System</u>
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,230,580	\$ 3,530,216
Accounts Receivable	29,761	2,326,450
Accrued Interest Receivable	---	6,169
Notes Receivable - Current	---	---
Due from Other Governments	1,012,966	1,144,084
Due from Other Funds	---	400,000
Inventories, at Cost	---	---
Prepaid Items	---	3,801
Bond Issue Costs	---	316,196
Total Current Assets	2,273,307	7,726,916
<u>Non-Current Assets</u>		
Notes Receivable - Long-term	1,000	---
Capital Assets, Net of Accumulated Depreciation	29,573,616	54,388,793
Total Non-Current Assets	29,574,616	54,388,793
Total Assets	31,847,923	62,115,709
<b>LIABILITIES</b>		
<u>Current Liabilities</u>		
Accounts Payable	82,770	623,130
Accrued Wages and Compensated Absences	108,204	292,329
Accrued Interest Payable	6,284	64,337
Contracts and Retainers Payable	665,360	2,439,896
Due to Other Governments	---	127,198
Due to Other Funds	104,840	22,401
Estimated Liability for Damage Claims	---	---
Current Portion of G.O. Bonds	296,588	173,200
Current Portion of Notes Payable	---	5,144,848
Matured Bonds and Coupons Payable	---	6,050
Deferred Revenues	---	---
Total Current Liabilities	1,264,046	8,893,389
<u>Non-Current Liabilities</u>		
Post Employment Benefit Obligation	---	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
General Obligation Bonds, Net of Current Portion	1,698,581	1,313,140
Notes Payable, Net of Current Portion	---	23,418,716
Total Non-Current Liabilities	1,698,581	24,731,856
Total Liabilities	2,962,627	33,625,245
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	27,578,447	24,338,889
Unrestricted	1,306,849	4,151,575
Total Net Assets	\$ 28,885,296	\$ 28,490,464

The notes to the financial statement are an integral part of this statement.

EXHIBIT 5

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 10,023,437	\$ 3,751,395	\$ 308,739	\$ 18,844,367	\$ 14,626,551
3,053,137	718,288	284,400	6,412,036	475,481
13,947	4,784	280	25,180	6,785
---	---	---	---	54,991
1,302,598	---	1,582	3,461,230	---
---	---	4,065	404,065	104,840
---	---	---	---	342,471
---	---	---	3,801	175,758
708,329	---	---	1,024,525	---
15,101,448	4,474,467	599,066	30,175,204	15,786,877
---	---	---	1,000	---
105,384,411	1,596,828	9,157,683	200,101,331	7,493,566
105,384,411	1,596,828	9,157,683	200,102,331	7,493,566
120,485,859	6,071,295	9,756,749	230,277,535	23,280,443
30,847	20,367	50,239	807,353	702,696
111,406	4,145	55,661	571,745	293,001
183,287	81	5,962	259,951	---
5,391,408	344,064	20,295	8,861,023	1,800
107,957	29,717	---	264,872	---
---	---	121,721	248,962	---
---	---	---	---	1,265,000
306,080	12,943	362,977	1,151,788	---
2,368,000	---	---	7,512,848	---
56	---	7,613	13,719	---
---	---	770,000	770,000	---
8,499,041	411,317	1,394,468	20,462,261	2,262,497
---	---	---	---	12,831,003
---	---	---	---	17,544,768
---	1,827,858	---	1,827,858	---
720,599	37,105	1,494,956	5,264,381	---
64,947,308	---	---	88,366,024	---
65,667,907	1,864,963	1,494,956	95,458,263	30,375,771
74,166,948	2,276,280	2,889,424	115,920,524	32,638,268
37,042,424	1,546,780	7,299,750	97,806,290	7,493,566
9,276,487	2,248,235	(432,425)	16,550,721	(16,851,391)
\$ 46,318,911	\$ 3,795,015	\$ 6,867,325	\$ 114,357,011	\$ (9,357,825)

CITY OF SIOUX CITY, IOWA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<b><u>OPERATING REVENUES</u></b>		
Revenue from Use of Property		
Charges for Service	\$ 1,205,697	\$ 105,425
Total Operating Revenues	<u>354,068</u>	<u>11,260,400</u>
	1,559,765	11,365,825
<b><u>OPERATING EXPENSES</u></b>		
Employee Services	939,733	3,990,948
Supplies and Services	504,865	938,158
Repairs and Improvements	165,746	639,301
Utilities	159,065	477,152
Depreciation	1,877,751	2,570,343
Damage Settlement	---	---
Total Operating Expenses	<u>3,647,160</u>	<u>8,615,902</u>
Operating Income (Loss)	(2,087,395)	2,749,923
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Intergovernmental Revenue	5,142,556	442,528
Interest Income	---	135,357
Gain (Loss) on Sale of Capital Assets	---	---
Other Non-Operating Revenues	100,161	147,507
Interest Expense	(36,787)	(756,630)
Other Non-Operating Expenses	---	(90,382)
Total Non-Operating Revenues (Expenses)	<u>5,205,930</u>	<u>(121,620)</u>
Income (Loss) before Transfers	3,118,535	2,628,303
Transfers In	<u>436,530</u>	<u>100,000</u>
Changes in Net Assets	3,555,065	2,728,303
Net Assets - Beginning of the Year	<u>25,330,231</u>	<u>25,762,161</u>
Net Assets - End of Year	<u>\$ 28,885,296</u>	<u>\$ 28,490,464</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 4,080	\$ 111,759	\$ ---	\$ 1,426,961	\$ 154,237
17,366,381	4,495,532	1,639,398	35,115,779	24,004,371
17,370,461	4,607,291	1,639,398	36,542,740	24,158,608
2,264,711	173,418	481,067	7,849,877	15,997,904
6,360,185	4,049,876	640,645	12,493,729	1,574,875
498,137	13,469	225,372	1,542,025	4,596,150
116,855	9,869	58,163	821,104	31,255
2,319,267	221,260	301,109	7,289,730	2,640,225
---	---	---	---	976,147
11,559,155	4,467,892	1,706,356	29,996,465	25,816,556
5,811,306	139,399	(66,958)	6,546,275	(1,657,948)
---	---	---	5,585,084	---
94,495	68,951	361	299,164	21,627
---	---	---	---	83,629
---	---	---	247,668	914,997
(1,769,366)	(1,285)	(83,953)	(2,648,021)	---
(245,408)	---	---	(335,790)	---
(1,920,279)	67,666	(83,592)	3,148,105	1,020,253
3,891,027	207,065	(150,550)	9,694,380	(637,695)
---	---	---	536,530	180,000
3,891,027	207,065	(150,550)	10,230,910	(457,695)
42,427,884	3,587,950	7,017,875	104,126,101	(8,900,130)
\$ 46,318,911	\$ 3,795,015	\$ 6,867,325	\$ 114,357,011	\$ (9,357,825)

CITY OF SIOUX CITY, IOWA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activities	
	Airport	Water System
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash Received from Customers	\$ 591,786	\$ 11,153,299
Cash Paid for Personal Services	(936,702)	(3,995,310)
Cash Paid to Suppliers	(309,725)	119,234
Other Non-Operating Revenues	100,161	147,507
Net Cash Provided (Used) by Operating Activities	<u>(554,480)</u>	<u>7,424,730</u>
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisition and Construction of Capital Assets	(5,506,780)	(8,748,120)
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	1,291,360	1,326,000
Bond Issuance Costs	---	(75,474)
Proceeds from Notes Payable	---	3,459,502
Principal Paid on Notes and Bonds	(214,503)	(1,713,336)
Interest Paid on Notes and Bonds	(33,276)	(755,228)
Net Cash (Used) by Capital and Related Financing Activities	<u>(4,463,199)</u>	<u>(6,506,656)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Intergovernmental Revenue	5,333,180	---
Transfers In	436,530	100,000
Net Cash Provided by Non-Capital Financing Activities	<u>5,769,710</u>	<u>100,000</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest and Dividends on Investments	1,018	134,531
Payments Received on Notes Receivable	---	---
Net Cash Provided By Investing Activities	<u>1,018</u>	<u>134,531</u>
Net Increase (Decrease) in Cash and Cash Equivalents	753,049	1,152,605
Cash and Cash Equivalents at Beginning of Year	477,531	2,377,611
Cash and Cash Equivalents at End of Year	<u>\$ 1,230,580</u>	<u>\$ 3,530,216</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating Income (Loss)	\$ (2,087,395)	\$ 2,749,923
<i>Adjustments to Reconcile Net Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	1,877,751	2,570,343
Other Non-Operating Revenues	100,161	147,507
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	44,987	(212,526)
Due from Other Governments	(1,012,966)	---
Due from Other Funds	---	---
Inventories	---	---
Prepaid Items	---	(3,801)
Accounts Payable	(1,715)	(27,912)
Accrued Wages and Compensated Absences	3,031	(4,362)
Contracts and Retainers Payable	416,827	2,203,188
Due to Other Governments	---	11,969
Due to Other Funds	104,839	(9,599)
Deferred Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	<u>1,532,915</u>	<u>4,674,807</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (554,480)</u>	<u>\$ 7,424,730</u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 17,060,015	\$ 4,577,060	\$ 1,590,549	\$ 34,972,709	\$ 23,713,631
(2,257,083)	(171,438)	(478,203)	(7,838,736)	(13,787,836)
(5,910,918)	(4,444,909)	(1,041,547)	(11,587,865)	(6,505,097)
---	---	---	247,668	914,997
8,892,014	(39,287)	70,799	15,793,776	4,335,695
(23,689,525)	---	179,198	(37,765,227)	(2,362,264)
---	---	---	---	172,618
---	---	---	2,617,360	---
(208,265)	---	---	(283,739)	---
20,860,303	---	---	24,319,805	---
(2,643,522)	(13,158)	(391,363)	(4,975,882)	---
(1,696,770)	(1,313)	(85,081)	(2,571,668)	---
(7,377,779)	(14,471)	(297,246)	(18,659,351)	(2,189,646)
---	---	---	5,333,180	---
---	---	---	536,530	180,000
---	---	---	5,869,710	180,000
95,719	72,275	844	304,387	21,553
---	402,064	---	402,064	38,202
95,719	474,339	844	706,451	59,755
1,609,954	420,581	(225,603)	3,710,586	2,385,804
8,413,483	3,330,814	534,342	15,133,781	12,240,747
\$ 10,023,437	\$ 3,751,395	\$ 308,739	\$ 18,844,367	\$ 14,626,551
\$ 5,811,306	\$ 139,399	\$ (66,958)	\$ 6,546,275	\$ (1,657,948)
2,319,267	221,260	301,109	7,289,730	2,640,225
---	---	---	247,668	914,997
(310,446)	(30,231)	(50,485)	(558,701)	(340,137)
---	---	---	(1,012,966)	---
---	---	1,636	1,636	(104,840)
---	---	---	---	(25,962)
---	---	---	(3,801)	(3,115)
24,979	17,578	(28,089)	(15,159)	339,516
7,628	1,980	2,864	11,141	20,900
1,048,372	(5,538)	8,955	3,671,804	---
(9,092)	964	---	3,841	---
---	---	6,767	102,007	---
---	(334,610)	(105,000)	(439,610)	---
---	---	---	---	2,189,168
---	(50,089)	---	(50,089)	---
---	---	---	---	362,891
3,080,708	(178,686)	137,757	9,247,501	5,993,643
\$ 8,892,014	\$ (39,287)	\$ 70,799	\$ 15,793,776	\$ 4,335,695

CITY OF SIOUX CITY, IOWA  
 STATEMENT OF NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2010

ASSETS

Cash and Cash Equivalents	\$	799,592
Accounts Receivable		<u>152,151</u>
Total Assets		<u>951,743</u>

LIABILITIES

Accounts Payable		48,006
Due to Other Governments		<u>903,737</u>
Total Liabilities		<u>951,743</u>
Total Net Assets	\$	<u><u>---</u></u>

*The notes to the financial statements are an integral part of this statement.*

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

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

**A. Reporting Entity**

The City of Sioux City, Iowa, was incorporated May 5, 1855, under the laws of the State of Iowa, later amended by the Home Rule City Act. The City operates under the Council-Manager form of government and provides the following program services as authorized by its charter: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, and General Government. These program services are administered by departments, agencies and various boards.

These financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) that apply to governmental units. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith.

The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its business-type activities. The more significant accounting policies established in U.S. GAAP and used by the City are discussed below.

The City of Sioux 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.

The City of Sioux City does not include any component units within its reporting entity.

The City participates in jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. The City is a member of the County Assessor's Conference Board and the City Assessor's Conference Board.

**B. Basic Financial Statements – Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects, and permanent funds are classified as governmental activities. The City's internal service fund is classified as a governmental-type activity. The government-wide financial statements do not include fiduciary funds.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 1 - (Continued)**

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, and Debt Service), and business-type activities. These expenses are supported by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

**C. Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus. The non-major funds are combined into a single column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

**Governmental Fund Types** –The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. It is used to account for and report all financial resources, except those required to be accounted for and reported in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation. The General Fund is a major fund.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 1 - (Continued)**

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Special Revenue Funds for Sioux City include: Other Employee Benefits, Emergency Fund, Storm Water Drainage, Road Use, Community Development, Housing, Main Street, Younkers Self-Improvement District, Local Option Sales Tax, Events Facilities, and Transit System. Two of the Special Revenue Funds are considered major funds: the Other Employee Benefits Fund is used to account for the City's employee benefits tax levy and the Local Option Sales Tax Fund is used to account for the City's 1% local option sales tax. Both are funded by the tax revenues of the same name.

Debt Service Fund - The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is a major fund.

Capital Projects Fund - Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets (other than those financed by Proprietary Funds and Fiduciary Funds). The Capital Projects Fund is a major fund.

Permanent Fund - The Permanent Fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal may be used for the care and maintenance of assets held by the City, pursuant to the cemetery trust agreement in which the City cares for its cemeteries.

**Proprietary Fund Types** – The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. 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 enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The funds reported as enterprise funds are listed below.

Airport Fund - The Airport Fund accounts for the operation and maintenance of the City's airport facility. The Airport Fund is a major fund.

Water Fund - The Water Utility Fund accounts for the operation and maintenance of the City's water system. The Water Fund is a major fund.

Sewer Fund - The Sewer Utility Fund accounts for the operation and maintenance of the City's sewer system. The Sewer Fund is a major fund.

Solid Waste Fund -The Solid Waste Fund accounts for the operation and maintenance of the City's solid waste facilities. The Solid Waste Fund is a major fund.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 1 - (Continued)**

Enterprise Funds – (Continued)

Parking Fund - The Parking Fund accounts for the operations of the City-owned parking ramps and other parking facilities.

Skyway System - The Skyway System accounts for the maintenance and security of the skyway system.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Central Maintenance Garage - The Central Maintenance Garage Fund accounts for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - The Comprehensive Insurance Fund accounts for the funding and maintenance of the City's insurance policies provided to user departments.

**Fiduciary Fund Types** – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore, are not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements.

Sioux City Housing Trust Fund – This fund accounts for the activity of the Sioux City Housing Trust Fund.

Revolving Fund – This fund accounts for refunds to City customers.

WCICC Fund – This fund accounts for the activity of the Woodbury County Information Communication Center (WCICC).

Museum Building Property, Inc. Fund – This fund accounts for the activity of Museum Building Property, Inc.

SHARP Fund – This fund accounts for the activities of the Siouxland Historic Auditorium Restoration Project (SHARP).

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 1 - (Continued)**

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

**E. Budgets**

Chapter 384, Section 16, of the State Code of Iowa, requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. The City budget may be amended for specified level purposes and budget amendments must be prepared and adopted in the same manner as the original budget. Appropriations, as adopted and amended, lapse at the end of the fiscal year, with the exception of Capital Improvement Projects and encumbrances. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. This level of control is at a level higher than the individual fund. It is necessary, therefore, to aggregate the expenditures of governmental fund types with expenses of proprietary fund types on a program level basis and to compare such program totals to program budgeted totals in order to demonstrate legal compliance with budget. Legal budget compliance for cities in the State of Iowa is applied only to expenditures.

**F. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in the cash management pool, which has the general characteristics of a demand deposit account.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 1 - (Continued)**

Iowa Code, Chapter 452.10, Custody of Public Funds, allows the City Treasurer to invest public funds not needed for operations. Chapter 97B.7, Trustees duties, indicates that the City Treasurer shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Common, preferred, and guaranteed stock is an exception for the investment of public funds.

The City follows the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments for External Investment Pools". The City used the following methods in determining the reported amounts: Commercial paper – quoted fair value, U.S. Treasuries – quoted fair value, U.S. Agencies – quoted fair value.

**G. Accounts Receivable**

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other non-major governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund.

**H. Short-Term Interfund Receivables/Payables**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2010, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

**I. Notes Receivable From Other Funds**

Noncurrent portions of long-term interfund loan receivables are reported as notes receivable.

**J. Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental and proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items.

**L. Restricted Assets**

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 1 - (Continued)**

**M. Capital Assets**

Assets with an initial individual cost of \$10,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available.

Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been

capitalized using historical or estimated historical cost beginning in 1980, as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings & Structures .....	39 - 50 Years
Machinery & Equipment.....	3 - 10 Years
Infrastructure .....	15 - 70 Years

**N. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when the employees separate from service with the exception of employees of the Transit System. All Transit System employees who are covered by the Amalgamated Transit Union receive, upon retirement or death, a sick leave benefit of up to 120 days of paid sick leave.

**O. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt issued is reported as other financial 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 are reported as debt service expenditures.

**P. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net asset component as the unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

Note 1 - (Continued)

**Q. Interfund Transactions**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

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 and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**R. Fund Balance**

Nonspendable Fund Balance – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through legislation, resolution or ordinance, unless the City Council removes or changes the specified use by taking the same type of action used to commit the amounts.

Assigned Fund Balance – Amounts that are constrained by the City Council, or by another City official or the finance division to which the City has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.

Unassigned Fun Balance – Amounts that are available for any purpose; these amounts can be reported only in the City's General Fund.

**S. Classifying Fund Balance Amounts**

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The City fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the City incurs an expenditure and both restricted and unrestricted amounts are available, the City considers restricted amounts to have been spent. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

**T. General Fund Balance Policy**

The City budgets sufficient General Fund revenues to finance current year expenditures. Due to the volatility of some of the major revenue sources, the minimum unrestricted General Fund balance as a percentage of actual expenditures will be no less than 12%. To avoid a balance in excess of the level

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 1 - (Continued)**

deemed sufficient for prudent fiscal management, a maximum unrestricted General Fund balance, as a percentage of actual expenditures will be no more than 20%. If the General Fund balance falls outside of the above parameters, budgeted revenues will be either greater or less than budgeted expenditures in subsequent years to bring the General Fund balance into compliance with this policy.

**U. Use of Estimates**

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

**Note 2 - Deposits and Investments**

State statutes authorize the City to invest in "notes, certificates, bonds, prime eligible bankers acceptances, commercial paper rated within the two highest classifications of prime as established by at least one of the standard rating services approved by the Superintendent of Banking pursuant to Chapter 17A, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits in depositories as provided in Chapter 12B and receive the time certificates of deposit for the funds, certain registered open-end management investment companies, certain joint investment trusts or in savings accounts in depositories, or in warrants or improvement certificates of drainage districts." Additionally, as required by statute, the City Council has implemented an investment policy for the City. This policy does not specifically limit those authorized by statute, but does express the Council's preferences as to maturities, trading and location of financial institutions invested in. Investments during the year have not varied from these statutes and were consistent with those held by the City at year-end.

Deposits

The City's deposits at June 30, 2010, were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name, or by a multiple financial institution collateral pool 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. The City's bank deposits, per banks, at June 30, 2010, were \$83,790,256. These deposits have a book balance of \$82,505,773.

Investments

Investments are shown at fair value, except those that have a remaining maturity at the time of purchase of one year or less are shown at amortized costs. Presented below are the ratings, where applicable, by investment type as of June 30, 2010.

Investments	Carrying Amount	Moody's Rating 6/30/10
U.S. Treasury Strips	\$ 367,532	N/A
U.S. Agencies	7,005,625	N/A
	<u>\$ 7,373,157</u>	

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 2 - (Continued)**

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with rating restrictions.

*Concentration of credit risk.* The City's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the City's total investments.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The 2005 Iowa Code Chapter 12C Deposit of Public Funds requires that any bank accepting deposits of public funds to fully collateralize those deposits with the State Treasurer.

*Custodial 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. Of the City's investments at June 30, 2010, the City has limited custodial credit risk exposure because all investments of the City must be held for the credit of the City in compliance with Iowa Code Chapter 12B. The counterparty must keep the securities in an account separate and apart from its own.

Cash and Cash Equivalents

The City pools the resources of each individual fund's available cash in order to obtain higher rates of return than could be if the funds were invested individually. The interest earned on the cash and cash equivalents is allocated to selected funds, as determined by the Director of Finance and the City Treasurer, in accordance with the City's investment policy, based on the ratio of each fund's participation in the pool. The cash and cash equivalents at June 30, 2010, consisted of the following:

Reconciliation to Exhibit 1:

	Carrying Amount
Investments	\$ 7,373,157
Bank Deposits	82,505,773
Cash on hand, petty cash and other cash items	11,213
Total Cash and Cash Equivalents	\$ 89,890,143
Cash and Cash Equivalents – Exhibit 1	\$ 89,090,551
Cash and Cash Equivalents – Exhibit 8	799,592
Total Cash and Cash Equivalents	\$ 89,890,143

CITY OF SIOUX CITY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 3 - Receivables**

The following schedule details receivables:

<u>Fund Type</u>	Property Taxes	Grants/ Revenue from Other Governments	Accounts Receivable	Notes Receivable	Special Assessments	Total
<b>GENERAL</b>	\$ 19,933,640	\$ 696,482	\$ 761,502	\$ 22,000	\$ ---	\$ 21,413,624
Special Revenues						
Emergency Fund	590,415	---	---	---	---	590,415
Storm Water Drainage	---	---	69,033	---	---	69,033
Road Use	---	625,265	1,371	---	---	626,636
Community Development	---	676,907	13,899	7,151,904	---	7,842,710
Housing	---	20,135	1,706	32,284	---	54,125
Main Street	132,694	---	---	---	---	132,694
Local Option Sales Tax	---	1,813,923	7,953	404,992	---	2,226,868
Events Facilities	---	---	129,165	---	---	129,165
Transit System	---	1,596,614	60,913	---	---	1,657,527
Employee Benefits	8,447,513	---	---	---	---	8,447,513
<b>TOTAL SPECIAL REVENUES</b>	<b>9,170,622</b>	<b>4,732,844</b>	<b>284,040</b>	<b>7,589,180</b>	<b>---</b>	<b>21,776,686</b>
<b>DEBT SERVICE</b>	<b>21,139,439</b>	<b>37</b>	<b>11,550</b>	<b>184,012</b>	<b>1,393,779</b>	<b>22,728,817</b>
<b>CAPITAL PROJECTS</b>	<b>---</b>	<b>3,604,701</b>	<b>234,029</b>	<b>9,048,534</b>	<b>---</b>	<b>12,887,264</b>
Enterprises						
Airport System	---	1,012,966	29,761	1,000	---	1,043,727
Water System	---	1,144,084	2,326,450	---	---	3,470,534
Sewer System	---	1,302,598	3,053,137	---	---	4,355,735
Solid Waste System	---	---	718,288	---	---	718,288
Parking Facility	---	1,582	136,445	---	---	138,027
Skyway System	---	---	147,955	---	---	147,955
<b>TOTAL ENTERPRISE</b>	<b>---</b>	<b>3,461,230</b>	<b>6,412,036</b>	<b>1,000</b>	<b>---</b>	<b>9,874,266</b>
Internal Service Funds						
Central Maintenance Garage	---	---	182,961	54,991	---	237,952
Comprehensive Insurance	---	---	292,520	---	---	292,520
<b>TOTAL INTERNAL SERVICE</b>	<b>---</b>	<b>---</b>	<b>475,481</b>	<b>54,991</b>	<b>---</b>	<b>530,472</b>
<b>TOTAL RECEIVABLES</b>	<b>\$ 50,243,701</b>	<b>\$ 12,495,294</b>	<b>\$ 8,178,638</b>	<b>\$ 16,899,717</b>	<b>\$ 1,393,779</b>	<b>\$ 89,211,129</b>

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 3 - (Continued)**

All property subject to taxation is valued by the City Assessor, in compliance with State law, every two years subject to equalization action of the State Director of Revenue and further adjustment to restrict growth of taxable valuations to an annual limit of four percent statewide.

Taxes are billed and collected for the City of Sioux City by the Woodbury County Treasurer and are levied and due on July 1 of each year. Property taxes attach as an enforceable lien on March 15, also. The first installment becomes delinquent the following October 1, and the second installment becomes delinquent April 1 of the following calendar year. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days. The maximum rate for the General Fund is \$8.10 per thousand dollars assessed valuation. General Obligation Bonds issued are payable from taxes levied in the Debt Service Fund without limitation as to rate or amount. The City has been at the \$8.10 General Fund limit for the past thirty years.

In fiscal 2006, the City made an agreement with the Sioux City Explorers Baseball Club to set up previous unpaid account balances as a note receivable to be repaid over 10 years. The original amount was \$44,000 with an outstanding balance of \$22,000 as of June 30, 2010.

In fiscal 1983, the City received an Urban Development Action Grant (UDAG) totaling almost \$2,000,000, which was loaned to area businesses for commercial and industrial developments. The City is entitled to all of the funds that are paid back on the loans. These funds can be loaned to other businesses for commercial or industrial development. All loans are secured by mortgages on the related real estate. Only one of the original projects is still outstanding. This loan is to the Call Terminal, L.P. and has an outstanding balance at June 30, 2010, of \$326,486. It carries an interest rate of 4% and calls for annual payments of \$21,975 until December 2031. During fiscal 2003, the City made a new loan under this program to the Civic Partners. Draws were made under this agreement totaling \$1,980,000 and the note was set up with monthly payments beginning in June 2005. Accrued interest on this note from inception until monthly payments began was capitalized into an additional note in June 2005 with an original balance of \$145,421. A third note was given during fiscal 2007 in the amount of \$25,000. These loans carry an interest rate of 6.33% with monthly payments of \$15,003 through February 2013 with balloon payments due at maturity. The combined outstanding balance of these notes at June 30, 2010, was \$2,144,389.

The City also has other notes receivable totaling \$473,405 at June 30, 2010, from rehabilitation loans made from Community Development funds. In connection with the Home Program funded by the U.S. Department of Housing and Urban Development the Community Development Fund had notes receivable outstanding of \$4,207,624 from nineteen local businesses.

The Debt Service Fund has a note receivable from the Sioux City Explorers Baseball Club with a balance of \$14,486 at June 30, 2010. The note has a 6% interest rate and calls for annual principal and interest payments of \$7,901 until 2012. Also, in the Debt Service Fund, there is a note receivable from the Green Valley Floyd Golf Corporation with an original amount of \$250,000 for the purchase and installation of a new sprinkler system at Floyd Golf Course. The balance outstanding at June 30, 2010, was \$159,109. The note carries an interest rate of 4.45% and calls for monthly payments of \$2,585 through April 2016. During fiscal 2007, the City also loaned \$25,000 to Staber Meats with money from the State of Iowa under the Community Economic Betterment Account (CEBA) loan program. This loan is at 0% and will be repaid over five years. The balance of this loan at June 30, 2010, was \$10,417.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 3 – (Continued)**

The City has five loans in the Capital Projects Fund. The City loaned \$120,000 to the Castle on the Hill in December 2003. The purpose of the loan was for the development of affordable housing in the City. The loan carries an interest rate of 1% for a term of 30 years with payments beginning in December 2013. It has a balance that includes capitalized interest as of June 30, 2010, of \$129,300. Two other notes in the Capital Projects Fund are receivable from Siouxland Historic Auditorium Restoration Project LLC (SHARP). These notes funded the construction of the Long Lines Family Recreation Center which is owned by SHARP. The first note had an original balance of \$9,000,000, an interest rate of 6% and calls for monthly payments of \$115,256. The outstanding balance at June 30, 2010, was \$5,461,693. The second note had an original balance of \$4,500,000, an interest rate of 10% and calls for monthly payments of \$91,552. The outstanding balance at June 30, 2010, was \$2,349,798. The City extended two new notes in the Capital Projects fund in fiscal 2008. The first was a \$100,000 note to R&G LLC. The note accrues interest at 4% and calls for one payment of principal and interest on December 1, 2012. The balance, including capitalized interest, was \$107,743 at June 30, 2010. The second was a \$1,000,000 note to the Siouxland Senior Center. The note does not charge interest and is due in annual principal payments beginning on December 1, 2010, with a final balloon payment on December 1, 2017.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$404,992. These notes receivables are reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$32,284 for housing loan repayments. \$11,138 of the balance is due after June 30, 2011.

The Airport Fund has a note receivable of \$1,000 in connection with Trans World Airlines, Inc. bankruptcy proceedings.

During fiscal 2007, the Central Maintenance Garage Fund loaned \$200,807 to Green Valley Floyd Golf Corporation for the purchase of new equipment. The note calls for interest at 5% and monthly payments of \$3,789 for 60 months. The balance at June 30, 2010, was \$54,991.

The Water, Sewer, and Solid Waste Funds accrue unbilled revenues rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled compared to the first billing subsequent to year-end. At June 30, 2010, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,358,637, \$1,448,390 and \$413,892, respectively.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 4 - Capital Assets**

A summary of the changes in capital assets for the year ended June 30, 2010, is as follows:

**Governmental Activities (including Internal Service Funds):**

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 40,690,893	\$ 2,377,265	\$ (394,864)	\$ 42,673,294
Construction in Progress	53,039,610	23,803,111	(2,197,385)	74,645,336
Total capital assets, not being depreciated	<u>93,730,503</u>	<u>26,180,376</u>	<u>(2,592,249)</u>	<u>117,318,630</u>
Capital assets, being depreciated:				
Buildings	85,744,092	671,602	---	86,415,694
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	54,690,228	784,139	---	55,474,367
Equipment	42,344,791	2,448,400	(1,298,609)	43,494,582
Infrastructure	136,106,769	2,138,199	---	138,244,968
Total capital assets, being depreciated	<u>326,560,880</u>	<u>6,042,340</u>	<u>(1,298,609)</u>	<u>331,304,611</u>
Less accumulated depreciation for:				
Buildings	(19,608,624)	(2,187,251)	---	(21,795,875)
Buildings under capital lease	(4,221,375)	(191,875)	---	(4,413,250)
Improvements other than buildings	(13,702,924)	(2,637,212)	---	(16,340,136)
Equipment	(32,996,095)	(3,028,508)	1,209,618	(34,814,985)
Infrastructure	(39,523,930)	(3,732,950)	---	(43,256,880)
Total accumulated depreciation	<u>(110,052,948)</u>	<u>(11,777,796)</u>	<u>1,209,618</u>	<u>(120,621,126)</u>
Total capital assets, being depreciated, net	<u>216,507,932</u>	<u>(5,735,456)</u>	<u>(88,991)</u>	<u>210,683,485</u>
Governmental Activities capital assets, net	<u>\$ 310,238,435</u>	<u>\$20,444,920</u>	<u>\$ (2,681,240)</u>	<u>\$328,002,115</u>

The Internal Service Funds and General Capital Assets are combined on the Governmental Activities Statement of Net Assets.

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

Note 4 - (Continued)

Business-Type Activities:

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 4,142,880	\$ 83,153	\$ (1,167,010)	\$ 3,059,023
Construction in progress	78,896,274	35,062,323	(7,322,877)	106,635,720
Total capital assets, not being depreciated	<u>83,039,154</u>	<u>35,145,476</u>	<u>(8,489,887)</u>	<u>109,694,743</u>
Capital assets, being depreciated:				
Buildings	61,428,632	7,139,799	---	68,568,431
Improvements other than buildings	121,857,747	3,865,000	---	125,722,747
Equipment	5,822,705	104,840	---	5,927,545
Total capital assets, being depreciated	<u>189,109,084</u>	<u>11,109,639</u>	<u>---</u>	<u>200,218,723</u>
Less accumulated depreciation for:				
Buildings	(53,921,769)	(977,442)	---	(54,899,211)
Improvements other than buildings	(44,252,678)	(5,999,379)	---	(50,252,057)
Equipment	(4,347,958)	(312,909)	---	(4,660,867)
Total accumulated depreciation	<u>(102,522,405)</u>	<u>(7,289,730)</u>	<u>---</u>	<u>(109,812,135)</u>
Total capital assets, being depreciated, net	<u>86,586,679</u>	<u>3,819,909</u>	<u>---</u>	<u>90,406,588</u>
Business-Type Activities capital assets, net	<u>\$169,625,833</u>	<u>\$ 38,965,385</u>	<u>\$ (8,489,887)</u>	<u>\$ 200,101,331</u>

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

**Governmental Activities**

Public Safety	\$ 706,113
Public Works	3,487,285
Culture and Recreation	2,435,824
Community and Economic Development	259,450
General Government	2,248,899
Internal Service	2,640,225
Total	<u>\$ 11,777,796</u>

**Business-Type Activities**

Airport	\$ 1,877,751
Water	2,570,343
Sewer	2,319,267
Solid Waste	221,260
Parking	301,109
Total	<u>\$ 7,289,730</u>

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

Note 4 – (Continued)

Reconciliation of Invested in Capital Assets, Net of Related Debt:

	Governmental Activities	Business-Type Activities
Capital Assets (net of accumulated depreciation)	\$ 328,002,115	\$ 200,101,331
Less: General Obligation Bonds Payable	100,045,099	6,416,169
Notes Payable	10,417	95,878,872
Invested in Capital Assets, Net of Related Debt	\$ 227,946,599	\$ 97,806,290

Note 5 – Capital Leases

In 1986, the City entered into an agreement with the Siouxland Chamber Foundation to construct the Sioux City Convention Center and lease it back to the City. This original lease expired June 1, 2007, and the title to the facility passed back to the City according to the terms of the lease. On June 1, 2007, another agreement was formed which sold the facility back to the Siouxland Chamber Foundation for \$1 and subsequently leased the facility back to the City again. The new lease terms call for a rental payment of \$1 per year for a term of 5 years. The lease also provides for two 5 year renewal options. Per the agreement, title to the facility will transfer back to the City for no consideration at the termination of the lease. Accordingly, the lease is treated as a capital lease and the leased assets are accounted for in the governmental activities on the statement of net assets. Buildings under capital lease have an original cost of \$7,675,000, accumulated depreciation of \$4,413,250 for a net book value at June 30, 2010, of \$3,261,750.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 6 – Long-Term Debt**

NOTES PAYABLE

During fiscal 2007, the City borrowed \$25,000 under the Community Economic Betterment Account (CEBA) loan program from the Iowa Department of Economic Development to loan to Staber Meats. The interest rate is 0% and the loan is scheduled to be repaid over five years. The balance at June 30, 2010, was \$10,417.

During fiscal year 1997, the City borrowed funds from the State of Iowa through the Iowa Sewage Treatment Works Financing Program. The City received two low interest notes to help finance the construction of the Southeast Morningside Interceptor Sewer. Both notes are unsecured. The first loan with an original amount of \$1,422,000 has an interest rate of 3.0% and had a balance outstanding at June 30, 2010, of \$459,000 in the Sewer fund. The second loan with an original amount of \$1,363,000 has an interest rate of 3.0% and had a balance outstanding at June 30, 2010, of \$542,000 in the Sewer fund.

During fiscal years 2003 and 2004, the City borrowed funds from the State of Iowa Clean and Drinking Water State Revolving Fund. The City received four notes at 3% interest each to make certain improvements to the wastewater treatment and water systems. All four notes are unsecured. The notes were drawn upon as improvements were made. The final draws on the fourth note were made during fiscal 2007 bringing the total amount borrowed under these notes to \$25,000,000 in the Water fund and \$8,000,000 in the Sewer fund. The outstanding balances as of June 30, 2010, were \$18,372,000 in the Water fund and \$5,718,000 in the Sewer fund.

During fiscal 2006, the City obtained a \$31,000,000 note from the State of Iowa Clean and Drinking Water State Revolving Fund. The loan is at 3% and is unsecured. The loan is to be drawn upon as the funds are spent on the improvements. The loan was fully drawn as of June 30, 2009 and the outstanding balance on the note as of June 30, 2010, was \$27,433,000 in the Sewer fund.

During fiscal 2007, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$6,000,000 with a 3% interest rate. The loan was drawn upon as improvements were made. The loan was fully drawn as of June 30, 2009 and the outstanding balance of the note as of June 30, 2010, was \$5,208,000 in the Water fund.

During fiscal 2008, the City obtained a note with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$15,000,000 with a 3% interest rate. The loan is to be drawn upon as improvements are made. The loan was fully drawn as of June 30, 2010, and the outstanding balance of the note as of June 30, 2010, was \$14,437,000 in the Sewer fund.

During fiscal 2009, the City obtained four notes with the State of Iowa Clean and Drinking Water State Revolving Fund in the amount of \$31,000,000 in the Sewer Fund and \$4,450,000 in the Water Fund all with a 3% interest rate. The loans are to be drawn upon as improvements are made. The loans had not been fully drawn as of June 30, 2010, and had remaining balances to be drawn of \$12,273,691 in the Sewer Fund and \$44,947 in the Water Fund. The outstanding balances of the notes as of June 30, 2010, were \$18,726,308 in the Sewer Fund and \$3,735,848 in the Water Fund.

During fiscal 2010, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$10,807,000 with an interest rate of 3%. The loan is to be drawn upon as improvements are made. The loan had not been fully drawn as of June 30, 2010 and had a remaining balance to be drawn of \$9,559,284. The outstanding balance of the note as of June 30, 2010, was \$1,247,716 in the Water Fund.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

Note 6 - (Continued)

Annual debt service requirements to maturity for the above notes payable are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 5,000	\$ ---	\$ 7,512,848	\$ 3,103,738
2012	5,000	---	5,409,000	3,268,725
2013	417	---	5,577,000	3,144,000
2014	---	---	5,750,000	2,976,690
2015	---	---	5,529,716	2,804,190
2016-2020	---	---	29,148,000	10,075,010
2021-2025	---	---	29,227,308	5,464,080
2026-2030	---	---	7,725,000	465,540
<b>Total</b>	<b>\$ 10,417</b>	<b>\$ ---</b>	<b>\$ 95,878,872</b>	<b>\$ 31,301,973</b>

GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for both governmental and business-type activities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City issued new bonds during fiscal 2010 as follows:

On February 22, 2010, the City sold general obligation bonds in three series. Series A was for \$13,750,000. The bonds were sold to Piper Jaffray for \$14,122,209. The bonds have a true interest rate of 2.677650% with principal payments due June 1 of the years 2011 through 2022. Series B was for \$5,625,000. The bonds were sold to an account group managed by Robert W. Baird for \$5,753,473. The bonds have a true interest rate of 2.761269% with principal payments due June 1 of the years 2011 through 2022. Series C was for \$2,080,000. The bonds were sold to Morgan Keegan & Co., Inc. for \$2,067,520. The bonds have a true interest rate of 3.623685% with principal payments due June 1 of the years 2011 through 2020.

On February 22, 2010, the City sold general obligation refunding bonds totaling \$4,580,000. The bonds were sold to Piper Jaffray for \$4,752,306. The bonds have a true interest rate of 1.367354% with principal payments due June 1 of the years 2011 through 2015. The bonds refunded \$4,725,000 in general obligation bonds issued December 2002, and resulted in actual future value dollar savings of \$348,451 equivalent to a present value savings of \$335,575, net of refinancing costs.

General obligation bonds outstanding as of June 30, 2010, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.25%	\$98,803,831
Business-Type Activities	2.00 – 5.25%	6,416,169

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 6 - (Continued)**

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 15,843,212	\$ 3,647,539	\$ 1,151,788	\$ 236,753
2012	15,092,073	2,978,862	1,042,927	180,101
2013	14,306,110	2,487,235	933,890	145,578
2014	13,194,325	2,008,078	775,675	113,356
2015	10,742,770	1,541,786	587,230	86,660
2016-2020	25,491,522	3,201,703	1,483,478	196,769
2021-2022	4,133,819	211,362	441,181	21,688
<b>Total</b>	<b>\$ 98,803,831</b>	<b>\$ 16,076,565</b>	<b>\$ 6,416,169</b>	<b>\$ 980,905</b>

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 95,104,514	\$ 23,417,640	\$ 19,718,323	\$ 98,803,831	\$ 15,843,212
Unamortized Bond Charges	689,690	660,507	108,929	1,241,268	156,986
Notes Payable	15,000	---	4,583	10,417	5,000
Compensated Absences	3,449,916	3,204,178	2,981,944	3,672,150	2,551,057
Governmental Activities					
Long-term Liabilities	<u>\$ 99,259,120</u>	<u>\$ 27,282,325</u>	<u>\$ 22,813,779</u>	<u>\$103,727,666</u>	<u>\$ 18,556,255</u>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 4,840,486	\$ 2,617,360	\$ 1,041,677	\$ 6,416,169	\$ 1,151,788
Notes Payable	75,722,515	24,090,562	3,934,205	95,878,872	7,512,848
Compensated Absences	426,485	275,261	276,209	425,537	264,186
Est. Liability for Landfill Closure	1,877,947	---	50,089	1,827,858	64,637
Business-type Activities					
Long-term Liabilities	<u>\$ 82,867,433</u>	<u>\$ 26,983,183</u>	<u>\$ 5,302,180</u>	<u>\$104,548,436</u>	<u>\$ 8,993,459</u>

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$1,241,268 on the Statement of Net Assets.

Exhibit 1- Statement of Net Assets			
General Obligation Bonds	\$ 98,803,831	General Obligation Bonds Payable-current	\$16,000,198
Unamortized Bond Charges	1,241,268	General Obligation Bonds Payable-long term	84,044,901
	<u>\$100,045,099</u>		<u>\$100,045,099</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At June 30, 2010, \$227,480 of internal service funds compensated absences are included in the above amounts. Also, for the

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 6 - (Continued)**

governmental activities, compensated absences are liquidated by the funds where the employee's wages and benefits are allocated. For the above balances in compensated absences as of June 30, 2010, approximately 72% will be liquidated by the general fund, 21% by the special revenue funds, 1% by the capital projects fund and 6% by the internal service funds.

**Arbitrage**

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the federal government every five years.

The City entered into an agreement with an outside consulting firm to assist City personnel in reviewing arbitrage rebate calculations for the above bond issues. Those bond issues that have been reviewed show that no arbitrage rebate is owed.

**Note 7 - Deficit Equity Balances**

The Events Facilities had a deficit fund balance at June 30, 2010, of \$539,219. The operation of the Convention Center and Auditorium requires a high percentage of their costs to be fixed and therefore, when revenue is down, the fund operates at a deficit. It is anticipated that the fiscal year 2011 budget should correct this with a combination of revenue increases, taxes and control over expenditures.

The Transit Fund showed a deficit balance at June 30, 2010, of \$438,029. This is due to increasing expenditures and due to a large transfer out to reduce the budgeted property taxes in order to balance the fund according to Federal Transit Administration (FTA) guidelines.

The Comprehensive Insurance Fund showed a deficit balance at June 30, 2010, of \$22,287,597. The reason for the deficit is the adoption of GASB 45 which requires that the estimated amount of the post retirement benefit obligation be recorded. This liability was estimated and recorded at \$12,831,003 as of June 30, 2010. City management will be analyzing this situation to determine future action, if any, that will be taken to fund the deficit balance. In addition, the City has an anticipated liability for a lawsuit that is currently estimated at \$14,034,170. If these liabilities were not recorded, the fund would not have a deficit equity balance.

**Note 8 – Internal Balances**

The following is a summary of Interfund Receivables/Payables as of June 30, 2010:

Fund	Interfund Receivable	Interfund Payable
General	\$ 2,289,826	\$ 4,531
Capital Improvements	22,401	400,000
Nonmajor Governmental	3,450	2,171,089
Internal Service	104,840	---
Airport	---	104,840
Water System	400,000	22,401
Nonmajor Enterprise	4,065	121,721
Totals	<u>\$ 2,824,582</u>	<u>\$ 2,824,582</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2010.

**CITY OF SIOUX CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 8 - Internal Balances (Continued)**

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types				Proprietary Fund Types			Total Transfers Out	
	General	Sales Tax	Debt Service	Capital Improv	Nonmajor Govt	Airport	Water		Internal Service
General	\$ ---	\$ ---	\$ 626,455	\$ 1,629,733	\$ 1,529,078	\$ ---	\$ ---	\$ 100,000	\$ 3,885,266
Employee Benefits	6,822,203	---	---	---	706,834	---	---	---	7,529,037
Local Opt Sales Tax	7,028,446	---	198,144	2,904,856	1,143,554	---	---	---	11,275,000
Debt Service	113,258	---	---	1,578,428	156,022	436,530	100,000	---	2,384,238
Capital Improvements	1,121,829	80,000	1,386,723	---	805,711	---	---	80,000	3,474,263
Nonmajor Govt	1,007,070	---	1,354,636	134,118	---	---	---	---	2,495,824
<b>TOTAL</b>	<b>\$ 16,092,806</b>	<b>\$ 80,000</b>	<b>\$ 3,565,958</b>	<b>\$ 6,247,135</b>	<b>\$ 4,341,199</b>	<b>\$ 436,530</b>	<b>\$ 100,000</b>	<b>\$ 180,000</b>	<b>\$ 31,043,628</b>

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.
3. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF SIOUX CITY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**NOTE 9 - Fund Balances**

The following schedule reflects all Fund Balances as presented in the Fund Level Statements:

	General Fund	Major Special Revenue		Major Debt Service Fund	Major Capital Improvements Fund	Other Funds	Total
		Other Employee Benefits	Local Option Sales Tax				
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Inventory	\$ ---	\$ ---	\$ ---	---	---	\$ 101,735	\$ 101,735
Prepaid Items	---	---	---	---	---	358,358	358,358
Long-Term Notes Receivable	22,000	---	404,992	184,012	9,048,534	7,184,188	16,843,726
Endowment, non-expendable	---	---	---	---	---	1,001,069	1,001,069
<b>Restricted for:</b>							
Public Works	---	---	---	---	---	---	---
Comm & Econ Develop	---	---	---	---	---	372,417	372,417
Employee Benefits	---	---	---	---	---	2,664,087	2,664,087
Debt Service Reserve	---	125,100	---	---	---	---	125,100
Other Purposes	---	---	---	7,127,123	---	---	7,127,123
<b>Committed to:</b>							
Public Safety	75,631	---	---	---	---	---	75,631
Public Works	41,725	---	---	---	---	---	41,725
Culture & Recreation	122,409	---	---	---	120,422	882,490	1,124,921
Comm & Econ Develop	3,890	---	---	390	4,708,809	35,266	4,817,085
General Governmental	202,781	---	---	894	515,169	---	718,844
<b>Assigned to:</b>							
Public Safety	---	---	---	---	---	---	---
Public Works	---	---	---	---	1,064,459	---	1,064,459
Culture & Recreation	---	---	---	---	10,437,205	---	10,437,205
Comm & Econ Develop	---	---	---	---	3,209,504	---	3,209,504
General Governmental	---	---	---	---	3,788,102	---	3,788,102
Other Purposes	---	---	2,069,353	---	705,606	---	2,774,959
<b>Unassigned:</b>							
Total Fund Balances	\$ 7,737,493	\$ 125,100	\$ 2,474,345	\$ 7,312,419	\$ 46,168,356	\$ 12,656,870	\$ 76,943,019
	\$ 8,205,929						

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 10 - Risk Management/Contingent Liabilities**

The City participates in a number of federally assisted grant programs, principally Federal Aviation Administration, FTA Capital, Planning and Operating Assistance Grants, Federal Highway Construction Grants, and Community Development Block Grant. The programs are subject to financial and compliance audits. The amount of expenditures if any, which may be disallowed by the Grantor agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

The City is a defendant in a number of lawsuits in its normal course of operations. During the year ended June 30, 2009, the City was named in a lawsuit and the estimated potential liability at that time was estimated at \$14,034,170. A recent court decision in a similar case is favorable for the City but because the City is self-insured and exposed to risks of this type, and for appeal reasons, the above amount remains as a liability on the City's financial statements for June 30, 2010. A provision for health claims incurred but unpaid as of June 30, 2010, of \$2,906,146 has also been recorded.

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The City has self-insured itself since July 1, 1986 for general liability, automobile, transit and workers compensation. The City began self-insuring health coverage as of July 1, 1988. It is self-insured for health coverage risk up to \$75,000, specific, and 125% of expected annual paid claims in the aggregate.

The self-insurance programs are administered using an internal service fund, the Comprehensive Insurance fund, which records premium revenue as "Charges for Service". All funds of the City participate in the self-insurance programs and make payments to the Comprehensive Insurance fund based on pre-determined amounts needed to pay prior and current year claims and to establish a reserve for future catastrophic losses. Currently, the City is unfunded for reserves to cover incurred but unreported claims and unanticipated claim fluctuations.

The City maintains outside insurance coverage through various insurance policies on buildings and their contents, equipment and property, employee dishonesty, and excess health coverage throughout 2010. There have been no significant reductions in insurance coverage from prior years. The City has had no amount of settlements exceeding insurance coverage for each of the past seven fiscal years.

The claims payable, including claims incurred but not yet reported, have been determined by the City's management and have been recorded in the accompanying financial statements. Changes in the fund's claims liability amount were as follows:

Year Ended June 30	Beginning Balance Liability	Claims and Changes in Estimates	Claim Payments	Ending Balance
1997	\$ 3,465,897	\$ 5,152,111	\$ 5,015,413	\$ 3,602,595
1998	3,602,595	4,138,232	4,850,423	2,890,404
1999	2,890,404	4,687,472	4,878,764	2,699,112
2000	2,699,112	6,397,681	5,850,742	3,246,051
2001	3,246,051	9,144,373	7,162,571	5,227,853
2002	5,227,853	8,644,172	8,604,898	5,267,127
2003	5,267,127	7,879,845	8,187,698	4,959,274
2004	4,959,274	6,998,492	8,238,600	3,719,166
2005	3,719,166	7,357,918	8,192,022	2,885,062
2006	2,885,062	9,944,427	9,380,340	3,449,149
2007	3,449,149	11,229,811	11,067,228	3,611,732
2008	3,611,732	10,081,862	9,694,343	3,999,251
2009	3,999,251	25,906,313	11,458,687	18,446,877
2010	\$18,446,877	\$12,386,583	\$12,023,692	\$18,809,768

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 11 - Commitments**

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2010. The following summary presents the amount of contracts outstanding at June 30, 2010 for both Governmental and Enterprise Funds combined:

Construction	\$ 40,056,024
Design & Engineering Services	7,385,836
Other	6,789,164
Less: Due, but unpaid at June 30, 2010	<u>(9,113,319)</u>
Construction Contract Commitments	<u>\$ 45,117,705</u>

Governmental contracts and encumbrances outstanding at June 30, 2010 are listed below and are included in fund balance committed amounts but do not include encumbered amounts already previously restricted:

	General Fund	Non-Major Governmental	Capital Improvements	Debt Service	Total
Public Safety	\$ 75,631	\$ ---	\$ 120,422	\$ ---	\$ 196,053
Public Works	41,725	75,668	12,213,233	---	12,330,626
Culture & Rec	122,409	35,266	4,708,809	390	4,866,874
Comm & Econ Devl	3,890	---	357,313	---	361,203
General Government	15,993	---	515,169	894	532,056
	<u>\$ 259,648</u>	<u>\$ 110,934</u>	<u>\$17,914,946</u>	<u>\$1,284</u>	<u>\$18,286,812</u>

As of June 30, 2010 the City had \$864,532 outstanding purchase orders of the total encumbrances carried over listed above, while commitments under development agreements totaled \$400,000.

Under an agreement with the Iowa Department of Transportation approved by the City Council in June 2008, the City has a commitment to cover the cost to relocate the riverfront trail in accordance with the Interstate 29 Reconstruction Project. The City's share of the costs is estimated at \$1,111,154. The amount is payable upon completion of the project in three equal annual installments with the first installment projected to be due July 1, 2011.

The City Council approved a pre-design agreement with the Iowa Department of Transportation for the Interstate 29 Reconstruction Project (Segment 2) on April 13, 2009. The City's share of the costs is estimated at \$16,556,424.

The City Council approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for infrastructure improvements totaling \$200,000.

The City Council approved the construction of improvements associated with the Sunnybrook Road extension and storm drain project. The City's financial commitment shall not exceed \$2,560,000 and shall be completed no later than December 1, 2010.

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 12 - Deferred Revenues**

Deferred Revenues, which are measurable but not yet available at June 30, 2010, are as follows:

	<u>EXHIBIT 1</u>	<u>EXHIBIT 3</u>	<u>EXHIBIT 5</u>
Property Taxes	\$ 49,167,835	\$ 49,318,122	\$ ---
Special Assessments	---	1,254,401	---
Unearned Revenue	<u>770,000</u>	<u>32,284</u>	<u>770,000</u>
Total Deferred Revenues	<u>\$ 49,937,835</u>	<u>\$ 50,604,807</u>	<u>\$ 770,000</u>

**Note 13 - Joint Venture**

The Woodbury County Information and Communication Commission (WCICC) was formed in fiscal year 1988. WCICC was established to operate a combined data processing and communications center for the City and the County. Each governmental unit selects two of its members to serve on the commission and a fifth member is selected by the commission. The operating budget is approved by both governments with contributions for operations from both. All assets, liabilities and equity are owned on a 60/40 basis. Summary financial information as of, and for the fiscal year ended June 30, 2010, is presented as follows:

Fixed Assets	\$ 1,212,663
Other Assets	<u>628,755</u>
Total Assets	<u>1,841,418</u>
Total Liabilities	317,442
Fund Equity	<u>1,523,976</u>
Total Liabilities and Fund Equity	<u>1,841,418</u>
Total Revenue	2,594,427
Total Expenditures	<u>(2,377,505)</u>
Net Increase in Fund Balance	<u>\$ 216,922</u>

The Woodbury County Information and Communication Commission does not publish a Comprehensive Annual Financial Report. The City's share of the fixed assets are reported in governmental activities.

City's Share of Joint Venture	
Assets	60%
Liabilities	60%
Equity	60%

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 14 - Post-Employment Health Care Benefits**

During fiscal 2007, the City adopted the provisions of GASB 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions". The major change under GASB 45 is to attribute the cost of post-employment benefits to the time during which the employee is working for the employer. Accordingly, a prospective liability is recorded at June 30, 2010 for a Post-Employment Benefit Obligation as determined by an actuarial calculation.

*Plan Description.* The City offers medical insurance benefits to eligible retirees and their spouses. The benefits are covered under the City's health care plan with the premium cost to be paid by the retiree. The City is self-insured for medical benefits. Premiums are calculated based on prior year claim experiences and amounts needed to fund the plan operations. No stand alone financial report is issued; the plan is self-funded and included in the City's financial statements.

*Funding Policy.* The City is currently reviewing its options on funding the plan.

*Annual OPEB Cost and NET OPEB Obligation.* The City's postemployment benefit plan is a single-employer defined benefit plan. The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	\$ 3,155,470
Interest on net OPEB obligation	363,102
Adjustment to annual required contribution	(291,004)
Annual OPEB cost (expense)	3,227,568
Contributions made	(1,038,400)
Increase in net OPEB obligation	2,189,168
Net OPEB obligation – beginning of year	10,641,835
Net OPEB obligation – end of year	\$ 12,831,003

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2007 through 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 4,032,002	16.2%	\$ 3,379,801
2008	\$ 4,233,602	13.7%	\$ 7,031,563
2009	\$ 4,462,521	19.1%	\$ 10,641,835
2010	\$ 3,227,568	32.2%	\$ 12,831,003

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 14 – (Continued)**

*Funded Status and Funding Progress.* The funded status of the plan as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)	\$ 34,631,716
Actuarial value of plan assets	---
Unfunded actuarial accrued liability (UAAL)	\$ 34,631,716
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 41,006,803
UAAL as a percentage of covered payroll	84.45%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point and do not explicitly reflect the potential effects of legal or contractual funding limitations. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2010, actuarial valuation, the unit credit actuarial cost method was used. The amortization periods used include a level percent of pay and are open. The actuarial assumptions included a 5% interest discount rate and an annual medical healthcare cost trend rate of 8.2% initially, reduced by decrements to an ultimate rate of 4.8% after 72 years. Assumptions include a 3.25% rate of inflation and a 4.0% growth in payroll per annum. The unfunded actuarial accrued liability (UAAL) is being amortized over 30 years from establishment. Differences between the expected and actual UAAL in future years will be amortized over 30 years.

**Note 15 - Employee Benefits**

Vacation hours for City employees are accumulated for subsequent use or for payment upon termination, retirement or death up to a maximum ranging from 120 to 200 hours based upon number of years employed.

Severance pay is paid to all employees of the Professional, Administrative, Technical, Supervisory, Executive and Council Appointed employees group (PATS), with a minimum of 15 years of consecutive service with the City. The pay is based on three day's pay for each full twelve months of consecutive service upon retirement, resignation, death or termination (other than for disciplinary reasons).

Vacation and severance pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. At June 30, 2010, two employment agreements involving termination benefits were in effect. These termination benefits include severance, health, life and long term disability benefits. The long-term portion of \$200,539 is reported in the governmental activities in the government-wide statements and \$10,286 is reported in the internal service funds. The liabilities were calculated based on current salary rates and benefit cost at the time of statement preparation.

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2010

**Note 15 - (Continued)**

City employees accumulate sick leave hours for subsequent use. Sick leave hours are not a vested benefit and expire if unused upon termination, death or retirement, with the exception of the Transit System's employees covered by the Amalgamated Transit Union Agreement with the City of Sioux City. These employees receive a benefit of up to 120 days of paid sick leave upon death or retirement. The accumulated sick leave under this agreement for transit employees is recorded only in the government-wide financial statements. All other accumulated sick leave is not recognized as an expenditure until used or paid as it is not measurable at June 30, 2010.

Compensated absences consist of the following amounts as of June 30, 2010:

Accrued Vacation	\$ 2,745,390
Accrued Severance Pay	1,006,645
Accrued Transit Sick Leave	134,828
Accrued Termination Benefits	210,824
Total	\$ 4,097,687

Compensated absences have been recorded as follows:

	CURRENT	LONG-TERM	TOTAL
Enterprise Funds	\$ 264,186	\$ 161,351	\$ 425,537
Internal Service Funds	125,519	101,961	227,480
Government-Wide Statement	2,425,538	1,019,132	3,444,670
	\$ 2,815,243	\$ 1,282,444	\$ 4,097,687

**Note 16 - Pension and Retirement**

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

The City contributes to the Iowa Public Employees' Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.30% of their annual covered salary and the City is required to contribute 6.65% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$1,719,833, \$1,623,512, and \$1,500,123, respectively, equal to the required contributions for each year.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 16 - (Continued)**

**POLICE AND FIRE RETIREMENT SYSTEM**

The City contributes to the Municipal Fire & Police Retirement System of Iowa (MFPRSI) which is a cost-sharing multiple-employer defined benefit pension plan administered by a Board of Trustees appointed by the State of Iowa. MFPRSI provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Urbandale, Iowa, 50322.

Plan members are required to contribute 9.4% of earnable compensation. The employers' contribution rate is based upon an actuarially determined normal contribution rate. The normal contribution rate is provided by State statute to be the actuarial liabilities of the plan less current plan assets, the total then being divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions. Legislatively appropriated contributions from the State may further reduce the employers' contribution rate. However, under the Code of Iowa, the employers' contribution rate cannot be less than 17.00 percent of earnable compensation. Contribution requirements are established by State statute. The City's contribution to MFPRSI for the years ended June 30, 2010, 2009 and 2008 were \$2,623,941 (17.00%), \$2,774,173 (18.75%), and \$3,608,080 (25.48%), respectively, equal to the required contributions for each year.

**Note 17 - Landfill Closures and Post-Closure Care Costs**

State and federal laws and regulations require the City's Solid Waste System to place a final cover on its 28th Street landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was closed as of October 1, 2007. A consulting engineer's estimate for total costs prepared as of March 1, 2010, was \$1,827,858. This full amount has been accrued by the City as of June 30, 2010. Of this amount, it was estimated that \$64,637 would be incurred within the next fiscal year. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The State of Iowa specifies financial assurance requirements in Code Section 567-Chapter 11. The Iowa Code enumerates various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with a Local Government Dedicated Fund passed and approved on June 16, 2003, under Resolution 2003-000501.

**Note 18 - Extraordinary Loss**

During the year ended June 30, 2009, the City was named in a lawsuit and the estimated potential liability at that time was estimated at \$14,034,170. A recent court decision in a similar case is favorable for the City, but because the City is self-insured and exposed to risks of this type, and for appeal reasons, the above amount remains as a liability on the City's financial statements.

**Note 19 - Other Information**

The City of Sioux City is under obligation from the State of Iowa to remediate underground pollution located at the Sioux City Gateway Airport. The pollution was caused during the 1930's by underground storage tanks leaking petroleum-based substances. Since then, the storage tanks have been removed, but the underground contamination remains. The cost to remediate the pollution is not reasonably estimable at this time.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010

**Note 20 – Subsequent Events**

The City has recently announced its intent to terminate the existing contract with American Water Services for the operation of Waste Water Treatment Plant. The buyout of this contract is estimated at \$668,000.

The City approved a release and settlement agreement with Fox Engineering Associates, Inc. in connection with leaking digesters lids at the Waste Water Treatment Plant in the amount of \$500,000.

REQUIRED SUPPLEMENTARY INFORMATION  
(unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27 and No. 34, the following information is a required part of the general purpose financial statements.





CITY OF SIOUX CITY, IOWA  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGET AND ACTUAL - ALL GOVERNMENTAL AND PROPRIETARY FUNDS <sup>1</sup>  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2010

	Governmental Fund Types Actual	Internal Service Funds Actual	Proprietary Funds Actual	Total Actual
<b>REVENUES</b>				
Taxes	\$ 64,952,946	\$ ---	\$ ---	\$ 64,952,946
Special Assessments	220,916	---	---	220,916
Regulatory Fees	1,809,309	---	---	1,809,309
Intergovernmental Revenue <sup>2</sup>	33,242,384	---	5,585,084	38,827,468
Revenue from Use of Property	6,182,088	175,864	1,726,125	8,084,077
Charges for Service	8,124,607	24,004,371	35,115,779	67,244,757
Miscellaneous	3,103,327	998,626	247,668	4,349,621
Total Revenues	<u>117,635,577</u>	<u>25,178,861</u>	<u>42,674,656</u>	<u>185,489,094</u>
<b>EXPENDITURES</b>				
Public Safety	32,033,725	---	---	32,033,725
Public Works	14,409,099	---	---	14,409,099
Culture and Recreation	15,591,587	---	---	15,591,587
Community and Economic Development	10,325,583	---	---	10,325,583
General Government	3,574,549	---	---	3,574,549
Debt Service	21,045,791	---	2,648,021	23,693,812
Capital Projects <sup>2</sup>	34,037,802	---	---	34,037,802
Business-Type/Enterprises <sup>2</sup>	---	25,816,556	30,332,255	56,148,811
Total Expenditures	<u>131,018,136</u>	<u>25,816,556</u>	<u>32,980,276</u>	<u>189,814,968</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,382,559)	(637,695)	9,694,380	(4,325,874)
<b>OTHER FINANCING SOURCES (USES)</b>				
Other Financing Sources	54,519,900	180,000	536,530	55,236,430
Other Financing Uses	(35,781,108)	---	---	(35,781,108)
Total Other Financing Sources	<u>18,738,792</u>	<u>180,000</u>	<u>536,530</u>	<u>19,455,322</u>
Net Change in Fund Balance (Deficit)	5,356,233	(457,695)	10,230,910	<u>\$ 15,129,448</u>
Fund Balance - Beg. of Year	<u>71,586,786</u>	<u>(8,900,130)</u>	<u>104,126,101</u>	
Fund Balance (Deficit)- End of Year	<u>\$ 76,943,019</u>	<u>\$ (9,357,825)</u>	<u>\$ 114,357,011</u>	

Notes:

<sup>1</sup> In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing which includes all funds, except agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. The City budgets on a modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary fund types. Formal and legal budgetary control is based upon eight major classes of expenditures known as functions, not by fund or fund type. These eight functions are: Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, Debt service, Capital Projects, and Business-Type/Enterprises. The legal level of control is at the aggregated function level, not at the fund or fund type level.

<sup>2</sup> Intergovernmental revenue and the expenditures for capital projects and enterprises are significantly below budgeted amounts due to the timing of when projects are actually completed and the corresponding revenue is received.

EXHIBIT 9

Budgeted Amounts		Final Budget Over (Under)
Original	Final	
\$ 66,099,374	\$ 66,099,374	\$ (1,146,428)
275,000	275,000	(54,084)
1,641,464	2,441,464	(632,155)
33,228,546	57,868,265	(19,040,797)
8,144,923	15,144,923	(7,060,846)
66,880,431	70,307,279	(3,062,522)
21,049,549	28,840,587	(24,490,966)
<u>197,319,287</u>	<u>240,976,892</u>	<u>(55,487,798)</u>
30,363,593	34,178,003	(2,144,278)
14,782,635	20,234,923	(5,825,824)
16,763,761	22,710,579	(7,118,992)
22,487,168	30,677,287	(20,351,704)
7,005,894	9,827,998	(6,253,449)
23,056,955	33,590,574	(9,896,762)
170,028,778	181,103,100	(147,065,298)
180,378,133	226,765,596	(170,616,785)
<u>464,866,917</u>	<u>559,088,060</u>	<u>(369,273,092)</u>
(267,547,630)	(318,111,168)	313,785,294
135,686,144	188,034,459	(132,798,029)
(37,829,425)	(37,929,425)	(2,148,317)
<u>97,856,719</u>	<u>150,105,034</u>	<u>(130,649,712)</u>
(169,690,911)	(168,006,134)	\$ 183,135,582
<u>193,489,634</u>	<u>193,489,634</u>	
<u>\$ 23,798,723</u>	<u>\$ 25,483,500</u>	

**CITY OF SIOUX CITY, IOWA  
POST EMPLOYMENT HEALTHCARE BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2005 *	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2006 *	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2007 \$	---	\$47,002,628	\$47,002,628	0.00%	\$39,151,301	120.1%
6/30/2008 \$	---	\$47,002,628	\$47,002,628	0.00%	\$38,749,440	121.3%
6/30/2009 \$	---	\$47,002,628	\$47,002,628	0.00%	\$39,629,916	118.6%
6/30/2010 \$	---	\$34,631,716	\$34,631,716	0.00%	\$41,006,803	84.5%

\* Fiscal 2007 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

CITY OF SIOUX CITY, IOWA

OTHER SUPPLEMENTARY INFORMATION



CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The following funds included in this fund type and their purposes are as follows:

**MAJOR FUNDS:**

**Other Employee Benefits** - To account for the City's employee benefits tax levy.

**Local Option Sales Tax** - To account for revenue generated by the one percent local option sales tax.

**NON-MAJOR FUNDS:**

**Emergency Fund** - To account for the Emergency Levy.

**Storm Water Drainage** - To account for the collection of revenues for Storm Water Drainage Fees.

**Road Use** - To account for State revenues allocated to the City for maintenance and improvement of City streets.

**Community Development** - To account for the use of Community Development Block Grant Funds as received from the Federal Government.

**Housing** - To account for the operations of Federal Section 8, low income housing projects and municipally sponsored rent payment assistance programs.

**Main Street** - To account for the collection of a levy to fund the revitalization of the City's downtown area.

**Events Facilities** - To account for revenue generated by the operations of the Convention Center and the Tyson Events Center.

**Transit System** - To account for the Transit levy and operations of the City's bus and other transit services.

**Permanent Fund** - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The following fund included in this fund type and its purpose is as follows:

**Cemetery Trust** - To account for the activity of the cemeteries of the City.

**CITY OF SIOUX CITY, IOWA  
COMBINING BALANCE SHEET  
GOVERNMENTAL NONMAJOR FUNDS  
JUNE 30, 2010**

Special Revenue Funds

<u>ASSETS</u>	<u>Emergency Fund</u>	<u>Storm Water Drainage</u>	<u>Road Use</u>	<u>Community Development</u>	<u>Housing</u>
Cash and Cash Equivalents	\$ 2,086,167	\$ 748,374	\$ ---	\$ 17,727	\$ 1,031,592
Accounts Receivable	---	69,033	1,371	13,899	1,706
Accrued Interest Receivable	---	---	---	501,445	---
Notes Receivable	---	---	---	7,151,904	32,284
Due from Other Governments	590,415	---	625,265	676,907	20,135
Due from Other Funds	---	---	---	---	---
Inventories	---	---	---	---	---
Prepaid Items	---	---	---	10,152	328,202
Total Assets	<u>2,676,582</u>	<u>817,407</u>	<u>626,636</u>	<u>8,372,034</u>	<u>1,413,919</u>
 <u>LIABILITIES</u>					
Accounts Payable	---	---	60,245	130,617	33,447
Accrued Wages	---	---	118,515	31,526	20,587
Contracts & Retainers Payable	---	---	---	223,725	---
Due to Other Governments	---	10,585	---	---	---
Due to Other Funds	---	---	75,459	---	---
Deferred Revenue	578,753	---	---	---	32,284
Total Liabilities	578,753	10,585	254,219	385,868	86,318
 <u>FUND BALANCES</u>					
Non-Spendable:					
Inventory	---	---	---	---	---
Prepaid Items	---	---	---	10,152	328,202
Long-Term Notes Receivable	---	---	---	7,151,904	32,284
Endowment, non-expendable	---	---	---	---	---
Restricted	---	---	372,417	1,696,972	967,115
Committed	---	806,822	---	---	---
Assigned	2,097,829	---	---	---	---
Unassigned	---	---	---	(872,862)	---
Total Fund Balances (Deficit)	<u>2,097,829</u>	<u>806,822</u>	<u>372,417</u>	<u>7,986,166</u>	<u>1,327,601</u>
Total Liabilities and Fund Balances	<u>\$ 2,676,582</u>	<u>\$ 817,407</u>	<u>\$ 626,636</u>	<u>\$ 8,372,034</u>	<u>\$ 1,413,919</u>

EXHIBIT A-1

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 38,314	\$ ---	\$ ---	\$ 1,001,069	\$ 4,923,243
---	129,165	60,913	---	276,087
---	---	---	---	501,445
---	---	---	---	7,184,188
132,694	---	1,596,614	---	3,642,030
---	1,825	1,625	---	3,450
---	101,735	---	---	101,735
---	20,004	---	---	358,358
<u>171,008</u>	<u>252,729</u>	<u>1,659,152</u>	<u>1,001,069</u>	<u>16,990,536</u>
---	558,658	61,918	---	844,885
---	80,641	54,415	---	305,684
---	3,333	34,061	---	261,119
---	473	---	---	11,058
---	148,843	1,946,787	---	2,171,089
<u>128,794</u>	---	---	---	<u>739,831</u>
128,794	791,948	2,097,181	---	4,333,666
---	101,735	---	---	101,735
---	20,004	---	---	358,358
---	---	---	---	7,184,188
---	---	---	1,001,069	1,001,069
42,214	---	---	---	3,078,718
---	35,266	75,668	---	917,756
---	---	---	---	2,097,829
---	(696,224)	(513,697)	---	(2,082,783)
<u>42,214</u>	<u>(539,219)</u>	<u>(438,029)</u>	<u>1,001,069</u>	<u>12,656,870</u>
<u>\$ 171,008</u>	<u>\$ 252,729</u>	<u>\$ 1,659,152</u>	<u>\$ 1,001,069</u>	<u>\$ 16,990,536</u>

**CITY OF SIOUX CITY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**GOVERNMENTAL NONMAJOR FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Special Revenue Funds

<u>REVENUES</u>	<u>Emergency Fund</u>	<u>Storm Water Drainage</u>	<u>Road Use</u>	<u>Community Development</u>	<u>Housing</u>
Taxes	\$ 553,432	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	---	19,309	---	---	---
Intergovernmental Revenue	---	---	7,940,542	3,530,042	4,656,920
Revenue from Use of Property	---	---	3,553	---	---
Charges for Services	---	1,275,688	250	13,518	---
Interest	---	10,976	---	428,447	1,170
Miscellaneous	---	---	53,318	72,518	93,778
Total Revenue	553,432	1,305,973	7,997,663	4,044,525	4,751,868
 <u>EXPENDITURES</u>					
Current:					
Public Works	---	123,310	8,396,503	---	---
Culture and Recreation	---	---	---	---	---
Community and Economic Development	---	---	---	3,811,153	4,994,759
Total Expenditures	---	123,310	8,396,503	3,811,153	4,994,759
Excess (Deficiency) of Revenues Over Expenditures	553,432	1,182,663	(398,840)	233,372	(242,891)
 <u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	---	1,673	468,350	3,351	---
Transfers Out	(941,115)	(1,315,955)	---	(27,618)	---
Total Other Financing Sources (Uses)	(941,115)	(1,314,282)	468,350	(24,267)	---
Net Change in Fund Balance	(387,683)	(131,619)	69,510	209,105	(242,891)
Fund Balance (Deficit) - Beginning of Year	2,485,512	938,441	302,907	7,777,061	1,570,492
Fund Balance (Deficit) - End of Year	<u>\$ 2,097,829</u>	<u>\$ 806,822</u>	<u>\$ 372,417</u>	<u>\$ 7,986,166</u>	<u>\$ 1,327,601</u>

EXHIBIT A-2

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 132,998	\$ ---	\$ ---	\$ ---	\$ 686,430
---	---	---	---	19,309
---	---	1,961,137	---	18,088,641
---	4,317,843	61,842	20,302	4,403,540
---	827,121	1,259,311	---	3,375,888
---	---	---	---	440,593
---	359,407	78,134	---	657,155
132,998	5,504,371	3,360,424	20,302	27,671,556
---	---	4,303,666	---	12,823,479
---	7,848,953	---	---	7,848,953
287,000	---	---	---	9,092,912
287,000	7,848,953	4,303,666	---	29,765,344
(154,002)	(2,344,582)	(943,242)	20,302	(2,093,788)
153,276	2,870,213	844,336	---	4,341,199
---	---	(211,136)	---	(2,495,824)
153,276	2,870,213	633,200	---	1,845,375
(726)	525,631	(310,042)	20,302	(248,413)
42,940	(1,064,850)	(127,987)	980,767	12,905,283
<u>\$ 42,214</u>	<u>\$ (539,219)</u>	<u>\$ (438,029)</u>	<u>\$ 1,001,069</u>	<u>\$ 12,656,870</u>

**SIoux<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
ENTERPRISE FUNDS**

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The following funds included in this fund type and their purposes are as follows:

**MAJOR FUNDS:**

**Airport System** - To account for the operations of the Sioux Gateway Airport.

**Water System** - To account for the operations of the City's water facilities and services.

**Sewer System** - To account for the operations of the City's sewage treatment facilities and services.

**Solid Waste System** - To account for the operations of the City's sanitary landfill facilities.

**NON-MAJOR FUNDS:**

**Parking Facilities** - To account for the operations of the City-owned parking ramps and other parking facilities.

**Skyway System** - To account for the maintenance and security of the skyway system.

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 JUNE 30, 2010

<u>ASSETS</u>	Parking Facilities	Skyway System	Totals
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 308,739	\$ ---	\$ 308,739
Accounts Receivable	136,445	147,955	284,400
Accrued Interest Receivable	280	---	280
Due from Other Governments	1,582	---	1,582
Due from Other Funds	---	4,065	4,065
Total Current Assets	<u>447,046</u>	<u>152,020</u>	<u>599,066</u>
<b><u>Non-Current Assets</u></b>			
Fixed Assets, Net of Accumulated Depreciation	9,157,683	---	9,157,683
Total Non-Current Assets	<u>9,157,683</u>	<u>---</u>	<u>9,157,683</u>
Total Assets	<u>9,604,729</u>	<u>152,020</u>	<u>9,756,749</u>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	35,680	14,559	50,239
Accrued Wages and Compensated Absences	39,921	15,740	55,661
Accrued Interest Payable	5,962	---	5,962
Contracts and Retainers Payable	20,295	---	20,295
Due to Other Funds	---	121,721	121,721
Current Portion of G.O. Bonds	362,977	---	362,977
Matured Bonds and Coupons Payable	7,613	---	7,613
Deferred Revenue	770,000	---	770,000
Total Current Liabilities	<u>1,242,448</u>	<u>152,020</u>	<u>1,394,468</u>
<b><u>Non-Current Liabilities</u></b>			
General Obligation Bonds, Net of Current Portion	1,494,956	---	1,494,956
Total Non-current Liabilities	<u>1,494,956</u>	<u>---</u>	<u>1,494,956</u>
Total Liabilities	<u>2,737,404</u>	<u>152,020</u>	<u>2,889,424</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	7,299,750	---	7,299,750
Unrestricted	(432,425)	---	(432,425)
Total Net Assets	<u>\$ 6,867,325</u>	<u>\$ ---</u>	<u>\$ 6,867,325</u>

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

<u>OPERATING REVENUES</u>	Parking Facilities	Skyway System	Totals
Charges for Services	\$ 1,261,195	\$ 378,203	\$ 1,639,398
Total Operating Revenues	1,261,195	378,203	1,639,398
 <u>OPERATING EXPENSES</u>			
Employee Services	410,715	70,352	481,067
Supplies and Services	470,157	170,488	640,645
Repairs and Improvements	141,146	84,226	225,372
Utilities	5,026	53,137	58,163
Depreciation	301,109	---	301,109
Total Operating Expenses	1,328,153	378,203	1,706,356
Operating (Loss)	(66,958)	---	(66,958)
 <u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	361	---	361
Interest Expense	(83,953)	---	(83,953)
Total Non-Operating (Expenses)	(83,592)	---	(83,592)
Changes in Net Assets	(150,550)	---	(150,550)
Net Assets - Beginning of Year	7,017,875	---	7,017,875
Net Assets - End of Year	\$ 6,867,325	\$ ---	\$ 6,867,325

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Parking Facilities	Skyway System	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 1,229,880	\$ 360,669	\$ 1,590,549
Cash Paid for Personal Services	(419,389)	(58,814)	(478,203)
Cash Paid to Suppliers	(739,692)	(301,855)	(1,041,547)
Net Cash Provided by Operating Activities	70,799	---	70,799
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition and Construction of Capital Assets	179,198	---	179,198
Principal Paid on Notes and Bonds	(391,363)	---	(391,363)
Interest Paid on Notes and Bonds	(85,081)	---	(85,081)
Net Cash (Used) by Capital and Related Financing Activities	(297,246)	---	(297,246)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	844	---	844
Net Cash Provided by Investing Activities	844	---	844
Net (Decrease) in Cash and Cash Equivalents	(225,603)	---	(225,603)
Cash and Cash Equivalents at Beginning of Year	534,342	---	534,342
Cash and Cash Equivalents at End of Year	\$ 308,739	\$ ---	\$ 308,739
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u></b>			
<b><u>PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating (Loss)	\$ (66,958)	\$ ---	\$ (66,958)
<i>Adjustments to Reconcile Operating (Loss)</i> <i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	301,109	---	301,109
<i>(Increase) Decrease in Assets and</i> <i>Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(31,315)	(19,170)	(50,485)
Due from Other Funds	---	1,636	1,636
Accounts Payable	(27,318)	(771)	(28,089)
Accrued Wages and Compensated Absences	(8,674)	11,538	2,864
Contracts and Retainers Payable	8,955	---	8,955
Due to Other Funds	---	6,767	6,767
Deferred Revenues	(105,000)	---	(105,000)
Total Adjustments	137,757	---	137,757
Net Cash Provided by Operating Activities	\$ 70,799	\$ ---	\$ 70,799

**CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL STATEMENTS  
INTERNAL SERVICE FUNDS**

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The following funds included in this fund type and their purposes are as follows:

**Central Maintenance Garage** - To account for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

**Comprehensive Insurance** - To account for the funding and maintenance of the City's insurance policies provided to user departments.

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2010

	Central Maintenance Garage	Comprehensive Insurance	Totals
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 5,481,181	\$ 9,145,370	\$ 14,626,551
Accounts Receivable	182,961	292,520	475,481
Accrued Interest Receivable	---	6,785	6,785
Notes Receivable	54,991	---	54,991
Due from Other Funds	104,840	---	104,840
Inventories, at Cost	342,471	---	342,471
Prepaid Items	---	175,758	175,758
Total Current Assets	<u>6,166,444</u>	<u>9,620,433</u>	<u>15,786,877</u>
<b><u>Non-Current Assets</u></b>			
Capital Assets, Net of Accumulated Depreciation	<u>7,493,566</u>	---	<u>7,493,566</u>
Total Assets	<u>13,660,010</u>	<u>9,620,433</u>	<u>23,280,443</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	565,181	137,515	702,696
Accrued Wages and Compensated Absences	165,057	127,944	293,001
Contracts and Retainers Payable	---	1,800	1,800
Post Employment Benefit Obligation	---	12,831,003	12,831,003
Estimated Liability for Damage Claims	---	18,809,768	18,809,768
Total Liabilities	<u>730,238</u>	<u>31,908,030</u>	<u>32,638,268</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets	7,493,566	---	7,493,566
Unrestricted	<u>5,436,206</u>	<u>(22,287,597)</u>	<u>(16,851,391)</u>
Total Net Assets	<u>\$ 12,929,772</u>	<u>\$ (22,287,597)</u>	<u>\$ (9,357,825)</u>

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES AND  
 EXPENSES AND CHANGES IN NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Central Maintenance Garage	Comprehensive Insurance	Totals
<b><u>OPERATING REVENUE</u></b>			
Revenue from Use of Property	\$ 154,237	\$ ---	\$ 154,237
Charges for Services	8,928,559	15,075,812	24,004,371
Total Operating Revenues	9,082,796	15,075,812	24,158,608
<b><u>OPERATING EXPENSES</u></b>			
Employee Services	1,965,716	14,032,188	15,997,904
Supplies and Services	520,947	1,053,928	1,574,875
Repairs and Improvements	4,591,952	4,198	4,596,150
Utilities	30,910	345	31,255
Depreciation	2,640,225	---	2,640,225
Damage Settlement	---	976,147	976,147
Total Operating Expenses	9,749,750	16,066,806	25,816,556
Net Operating (Loss)	(666,954)	(990,994)	(1,657,948)
<b><u>NON-OPERATING REVENUES</u></b>			
Interest Income	3,483	18,144	21,627
Gain on Sale of Capital Assets	83,629	---	83,629
Other Non-Operating Revenues	914,997	---	914,997
Total Non-Operating Revenues	1,002,109	18,144	1,020,253
Income (Loss) Before Transfers	335,155	(972,850)	(637,695)
Transfers In	180,000	---	180,000
Changes in Net Assets	515,155	(972,850)	(457,695)
Net Assets - Beginning of Year	12,414,617	(21,314,747)	(8,900,130)
Net Assets - End of Year	\$ 12,929,772	\$ (22,287,597)	\$ (9,357,825)

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

	Central Maintenance Garage	Comprehensive Insurance	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 8,906,086	\$ 14,807,545	\$ 23,713,631
Cash Paid for Personal Services	(1,957,765)	(11,830,071)	(13,787,836)
Cash Paid to Suppliers	(4,879,522)	(1,625,575)	(6,505,097)
Other Non-Operating Revenue	914,997	---	914,997
Net Cash Provided by Operating Activities	2,983,796	1,351,899	4,335,695
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition and Construction of Capital Assets	(2,362,264)	---	(2,362,264)
Proceeds from Sale of Assets	172,618	---	172,618
Net Cash (Used) by Capital and Related Financing Activities	(2,189,646)	---	(2,189,646)
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Transfers In	180,000	---	180,000
Net Cash Provided by Non-Capital Financing Activities	180,000	---	180,000
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	3,483	18,070	21,553
Payments Received on Notes Receivable	38,202	---	38,202
Net Cash Provided by Investing Activities	41,685	18,070	59,755
Net Increase in Cash and Cash Equivalents	1,015,835	1,369,969	2,385,804
Cash and Cash Equivalents at Beginning of Year	4,465,346	7,775,401	12,240,747
Cash and Cash Equivalents at End of Year	<u>\$ 5,481,181</u>	<u>\$ 9,145,370</u>	<u>\$ 14,626,551</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u></b>			
<b><u>PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating (Loss)	\$ (666,954)	\$ (990,994)	\$ (1,657,948)
<i>Adjustments to Reconcile Operating (Loss)</i>			
<i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	2,640,225	---	2,640,225
Other Non-Operating Revenues	914,997	---	914,997
(Increase) Decrease in Assets and			
Increase (Decrease) in Liabilities:			
Accounts Receivable	(71,870)	(268,267)	(340,137)
Due from Other Funds	(104,840)	---	(104,840)
Inventories	(25,962)	---	(25,962)
Prepaid Items	---	(3,115)	(3,115)
Accounts Payable	290,249	49,267	339,516
Accrued Wages and Compensated Absences	7,951	12,949	20,900
Post Employment Benefit Obligation	---	2,189,168	2,189,168
Estimated Liability for Damage Claims	---	362,891	362,891
Total Adjustments	3,650,750	2,342,893	5,993,643
Net Cash Provided by Operating Activities	<u>\$ 2,983,796</u>	<u>\$ 1,351,899</u>	<u>\$ 4,335,695</u>

ST. LOUIS, MISSOURI  
OFFICE OF THE MAYOR  
CITY OF ST. LOUIS

ST. LOUIS, MISSOURI  
OFFICE OF THE MAYOR  
CITY OF ST. LOUIS

ST. LOUIS, MISSOURI  
OFFICE OF THE MAYOR  
CITY OF ST. LOUIS

# ST. LOUIS ★ CITY

TM

CITY OF SIOUX CITY, IOWA  
COMBINING AND INDIVIDUAL FUND STATEMENTS  
FIDUCIARY FUNDS

**Agency Funds** - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The following represents the funds and/or government agencies for which the City acts in an agent capacity.

**Sioux City Housing Trust** – To account for the activity of the Sioux City Housing Trust Fund.

**Revolving** - To account for refunds to City customers.

**Woodbury County Information Communication Commission (WCICC)** - To account for the activity of the WCICC.

**Museum Building Property, Inc.** – To account for the activity of Museum Building Property, Inc.

**Siouxland Historic Auditorium Restoration Project (SHARP)** – To account for the activity of the SHARP.

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS  
 JUNE 30, 2010

	Sioux City Housing Trust Fund	Revolving	Woodbury County Information Communication Commission	Museum Building Property Inc.	Siouxland Historic Auditorium Restoration Project (SHARP)	Totals
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 140,492	\$ ---	\$ 520,910	\$ 138,190	\$ ---	\$ 799,592
Accounts Receivable	---	44,306	107,845	---	---	152,151
Total Assets	<u>140,492</u>	<u>44,306</u>	<u>628,755</u>	<u>138,190</u>	<u>---</u>	<u>951,743</u>
<b>LIABILITIES</b>						
Accounts Payable	3,700	44,306	---	---	---	48,006
Due to Other Governments	<u>136,792</u>	---	<u>628,755</u>	<u>138,190</u>	---	<u>903,737</u>
Total Liabilities	<u>140,492</u>	<u>44,306</u>	<u>628,755</u>	<u>138,190</u>	<u>---</u>	<u>951,743</u>
Total Net Assets	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

SIOUX CITY HOUSING TRUST FUND	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ ---	\$ 140,492	\$ ---	\$ 140,492
Due from Other Governments	42,866	---	42,866	---
Total Assets	<u>42,866</u>	<u>140,492</u>	<u>42,866</u>	<u>140,492</u>
<b>LIABILITIES</b>				
Accounts Payable	---	3,700	---	3,700
Due to Other Governments	42,866	136,792	42,866	136,792
Total Liabilities	<u>\$ 42,866</u>	<u>\$ 140,492</u>	<u>\$ 42,866</u>	<u>\$ 140,492</u>
<b>REVOLVING</b>				
<b>ASSETS</b>				
Accounts Receivable	\$ 30,119	\$ 909,397	\$ 895,210	\$ 44,306
Total Assets	<u>30,119</u>	<u>909,397</u>	<u>895,210</u>	<u>44,306</u>
<b>LIABILITIES</b>				
Accounts Payable	30,119	909,397	895,210	44,306
Total Liabilities	<u>\$ 30,119</u>	<u>\$ 909,397</u>	<u>\$ 895,210</u>	<u>\$ 44,306</u>
<b>WOODBURY COUNTY INFORMATION COMMUNICATION COMMISSION (WCICC)</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 279,019	\$ 3,979,846	\$ 3,737,955	\$ 520,910
Accounts Receivable	76,739	1,587,020	1,555,914	107,845
Due from Other Governments	20,064	107,142	127,206	---
Total Assets	<u>375,822</u>	<u>5,674,008</u>	<u>5,421,075</u>	<u>628,755</u>
<b>LIABILITIES</b>				
Due to Other Governments	375,822	5,674,008	5,421,075	628,755
Total Liabilities	<u>\$ 375,822</u>	<u>\$ 5,674,008</u>	<u>\$ 5,421,075</u>	<u>\$ 628,755</u>

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2010

MUSEUM BUILDING PROPERTY INC.	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 262,251	\$ 520,842	\$ 644,903	\$ 138,190
Total Assets	<u>262,251</u>	<u>520,842</u>	<u>644,903</u>	<u>138,190</u>
<b>LIABILITIES</b>				
Due to Other Governments	262,251	520,842	644,903	138,190
Total Liabilities	<u>\$ 262,251</u>	<u>\$ 520,842</u>	<u>\$ 644,903</u>	<u>\$ 138,190</u>
<b>SIOUXLAND HISTORIC AUDITORIUM RESTORATION PROJECT (SHARP)</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ ---	\$ 816,037	\$ 816,037	\$ ---
Total Assets	<u>---</u>	<u>816,037</u>	<u>816,037</u>	<u>---</u>
<b>LIABILITIES</b>				
Due to Other Governments	---	816,037	816,037	---
Total Liabilities	<u>\$ ---</u>	<u>\$ 816,037</u>	<u>\$ 816,037</u>	<u>\$ ---</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 541,270	\$ 5,457,217	\$ 5,198,895	\$ 799,592
Accounts Receivable	106,858	2,496,417	2,451,124	152,151
Due from Other Governments	62,930	107,142	170,072	---
Total Assets	<u>711,058</u>	<u>8,060,776</u>	<u>7,820,091</u>	<u>951,743</u>
<b>LIABILITIES</b>				
Accounts Payable	30,119	913,097	895,210	48,006
Due to Other Governments	680,939	7,147,679	6,924,881	903,737
Total Liabilities	<u>\$ 711,058</u>	<u>\$ 8,060,776</u>	<u>\$ 7,820,091</u>	<u>\$ 951,743</u>

**SIoux<sup>TM</sup>**  
**CITY**

CITY OF SIOUX CITY, IOWA

STATISTICAL SECTION



# CITY OF SIOUX CITY, IOWA STATISTICAL SECTION

(Unaudited)

This part of the City of Sioux City's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

## Contents

## Table

### **Financial Trends**

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

I-V

### **Revenue Capacity**

These tables contain information that may assist the reader in assessing the City's most significant local revenue source, the property tax.

VI-X

### **Debt Capacity**

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

XI-XIV

### **Economic & Demographic Information**

These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.

XV-XVI

### **Operating Information**

These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.

XVII-XIX

### **Source:**

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year. The City implemented GASB No. 34 in fiscal year 2002, therefore, tables presenting government-wide information includes only nine years.

**CITY OF SIOUX CITY, IOWA**  
**GOVERNMENT-WIDE NET ASSETS BY COMPONENT<sup>1</sup>**  
**LAST NINE FISCAL YEARS<sup>2</sup>**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2002	2003	2004	2005
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$ 101,371,194	\$ 132,205,841	\$ 165,606,928	\$ 163,066,644
Restricted for:				
Capital Improvements	5,074,878	---	10,666,980	18,095,819
Debt Service	4,061,206	3,802,491	4,924,215	2,411,720
Endowment, non-expendable	621,662	660,395	724,772	782,515
Unrestricted	44,457,987	47,747,865	29,559,632	52,580,385
<b>Total Governmental Activities Net Assets</b>	<u>155,586,927</u>	<u>184,416,592</u>	<u>211,482,527</u>	<u>236,937,083</u>
<b>Business-Type Activities</b>				
Invested in Capital Assets, Net of Related Debt	55,758,246	60,353,358	56,065,900	57,908,190
Restricted for:				
Debt Service	---	---	---	---
Unrestricted	14,079,033	9,184,436	14,102,161	14,725,602
<b>Total Business-Type Activities Net Assets</b>	<u>69,837,279</u>	<u>69,537,794</u>	<u>70,168,061</u>	<u>72,633,792</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	157,129,440	192,559,199	221,672,828	220,974,834
Restricted for:				
Capital Improvements <sup>3</sup>	5,074,878	---	10,666,980	18,095,819
Debt Service	4,061,206	3,802,491	4,924,215	2,411,720
Endowment, non-expendable	621,662	660,395	724,772	782,515
Unrestricted	58,537,020	56,932,301	43,661,793	67,305,987
<b>Total Primary Government Net Assets</b>	<u>\$ 225,424,206</u>	<u>\$ 253,954,386</u>	<u>\$ 281,650,588</u>	<u>\$ 309,570,875</u>

Notes:

<sup>1</sup> Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Iowa or the Federal Government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

<sup>2</sup> The City implemented GASB Statement No. 34 in fiscal year 2002, therefore, nine years of government-wide financial data is presented.

<sup>3</sup> In fiscal year 2003, the entire Capital Improvements fund balance was encumbered, primarily for the Events Center project.

TABLE I

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 178,531,068	\$ 202,244,071	\$ 201,725,694	\$ 215,118,921	\$ 227,946,599
15,772,571	15,827,272	17,324,318	4,854,761	19,204,876
1,438,126	1,438,831	3,203,515	4,889,636	8,262,859
838,105	927,910	971,321	980,767	1,001,069
<u>56,134,972</u>	<u>48,896,046</u>	<u>46,553,214</u>	<u>41,580,680</u>	<u>29,719,252</u>
<u>252,714,842</u>	<u>269,334,130</u>	<u>269,778,062</u>	<u>267,424,765</u>	<u>286,134,655</u>
59,757,382	70,041,912	81,233,654	89,062,832	97,806,290
---	496,000	486,158	---	---
<u>21,081,482</u>	<u>21,021,615</u>	<u>13,286,975</u>	<u>15,063,269</u>	<u>16,550,721</u>
<u>80,838,864</u>	<u>91,559,527</u>	<u>95,006,787</u>	<u>104,126,101</u>	<u>114,357,011</u>
238,288,450	272,285,983	282,959,348	304,181,753	325,752,889
15,772,571	15,827,272	17,324,318	4,854,761	19,204,876
1,438,126	1,934,831	3,689,673	4,889,636	8,262,859
838,105	927,910	971,321	980,767	1,001,069
<u>77,216,454</u>	<u>69,917,661</u>	<u>59,840,189</u>	<u>56,643,949</u>	<u>46,269,973</u>
<u>\$ 333,553,706</u>	<u>\$ 360,893,657</u>	<u>\$ 364,784,849</u>	<u>\$ 371,550,866</u>	<u>\$ 400,491,666</u>

CITY OF SIOUX CITY, IOWA  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS<sup>2</sup>  
(ACCRUAL BASIS OF ACCOUNTING)

TABLE II

	FISCAL YEAR								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses<sup>1</sup></b>									
<b>Governmental Activities:</b>									
Public Safety	\$ 21,048,856	\$ 24,129,343	\$ 24,001,874	\$ 27,628,436	\$ 27,117,017	\$ 28,854,253	\$ 30,260,933	\$ 31,565,111	\$ 32,815,671
Community Protection	---	---	---	---	---	---	---	---	---
Public Works	---	10,960,350	11,000,039	11,028,031	13,640,978	15,506,549	19,638,707	17,695,921	18,703,073
Culture and Recreation	---	11,183,008	12,183,759	13,550,954	14,727,651	16,080,954	17,340,040	18,427,540	18,748,801
Human Development	6,188,316	---	---	---	---	---	---	---	---
Community and Economic Development	---	11,017,771	10,660,718	8,402,228	10,965,458	10,787,367	25,630,391	10,847,635	14,585,952
Home and Community Development	39,315,091	---	---	---	---	---	---	---	---
General Government	25,273,412	15,803,180	650,274	5,257,329	5,791,061	10,471,162	13,073,878	12,097,651	11,884,328
Policy and Administration	---	---	---	---	---	---	---	---	---
Debt Service	---	---	---	---	---	---	---	---	---
Capital Projects <sup>4</sup>	---	4,216,065	8,668,744	5,678,533	5,892,311	5,980,529	6,490,067	6,309,841	5,908,003
Interest Expense	---	5,523,373	5,304,401	2,874,689	8,948,563	1,203,328	---	---	---
Unallocated Depreciation Expense	6,382,983	6,305,400	---	---	---	---	---	---	---
Total Governmental Activities Expenses	82,236,656	89,138,496	80,138,458	78,708,976	87,182,939	88,884,163	112,434,016	96,943,790	102,645,828
<b>Business-Type Activities:</b>									
Airport	---	3,763,809	3,547,215	3,541,192	4,825,894	3,614,198	3,613,044	3,624,184	3,683,947
Water	---	10,446,242	11,693,816	9,451,225	7,465,007	7,594,727	8,878,234	9,046,687	9,462,914
Sewer	---	8,987,353	10,229,066	10,165,125	11,414,499	11,306,475	12,815,794	12,493,265	13,573,929
Solid Waste	---	3,158,508	3,642,375	4,876,127	3,980,655	4,108,577	4,721,183	4,242,223	4,469,177
Home and Community Development	---	---	---	---	---	---	---	---	---
Parking	22,167,410	---	---	---	---	---	---	---	---
Skyway System	---	1,269,823	1,272,388	1,152,837	1,220,276	1,475,538	1,425,352	1,671,573	1,412,106
Total Business-Type Activities Expenses	22,167,410	290,845	343,430	300,431	254,683	322,877	303,892	319,624	376,203
Total Primary Government Expenses	120,374,066	117,074,876	110,866,748	108,345,913	113,343,953	117,306,236	144,197,815	128,340,355	135,626,204
<b>Program Revenues<sup>1</sup></b>									
<b>Governmental Activities:</b>									
Charges for Services:									
Public Safety	---	1,797,950	306,283	288,673	280,292	283,845	351,518	1,034,208	1,051,542
Community Protection	1,606,056	---	---	---	---	---	---	---	---
Public Works	---	1,832,618	3,006,966	3,153,921	3,384,769	3,670,886	3,911,984	4,245,184	4,257,041
Culture and Recreation	---	839,765	1,123,362	4,502,333	4,547,940	4,895,063	5,251,614	5,295,764	5,898,699
Human Development	932,104	---	---	---	---	---	---	---	---
Community and Economic Development	---	1,868,650	738,406	896,813	871,956	891,801	1,030,980	212,204	208,647
Home and Community Development	7,896,550	---	---	---	---	---	---	---	---
General Government	---	16,484,226	4,578,523	6,606,159	3,445,465	2,695,653	9,436,829	5,356,830	6,377,269
Policy and Administration	18,779,982	---	---	---	---	---	---	---	---
Capital Projects	---	---	---	---	---	---	---	---	---
Operating Grants and Contributions	12,835,750	---	---	24,493	22,597	---	---	---	---
Capital Grants and Contributions	12,762,481	15,970,270	20,833,159	20,615,010	20,355,850	19,595,863	19,163,084	18,059,563	20,164,596
Special Assessments	731,180	338,882	15,935,106	5,546,834	9,061,256	6,659,241	4,714,416	6,050,466	15,344,878
Total Governmental Activities Program Revenues	55,644,103	60,188,718	46,521,785	41,593,636	41,999,823	38,648,732	43,860,435	40,254,219	53,302,672

FISCAL YEAR

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Business-Type Activities:</b>									
Charges for Services:									
Airport	---	2,350,085	1,546,786	1,556,380	1,591,496	1,407,558	1,707,169	1,592,987	1,559,765
Water	---	7,390,118	7,742,305	8,458,775	8,458,775	10,590,423	10,308,555	10,960,717	11,365,925
Sewer	---	10,776,672	10,807,909	10,881,489	10,735,055	11,848,359	14,208,172	16,372,370	17,370,461
Solid Waste	---	3,539,028	4,262,988	4,357,118	4,397,189	4,911,254	4,754,467	4,631,072	4,607,281
Home and Community Development	23,664,188	---	---	---	---	---	---	---	---
Parking	---	---	---	---	---	---	---	---	---
Skyway System	---	1,226,075	1,176,276	1,067,911	1,089,120	1,004,738	1,158,055	1,219,013	---
Operating Grants and Contributions	---	298,645	343,430	300,431	294,663	332,377	303,892	316,624	1,261,195
Capital Grants and Contributions	831,046	1,460,985	563,502	3,725,102	2,813,675	3,940,111	1,062,111	2,329,283	378,203
<b>Total Business-Type Activities Program Revenues</b>	<b>24,485,244</b>	<b>27,052,598</b>	<b>26,395,176</b>	<b>30,347,216</b>	<b>30,703,746</b>	<b>34,024,926</b>	<b>33,500,451</b>	<b>37,444,046</b>	<b>5,454,015</b>
<b>Total Primary Government Program Revenues</b>	<b>60,036,347</b>	<b>87,251,306</b>	<b>72,906,951</b>	<b>71,940,752</b>	<b>72,663,571</b>	<b>72,673,678</b>	<b>77,366,866</b>	<b>77,696,265</b>	<b>85,430,466</b>
<b>Net (Expense)/Revenue<sup>3</sup></b>	<b>(42,662,555)</b>	<b>(28,939,778)</b>	<b>(33,616,673)</b>	<b>(37,115,440)</b>	<b>(45,193,114)</b>	<b>(60,235,411)</b>	<b>(66,573,591)</b>	<b>(56,689,580)</b>	<b>(49,343,256)</b>
<b>Governmental Activities</b>	<b>2,327,834</b>	<b>(883,792)</b>	<b>(5,343,114)</b>	<b>920,279</b>	<b>1,542,732</b>	<b>5,602,834</b>	<b>1,742,952</b>	<b>1,742,952</b>	<b>6,047,548</b>
<b>Business-Type Activities</b>	<b>(40,334,721)</b>	<b>(28,623,510)</b>	<b>(37,959,787)</b>	<b>(35,195,161)</b>	<b>(43,650,382)</b>	<b>(44,632,577)</b>	<b>(66,830,620)</b>	<b>(50,642,030)</b>	<b>(40,195,708)</b>
<b>General Revenues</b>									
Governmental Activities:									
Property Taxes	35,778,981	39,851,751	41,056,805	44,032,023	44,670,160	45,743,901	47,592,848	50,788,744	50,213,724
Franchise Taxes	2,082,865	2,553,597	2,220,948	2,819,425	2,609,122	2,810,233	2,793,487	2,586,911	2,428,557
Hotel/Motel Taxes	815,659	693,391	781,039	819,901	880,533	873,749	951,260	1,081,104	1,098,913
Local Option Sales Taxes	7,841,416	8,707,139	8,854,807	9,039,480	9,116,344	10,876,278	10,521,527	10,992,806	11,132,267
Interest	1,385,238	1,093,276	789,608	1,651,250	3,891,733	3,959,731	3,296,155	1,457,756	1,070,516
Revenue from Sale of Uncapitalized Property	3,449,175	2,964,164	3,564,962	---	---	---	---	---	---
Miscellaneous	---	---	---	185,424	715,093	859,249	230,112	539,534	---
Net Gain on Sale of Capital Assets	2,769,278	2,107,173	2,895,044	2,720,936	2,603,184	2,110,285	2,355,707	1,751,700	644,883
Extraordinary Items	139,869	---	---	460,091	44,155	180,068	2,035,150	87,064	---
Transfers	---	---	---	---	---	---	---	---	---
<b>Total Governmental Activities</b>	<b>(320,648)</b>	<b>(201,048)</b>	<b>(167,895)</b>	<b>363,333</b>	<b>(3,269,450)</b>	<b>(558,814)</b>	<b>(758,753)</b>	<b>(14,034,170)</b>	<b>(536,530)</b>
<b>Business-Type Activities:</b>	<b>54,041,863</b>	<b>57,769,443</b>	<b>60,302,606</b>	<b>62,091,773</b>	<b>60,970,874</b>	<b>66,854,698</b>	<b>69,017,513</b>	<b>54,336,283</b>	<b>68,053,146</b>
Interest	417,422	284,882	295,742	438,552	825,506	1,188,245	735,839	487,285	299,164
Revenue from the Sale of Uncapitalized Property	71,243	116,095	75,465	---	439,482	---	---	---	---
Miscellaneous	4,111	2,292	4,046,313	225,128	2,126,499	484,370	280,220	1,670,639	247,668
Net Gain on Sale of Capital Assets	---	---	---	1,265,105	7,403	3,128	85,356	8,624	---
Transfers	---	---	---	(393,333)	3,266,450	558,814	789,753	895,096	---
<b>Total Business-Type Activities</b>	<b>320,648</b>	<b>201,048</b>	<b>(157,595)</b>	<b>1,545,452</b>	<b>6,692,340</b>	<b>2,244,557</b>	<b>1,810,168</b>	<b>3,071,824</b>	<b>536,530</b>
<b>Total Primary Government</b>	<b>54,855,287</b>	<b>58,363,765</b>	<b>64,962,533</b>	<b>63,637,225</b>	<b>67,633,214</b>	<b>69,099,255</b>	<b>70,827,681</b>	<b>57,408,107</b>	<b>68,136,506</b>
<b>Change in Net Assets</b>									
Governmental Activities	11,379,308	28,829,865	26,665,635	24,676,333	15,777,760	16,619,287	443,832	(2,353,297)	18,709,890
Business-Type Activities	3,141,259	(289,485)	(83,189)	2,465,731	8,205,072	7,847,391	3,553,120	9,119,314	10,230,810
<b>Total Primary Government</b>	<b>14,520,566</b>	<b>28,540,380</b>	<b>26,582,446</b>	<b>27,142,064</b>	<b>23,982,832</b>	<b>24,466,678</b>	<b>3,997,952</b>	<b>6,766,017</b>	<b>28,940,800</b>

Notes:

<sup>1</sup> The State of Iowa program levels changed in Fiscal Year 2003.

<sup>2</sup> The City implemented GASB Statement No. 34 in fiscal year 2002, therefore, nine years of government-wide financial data is presented.

<sup>3</sup> Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

<sup>4</sup> In fiscal year 2008, capital projects began to be allocated to their respective program functions.

**CITY OF SIOUX CITY, IOWA  
TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

TABLE III

FISCAL YEAR	GENERAL PROPERTY TAXES <sup>1</sup>	LOCAL OPTION SALES TAXES	BANK FRANCHISE TAXES <sup>3</sup>	UTILITY FRANCHISE TAXES <sup>2</sup>	CABLE TV FRANCHISE TAX	HOTEL-MOTEL TAXES	TOTAL TAXES
2001	\$ 34,321,188	\$ 8,701,410	\$ 131,732	\$ 2,174,699	\$ 348,365	\$ 761,523	\$ 46,438,917
2002	35,616,651	8,254,737	117,997	1,609,194	355,693	815,659	46,769,931
2003	39,842,558	8,484,774	109,028	2,101,499	343,070	693,391	51,574,320
2004	41,062,196	8,881,668	118,143	1,751,309	351,497	781,039	52,945,852
2005	44,015,693	9,181,382	83,659	2,390,727	345,038	819,901	56,836,400
2006	44,497,164	8,927,742	---	2,259,183	349,939	890,533	56,924,561
2007	45,743,901	10,876,276	---	2,432,504	377,729	873,749	60,304,159
2008	47,592,848	10,521,527	---	2,423,628	369,869	951,260	61,859,132
2009	50,788,744	10,992,806	---	2,140,738	446,073	1,061,104	65,429,465
2010	\$ 50,213,734	\$ 11,132,267	\$ ---	\$ 1,965,206	\$ 461,351	\$ 1,098,913	\$ 64,871,471
Percentage Change In Dollars Over 10 Years	46.31%	27.94%	-100.00%	-9.63%	32.43%	44.30%	39.69%

Notes:

<sup>1</sup> In fiscal year 2003, the City property tax levy increased from 14.40683 to 16.00121.

<sup>2</sup> In fiscal years 2001, 2003 and 2005, utility franchise taxes increased due to increases in City-wide utility sales by the City's utility provider, MidAmerican Energy.

<sup>3</sup> Bank franchise taxes were implemented for ten years and were completed during fiscal year 2005.

TABLE IV

**CITY OF SIOUX CITY, IOWA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS<sup>3</sup>**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved <sup>1</sup>	\$ 298,477	\$ 475,175	\$ 235,828	\$ 330,372	\$ 465,774	\$ 333,970	\$ 330,765	\$ 368,976	\$ 574,335	\$ ---
Non-Spendable	---	---	---	---	---	---	---	---	---	22,000
Committed	---	---	---	---	---	---	---	---	---	446,436
Unreserved	4,621,415	4,485,508	4,734,750	4,687,269	5,716,529	6,425,351	7,226,338	7,696,996	7,578,177	---
Unassigned	---	---	---	---	---	---	---	---	---	7,737,493
<b>Total General Fund</b>	<b>4,819,892</b>	<b>4,960,683</b>	<b>4,970,578</b>	<b>5,017,641</b>	<b>6,182,303</b>	<b>6,759,321</b>	<b>7,557,103</b>	<b>8,065,972</b>	<b>8,152,512</b>	<b>8,205,929</b>
<b>All Other Governmental Funds</b>										
Reserved <sup>1</sup>	30,369,443	35,949,563	44,168,957	35,688,820	57,733,852	55,314,255	51,112,529	54,238,966	56,777,930	---
Non-Spendable	---	---	---	---	---	---	---	---	---	18,282,888
Restricted	---	---	---	---	---	---	---	---	---	10,330,941
Committed	---	---	---	---	---	---	---	---	---	18,833,986
Unreserved	6,696,954	7,007,526	4,681,193	4,721,544	5,368,184	7,542,829	9,534,586	8,825,958	6,656,344	---
Assigned	---	---	---	---	---	---	---	---	---	23,372,058
Unassigned	---	---	---	---	---	---	---	---	---	(2,082,783)
<b>Total All Other Governmental Funds<sup>2</sup></b>	<b>37,066,397</b>	<b>42,957,089</b>	<b>48,850,150</b>	<b>40,420,364</b>	<b>63,102,036</b>	<b>62,857,084</b>	<b>60,647,115</b>	<b>63,064,924</b>	<b>63,434,274</b>	<b>68,737,090</b>
<b>Total Governmental Funds</b>	<b>\$ 41,886,289</b>	<b>\$ 47,917,772</b>	<b>\$ 53,820,728</b>	<b>\$ 45,438,005</b>	<b>\$ 69,284,339</b>	<b>\$ 69,616,405</b>	<b>\$ 68,204,218</b>	<b>\$ 71,130,896</b>	<b>\$ 71,586,786</b>	<b>\$ 76,943,019</b>
<b>Total Governmental Funds</b>	<b>30,667,920</b>	<b>36,424,738</b>	<b>44,404,785</b>	<b>36,029,192</b>	<b>58,199,626</b>	<b>55,648,225</b>	<b>51,443,294</b>	<b>54,607,942</b>	<b>57,352,265</b>	<b>---</b>
Reserved	---	---	---	---	---	---	---	---	---	18,304,888
Non-Spendable	---	---	---	---	---	---	---	---	---	10,330,941
Restricted	---	---	---	---	---	---	---	---	---	19,280,422
Committed	---	---	---	---	---	---	---	---	---	---
Unreserved	11,218,369	11,493,034	9,415,943	9,408,813	11,084,713	13,968,180	16,760,924	16,522,954	14,234,521	---
Assigned	---	---	---	---	---	---	---	---	---	23,372,058
Unassigned	---	---	---	---	---	---	---	---	---	5,654,710

Notes:  
<sup>1</sup> The fluctuations in the General Fund reserved fund balance are due to the encumbrances at year-end.  
<sup>2</sup> The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.  
<sup>3</sup> The Governmental Accounting Standards Board (GASB) issued Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in February 2009, which changed the requirements for fund balance classifications and reporting. The City implemented this standard for fiscal year 2010.

CITY OF SIOUX CITY, IOWA  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 46,257,444	\$ 46,560,104	\$ 51,706,623	\$ 52,998,921	\$ 56,614,493	\$ 57,223,300	\$ 60,501,050	\$ 61,867,015	\$ 65,343,777	\$ 64,952,946
Special Assessments	466,685	502,280	440,633	228,404	301,359	297,536	251,812	260,969	180,335	220,916
Regulatory Fees	1,032,075	1,061,288	1,250,875	1,237,582	1,328,107	1,174,657	1,253,658	1,347,989	1,318,657	1,809,309
Intergovernmental Revenue	21,152,816	32,475,237	36,642,152	36,359,020	25,599,234	26,989,896	26,156,355	23,773,756	23,609,689	33,242,384
Revenue from the Use of Property	3,536,082	3,629,669	3,041,082	3,482,104	4,462,980	4,431,425	4,254,853	4,173,576	4,319,645	5,133,199
Charges for Services	6,206,583	6,453,870	6,279,171	6,511,977	7,078,903	7,067,902	7,817,733	7,833,868	8,095,902	8,124,607
Interest	2,650,589	1,385,238	1,093,276	763,379	1,569,427	3,560,311	3,797,191	3,151,839	1,390,580	1,048,889
Contributions	211,687	503,475	267,001	260,806	280,806	2,410,834	247,534	257,645	220,392	2,006,582
Miscellaneous	1,535,484	2,573,765	1,591,930	2,601,848	2,366,864	2,178,484	1,978,346	1,918,522	1,622,361	1,096,745
<b>Total Revenues</b>	<b>83,049,445</b>	<b>95,144,926</b>	<b>102,641,317</b>	<b>104,448,236</b>	<b>99,583,173</b>	<b>105,334,345</b>	<b>106,256,332</b>	<b>104,585,179</b>	<b>106,101,338</b>	<b>117,633,577</b>
<b>Expenditures<sup>1</sup></b>										
Public Safety	---	---	---	---	---	---	---	---	---	---
Community Protection	21,293,946	23,629,295	24,262,437	24,921,335	27,162,912	27,135,419	27,927,945	28,364,591	30,633,912	32,033,725
Public Works	---	---	---	---	---	---	---	---	---	---
Culture and Recreation	---	---	11,004,008	10,918,769	10,932,711	11,985,865	13,199,362	13,791,226	13,857,068	14,408,089
Human Development	10,159,692	10,589,986	11,132,692	12,210,191	13,153,004	13,233,666	13,612,396	14,711,438	15,830,037	15,591,587
Community and Economic Development	---	---	---	---	---	---	---	---	---	---
Home and Community Development	---	18,148,505	11,011,474	10,654,563	9,142,019	11,279,598	10,719,564	10,836,744	9,150,589	10,325,583
General Government	17,097,358	---	---	---	---	---	---	---	---	---
Policy and Administration	---	6,503,907	3,073,574	3,071,353	3,395,797	2,891,590	2,821,790	3,234,848	2,756,647	3,574,549
Debt Service	5,649,458	---	---	---	---	---	---	---	---	---
Principal	10,634,588	6,239,281	10,682,841	11,536,556	13,783,047	16,829,547	17,531,767	15,880,284	16,477,867	14,997,906
Interest and Fiscal Charges	4,891,608	9,570,196	5,684,742	5,479,580	5,787,508	6,009,331	6,004,815	6,507,761	6,971,753	6,047,885
Capital Projects	17,417,408	31,375,569	46,244,027	45,929,590	9,193,870	28,442,887	23,636,330	34,288,621	25,298,862	34,037,802
<b>Total Expenditures</b>	<b>87,144,058</b>	<b>106,056,739</b>	<b>123,095,795</b>	<b>124,321,967</b>	<b>92,650,968</b>	<b>117,807,903</b>	<b>115,455,989</b>	<b>127,615,513</b>	<b>120,976,735</b>	<b>131,018,136</b>
Excess of Revenues over (under) Expenditures	(4,094,613)	(10,911,813)	(20,454,478)	(19,873,731)	7,032,205	(12,473,558)	(9,197,637)	(23,030,334)	(14,875,397)	(13,382,559)
<b>Other Financing Sources (Uses)</b>										
Proceeds from Issuance of Bonds and Notes	12,562,441	16,114,822	26,889,906	11,867,975	18,945,000	16,562,021	8,688,000	24,579,000	16,239,718	18,837,640
Proceeds from Refunding Bonds Issued	5,370,000	4,062,300	4,455,675	2,548,000	3,468,000	---	---	11,710,323	6,788,104	4,580,000
Payment to Refunded Bond Escrow Agent	(5,300,000)	(3,860,000)	(4,446,245)	(2,528,000)	(3,448,000)	---	---	(11,840,323)	(6,703,104)	(4,725,000)
Premiums on Bonds Issued	---	172,081	43,002	42,356	62,229	25,137	94,586	414,731	370,275	672,987
Discounts on Bonds Issued	(135,175)	---	(105,084)	(10,763)	(69,280)	(29,993)	---	---	(35,229)	(12,480)
Sale of Uncapitalized Property	---	---	---	---	---	---	---	---	263,314	39,508
Sale of Capitalized Property	---	---	---	---	---	---	---	---	6,062	62,667
Transfers In	25,137,390	30,969,460	31,433,852	27,915,915	35,363,604	37,227,859	39,003,460	45,028,357	38,607,508	30,327,098
Transfers Out	(25,137,390)	(31,003,332)	(31,913,662)	(28,724,475)	(37,672,513)	(40,979,400)	(40,000,596)	(46,215,409)	(40,185,361)	(31,043,628)
<b>Total Other Financing Sources</b>	<b>12,497,266</b>	<b>16,355,131</b>	<b>26,357,434</b>	<b>11,111,008</b>	<b>16,669,240</b>	<b>12,805,624</b>	<b>7,785,450</b>	<b>25,937,012</b>	<b>15,331,287</b>	<b>18,738,792</b>
<b>Net Change in Fund Balances</b>	<b>\$ 8,402,653</b>	<b>\$ 5,443,318</b>	<b>\$ 5,902,956</b>	<b>\$ (8,762,723)</b>	<b>\$ 23,701,445</b>	<b>\$ 332,066</b>	<b>\$ (1,412,187)</b>	<b>\$ 2,926,678</b>	<b>\$ 455,890</b>	<b>\$ 5,356,233</b>
Debt Service as a percentage of non-capital expenditures <sup>2</sup>	n/a	16.99%	18.23%	18.55%	21.74%	23.44%	25.44%	20.60%	23.71%	20.36%

Note:  
<sup>1</sup> The State of Iowa program levels changed in 2003.  
<sup>2</sup> The non-capital expenditures for year 2001 are not readily available.

TABLE VI

CITY OF SIOUX CITY, IOWA  
 ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY<sup>1</sup>  
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		UTILITIES		TOTAL		TOTAL DIRECT TAX RATE	TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
	ASSESSED VALUE	TAXABLE VALUE <sup>2</sup>	ASSESSED VALUE	TAXABLE VALUE	ASSESSED VALUE	TAXABLE VALUE		
2001	\$ 2,666,055,791	\$ 1,571,433,991	\$ 130,130,042	\$ 130,130,042	\$ 2,796,185,833	\$ 1,701,564,033	\$ 14.407	61%
2002	2,757,749,024	1,660,580,572	130,515,881	130,515,881	2,888,264,905	1,791,096,453	14.407	62%
2003	2,944,880,846	1,665,576,989	129,163,982	129,163,982	3,074,044,828	1,794,740,971	16.001	58%
2004	2,978,740,856	1,739,587,340	131,714,015	131,714,015	3,110,454,871	1,871,301,355	16.433	60%
2005	3,032,174,354	1,734,566,855	131,744,261	131,744,261	3,163,918,615	1,866,311,116	17.787	59%
2006	3,099,265,840	1,786,220,561	124,848,499	124,848,499	3,224,114,339	1,911,069,060	17.971	59%
2007	3,280,496,069	1,831,228,796	123,180,706	123,180,706	3,403,676,775	1,954,409,502	18.255	57%
2008	3,330,737,211	1,855,056,995	119,580,684	119,580,684	3,450,317,895	1,974,637,679	18.473	57%
2009	3,465,673,736	1,880,122,184	123,186,151	123,186,151	3,588,859,887	2,003,308,335	18.712	56%
2010	\$ 3,514,390,581	\$ 1,930,302,271	\$ 125,743,849	\$ 125,743,849	\$ 3,640,134,430	\$ 2,056,046,120	\$ 17.851	56%

Source: Woodbury County, Iowa; County Auditor

Notes:  
<sup>1</sup> Taxable Value does not include the Tax Increment Levy.  
<sup>2</sup> Taxable value = (percent rollback x assessed value) - exemptions (military, homestead, elderly, etc.)

CITY OF SIOUX CITY, IOWA  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$1,000 OF TAXABLE VALUE)  
 LAST TEN FISCAL YEARS  
 TAX RATES

FISCAL YEAR	CITY OF SIOUX CITY				OVERLAPPING RATES							TOTAL DIRECT AND OVERLAPPING
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	TOTAL DIRECT	SCHOOL DISTRICT	COUNTY	WESTERN IOWA TECH	CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL OVERLAPPING	
2001	\$ 8.520	\$ 5.267	\$ 0.620	\$ 14.407	\$ 14.696	\$ 6.317	\$ 0.610	\$ 0.539	\$ 0.057	\$ 0.005	\$ 22.224	\$ 36.631
2002	8.610	4.617	1.180	14.407	14.435	6.868	0.621	0.450	0.054	0.005	22.433	36.840
2003	8.600	5.581	1.820	16.001	15.770	6.820	0.944	0.620	0.054	0.004	24.212	40.213
2004	8.600	6.573	1.260	16.433	\$ 16.151	7.109	0.541	0.582	0.053	0.004	24.440	40.873
2005	8.430	8.187	1.170	17.787	17.016	7.660	0.572	0.431	0.054	0.004	25.737	43.524
2006	8.490	8.831	0.650	17.971	17.500	7.691	0.699	0.426	0.054	0.004	26.374	44.345
2007	8.430	8.295	1.530	18.255	16.768	7.778	0.703	0.487	0.051	0.004	25.791	44.046
2008	8.490	8.693	1.290	18.473	17.519	8.004	0.736	0.485	0.125	0.004	26.873	45.346
2009	8.721	8.534	1.457	18.712	17.762	7.952	0.828	0.485	0.131	0.004	27.162	45.874
2010	\$ 8.682	\$ 5.011	\$ 4.158	\$ 17.851	\$ 17.610	\$ 7.933	\$ 0.821	\$ 0.492	\$ 0.133	\$ 0.003	\$ 26.992	\$ 44.843

Source: Woodbury County, Iowa; County Auditor

TABLE VIII

CITY OF SIOUX CITY, IOWA  
 PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS  
 JUNE 30, 2010

TAXPAYER	2010			2001		
	ASSESSED <sup>2</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED <sup>3</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 72,828,100	1	2.001%	\$ 61,833,900	2	2.211%
WAL-MART	39,178,700	2	1.076%	13,869,800	8	0.496%
LARRY BOOK ET AL	25,588,900	3	0.703%	---	---	0.000%
DAVENPORT ET AL	23,590,700	4	0.648%	20,233,626	4	0.724%
CLOVERLEAF COLD STORAGE	22,835,300	5	0.627%	20,075,500	5	0.718%
WA KLINGER	20,865,400	6	0.573%	33,698,700	3	1.205%
ST. LUKE'S MEDICAL	20,010,000	7	0.550%	19,021,000	6	0.680%
DAVIES IOWA LOGISTICS PORTFOLIO I LLC	18,119,300	8	0.498%	---	---	0.000%
HANDY LC	15,056,300	9	0.414%	---	---	0.000%
CARGILL	14,200,200	10	0.390%	13,623,000	9	0.487%
HOLTZ CONSTRUCTION	---	---	0.000%	16,817,500	7	0.601%
MIDAMERICAN ENERGY <sup>1</sup>	---	---	0.000%	130,129,715	1	4.654%
QWEST	---	---	0.000%	13,076,059	10	0.468%
TOTAL PRINCIPAL TAXPAYERS	\$ 272,272,900		7.480%	\$ 342,378,800		12.244%
ALL OTHER TAXPAYERS	3,367,861,530		92.520%	2,453,807,033		87.756%
TOTAL ASSESSED VALUATION	\$ 3,640,134,430		100.000%	\$ 2,796,185,833		100.000%

Source: City Assessor, Sioux City, Iowa

Note:

<sup>1</sup> The change in rank of MidAmerican Energy over ten years reflects the change in valuation of utilities.

<sup>2</sup> Assessed values as of January 1, 2008.

<sup>3</sup> Assessed values as of January 1, 1999.

TABLE IX

**CITY OF SIOUX CITY, IOWA  
PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>  
LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL <sup>2</sup> TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS <sup>3</sup>	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUT-STANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2001	\$ 24,695,282	\$ 24,574,878	99.51%	N/A	\$ 24,574,878	99.51%	\$ 120,404	0.49%
2002	26,152,122	25,610,836	97.93%	N/A	25,610,836	97.93%	541,286	2.07%
2003	29,270,945	28,709,279	98.08%	N/A	28,709,279	98.08%	561,666	1.92%
2004	31,031,623	30,344,967	97.79%	N/A	30,344,967	97.79%	686,656	2.21%
2005	33,456,833	32,553,542	97.30%	N/A	32,553,542	97.30%	903,291	2.70%
2006	34,507,900	33,669,147	97.57%	N/A	33,669,147	97.57%	838,753	2.43%
2007	36,050,819	35,160,981	97.53%	N/A	35,160,981	97.53%	889,838	2.47%
2008	36,810,674	35,823,650	97.32%	N/A	35,823,650	97.32%	987,024	2.68%
2009	38,061,596	36,876,511	96.89%	N/A	36,876,511	96.89%	1,185,085	3.11%
2010	\$ 38,020,080	\$ 36,173,461	95.14%	N/A	\$ 36,173,461	95.14%	\$ 1,846,619	4.86%

Source: Woodbury County Treasurer, Woodbury County, Iowa

Notes:

<sup>1</sup> GAAP Basis.

<sup>2</sup> Tax Increment Levy and SID tax Levy not included.

<sup>3</sup> The Woodbury County Treasurer's Office does not record for which year delinquent payments are made.

**CITY OF SIOUX CITY, IOWA  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS**

TABLE X

<u>FISCAL YEAR</u>	<u>CURRENT ASSESSMENTS DUE</u>	<u>CURRENT ASSESSMENTS COLLECTED</u>	<u>PERCENT OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING CURRENT &amp; DELINQUENT ASSESSMENTS<sup>1</sup></u>
2001	\$ 202,136	\$ 473,744	234%	\$ 1,680,378
2002	168,038	505,822	301%	1,934,712
2003	193,471	442,040	228%	1,821,654
2004	182,165	283,281	156%	1,152,335
2005	115,234	307,002	266%	1,245,630
2006	124,563	298,352	240%	1,164,862
2007	116,486	252,541	217%	961,485
2008	96,149	261,656	272%	834,462
2009	83,446	63,821	76%	1,171,997
2010	\$ 117,200	\$ 221,532	189%	\$ 1,393,779

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

<sup>1</sup> GAAP basis.

TABLE XI

CITY OF SIOUX CITY, IOWA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME <sup>1</sup>	PER CAPITA <sup>1</sup>
	NOTES PAYABLE	GENERAL OBLIGATION BONDS	CAPITAL LEASES	NOTES PAYABLE	GENERAL OBLIGATION BONDS	REVENUE BONDS			
2001	\$ 546,521	\$ 64,821,209	\$ 3,540,000	\$ 2,277,223	\$ 10,943,791	\$ 4,960,000	\$ 87,088,744	5.49%	1,024
2002	751,146	71,408,850	3,030,000	2,110,000	10,556,150	4,420,000	92,276,146	5.82%	1,085
2003	859,792	88,040,439	2,480,000	11,870,924	9,044,561	3,840,000	116,135,716	7.32%	1,366
2004	644,709	89,042,621	1,915,000	26,463,062	8,092,379	3,240,000	129,397,771	8.15%	1,522
2005	173,333	94,904,574	1,310,000	28,276,782	7,530,426	2,595,000	134,790,115	8.37%	1,586
2006	90,771	95,359,610	670,000	31,531,535	8,530,390	1,915,000	138,097,306	8.57%	1,624
2007	25,000	87,260,843	---	41,349,668	6,839,157	1,195,000	136,669,668	7.70%	1,608
2008	20,417	95,834,142	---	61,901,747	5,950,858	465,000	164,172,164	9.25%	1,977
2009	15,000	95,104,514	---	75,722,515	4,840,486	---	175,682,515	10.38%	2,067
2010	\$ 10,417	\$ 96,803,831	\$ ---	\$ 95,878,872	\$ 6,416,169	\$ ---	\$ 201,109,289	11.46%	2,422

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics, Table XV for personal income and population data.

**CITY OF SIOUX CITY, IOWA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

**TABLE XII**

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE <sup>1</sup> OF PROPERTY	PER CAPITA <sup>2</sup>
2001	\$ 75,765,000	\$ 2,454,780	\$ 73,310,220	4.31%	\$ 862
2002	81,965,000	4,061,206	77,903,794	4.35%	916
2003	97,085,000	3,802,491	93,282,509	5.20%	1,097
2004	97,135,000	4,924,215	92,210,785	4.93%	1,085
2005	102,435,000	2,411,720	100,023,280	5.36%	1,177
2006	103,890,000	1,438,126	102,451,874	5.36%	1,205
2007	94,100,000	1,438,831	92,661,169	4.74%	1,090
2008	101,785,000	3,203,515	98,581,485	4.99%	1,160
2009	99,945,000	3,916,810	96,028,190	4.79%	1,130
2010	\$ 105,220,000	\$ 7,127,123	\$ 98,092,877	4.77%	\$ 1,181

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

<sup>1</sup> See the Table of Assessed Values and Taxable Value of Taxable Property, Table VI for property value data.

<sup>2</sup> Population data can be found in the Table of Demographic and Economic Statistics, Table XV.

TABLE XIII

CITY OF SIOUX CITY, IOWA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT<sup>6</sup>  
JUNE 30, 2010

NAME OF GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE <sup>7</sup> TO THIS GOVERNMENTAL UNIT	AMOUNT APPLICABLE TO CITY OF SIOUX CITY
Direct:			
City of Sioux City	\$ 98,814,248	100.00%	\$ 98,814,248
Overlapping:			
Woodbury County <sup>1</sup>	2,100,000	62.00%	1,302,000
Sioux City Community School District <sup>2</sup>	2,118,176	100.00%	2,118,176
Western Iowa Tech Community College <sup>3</sup>	16,770,000	37.70%	6,322,290
Lawton-Bronson School District <sup>4</sup>	6,790,000	4.52%	306,908
Sergeant Bluff-Luton Comm School District <sup>5</sup>	<u>5,055,000</u>	24.81%	<u>1,254,146</u>
Total Overlapping	32,833,176		11,303,520
 TOTAL	 <u>\$ 131,647,424</u>		 <u>\$ 110,117,768</u>

## Sources:

<sup>1</sup> County Auditor and Recorder, Woodbury County, Iowa<sup>2</sup> Sioux City Community School District<sup>3</sup> Western Iowa Tech Community College<sup>4</sup> Lawton-Bronson School District<sup>5</sup> Sergeant Bluff-Luton Community School District

## Notes:

<sup>6</sup> Excluding General Obligation bonds reported in the Enterprise Funds.<sup>7</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

TABLE XIV

CITY OF SIOUX CITY, IOWA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 139,571,212	\$ 144,182,460	\$ 153,702,241	\$ 155,522,744	\$ 158,195,931	\$ 161,205,717	\$ 170,183,839	\$ 172,515,895	\$ 179,442,994	\$ 182,006,722
Total net debt applicable to limit	76,133,964	80,764,940	94,142,301	92,855,494	100,196,613	102,542,645	92,886,169	98,601,902	96,043,190	98,103,294
Legal Debt Margin	\$ 63,437,248	\$ 63,417,510	\$ 59,559,940	\$ 62,667,250	\$ 57,999,318	\$ 58,663,072	\$ 77,497,670	\$ 73,913,993	\$ 83,399,804	\$ 83,903,428
Total net debt applicable to limit as a percentage of debt limit	54.55%	56.02%	61.25%	59.71%	63.34%	63.61%	54.46%	57.16%	53.52%	53.90%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2010

<b>ASSESSED VALUE</b>	
Real and Personal Property Within the City	\$ 3,640,134,430
TOTAL ESTIMATED VALUATION	3,640,134,430
DEBT LIMIT - 5% OF ESTIMATED VALUATION	182,006,722
<b>AMOUNT OF DEBT APPLICABLE TO LIMIT</b>	
Total Bonded Debt and Long-Term Notes Payable	201,109,289
Less:	
Notes Payable	
Sewer Revolving Notes Payable	67,315,308
Water Revolving Notes Payable	28,563,564
Amount Available for Repayment of General Obligation Debt	95,878,872
DEBT APPLICABLE TO DEBT LIMIT	7,127,123
LEGAL DEBT MARGIN	\$ 83,903,428

Notes:  
Under Title IX, Subtitle 2, Chapter 358C, paragraph 16 of the Iowa State Code, the City's debt limit should not exceed 5% of the estimated value of the taxable property within that district.

CITY OF SIOUX CITY, IOWA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

CALENDAR YEAR	POPULATION <sup>1</sup>	TOTAL PERSONAL INCOME <sup>3</sup>	PER CAPITA PERSONAL INCOME <sup>2</sup>	EDUCATIONAL ATTAINMENT		MEDIAN AGE <sup>1</sup>	SCHOOL ENROLLMENT <sup>4</sup>	UNEMPLOYMENT RATE <sup>5</sup>
				BACHELOR'S DEGREE OR HIGHER <sup>1</sup>	BACHELOR'S DEGREE OR HIGHER <sup>1</sup>			
2001	85,013	\$ 1,586,852,658	\$ 18,666	19%	19%	33.4	16,984	3.20%
2002	85,013	1,586,852,658	18,666	19%	19%	33.4	16,721	3.90%
2003	85,013	1,586,852,658	18,666	19%	19%	33.4	16,505	5.00%
2004	85,013	1,586,852,658	18,666	19%	19%	33.4	16,465	5.40%
2005	85,013	1,610,486,272	18,944	19%	19%	33.4	16,227	4.50%
2006	85,013	1,610,486,272	18,944	20%	20%	37.5	16,024	3.80%
2007	85,013	1,774,136,297	20,869	23%	23%	36.2	15,736	3.70%
2008	85,013	1,774,136,297	20,869	23%	23%	36.2	15,596	3.60%
2009	85,013	1,691,928,726	19,902	21%	21%	35.4	15,497	5.60%
2010	83,035	\$ 1,754,363,480	\$ 21,128	21%	21%	35.4	15,643	7.50%

## Sources:

<sup>1</sup> U.S. Census Bureau Estimates<sup>2</sup> City of Sioux City Comprehensive Plan Publication "My Home, Our Neighborhood, Everybody's Hometown" for years 1998-2004; Iowa Workforce Development Website years 2005-2006; US Census Bureau American Community Survey for 2008.<sup>3</sup> Computation of per capita personal income multiplied by population.<sup>4</sup> Sioux City Community School District, Bishop Heelan Catholic Schools and Siouxland Community Christian School.<sup>5</sup> Iowa Workforce Development Website.

TABLE XVI

**CITY OF SIOUX CITY  
PRINCIPAL EMPLOYERS  
CURRENT YEAR<sup>1</sup>**

EMPLOYER	2010		PERCENTAGE OF TOTAL CITY EMPLOYMENT
	# OF EMPLOYEES	RANK	
Tyson Fresh Meats	4,768	1	11.30%
Sioux City Community School District	2,057	2	4.87%
Mercy Medical Center	1,800	3	4.27%
St. Luke's Medical Center	1,229	4	2.91%
City of Sioux City	1,024	5	2.43%
185th Iowa Air National Guard	950	6	2.25%
Morningside College	880	7	2.09%
Curly's Foods	700	8	1.66%
Tri-State Nursing	700	9	1.66%
MidAmerican Energy Company	659	10	1.56%
Total Principal Employers	14,767		34.99%
Other Employers	27,433		65.01%
Total Employers	42,200		100.00%

Source: Sioux City official statement, March 2, 2010

Notes:

<sup>1</sup> Comparative data for nine years ago not currently available.

CITY OF SIOUX CITY, IOWA  
FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION  
LAST TEN FISCAL YEARS

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Fire	119.00	118.63	118.63	115.63	115.63	117.00	117.00	116.00	116.00	116.00
Police	157.65	159.65	160.65	158.65	159.65	153.65	152.65	153.65	151.65	151.65
Public Works										
Engineering	28.14	25.00	23.40	24.40	24.40	20.00	20.00	20.00	20.00	19.00
Field Services <sup>1</sup>	151.02	131.59	128.49	128.49	126.91	137.81	139.81	137.11	138.95	139.28
Transit <sup>3</sup>	36.25	36.25	36.25	30.52	53.02	52.02	51.02	53.02	53.02	56.02
Culture and Recreation										
Art Center	9.99	9.99	9.99	9.99	9.99	9.99	9.99	9.49	10.49	10.36
Convention Center/Auditorium/Tourism	52.26	60.46	60.46	60.46	58.71	58.71	58.59	58.59	54.82	54.82
Library	39.27	38.15	38.02	36.27	36.27	36.27	36.27	36.47	36.47	35.47
Museum	9.81	9.66	9.66	9.28	9.61	9.61	9.52	9.72	9.37	9.25
Community and Economic Development <sup>6</sup>										
Community Development	49.86	43.51	42.51	43.02	42.52	42.38	41.38	45.88	45.88	44.88
Economic Development	-	-	5.00	8.00	8.00	8.00	8.00	4.75	4.75	5.00
General Government										
Administrative Services <sup>1</sup>	39.40	45.75	42.55	41.05	40.05	39.55	49.00	49.55	49.00	48.75
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager <sup>2</sup>	12.80	19.30	10.30	8.18	7.88	3.88	3.75	3.75	3.75	3.75
Finance <sup>3</sup>	37.63	37.63	36.13	36.08	11.58	11.58	-	-	-	-
Human Resources <sup>5</sup>	-	-	-	-	-	4.00	4.63	4.63	4.63	4.63
Human Rights	2.00	2.00	3.00	2.00	2.00	2.00	2.60	2.80	2.80	2.80
Legal	7.00	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00	7.00
Employees under 28E Agreement										
Communications Center	26.40	25.40	25.40	24.40	24.40	24.40	24.40	24.40	24.40	24.40
Information Center	13.00	13.00	15.00	15.00	14.00	14.00	14.00	14.00	14.00	14.00
Airport	20.00	20.00	20.00	20.00	18.33	17.83	16.95	16.95	17.53	16.03
Water <sup>1</sup>	37.38	36.00	36.75	36.00	36.00	34.00	30.80	33.50	32.50	32.50
Sewer	17.00	16.00	15.00	15.00	15.00	15.00	13.00	13.00	13.00	13.00
Solid Waste <sup>4</sup>	30.75	30.75	29.75	29.75	29.75	2.00	1.50	-	-	-
	<u>901.61</u>	<u>890.72</u>	<u>878.94</u>	<u>864.17</u>	<u>854.70</u>	<u>825.68</u>	<u>816.86</u>	<u>819.26</u>	<u>815.01</u>	<u>813.59</u>

Source: City of Sioux City Finance Department

Notes:

- The Parking Department was transferred from the Public Works (Field Services) function to the General Government (Administrative Services) function in 2002 (6 FTE's).
- The Public Works (Field Services) function also had reductions in various areas in 2002. The Finance Department and Administrative Services Departments were combined in 2007.
- The Economic Development Department was part of the Community Development Department prior to 2002. In 2002, the Economic Development Department was moved to the General Government (City Manager) function. In 2003, the Economic Development Department moved out of the General Government (City Manager) function and into the Community and Economic Development function as its own department. The Marketing Department in the General Government (City Manager) function was eliminated in 2004.
- The Central Maintenance Garage was moved from the General Government (Finance) function to the Public Works (Transit) function in 2005. The Finance Department was combined with the Administrative Services Department in 2007.
- In 2006, the Solid Waste function was contracted out.
- The Human Resources Department was moved out of the City Manager Department into its own department within the General Government function in 2006.
- The Real Estate Division of Economic Development was moved to Community Development in 2008.

TABLE XVIII

CITY OF SIOUX CITY, IOWA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS<sup>1</sup>

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Police</b>										
Average physical arrests per day - adult	n/a	14.0	16.4	17.8	16.5	14.9	15.7	14.6	15.2	14.3
Average physical arrests per day - juvenile	n/a	4.8	4.2	4.8	4.4	4.5	5.0	4.0	4.5	3.8
Traffic citations issued	n/a	9,719	13,258	16,110	17,634	13,117	13,190	9,705	14,892	12,376
<b>Fire</b>										
Number of suppression calls	1,557	1,697	1,512	1,487	1,427	1,704	1,550	1,576	1,679	1,564
Number of emergency medical calls	3,859	4,228	4,234	4,206	4,158	3,931	4,399	4,524	4,758	4,909
% of responses where EMS on scene in 4 min	67%	61%	59%	61%	61%	50%	62%	86%	87%	83%
Number of hazardous materials incidents in city	4	2	5	1	11	6	3	9	3	7
<b>Public Works</b>										
Streets cleaned per year (miles)	14,944	15,650	17,762	20,015	21,505	19,620	15,281	13,301	11,846	14,068
Asphalt placed (tons)	1,295	1,086	1,384	1,137	1,167	889	991	1,854	1,849	2,401
Potholes repaired	21,604	17,231	17,742	18,932	24,537	19,833	22,447	28,404	27,533	36,181
Dirt miles bladed and shaped	5,870	7,308	6,464	5,824	5,209	5,607	4,837	8,039	17,568	17,713
Total Transit System miles	900,417	1,135,532	821,037	688,761	674,405	681,902	666,987	677,453	743,317	781,697
Total Transit System passengers <sup>4</sup>	n/a	1,220,945	1,191,507	1,007,149	1,042,757	860,519	970,808	1,224,567	1,203,818	1,202,255
Total Transit System passengers per mile	n/a	1.08	1.45	1.46	1.55	1.26	1.46	1.81	1.62	1.54
<b>Culture and Recreation</b>										
Swimming pool attendance <sup>2</sup>	103,000	95,000	90,000	80,000	84,324	85,396	77,684	70,248	64,460	52,132
Museum visitation <sup>3</sup>	44,177	48,515	59,550	63,625	64,674	50,893	50,741	47,412	50,008	46,828
<b>Community and Economic Development</b>										
Total residential/commercial permits issued	1,241	1,366	1,303	1,319	2,794	3,201	3,115	3,055	2,895	2,943
Property value for commercial permits issued	\$65,425,254	\$93,098,281	\$127,515,206	\$92,254,675	\$122,652,094	\$108,305,627	\$126,792,169	\$151,235,117	\$146,361,953	\$101,417,640
Property value for residential permits issued	\$6,563,949	\$14,093,553	\$11,076,078	\$19,917,765	\$20,572,504	\$24,491,184	\$26,641,760	\$27,305,791	\$24,551,180	\$24,682,987
Number of inspections made	n/a	16,144	23,424	19,364	22,594	25,026	23,324	25,012	26,153	23,250
<b>Water</b>										
Water production (millions of gallons)	4,839	4,821	4,858	4,784	5,457	5,081	4,844	5,024	4,775	4,654
Water main breaks per miles of pipe	0.24	0.20	0.26	0.25	0.31	0.21	0.29	0.25	0.21	0.24
Total main breaks	99	81	105	103	124	86	122	113	102	115
Length of service disruption per break (hours)	8.9	6.19	6.00	5.96	10.18	6.13	9.53	6.33	6.93	5.67
<b>Sewer</b>										
Sewer backups	54	51	51	57	97	93	95	90	78	77
Total hours per sewer backup	4.35	5.10	2.96	6.45	6.69	5.27	6.13	8.20	9.10	5.03
<b>Solid Waste</b>										
Refuse collected (tons/day) <sup>5</sup>	118.61	126.66	128.00	129.24	127.08	121.85	n/a	n/a	n/a	n/a
Recyclables collected (tons/day) <sup>5</sup>	7.30	6.91	6.85	6.53	8.42	8.78	n/a	n/a	n/a	n/a

Source: Various City of Sioux City departments.

Notes:

- Indicators are not available in all areas for all ten years.
- Swimming pool attendance was low in fiscal year 2004 due to unseasonably cool weather.
- Museum attendance increased in fiscal year 2003 due to the Lewis and Clark Expedition visitors.
- Total Transit passengers decreased in 2006 since the number is the actual number of passengers and no longer based on a formula.
- Solid Waste refuse and recyclables collected is no longer available as the work is contracted out to a third party.

CITY OF SIOUX CITY, IOWA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS<sup>1</sup>

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	n/a	n/a	n/a	n/a	49	52	46	51	57	53
Training Centers	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Engines	n/a	n/a	n/a	n/a	15	14	14	14	14	15
Public Works										
Transit Buses	n/a	n/a	n/a	n/a	44	42	38	41	42	43
Streets (miles)	510	510	510	510	510	510	510	489	489	489
Streetlights (City Owned)	1,170	1,283	1,283	1,339	1,384	1,379	1,457	1,461	1,476	1,499
Sidewalks (miles)	469	470	496	497	497	497	497	497	600	600
Culture and Recreation										
Parks Acres	1,425	1,425	1,425	1,425	1,425	1,403	1,600	1,700	1,700	1,700
Parks	57	57	57	57	57	57	57	58	58	58
Swimming Pools	5	5	5	5	5	5	5	5	5	5
Tennis Courts	24	24	22	22	22	22	22	22	22	22
Softball Diamonds	23	23	18	13	13	13	13	13	13	13
Baseball Diamonds	35	35	40	34	34	34	34	34	34	34
Soccer Fields	14	9	9	10	10	10	10	10	10	10
Golf Courses (18 hole)	2	2	2	2	2	2	2	2	2	2
Play Fields	29	29	29	29	29	29	29	29	29	29
Cemetery										
Cemeteries (acres)	226	226	225	225	225	225	225	225	225	225
Cemeteries Maintained (acres)	226	226	180	180	180	185	185	185	185	185
Water										
Fire Hydrants (City maintained)	n/a	n/a	n/a	n/a	3,476	3,543	3,535	3,524	3,524	3,665
Water Mains (miles)	n/a	n/a	n/a	n/a	405	415	450	450	483	475
Sewer										
Sanitary Sewer (miles)	320	320	320	320	320	320	360	360	372	360
Storm Sewer (miles) <sup>2</sup>	200	200	200	200	200	200	200	200	200	228
Solid Waste										
Solid Waste Collection Trucks	11	11	11	11	11	11	14	12	12	12
Recycling Trucks	5	5	5	5	5	5	5	0	0	0

Notes:  
<sup>1</sup> Indicators are not available in all areas for all ten years.

CITY OF SIOUX CITY, IOWA  
ADDITIONAL INFORMATION



EXHIBIT E-1

CITY OF SIOUX CITY HOUSING AUTHORITY

BALANCE SHEET

JUNE 30, 2010

Performance Center Project	625-007
Project No.	IA018V0
Contract No.	<u>KC9030V</u>
<u>ASSETS</u>	
Cash	\$ 264,210
Accounts Receivable (net of allowance for doubtful accounts)	28,150
Allowance for Doubtful Accounts	(14,529)
Hud Receivable	14,223
Prepaid Housing Assistance	328,202
Total Assets	<u>620,256</u>
<u>LIABILITIES &amp; DEFERRED CREDITS</u>	
Accounts Payable	712
Security Deposits	72,422
Accrued Liabilities-Current	41,597
Accrued Liabilities-Noncurrent	43,349
Total Liabilities	<u>158,080</u>
<u>EQUITY:</u>	
Restricted Net Assets	473,988
Unrestricted Net Assets	(11,812)
Total Equity/Net Assets	<u>462,176</u>
Total Liabilities and Equity/Net Assets	<u>\$ 620,256</u>

CITY OF SIOUX CITY, IOWA  
 SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY  
 ANALYSIS OF GENERAL FUND CASH  
 JUNE 30, 2010

Performance Center Project	625-007
Project No.	IA018V0
Contract No.	<u>KC9030V</u>

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	\$462,176
Total	<u>462,176</u>

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	712
Accrued Wages	84,946
Security Deposits	72,422
Prepaid Rent	(328,202)

Income Not Received:

HUD Receivable	(14,223)
Accounts Receivable (net of allowance for doubtful accounts)	<u>(13,621)</u>

General Fund Cash Available	<u><u>\$264,210</u></u>
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CITY OF SIOUX CITY, IOWA  
 SCHEDULE OF SALARY, ALLOWANCES, AND REIMBURSED EXPENSES  
 FOR TEN HIGHEST PAID EMPLOYEES  
 FOR THE YEAR ENDED JUNE 30, 2010

NAME	SALARY	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Paul A. Eckert, City Manager	\$148,632	\$4,469	Travel/auto allowance
Robert K. Padmore, Assistant City Manager	\$125,252	\$ 416	Travel/cell phone allowance
Curtis R. Miller, Airport/Transit/Fleet Director	\$115,502	\$7,933	Travel/auto/cell phone allowance
Andrew W. Mai, City Attorney	\$114,660	\$ 696	Travel reimbursement
Christopher R. Payer, Public Works Director	\$113,997	\$ 260	Travel reimbursement
John J. Malloy, Information Services Director	\$111,945	\$ 139	Travel/cell phone allowance
Aran W. Rush, Events Facilities Director	\$108,144	\$1,334	Travel reimbursement
Thomas M. Everett, Police Chief	\$107,016	\$ 68	Travel reimbursement
Douglas A. Young, Fire Chief	\$105,544	\$ 1,327	Travel/clothing allowance
Robert S. Logan, City Engineer	\$105,456	\$ 656	Travel/cell phone allowance

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2010**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/03			
Amount Issued: \$6,315,000			
City Project # 911-142			
Matures:	2011	3.50%	630,000
	2012	3.50%	630,000
	2013	3.50%	630,000
	2014	3.62%	630,000
			\$2,520,000
Type: Corporate Purpose			
Issued: 12/1/03			
Amount Issued: \$6,085,000			
City Project # 911-143			
Matures:	2011	3.00%	600,000
	2012	3.25%	600,000
	2013	3.40%	600,000
	2014	3.50%	600,000
			\$2,400,000
Type: Corporate Purpose			
Issued: 12/1/04			
Amount Issued: \$5,140,000			
City Project # 911-144			
Matures:	2011	3.50%	515,000
	2012	3.75%	515,000
	2013	4.00%	515,000
	2014	4.00%	510,000
	2015	4.00%	510,000
			\$2,565,000
Type: Corporate Purpose			
Issued: 12/1/04			
Amount Issued: \$14,755,000			
City Project # 911-146			
Matures:	2011	3.13%	1,475,000
	2012	3.25%	1,475,000
	2013	3.38%	1,475,000
	2014	3.55%	1,475,000
	2015	3.63%	1,475,000
			\$7,375,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2010**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$4,330,000				
City Project #911-147				
Matures:	2011	4.00%	435,000	
	2012	4.00%	435,000	
	2013	4.00%	430,000	
	2014	4.13%	430,000	
	2015	4.13%	430,000	
	2016	4.13%	<u>430,000</u>	
				\$2,590,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$12,990,000				
City Project # 911-149				
Matures:	2011	3.50%	1,300,000	
	2012	4.00%	1,300,000	
	2013	4.00%	1,300,000	
	2014	4.00%	1,300,000	
	2015	4.00%	1,295,000	
	2016	4.00%	<u>1,295,000</u>	
				\$7,790,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$1,830,000				
City Project # 911-150				
Matures:	2011	4.00%	185,000	
	2012	4.00%	185,000	
	2013	4.00%	180,000	
	2014	4.13%	180,000	
	2015	4.13%	180,000	
	2016	4.13%	<u>180,000</u>	
				\$1,090,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2010**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/06			
Amount Issued: \$8,755,000			
City Project # 911-151			
Matures:	2011	4.00%	875,000
	2012	4.00%	875,000
	2013	4.00%	875,000
	2014	4.00%	875,000
	2015	4.00%	875,000
	2016	4.00%	875,000
	2017	4.00%	875,000
			\$6,125,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$9,385,000			
City Project # 911-152			
Matures:	2011	4.00%	940,000
	2012	4.00%	940,000
	2013	4.00%	940,000
	2014	4.00%	940,000
	2015	4.00%	940,000
	2016	4.00%	935,000
	2017	4.00%	935,000
	2018	4.00%	935,000
			\$7,505,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$4,525,000			
City Project # 911-153			
Matures:	2011	4.00%	455,000
	2012	4.00%	455,000
	2013	4.00%	455,000
	2014	4.00%	450,000
	2015	4.00%	450,000
	2016	4.00%	450,000
	2017	4.00%	450,000
	2018	4.00%	450,000
			\$3,615,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2010

		Interest Rate	Amount	Total
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$10,990,000				
City Project # 911-154				
Matures:				
	2011	5.00%	1,100,000	
	2012	5.00%	1,100,000	
	2013	5.00%	1,100,000	
	2014	5.00%	1,100,000	
	2015	5.00%	1,100,000	
	2016	5.00%	1,100,000	
	2017	5.00%	1,095,000	
	2018	5.00%	1,095,000	
				\$8,790,000
Type: Corporate Purpose				
Issued: 4/1/08				
Amount Issued: \$13,440,000				
City Project # 911-156				
Matures:				
	2011	3.25%	2,855,000	
	2012	3.25%	2,030,000	
	2013	3.25%	1,205,000	
				\$6,090,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued \$9,435,000				
City Project # 911-158				
Matures:				
	2011	3.00%	575,000	
	2012	3.00%	575,000	
	2013	3.00%	860,000	
	2014	3.00%	860,000	
	2015	4.00%	860,000	
	2016	4.00%	855,000	
	2017	4.00%	855,000	
	2018	4.00%	855,000	
	2019	4.00%	855,000	
	2020	4.00%	855,000	
	2021	5.00%	855,000	
				\$8,860,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2010

	<u>Interest</u> <u>Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$5,550,000			
City Project # 911-159			
Matures:			
	2011	2.00%	350,000
	2012	2.25%	350,000
	2013	2.50%	500,000
	2014	3.00%	500,000
	2015	3.00%	500,000
	2016	3.25%	500,000
	2017	3.50%	500,000
	2018	3.50%	500,000
	2019	3.60%	500,000
	2020	3.80%	500,000
	2021	4.00%	500,000
			\$5,200,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$1,310,000			
City Project # 911-160			
Matures:			
	2011	2.25%	435,000
	2012	2.50%	435,000
			\$870,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$7,330,000			
City Project # 911-161			
Matures:			
	2011	1.55%	1,505,000
	2012	1.70%	1,470,000
	2013	2.10%	1,430,000
	2014	2.50%	1,395,000
			\$5,800,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2010

<u>GENERAL OBLIGATION BONDS</u>		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
Type: Corporate Purpose				
Issued: 3/1/10				
Amount Issued: \$13,750,000				
City Project # 911-162				
Matures:	2011	3.00%	1,150,000	
	2012	3.00%	1,150,000	
	2013	3.00%	1,145,000	
	2014	3.00%	1,145,000	
	2015	3.00%	1,145,000	
	2016	3.00%	1,145,000	
	2017	3.00%	1,145,000	
	2018	3.13%	1,145,000	
	2019	3.13%	1,145,000	
	2020	3.13%	1,145,000	
	2021	3.25%	1,145,000	
	2022	3.38%	1,145,000	
				\$13,750,000

Type: Corporate Purpose				
Issued: 3/1/10				
Amount Issued: \$5,625,000				
City Project # 911-163				
Matures:	2011	2.00%	470,000	
	2012	2.00%	470,000	
	2013	2.00%	470,000	
	2014	2.00%	470,000	
	2015	2.00%	470,000	
	2016	2.50%	470,000	
	2017	3.00%	470,000	
	2018	3.00%	470,000	
	2019	3.00%	470,000	
	2020	4.00%	465,000	
	2021	4.00%	465,000	
	2022	4.00%	465,000	
				\$5,625,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2010

<u>GENERAL OBLIGATION BONDS</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>	<u>Total</u>
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:			
	2011	1.00%	210,000
	2012	1.50%	210,000
	2013	2.25%	210,000
	2014	2.55%	210,000
	2015	3.00%	210,000
	2016	3.45%	210,000
	2017	3.75%	205,000
	2018	4.00%	205,000
	2019	4.25%	205,000
	2020	4.35%	205,000
			\$2,080,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$4,580,000			
City Project # 911-165			
Matures:			
	2011	2.00%	935,000
	2012	2.00%	935,000
	2013	2.00%	920,000
	2014	3.00%	900,000
	2015	3.00%	890,000
			\$4,580,000
Total General Obligation Bonds			\$105,220,000

CITY OF SIOUX CITY, IOWA

SINGLE AUDIT SECTION



**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>FEDERAL AWARDS</b>					
<b>DEPARTMENT OF COMMERCE -ECONOMIC DEVELOPMENT ADMINISTRATION</b>					
Economic Adjustment Assistance	11.307	05-79-04339	\$ 569,436	\$ 140,488	\$ 144,098
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>					
Community Development Block Grant Entitlement	14.218	B-07-MC-19-0006	1,950,548	549,938	383,745
	14.218	B-08-MC-19-0006	1,876,878	1,325,228	1,480,538
Emergency Shelter Grant	14.231	S-06-MC-19-0002	82,915	6,041	3,041
	14.231	S-08-MC-19-0002	84,042	10,548	8,264
	14.231	S-09-MC-19-0002	83,565	61,811	66,113
Supportive Housing Program/Continuum of Care	14.235	IA0004B7D000801	113,452	113,452	84,170
	14.235	IA0004B7D000802	113,452	-	34,331
Home Investment Partnerships Program	14.239	M-07-DC-19-0207	513,980	16,351	-
	14.239	M-08-DC-19-0207	497,773	155,270	175,766
	14.239	M-09-DC-19-0207	554,280	28,699	34,322
Neighborhood Initiative Grant Program	14.251	B-08-NI-IA-0024	686,000	686,000	681,924
Community Development Block Grant-Recovery	14.253	ARRA B09-MY-19-0002	509,481	139,576	224,189
2009 Recovery Act Homeless Prevention	14.257	ARRA S09-MY-19-0002	779,497	251,706	265,884
Fair Housing Assistance Program	14.401	FF207K087018	41,960	-	14,275
	14.401	FF207K097018	38,428	34,585	18,449
Section 8 Voucher Program	14.871	IA018V00130	4,533,890	4,533,890	4,795,857
Section 8 Voucher Program-FSS	14.871	IA018FSF005	48,844	48,844	121,215
Section 8 Voucher Program-Affordable Home Own	14.871	IA018AFHV05	48,844	48,844	72,672
Section 8 Veterans Affairs Supportive Housing	14.VSH	IA018VA0001	7,363	7,363	-
Lead-Based Paint Hazard Control	14.907	ARRA IALHB0425-08	1,983,747	501,693	638,404
<b>Passed through Iowa Department of Economic Development</b>					
Community Development Block Grant/State Program and Non-Entitlement Grants	14.228	ARRA 08-NSP-021	1,158,426	40,372	110,885
<b>U.S. DEPARTMENT OF JUSTICE</b>					
<b>Passed through Governor's Office of Drug Control Policy</b>					
Byrne-Justice Assistance Grant (JAG) Program	16.803	09JAG/ARRA-219	218,959	191,721	205,660
<b>Passed through Woodbury County</b>					
Byrne-Justice Assistance Grant (JAG) Program	16.738	2009-DJ-BX-0402	41,400	41,400	23,003
	16.738	ARRA2009F1799IASBR	184,820	184,821	157,302
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Violence Against Women Act	16.588	ARRA VWS-10-77	7,578	658	7,578
Bulletproof Vest Partnership Program	16.607	2007BUBX06133806	4,114	-	4,114
Project Safe Neighborhoods	16.609	08-ND05	11,927	6,758	3,547
	16.609	09-ND05	11,027	6,061	7,498
	16.609	07PSNAG-ND05	23,379	1,780	1,780
Office of Community Oriented Policing	16.710	2007CKWX0217	390,784	110,246	125,899
	16.710	2007CKWX0008	420,087	47,267	40,197
	16.710	2008CKWX0043	350,738	258,436	180,864
	16.710	2009CKWX0564	\$ 500,000	\$ 35,592	\$ 143,301

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
Federal Aviation Administration					
Airport Improvement Project	20.106	AIP319008534-2008	\$ 2,011,891	-	241,914
	20.106	AIP319008536-2008	656,003	589,449	583,742
	20.106	AIP319008537-2009	386,692	386,692	386,692
	20.106	ARRA-AIP319008538-09	3,965,686	2,117,827	2,382,241
	20.106	AIP319008539-2009	219,680	219,680	219,680
	20.106	AIP319008540-2009	626,715	389,378	469,831
	20.106	AIP319008541-2010	383,760	254,550	257,462
Passed through Iowa Department of Transportation					
Highway Planning and Construction	20.205	BRM7057(650)8N97	1,000,000	32,885	42,434
	20.205	BROS7057(632)8J97	1,000,000	50,727	51,065
	20.205	BROS7057(645)8J97	1,000,000	71,381	476,286
	20.205	HDP7057(628)7I97	4,732,334	6,085	-
	20.205	HDP7057(641)7I97	2,145,059	373,077	385,048
	20.205	HDP7057(642)7I97	666,720	-	140,058
	20.205	HDP7057(649)7I97	2,442,917	1,947,817	2,088,016
	20.205	HDP7057(658)7I97	3,620,000	3,397,042	1,846,655
	20.205	STPESE7057(636)8I97	600,000	570,000	140,089
	20.205	STPU7057(644)7O97	404,000	40,940	34,416
	20.205	ARRA-ESL7057(662)7S97	792,853	276,905	605,328
	20.205	ARRA-ESL7057(663)7S97	495,533	470,756	495,533
Surface Transportation Program	20.205	STPU7057(656)7O97	3,093,760	2,630,406	2,787,970
	20.205	STPU7057(648)7O97	880,000	-	7,194
Transportation Enhancement Program	20.205	STPES7057(637)8I97	263,782	11,148	-
	20.205	STPES7057(651)8I97	606,856	163,725	240,439
Transit JPA Capital Investment Assistance Prog	20.500	IA-04-0113-705-08	331,170	267,619	267,619
	20.500	IA-04-0108-00	250,000	250,000	250,000
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X001-705-10	56,475	56,475	56,475
Transit JPA New Freedom Operating Assistance	20.521	(11004)IA-57-X001-705-09	1,213	1,213	1,213
Transit JPA Transportation for Elderly/Disabled	20.521	(11451)IA-57-X001-705-09	50,250	725	725
<b>FEDERAL TRANSIT ADMINISTRATION</b>					
Transit Capital Improvement Grants	20.507	ARRA IA96X003-00	353,602	-	23,289
Transit Operating Assistance	20.507	IA90X351	1,437,136	1,437,136	-
	20.507	IA90X352	1,585,282	-	1,585,282
JPA Rural Transit Assistance Program	20.509	18-702X-705-10	12,000	-	4,840
JPA Transportation for Intercity Bus Assistance	20.509	ICB-CY09	11,200	11,200	11,200
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
Passed through Governor's Traffic Safety Bureau					
Alcohol Incentive Grant	20.601	PAP 09-410, Task 66	28,854	11,160	5,181
	20.601	PAP 10-410, Task 66	42,850	7,351	14,489
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
Passed through Department of Natural Resources					
Clean Water State Revolving Fund Program	66.458	CS192415 01	31,000,000	1,670,777	1,670,777
Drinking Water State Revolving Fund Program	66.468	FS-97-09-DWSRF-019	\$ 10,807,000	\$ 144,283	\$ 144,283

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
Brownfield Cleanup KD Station Loan	66.818	BL98706401	\$ 1,972,130	\$ 1,585,000	\$ 1,585,000
Brownfield Petroleum Assessment	66.818	BF98763201	200,000	65,600	54,604
Brownfield Hazardous Substance Assessment	66.818	BF98763301	200,000	82,050	49,310
Brownfield Revolving Loan Fund	66.818	BF97710301	14,144	7,130	7,130
Brownfield Revolving Loan Fund	66.818	ARRA 2B-97709201	650,000	450,000	450,000
<b>U.S. DEPARTMENT OF ENERGY</b>					
Energy Efficiency & Conversation Block Grant	81.128	ARRA SC0003029	801,300	-	354
<b>DEPARTMENT OF EDUCATION</b>					
Passed through Department of Transportation					
ARRA-State Fiscal Stabil-Gov Ser/Recovery	84.397	ARRA S397A090016A	101,516	101,516	101,516
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Public Assistance Grant Program	97.036	193-73335-000	186,533	30,704	186,533
Assistance to Firefighters Program	97.044	EMW-2008-FO-12075	76,032	76,032	76,032
	97.044	EMW-2009-FO-11389	136,000	-	14,576
Urban Search & Rescue Task Force	97.067	2006-GE-T6-0065-010	325,000	39,142	-
	97.067	2007-GE-T7-0032-019	200,000	37,791	128,396
	97.067	2008-GE-T8-2008-019	133,450	-	35,439
Law Enforcement Officer Reimbursement	97.090	HSTS0208HSLR274	540,047	101,598	100,346
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>					
High Intensity Drug Trafficking Area/HIDTA	N/A	I8PMWP556Z	143,000	11,788	3,395
	N/A	G09MW0002A	142,700	108,356	65,390
	N/A	Supplmnt G09MW0002A	22,400	22,400	22,400
	N/A	G10MW0002A	142,700	36,300	79,772
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<b>\$ 30,199,255</b>	<b>\$ 31,136,544</b>

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2010**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>STATE AWARDS</b>					
<b>IOWA DEPARTMENT OF CULTURAL AFFAIRS</b>					
Iowa Great Places Grant Agreement		2009-6680	\$ 16,000	\$ -	\$ 2,330
		GP3-03	279,893	279,893	279,893
<b>IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT</b>					
Rebuild Iowa Infrastructure		06-F88-002	500,000	291,175	156,708
Brownfield Project Financial Assistance		08-BRN-03	100,000	-	100,000
<b>IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT/DEPARTMENT OF TOURISM</b>					
Vision Iowa		09-CAT-027	2,000,000	641,802	1,132,283
		10-CAT-002	266,446	58,830	84,154
<b>IOWA DEPARTMENT OF TRANSPORTATION</b>					
STA Joint Participation Agreement		STA-FORM-705-FY10	240,011	240,011	240,011
Commercial Air Service Vertical Infrastructure		STA-SPEC-705-FY09	36,827	1,163	768
		91090SUX135	20,000	11,376	-
		91100SUX100	20,088	20,088	20,088
		91090SUX200	106,195	106,195	106,195
		91100SUX200	98,783	98,783	98,783
Keep America Beautiful		2009	3,000	-	1,318
<b>IOWA FINANCE AUTHORITY</b>					
I-JOBS Water Quality Financial Assistance		WQ-01	8,000,000	-	442,528
<b>STATE HISTORICAL SOCIETY</b>					
Historic Preservation Fund		2008-05	15,000	15,000	-
REAP/HRDP		08-073	8,580	4,290	922
<b>STATE LIBRARY OF IOWA</b>					
Enrich Iowa		FY2010 Direct Aid	19,818	19,818	19,488
<b>IOWA DEPARTMENT OF NATURAL RESOURCES</b>					
Iowa Brownfield Redevelopment Program		10-7540-09	\$ 24,975	-	24,975
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				1,788,424	2,710,444
<b>TOTAL FEDERAL &amp; STATE FINANCIAL ASSISTANCE</b>				\$ 31,987,679	\$ 33,846,988

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2010**

- (1) The reporting entity for purposes of the Schedule of Expenditures of Federal Awards is the same as used for reporting on the comprehensive annual financial report.
- (2) The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.
- (3) The City administers various loan programs, including the collection of principal and interest, for the Federal government. The outstanding balances of these programs at June 30, 2010, are:

	<u>Balance</u>
CDBG loans	\$473,405
CDBG deferred loans	541,910

- (4) The City accepts and approves loan applications under the Section 312 loan program. However, the proceeds of loans from the Federal government and repayment to the Federal government are not administered by the City and are not included in the current year activity for purposes of the Schedule of Expenditures of Federal Awards.

CITY OF SIOUX CITY, IOWA  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010

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I. Summary of Auditor's Results

- a. Unqualified opinions were issued on the financial statements.
- b. A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. No material weaknesses in internal control over major programs were disclosed.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The Audit disclosed no audit findings which were required to be reported in accordance with OMB Circular A-133 section .510(a)

g. Major programs:

Community Development Block Grant Entitlement/Recovery	CFDA #14.218/14.253
Section 8 Housing Choice Vouchers	CFDA #14.871
Lead Based Paint Hazard Control	CFDA #14.907
Airport Improvement Grant	CFDA #20.106
Highway Planning and Construction	CFDA #20.205
Federal Transit – Capital Investment/Formula Grants	CFDA #20.500/20.507
Brownfield's Assessment and Cleanup Cooperative Agreements	CFDA #66.818

- h. Dollar threshold used to distinguish between Type A and Type B programs  
\$879,645
- i. The Auditee did not qualify as a low-risk auditee under Section .530 of OMB Circular A-133.

II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

Instances of Non-Compliance:

No matters were reported.  
There were no prior year audit findings.

Significant Deficiency:

- II-A-10 Financial Reporting – It was found that journal entries were required to properly capitalize fixed assets. Adjustments were subsequently made by the City to properly include these corrections in the financial statements.

CITY OF SIOUX CITY, IOWA  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010

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II. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards – (Continued)

Recommendation – While we recognize that the benefits of internal controls must outweigh their cost and that no matter the complexity of controls that may be in place, the opportunity for calculation errors still exist. We recommend that the City implement additional reviews over accrual entries to ensure proper internal controls are present in all aspects of the financial reporting process.

Response – We will review our current procedures to identify where weaknesses are occurring and will take the necessary action to ensure proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

III. Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:  
No Matters Were Noted.

Internal Control Deficiencies:  
No material weaknesses in internal control over the major programs were noted.

IV. Summary Schedule of Prior Audit Findings –

CFDA Number 14.871: Section 8 Housing Choice Vouchers  
Federal Award Year: 2009  
U.S. Department of Housing and Urban Development

IV-A-09 – Allowable Costs/Cost Principles - It was found that the assistance provided to a participant was calculated using an incorrect income amount.

Condition – While the above error was detected in the subsequent annual review process, other than selective random reviews on a monthly basis there are no controls or review processes in place which would detect incorrect assistance calculations by the analysts.

Recommendation – The City should implement procedures to allow for a review of all annual assistance calculations to ensure accuracy and propriety.

Response – The City will work on revising grant procedures to ensure that all assistance payment calculations are reviewed.

Conclusion – Response Accepted.

CITY OF SIOUX CITY, IOWA  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010

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V. Other Findings Related to Required Statutory Reporting

- 10-V-A – Certified Budget – City expenditures during the year ended June 30, 2010 did not exceed the amounts budgeted.
- 10-V-B – Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 10-V-C – Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.
- 10-V-D – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.
- 10-V-E – Questionable Expenditures – We noted no questionable expenditures during our audit.
- 10-V-F – Revenue Bonds – No violations of revenue bond resolutions were noted.
- 10-V-G – Business Transactions – No business transactions between the City and City officials or employees were noted.
- 10-V-H – Cash and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

CITY OF SIOUX CITY, IOWA  
PASSENGER FACILITY CHARGES



**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**7/1/09 - 6/30/10**

	FY-09 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-10 Total	FY-10 Program Total
<b>Revenue:</b>							
Collections	\$ 3,154,813	\$ 36,774	\$ 30,384	\$ 20,084	\$ 19,769	\$ 107,011	\$ 3,261,824
Interest	1,676	-	-	-	-	-	1,676
<b>Total Revenue</b>	<b>3,156,489</b>	<b>36,774</b>	<b>30,384</b>	<b>20,084</b>	<b>19,769</b>	<b>107,011</b>	<b>3,263,500</b>
<b>Disbursements:</b>							
<b>Application #1</b>							
Taxiway C Extension	71,875	-	-	-	-	-	71,875
Snow Equip. & Fencing	38,347	-	-	-	-	-	38,347
Security Access	62,803	-	-	-	-	-	62,803
Snow Sweeper	21,000	-	-	-	-	-	21,000
Taxiway A & E	10,440	-	-	-	-	-	10,440
<b>Total Application #1</b>	<b>204,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204,465</b>
<b>Application #2</b>							
Term. Access Road	493,138	-	-	-	-	-	493,138
Financing & Interest	243,428	-	-	-	-	-	243,428
Airfield Signage/Marking	61,160	-	-	-	-	-	61,160
Financing & Interest	30,316	-	-	-	-	-	30,316
Snow Removal Equip.	6,240	-	-	-	-	-	6,240
Runway 13/31 Rehab.	528,087	-	-	-	-	-	528,087
Financing & Interest	260,690	-	-	-	-	-	260,690
<b>Total Application #2</b>	<b>1,623,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,623,059</b>
<b>Application #3</b>							
Taxiway Alpha	134,515	-	-	-	-	-	134,515
Financing & Interest	53,363	-	-	-	-	-	53,363
Taxiway Echo	60,200	-	-	-	-	-	60,200
Financing & Interest	23,887	-	-	-	-	-	23,887
AirCarrier (SIDA) Ramp	246,600	-	-	-	-	-	246,600
Financing & Interest	97,806	-	-	-	-	-	97,806
Taxiway Bravo	15,400	-	-	-	-	-	15,400
Financing & Interest	6,058	-	-	-	-	-	6,058
Taxiway Charlie	139,200	-	-	-	-	-	139,200
Financing & Interest	55,204	-	-	-	-	-	55,204
Snow Plow (#29) Replace	20,990	-	-	-	-	-	20,990
Financing & Interest	8,327	-	-	-	-	-	8,327
Airport Master Plan	15,000	-	-	-	-	-	15,000
Financing & Interest	5,951	-	-	-	-	-	5,951
Taxiway A & E Constr. (impose)	-	-	-	-	-	-	-
Financing & Interest (impose)	-	-	-	-	-	-	-
<b>Total Application #3</b>	<b>882,501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>882,501</b>
<b>Application #4</b>							
Taxiway Bravo	4,466	-	-	-	-	-	4,466
Financing & Interest	1,757	-	-	-	-	-	1,757
Taxiway Charlie & Air Carrier Ramp	111,882	-	-	-	-	-	111,882
Financing & Interest	44,373	-	-	-	-	-	44,373
Airport Master Plan	4,350	-	-	-	-	-	4,350
Financing & Interest	1,726	-	-	-	-	-	1,726
Snow Plow (#29) Replacement	6,087	-	-	-	-	-	6,087
Financing & Interest	2,415	-	-	-	-	-	2,415
Reconstruct Alpha South & Echo	58,021	-	-	-	-	-	58,021
Financing & Interest	23,018	-	-	-	-	-	23,018
<b>Total Application #4</b>	<b>258,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>258,095</b>
<b>Application #5</b>							
Terminal Concept Plan	8,149	-	-	-	-	-	8,149
Financing & Interest	2,119	-	-	-	-	-	2,119
Acquire and Modify Loading Bridge	49,230	-	-	-	-	-	49,230
Financing & Interest	12,800	-	-	-	-	-	12,800
Construct Terminal Entrance Road	49,007	27,503	-	-	-	27,503	76,510
Financing & Interest	19,893	-	-	-	-	-	19,893
Acquire Snow Removal Equipment	33,050	9,271	11,992	-	-	21,263	54,313
Financing & Interest	14,121	-	-	-	-	-	14,121
Rehabilitate Aircraft Parking Apron	-	-	18,392	20,084	19,769	58,245	58,245
Financing & Interest	-	-	-	-	-	-	-
Acquire Land for Runway 13 RPZ	-	-	-	-	-	-	-
Financing & Interest	-	-	-	-	-	-	-

**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**7/1/09 - 6/30/10**

	FY-09 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-10 Total	FY-10 Program Total
Acquire Replace Snow Plow Truck	-					-	-
Financing & Interest	-					-	-
Extend Taxiway C (include perimeter ro	-					-	-
Financing & Interest	-					-	-
Acquire Replacement Snow Blower	-					-	-
Financing & Interest	-					-	-
Total Application #5	188,369	36,774	30,384	20,084	19,769	107,011	295,380
Total Disbursements	3,156,489	36,774	30,384	20,084	19,769	107,011	3,263,500
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
							\$ ---

Notes:

- Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA  
REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A133





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**Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control over Compliance in  
Accordance with OMB Circular A-133**

The Honorable City Council  
of the City of Sioux City, Iowa:

Compliance

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux City's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Williams & Company, P.C.  
Certified Public Accountants

November 9, 2010  
Sioux City, Iowa

CITY OF SIOUX CITY, IOWA  
REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS





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**Report on Compliance and Other Matters and on Internal Control Over Financial  
Reporting Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable City Council  
of the City of Sioux City, Iowa:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa (the City) as of and for the year ended June 30, 2010 which collectively comprise the City's basic financial statements and have issued our report thereon dated November 9, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 determination of financial statement amounts. 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Sioux City's internal control over financial reporting as a basis for designing our auditing procedures 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 of Sioux City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency and a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item II-A-10 to be a material weakness.

The City of Sioux City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's response, we did not audit the City of Sioux City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Williams & Company, P.C.*  
Certified Public Accountants

November 9, 2010  
Sioux City, Iowa