

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2011

PREPARED BY

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

CITY OF SIOUX CITY, IOWA

INTRODUCTORY SECTION

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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2011**

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## THE COVER

This year's cover depicts a tradition for bicyclists who participate in the Register's Annual Bike Ride Across Iowa (RAGBRAI). RAGBRAI, pronounced "rag-bry", is the oldest, largest and longest non-competitive touring bicycle ride in the world, and attracts thousands of cyclists and supporters each summer to Iowa. The first-ever RAGBRAI journey began in Sioux City, Iowa in 1973 and on July 26, 2010, the seven-day RAGBRAI trek also commenced in Sioux City.

The RAGBRAI tradition is for bicyclists at the beginning of their ride to dip their back tires into the ceremonial starting line of the Missouri River, along the western border of Iowa. At the end of the seventh day, they dip their front tires into the Mississippi River along the eastern border to signify the completion of the ride.

## ABOUT SIOUX CITY, IA

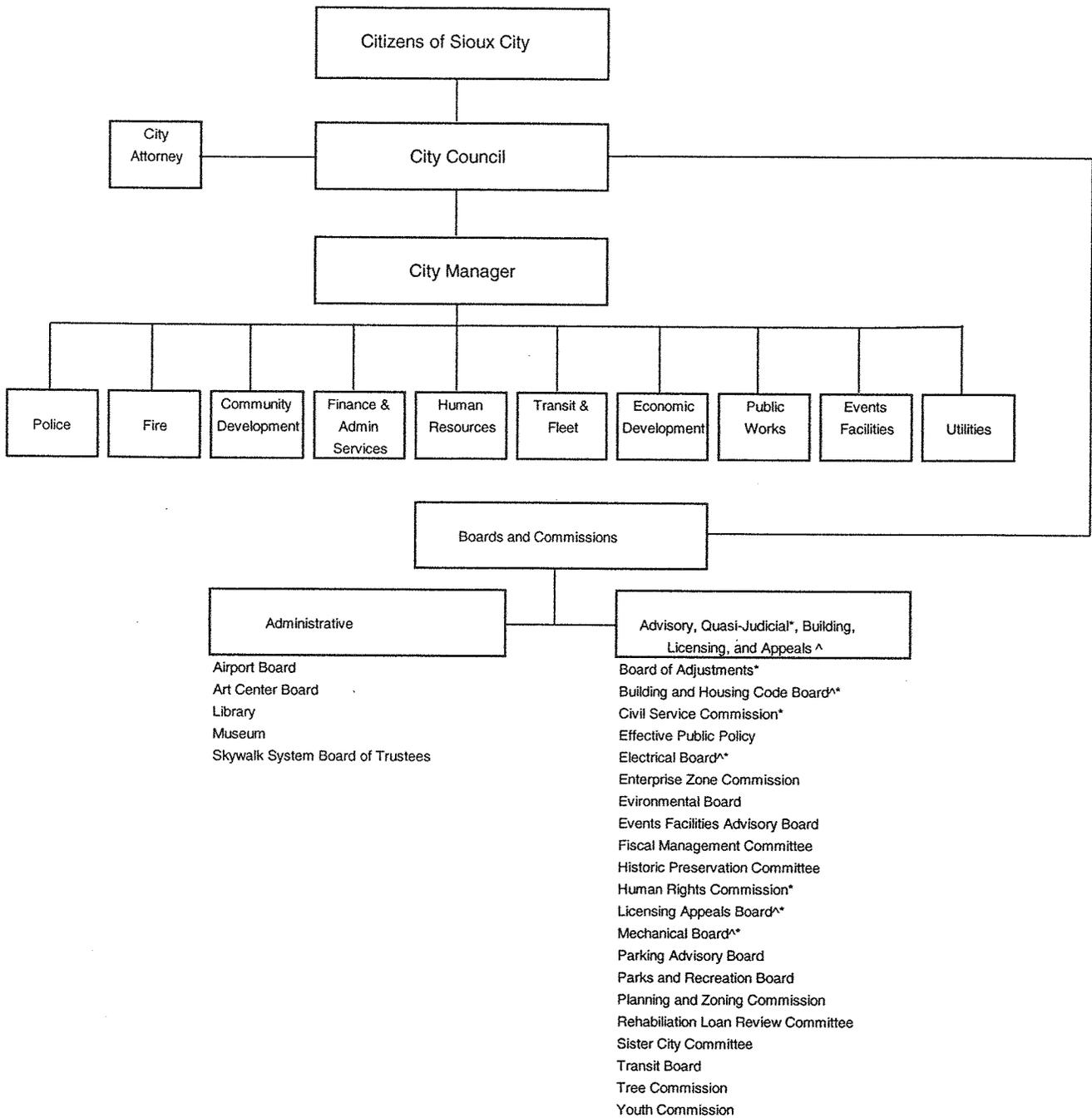
The City of Sioux City, Iowa has had a long and colorful past. Founded in 1854, its roots go back to the days of the early fur traders. Located in the center of America's heartland, Sioux City is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the States of Iowa, Nebraska, 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, 2011

## 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	vacant	
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 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
Utilities Director	Jade Dundas	September 13, 2010



Offices of the City Manager & Finance Director

*City of Sioux City, Iowa*

P O Box 447

Sioux City, IA 51102-0447

November 11, 2011

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, 2011 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 2011 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, 2011, 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 82,684.

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

The Sioux City economy remains steady after the threat of vast flooding of the Missouri River in parts of the area beginning in late May 2011. The City took extensive precautions to prevent contamination of its infrastructure by building berms around the City's water plant, wells and waste water treatment plant. The City extended its services by helping surrounding communities such as Dakota Dunes, South Dakota that was affected more extensively than Sioux City. Flooding occurred along the entire riverfront area affecting Bev's on the River and the Hilton Garden Inn. The water caused a back-flow into the Floyd and Big Sioux Rivers causing some ground water flooding in Sioux City residential basements. The extent of the damage is not apparent as the clean up begins to the area.

In dark contrast, the commencement of the fiscal year was encouraging and upbeat with a huge influx of visitors to Sioux City for the first leg of the (Des Moines) Register's Annual Bike Ride Across Iowa (RAGBRAI). Ironically, both events had a direct impact on the City's 13% increase in hotel-motel taxes for the fiscal year. RAGBRAI brought thousands for the biking event, and the flood displaced hundreds from their homes, forcing them to reside in available hotels in Sioux City.

New development continues to erupt in Sioux City, ultimately supporting the property tax base. The areas of Sioux City with development include the following.

#### Downtown:

The new Sioux City Public Museum opened in April, 2011 in the former JC Penney's department store at 607 Fourth Street. The newly renovated 55,000 square-foot space with a two-story atrium allows the museum to display many more exhibits than the previous site, including the collections at the former Pearl Street Research Center. The \$13.5 million project features a meatpacking exhibit, interactive displays, a disaster wall and audio-visuals. The new museum adds to the creation of a cultural and entertainment district alongside the Sioux City Art Center, Orpheum Theatre, Tyson Events Center, and the Historic 4th and Pearl Street Districts.

The Pearl Street Historic District is undergoing a transformation to create a new commercial and entertainment area similar to Sioux City's Historic 4th Street District. The \$2.48 million project features new streets, colored concrete, decorative street lamps and trees. The newly renovated buildings will feature a wine bar, a doughnut and coffee shop, an art studio, professional offices, and an Irish pub which opened June 6.

#### Northside:

A new fire station is currently under construction on the corner of Hamilton Boulevard and Stone Park Boulevard. The site for the new station was purchased by the City when the former nursing home that occupied that parcel relocated. The new drive-through station will house both Engine 4 and Tanker 1 that are currently housed in the old station. In addition, the new station will become the headquarters of the Regional Hazardous Materials Team that serves 13 counties in the tri-state area. This multi-bay firehouse will allow Sioux City Fire Rescue to house all of the regional HazMat equipment under one roof. The station also includes a HazMat lab for identifying unknown substances safely, a training room, storage, and offices along with the normal firehouse facilities. The new station is scheduled to be occupied in December with a completion date in the fall of 2012.

**Leeds:** American Popcorn Company announced it will construct a new \$6 million 43,000 square foot addition just south of its plant on 41<sup>st</sup> Street, and create 17 new jobs. The need for additional space became necessary once the impact of Weight Watchers' endorsement of "Jolly Time's Healthy Pop" increased sales 94%. The added production space will allow them to also bring to Sioux City other specialized items now custom packaged elsewhere.

**Northeast:** Development will begin soon in the former Grant Elementary School site at 18<sup>th</sup> and Unity Drive near the new Unity School. The \$1.9 million project consists of 20 two- and three- bedroom townhomes with a rent-to-own option after three years. The return of this region to the tax roles will help lower property taxes and eliminate the cost of mowing and maintenance of that area.

**The Yards:** The City received approval for a \$2 million Economic Development Administration (EDA) grant to assist with the demolition and clean up of the former John Morrell site. The renovation plans include removal of the brown wall parallel to the interstate, construction of a new road, attractive green space, and rows of trees. The City will save over \$450,000 in utility work associated with the upcoming I-29 reconstruction by relocating the utilities underground. Global Foods, Inc., a value-added pork processing business announced its expansion and will build a \$10 million plant on the former Morrell site. The new site will allow Global Foods to construct its own refrigerated warehouse space, create up to 175 jobs and allow access to the Union Pacific rail service. Construction of the new facility is expected to begin by 2012.

**Airport:** Renovation of the Sioux City Airport was recently completed, displaying a larger, more modern facility. The improvements are not only aesthetic, but the infrastructure of the building is also more stable and updated, which will result in less maintenance, lower utility costs and fewer breakdowns. The airport also boasts a new passenger loading bridge connecting the terminal to the planes, a new luggage carousel in the baggage claim area and a new luggage-transfer system that allows them to give their bags to the ticket agents. In addition to providing passengers with better service, the renovations also better position the airport to lure in a second carrier to join Delta Airlines, the only commercial airline to provide service to Sioux City. Federal funds paid for approximately 95 percent of the project and \$3.96 million was in the form of federal stimulus funds.

**Southbridge:** The Southbridge Business Park, an industrial area south of the Sioux Gateway Airport will eventually encompass up to 10,000 acres of industrial land. The City recently constructed 2.4 miles of new roads in the Southbridge Business Park utilizing \$4.8 million in Revitalizing Iowa's Sound Economy (RISE) grant funds received from the Iowa Department of Transportation Commission as well as assistance from the Air National Guard. The City received a \$3 million grant from the Iowa Department of Transportation to help pay for a new rail line that would service any industry that locates in the Southbridge area. A drop and pull type rail yard will be constructed to accommodate longer "unit" trains which would benefit larger scale industries such as wind energy manufacturing.

## **LONG-TERM FINANCIAL PLANNING**

In an effort to reduce costs, the City of Sioux City combined its bond sale for fiscal years 2011 and 2012 into one issue on April 18, 2011. The City had delayed a bond issuance in the fall of 2010 due to an unstable market. The \$23.425 million general obligation bond issue will be used to fund capital projects for two fiscal years instead of one year, which is usually the norm. Standard & Poor's designated the City an AA rating, citing the City's strong financial position, low to moderate overall debt burden, adequate wealth and income indicators and position as a regional employment center. Moody's Investors Service gave the City an Aa1 rating, citing a stable and diverse tax base serving as a regional service center and solid financial operations.

## **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 59.76% of its debt capacity.

## **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 2011 the City spent about \$68 million on capital improvement projects. The three largest projects were: Southbridge Water Plant, \$22.38 million, Waste Water Treatment Plant, \$11.48 million, and the New Museum \$5.2 million.

The City expects to spend significant capital amounts in fiscal year 2012. Development of rail capabilities in the Southbridge area, just south of the airport, will support major industrial development opportunities and is budgeted at \$5 million. The City has budgeted \$5.5 million in fiscal year 2012 for the development of a new City Operations Facility due to current inefficiencies and dilapidated structures. This new structure will combine maintenance and operations into one consolidated facility, with an estimated cost of \$18 million. The City has received a State of Iowa I-Jobs grant for \$3.8 million toward this project. \$5.6 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, Unity Elementary School and Liberty Elementary School. Current school development taking place include Spaulding Park Elementary School, replacing Joy and Longfellow which will open in 2012 and new two-story, 30,000 square-foot science additions to each of the three public high schools which will feature six biology labs, a physics lab, two chemistry labs, a biotechnology lab, prep rooms and offices. Discussions continue on combining Emerson and Roosevelt Elementary Schools with a plan to open the new school in 2014.

## **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, 2010. 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 2011 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, 2010

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

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



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

## 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, 2011 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, 2011, 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 11, 2011 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, 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 combining nonmajor fund financial statements, the schedule of expenditures of federal awards and the schedule of expenditures of passenger facility charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 11, 2011



## Management Discussion and Analysis

June 30, 2011

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, 2011. 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, 2011, by \$428,719,014. Of this amount, \$8,081,876 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$28,227,348 during the year. Of this amount the net assets of our Governmental Activities increased \$14,613,376 and the net assets of our Business-Type Activities increased \$13,613,972.
- The largest factor in the increase in fund balance was the amount by which capital outlays exceeded depreciation, \$18,309,241.
- The City's long term debt increased \$33,372,790 (16.6%). Contributing to the increase was the issuance of one series of general obligation bonds totaling \$23,425,000. The bond proceeds were used to fund the fiscal year 2011 Capital Improvement Program and the fiscal year 2012 Capital Improvement Program. Notes payable increased by \$26,944,854 in the enterprise funds due to additional State Revolving Loans. Outstanding General Obligation debt totals \$111,650,000.

### 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, 2011, and 2010:

	General Governmental Activities	
	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$151,877,690	\$151,627,285
Capital Assets	<u>346,306,655</u>	<u>328,002,115</u>
Total Assets	498,184,345	479,629,400
Other Liabilities	56,824,988	58,126,308
Long-Term Liabilities Outstanding	<u>140,611,326</u>	<u>135,368,437</u>
Total Liabilities	197,436,314	193,494,745
Net Assets:		
Invested in Capital Assets, Net of Related Debt	240,923,862	227,946,599
Restricted	68,250,122	28,468,804
Unrestricted	<u>(8,425,953)</u>	<u>29,719,252</u>
Total Net Assets	<u>\$300,748,031</u>	<u>\$286,134,655</u>

This summary reflects an increase in total net assets of 5.1% for the governmental activities and an increase of 11.9% in the business-type activities.

The restricted portion of net assets (15.9%) is subject to external restrictions on how these resources may be used. The remaining balance of unrestricted net assets (\$8,081,876) may be used to meet any ongoing obligations to citizens and creditors.

The government's net assets increased \$28.2 million during the current fiscal year. This change in net assets can be attributed to increases in charges for services, operating grants and capital grants.

Business-Type Activities		Totals	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
\$29,774,733	\$29,927,242	\$181,652,423	\$181,554,527
<u>242,230,775</u>	<u>200,101,331</u>	<u>588,537,430</u>	<u>528,103,446</u>
272,005,508	230,028,573	770,189,853	709,657,973
11,183,883	11,123,126	68,008,871	69,249,434
<u>132,850,642</u>	<u>104,548,436</u>	<u>273,461,968</u>	<u>239,916,873</u>
144,034,525	115,671,562	341,470,839	309,166,307
111,463,154	97,806,290	352,387,016	325,752,889
---	---	68,250,122	28,468,804
<u>16,507,829</u>	<u>16,550,721</u>	<u>8,081,876</u>	<u>46,269,973</u>
<u>\$127,970,983</u>	<u>\$114,357,011</u>	<u>\$428,719,014</u>	<u>\$400,491,666</u>

Governmental activities increased 5.1% while Business-Type Activities increased 11.9%. Details of the changes in net assets are shown as follows:

Revenue Source	Governmental Activities	
	2011	2010
<b>Program Revenues:</b>		
Charges for Services	\$19,415,453	\$17,793,198
Operating Grants and Contributions	21,909,868	20,164,596
Capital Grants and Contributions	8,711,966	15,344,878
<b>Total Program Revenues</b>	<b>50,037,287</b>	<b>53,302,672</b>
<b>General Revenues :</b>		
Property Taxes	48,720,069	50,213,734
Franchise Taxes	2,363,862	2,426,557
Hotel-Motel Taxes	1,245,787	1,098,913
Local Option Sales Taxes	11,138,684	11,132,267
Interest	669,439	1,070,516
Revenue from the Sale of Uncapitalized Property	694,982	644,883
Miscellaneous	1,541,054	2,002,806
Net Gain on Sale of Capital Assets	9,165	---
<b>Total General Revenues</b>	<b>66,383,042</b>	<b>68,589,676</b>
<b>Total Revenues</b>	<b>116,420,329</b>	<b>121,892,348</b>
<b>Expenses:</b>		
Public Safety	33,066,562	32,815,671
Public Works	18,462,437	18,703,073
Culture and Recreation	18,629,284	18,748,901
Community and Economic Development	13,195,482	14,585,952
General Government	10,164,915	11,884,328
Debt Service	6,008,221	5,908,003
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skywalk	---	---
<b>Total Expenses</b>	<b>99,526,901</b>	<b>102,645,928</b>
<b>Increase in Net Assets Before Transfers</b>	<b>16,893,428</b>	<b>19,246,420</b>
Transfers	(2,280,052)	(536,530)
<b>Increase (Decrease) in Net Assets</b>	<b>14,613,376</b>	<b>18,709,890</b>
<b>Net Assets -Beginning of Year</b>	<b>286,134,655</b>	<b>267,424,765</b>
<b>Net Assets</b>	<b>\$300,748,031</b>	<b>\$286,134,655</b>

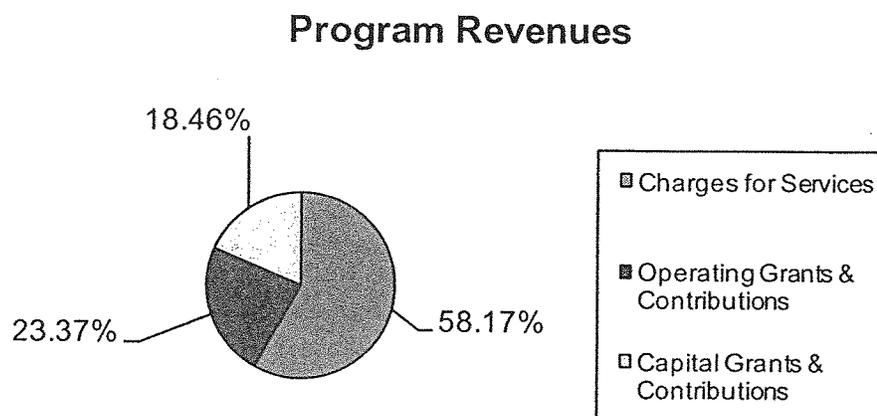
Business-Type Activities		Totals	
2011	2010	2011	2010
\$36,610,945	\$36,542,740	\$56,026,398	\$54,335,938
598,268	131,069	22,508,136	20,295,665
9,067,435	5,454,015	17,779,401	20,798,893
<u>46,276,648</u>	<u>42,127,824</u>	<u>96,313,935</u>	<u>95,430,496</u>
---	---	48,720,069	50,213,734
---	---	2,363,862	2,426,557
---	---	1,245,787	1,098,913
---	---	11,138,684	11,132,267
360,359	299,164	1,029,798	1,369,680
---	---	694,982	644,883
114,930	247,668	1,655,984	2,250,474
1,029	---	10,194	---
<u>476,318</u>	<u>546,832</u>	<u>66,859,360</u>	<u>69,136,508</u>
<u>46,752,966</u>	<u>42,674,656</u>	<u>163,173,295</u>	<u>164,567,004</u>
---	---	33,066,562	32,815,671
---	---	18,462,437	18,703,073
---	---	18,629,284	18,748,901
---	---	13,195,482	14,585,952
---	---	10,164,915	11,884,328
---	---	6,008,221	5,908,003
4,083,451	3,683,947	4,083,451	3,683,947
10,354,948	9,462,914	10,354,948	9,462,914
14,488,052	13,573,929	14,488,052	13,573,929
4,630,860	4,469,177	4,630,860	4,469,177
1,549,100	1,412,106	1,549,100	1,412,106
312,635	378,203	312,635	378,203
<u>35,419,046</u>	<u>32,980,276</u>	<u>134,945,947</u>	<u>135,626,204</u>
<u>11,333,920</u>	<u>9,694,380</u>	<u>28,227,348</u>	<u>28,940,800</u>
<u>2,280,052</u>	<u>536,530</u>	<u>---</u>	<u>---</u>
<u>13,613,972</u>	<u>10,230,910</u>	<u>28,227,348</u>	<u>28,940,800</u>
<u>114,357,011</u>	<u>104,126,101</u>	<u>400,491,666</u>	<u>371,550,866</u>
<u>\$127,970,983</u>	<u>\$114,357,011</u>	<u>\$428,719,014</u>	<u>\$400,491,666</u>

Program revenues totaled \$96,313,935 for fiscal year 2011. Governmental Activities provided \$50,037,287 and Business-Type Activities provided \$46,276,648. Revenue collected for Charges for Services during fiscal year 2011 was \$56,026,398 accounting for approximately 58.2% of the total program revenues. Total Governmental charges for services increased \$1.6 million, which consists of various items. Building demolitions increased \$189,000 due to invoicing the customer initially for City demolition services, rather than assessing the property. Riverboat revenues increased \$55,000, which is based on a percentage of the revenue collected by the Riverboat. Red light and speeding camera revenues increased \$914,000 due to newly implementing photo enforcement. Court fines collected increased \$134,000 due to additional citations issued and due to a change in District Court collection practices. Events Facilities revenues increased, such as building rent \$87,500, parking \$38,000, event revenue \$29,000 and ticket sales \$34,000 all directly related to the events held during the fiscal year. Transit charges for services increased \$103,600 due to an increase of about 48,000 transit passengers utilizing the system.

Community and Economic Development operating grants increased \$1.3 million. The largest increases in grant funds were from the Iowa Department of Economic Development, \$479,000 for the Neighborhood Stabilization Program, and \$747,000 from the Department of Housing and Urban Development (DHUD) for the Lead-Based Paint Hazard Control Program. Public Works operating grants increased due to State Road Use Tax Funds increasing \$383,000.

Capital grants decreased \$5.5 million for Public Works, due to the expiration of several American Recovery and Reinvestment Act (ARRA) grants received in fiscal year 2010. Culture and Recreation had an increase in capital grants relating to the City's new Museum, consisting of a decrease of \$566,000 in grants and an increase of \$1 million in private donations. Community and Economic Development capital grants decreased \$1.5 million because of an Environmental Protection Agency (EPA) grant in fiscal year 2010 relating to the KD Station demolition. In the Business-Type funds, the Airport capital grants decreased \$3.5 million due to receiving an ARRA grant from the Federal Aviation Administration in fiscal year 2010. Water capital grants increased about \$7.1 million due to receiving an I-Jobs Grant from the Iowa Finance Authority relating to construction of the new Southbridge Water Plant.

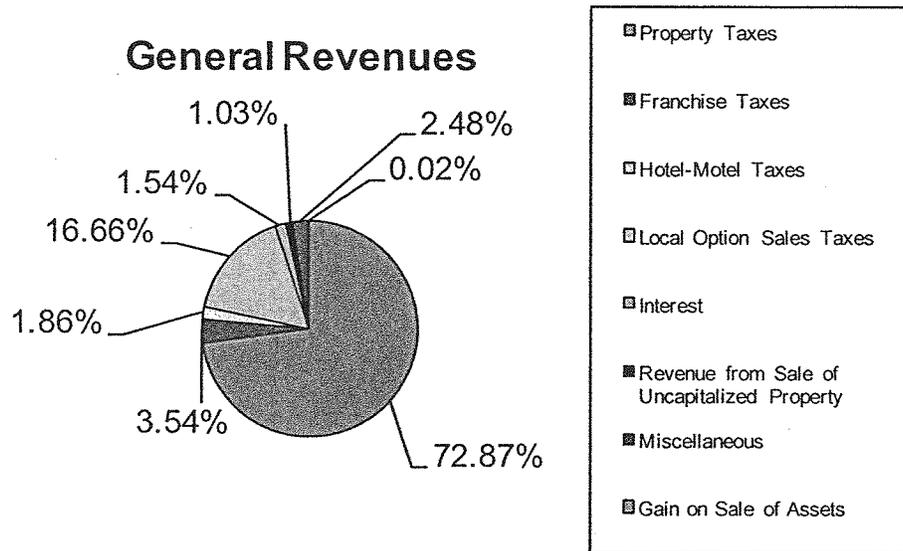
The following chart breaks down program revenues by source:



General Revenues for fiscal year 2011 totaled \$66,859,360, which is \$2.28 million less than fiscal year 2010. Governmental Activities provided \$66,383,042 and Business-Type Activities provided

\$476,318. Property tax revenues for fiscal year 2011 totaled \$48,720,069, accounting for 72.9% of General Revenues, but \$1.5 million lower than fiscal year 2010 due to a lower tax levy. Interest income decreased \$339,882 due to a struggling economy, and miscellaneous revenue decreased \$594,500 due to a large reimbursement from a vendor in fiscal year 2010.

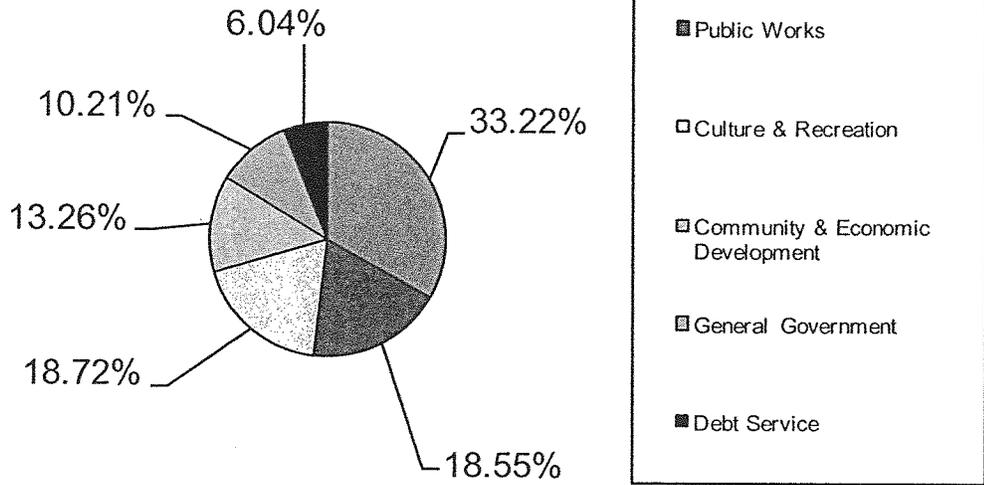
The following chart breaks down General Revenues by source:



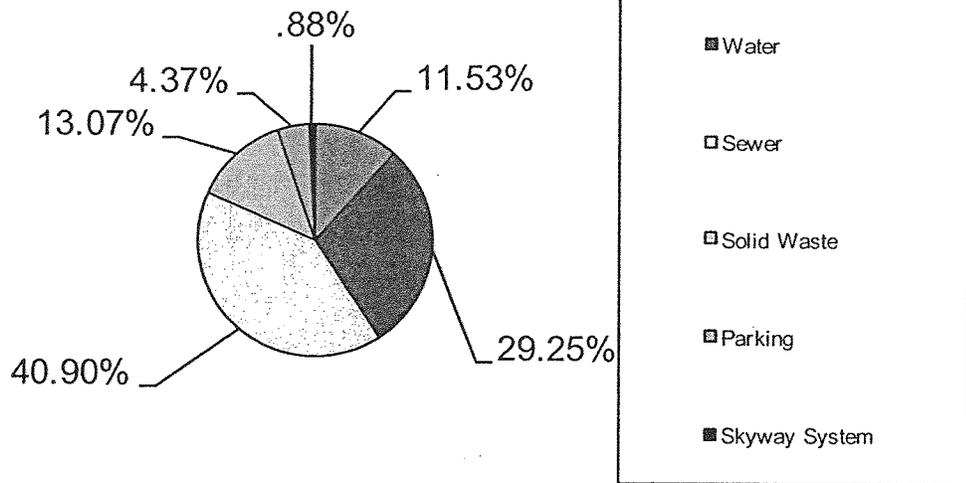
Expenses for fiscal year 2011 totaled \$134,945,947. Expenses for General Governmental Activities totaled \$99,526,901 accounting for 74% of total expenses. Business-Type Activity expenses totaled \$35,419,046 for 26% of the total.

Public Safety expenses increased \$251,000 mainly due to contractual obligations relating to employee wages and State mandated increases in the retirement funding. Community and Economic Development expenses decreased \$1.4 million due to more ARRA capital grants received in fiscal year 2010. Airport expenses increased almost \$400,000 mainly due to the renovation of the Airport Terminal. The Sewer fund expenses increased \$914,000, due a buyout and termination of the American Water management contract of the Waste Water Treatment Plant (WWTP), and due to increases in State Revolving Loan fund interest expense for rehabilitation of that facility. The Water fund expenses increased \$892,000 due to flood related costs and for interest expense related to the additional State Revolving Loans for Water. Solid Waste expenses increased \$150,000 due to increases in contract payments. The expenses are shown on the following page:

## 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 \$33,066,562 and received \$3,166,459 in revenue thus leaving a cost to the taxpayer of \$29,900,103 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 \$99,526,901. Of these costs, \$19,415,453 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 \$30,621,834, leaving a Net Expense of \$49,489,614 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>FY11</u>	<u>FY10</u>
<b><u>Governmental Activities</u></b>		
Public Safety	\$(29,900,103)	\$(30,053,181)
Public Works	428,735	5,168,292
Culture & Recreation	(8,513,309)	(9,290,796)
Community & Economic Development	(2,898,380)	(4,037,731)
General Government	(2,657,142)	(5,282,741)
Debt Service	(5,949,415)	(5,847,099)
Total Net (Expense) Revenue		
Government Activities	(49,489,614)	(49,343,256)
General Revenues & Transfers	64,102,990	68,053,146
Change in Net Assets	<u>\$14,613,376</u>	<u>\$18,709,890</u>

Total resources available during the year to finance governmental operations were \$400,274,932, consisting of Net Assets at July 1, 2010 of \$286,134,655, Program Revenues of \$50,037,287, General Revenues of \$66,383,042 and Transfers of \$(2,280,052). Total Governmental Activities during the year expended \$99,526,901; thus, Net Assets were increased by \$14,613,376 to \$300,748,031.

### Business-Type Activities

Business-type activities increased the City's net assets by \$13,613,972.

The cost of all Proprietary activities this year was \$35,419,046. As shown in the Statement of Activities, the amounts paid by users of the systems was \$36,610,945, and \$9,665,703 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$10,857,602. As discussed in the revenue section, the Airport capital grants decreased \$3.5 million because of the expiration of the ARRA grants from the Federal Aviation Administration in fiscal year 2010, while water capital grants increased \$7.1 million for the Southbridge Water Plant.

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>FY11</u>	<u>FY10</u>
Airport System	\$(889,998)	\$3,018,374
Water System	9,447,125	2,345,439
Sewer System	2,712,773	3,796,532
Solid Waste System	(157,696)	138,114
Parking	(254,602)	(150,911)
<b>Total Net (Expense) Revenue Business-Type Activities</b>	<b>10,857,602</b>	<b>9,147,548</b>
<b>General Revenues &amp; Transfers</b>	<b>2,756,370</b>	<b>1,083,362</b>
<b>Change in Net Assets</b>	<b>\$13,613,972</b>	<b>\$10,230,910</b>

Total resources available during the year to finance Proprietary Fund activities were \$163,390,029, consisting of Net Assets at July 1, 2010 of \$114,357,011, program revenues of \$46,276,648, General Revenues of \$476,318, and transfers of \$2,280,052. Total Proprietary Fund Activities during the year expended \$35,419,046, thus Net Assets were increased by \$13,613,972 to \$127,970,983.

## 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 \$77,108,372, a total increase of \$165,353 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$8,292,411 is 18% 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 \$86,482, an increase of \$33,065 from fiscal year 2010. The largest change in revenues, as discussed earlier at the government-wide level, (as charges for services), was a \$989,000 increase in regulatory fees resulting from the red light and speed camera photo enforcement fines. Public Safety expenditures increased \$953,000 because of employee payroll contract obligations, State mandated retirement contribution increases and due to an increase in the Animal Control contract.

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 2011 fund balance increased \$1,083,347. The increase in the fund balance is the result of net transfers in of \$1,974,042. The majority (94.6%) of the fund balance is restricted for debt service, while all but \$1,159 of the remaining fund balance is non-spendable 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. Intergovernmental revenue decreased a total of \$7.5 million of which \$5.5 million was for Public Works, due to several ARRA grants received in fiscal year 2010. Public Safety capital grants increased by almost \$177,000 due to receiving a grant to remodel the Recycling Center to become the new Fire Training Center and for energy grants to update the fire stations. Culture and Recreation had an increase of \$566,000 in capital grants relating to the City's new Museum. Community and Economic Development capital grants decreased \$1.5 million because of an Environmental Protection Agency (EPA) grant in fiscal year 2010 relating to the KD Station demolition. Capital contributions increased \$1 million for private donations relating to the new museum. Capital expenditures decreased \$3.1 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 \$13,613,972 in fiscal year 2011. The funds with the largest net asset increase were the Water Fund and the Sewer Fund. Charges for services increased for both the Water and Sewer Funds due to rate increases of 5.9% and 8.5% respectively. The Water Fund Intergovernmental revenues increased \$7.5 million due to receiving an I-Jobs Grant from the Iowa Finance Authority relating to the new Southbridge Water Plant. Sewer operating expenses increased a total of \$427,000 all relating to the City's termination of the American Water contract and conducting operations under the City's management. The result is an increase in employee services of \$1.2 million and a decrease of \$1.9 million in supplies and services relating to the former contract but offset by increases for additional supplies now purchased by the City. Interest expense increased in both the Water and Sewer Funds due to additional State Revolving Loan funds received for the new water plant and the new waste water treatment plant.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2011 original (adopted) General Fund amount of \$51,767,538 to the final budget amount of \$72,480,971, shows a net increase of \$20,713,433.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$51,767,538	\$259,648	\$52,027,186	\$20,453,785	\$72,480,971

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	\$36,630,164	\$31,894,744	\$(4,735,420)
Public Works	2,060,232	1,583,353	(476,879)
Culture & Recreation	17,635,076	7,845,281	(9,789,795)
Community & Economic Development	1,053,800	1,017,801	(35,999)
General Government	11,822,383	3,529,474	(8,292,909)
	69,201,655	45,870,653	(23,331,002)
Transfers Out	3,279,316	4,329,819	1,050,503
Total Expenditures	<u>\$72,480,971</u>	<u>\$50,200,472</u>	<u>\$(22,280,499)</u>

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

In fiscal year 2011, appropriations increased \$20.7 million between the original budget and the final amended budget. Public Safety increased \$6 million, Culture and Recreation increased \$9.5 million, and General Government increased \$5.2 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, 2011 was \$352,387,016 (net of accumulated depreciation and outstanding financings). This is an increase of \$26,634,127 (8.2%) from fiscal year 2010. The gross additions to capital assets for fiscal year 2011 are as follows:

	General Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
Land	\$744,818	\$2,377,265	\$150,000	\$ 83,153
Infrastructure	18,174,353	2,138,199	---	---
Buildings	9,518,125	671,602	---	7,139,799
Improvements-Other than Buildings	752,830	784,139	11,368,775	3,865,000
Equipment	3,555,960	2,448,400	668,359	104,840
Construction in Progress	17,068,007	23,803,111	49,345,340	35,062,323
Total Gross Additions	<u>\$49,814,093</u>	<u>\$32,222,716</u>	<u>\$61,532,474</u>	<u>\$46,255,115</u>

	Totals	
	2011	2010
Land	\$894,818	\$2,460,418
Infrastructure	18,174,353	2,138,199
Buildings	9,518,125	7,811,401
Improvements-Other than Buildings	12,121,605	4,649,139
Equipment	4,224,319	2,553,240
Construction in Progress	66,413,347	58,865,434
Total Gross Additions	<u>\$111,346,567</u>	<u>\$78,477,831</u>

The majority of the expenditures for capital outlays were incurred by the Capital Improvement Fund. Infrastructure was the major capital outlay for Governmental Activities in fiscal year 2011 and included: Perry Creek Flood Control, Expedition Business Park, and Logan Street Replacement. The expenditures in improvements included the Convention Center roof. Land was acquired for the following projects: Wesley Parkway, Southbridge Water Plant, and Chambers Street Extension. New equipment included licensed vehicles acquired by the City's Central Maintenance Garage fund which is an Internal Service Fund. Buildings include the Auditorium, and the newly built Animal Control facility. Construction in progress included the Sioux City Public Museum, Sunnybrook Road to Christie Road, and Traffic Control.

For Business-Type Activities, construction in progress included the Southbridge Water Plant, Well Replacement and the Waste Water Treatment Plant. Improvements include Airport North Ramp, Emergency Water Main Upgrade and 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 \$234,482,079 of debt outstanding. This is an increase of \$33,372,790 from the prior year. Of this amount \$103,706,105 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds). \$130,767,621 is to be repaid from the City's Municipal Enterprises.

Debt administration is 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 Aa1 bond rating. This rating is the second highest possible rating and reflects well on our community.

The City took advantage of the Federal Government's new Build America Bonds Program in 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 \$20 million in Build America Bonds that will be repaid from 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 \$185,287,457. With outstanding general obligation debt applicable to this limit of \$103,719,175, the City is utilizing 55.98% 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.

A year after Sioux City experienced the loss of the John Morrell plant, the City received approval for a \$2 million Economic Development Administration (EDA) grant to assist with the demolition and clean up of the former John Morrell site. Global Foods, Inc., a value-added pork processing business announced its expansion and will build a \$10 million plant on the former Morrell site. The new site will allow Global Foods to construct its own refrigerated warehouse space, create up

to 175 jobs and allow access to the Union Pacific rail service. Construction of the new facility is expected to begin by 2012.

The City has also recognized the need to rehabilitate its waste water treatment plant (WWTP). The WWTP has exceeded its useful life and therefore, the City has upgraded the plant to meet several regulatory requirements. When the upgrade is complete, the final cost will be close to \$106 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% interest loans over 20 years to finance the City's sewer improvements. While the debt still needs to be repaid, the City has taken advantage of the opportunity to do necessary work at low interest rates.

In January 2011, the City took over the 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 staffed the plant with 24 employees 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), specifically in the Donner area, has allowed the City to develop the southern portion of the City's boundaries, appropriately termed "Southbridge", which is near the City's airport. The site is suitable 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 awarded the City nearly \$5 million from the Revitalizing Iowa's Sound Economy (RISE) grant to construct 16,400 feet of roadway, providing paved access to over 400 acres of land for industrial development. The City received \$3 million from the Iowa Department of Transportation Rail Port Program which allowed the City to construct a rail yard in the Southbridge area. The City also received 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. Several 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.

#### **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, 2011**

EXHIBIT 1

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 78,291,481	\$ 21,246,896	\$ 99,538,377
Accounts Receivable	2,513,497	6,554,980	9,068,477
Accrued Interest Receivable	715,810	23,882	739,692
Notes Receivable	9,489,772	1,000	9,490,772
Special Assessments	1,543,133	---	1,543,133
Due from Other Governments	57,505,661	1,013,234	58,518,895
Internal Balances	168,649	(168,649)	---
Inventories, at Cost	322,288	6,955	329,243
Prepaid Items	538,039	21,078	559,117
Internal Balances - Note Receivable	72,383	(72,383)	---
Bond Issue Costs	419,605	1,147,740	1,567,345
Investment in Joint Venture	297,372	---	297,372
Capital Assets not being depreciated:			
Land	43,418,112	3,209,023	46,627,135
Construction in Progress	72,229,825	143,943,928	216,173,753
Capital Assets net of accumulated depreciation:			
Infrastructure	109,350,791	---	109,350,791
Buildings	71,711,151	12,769,390	84,480,541
Buildings under Capital Lease	3,069,875	---	3,069,875
Improvements other than buildings	37,218,865	80,646,906	117,865,771
Equipment	9,308,036	1,661,528	10,969,564
<b>Total Assets</b>	<b>498,184,345</b>	<b>272,005,508</b>	<b>770,189,853</b>
<b>LIABILITIES</b>			
Accounts Payable	2,664,546	1,402,981	4,067,527
Accrued Wages	1,754,842	215,331	1,970,173
Accrued Interest Payable	298,349	339,025	637,374
Contracts and Retainers Payable	4,083,593	8,312,127	12,395,720
Due to Other Governments	15,312	235,701	251,013
Matured Bonds and Coupons Payable	1,740	13,718	15,458
Deferred Revenue	48,006,606	---	48,006,606
Unearned Revenue	---	665,000	665,000
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	16,631,884	1,214,527	17,846,411
Notes Payable	8,353	10,041,859	10,050,212
Compensated Absences	1,633,608	229,772	1,863,380
Estimated Liability for Damage Claims	1,135,623	---	1,135,623
Estimated Liability for Landfill Closure	---	60,730	60,730
Due in more than one year			
General Obligation Bonds Payable	88,742,556	6,729,368	95,471,924
Notes Payable	---	112,781,867	112,781,867
Estimated Post Retirement Benefit Obligation	14,130,000	---	14,130,000
Compensated Absences	1,578,662	192,586	1,771,248
Estimated Liability for Damage Claims	16,750,640	---	16,750,640
Estimated Liability for Landfill Closure	---	1,599,933	1,599,933
<b>Total Liabilities</b>	<b>197,436,314</b>	<b>144,034,525</b>	<b>341,470,839</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	240,923,862	111,463,154	352,387,016
Restricted for:			
Capital Improvements	45,429,483	---	45,429,483
Debt Service	9,984,352	---	9,984,352
Road Use	316,770	---	316,770
Other Employee Benefits	234,952	---	234,952
Community Programs & Services	11,223,309	---	11,223,309
Other Purposes	41,801	---	41,801
Endowment, non-expendable	1,019,455	---	1,019,455
<b>Total Restricted</b>	<b>68,250,122</b>	<b>---</b>	<b>68,250,122</b>
Unrestricted	(8,425,953)	16,507,829	8,081,876
<b>Total Net Assets</b>	<b>\$ 300,748,031</b>	<b>\$ 127,970,983</b>	<b>\$ 428,719,014</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, 2011**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
Public Safety	\$ 33,066,562	\$ 1,224,249	\$ 1,750,458	\$ 191,752
Public Works	18,462,437	4,462,029	10,338,380	4,090,763
Culture and Recreation	18,629,284	6,131,602	179,699	3,804,674
Community and Economic Development	13,195,482	209,815	9,533,301	553,986
General Government	10,164,915	7,387,758	108,030	11,985
Debt Service	6,008,221	---	---	58,806
Total Governmental Activities	<u>99,526,901</u>	<u>19,415,453</u>	<u>21,909,868</u>	<u>8,711,966</u>
<b>Business-Type Activities:</b>				
Airport	4,083,451	1,568,331	99,511	1,525,611
Water	10,354,948	11,834,682	425,567	7,541,824
Sewer	14,488,052	17,127,635	73,190	---
Solid Waste	4,630,860	4,473,164	---	---
Parking	1,549,100	1,294,498	---	---
Skyway System	312,635	312,635	---	---
Total Business-Type Activities	<u>35,419,046</u>	<u>36,610,945</u>	<u>598,268</u>	<u>9,067,435</u>
<b>Total Functions/Programs</b>	<u><u>\$ 134,945,947</u></u>	<u><u>\$ 56,026,398</u></u>	<u><u>\$ 22,508,136</u></u>	<u><u>\$ 17,779,401</u></u>

**General Revenues:**

Property Taxes  
Franchise Taxes  
Hotel-Motel Taxes  
Local Option Sales Taxes  
Interest  
Revenue from Sale of Uncapitalized Property  
Miscellaneous  
Net Gain on Sale of Capital Assets

**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.*

**Net (Expenses) Revenues and Changes in Net  
Assets**

Governmental Activities	Business-Type Activities	Total
\$ (29,900,103)	\$ ---	\$ (29,900,103)
428,735	---	428,735
(8,513,309)	---	(8,513,309)
(2,898,380)	---	(2,898,380)
(2,657,142)	---	(2,657,142)
(5,949,415)	---	(5,949,415)
(49,489,614)	---	(49,489,614)
---	(889,998)	(889,998)
---	9,447,125	9,447,125
---	2,712,773	2,712,773
---	(157,696)	(157,696)
---	(254,602)	(254,602)
---	---	---
---	10,857,602	10,857,602
\$ (49,489,614)	\$ 10,857,602	\$ (38,632,012)
48,720,069	---	48,720,069
2,363,862	---	2,363,862
1,245,787	---	1,245,787
11,138,684	---	11,138,684
669,439	360,359	1,029,798
694,982	---	694,982
1,541,054	114,930	1,655,984
9,165	1,029	10,194
(2,280,052)	2,280,052	---
64,102,990	2,756,370	66,859,360
14,613,376	13,613,972	28,227,348
286,134,655	114,357,011	400,491,666
\$ 300,748,031	\$ 127,970,983	\$ 428,719,014

**CITY OF SIOUX CITY, IOWA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

<u>ASSETS</u>	General	Other Employee Benefits	Local Option Sales Tax
Cash and Cash Equivalents	\$ 4,902,693	\$ 28,668	\$ 348,814
Investment in Joint Venture	297,372	---	---
Accounts Receivable	992,985	---	9,779
Accrued Interest Receivable	84,450	---	5,491
Notes Receivable	17,600	---	188,104
Special Assessments	---	---	---
Due from Other Governments	21,816,723	8,130,724	1,849,929
Due from Other Funds	2,541,199	---	---
Inventories	---	---	---
Prepaid Items	---	---	---
Total Assets	30,653,022	8,159,392	2,402,117
<u>LIABILITIES</u>			
Accounts Payable	430,928	---	5,000
Accrued Wages	1,351,601	---	---
Contracts and Retainers Payable	11,357	---	---
Due to Other Governments	3,079	---	---
Due to Other Funds	7,355	---	---
Matured Bonds and Coupons Payable	---	---	---
Deferred Revenue	20,556,291	7,924,440	---
Total Liabilities	22,360,611	7,924,440	5,000
<u>FUND BALANCES</u>			
Non-Spendable:			
Inventory	---	---	---
Prepaid Items	---	---	---
Long-Term Notes Receivable	17,600	---	188,104
Investment in Joint Venture	297,372	---	---
Endowment, non-expendable	---	---	---
Restricted	---	234,952	---
Committed	418,019	---	---
Assigned	---	---	2,209,013
Unassigned	7,559,420	---	---
Total Fund Balances	8,292,411	234,952	2,397,117
Total Liabilities and Fund Balances	\$ 30,653,022	\$ 8,159,392	\$ 2,402,117

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 7,551,143	\$ 45,726,885	\$ 4,398,978	\$ 62,957,181
---	---	---	297,372
12,052	733,151	244,382	1,992,349
944	4,509	613,657	709,051
455,429	1,240,065	7,507,899	9,409,097
1,543,133	---	---	1,543,133
20,098,536	2,749,507	2,860,242	57,505,661
---	---	4,130	2,545,329
---	---	105,284	105,284
---	1,645	362,442	364,087
<u>29,661,237</u>	<u>50,455,762</u>	<u>16,097,014</u>	<u>137,428,544</u>
---	1,138,690	679,641	2,254,259
---	15,760	314,439	1,681,800
---	3,870,749	199,183	4,081,289
---	---	12,233	15,312
---	1,080	2,383,796	2,392,231
1,740	---	---	1,740
<u>21,263,731</u>	<u>---</u>	<u>149,079</u>	<u>49,893,541</u>
21,265,471	5,026,279	3,738,371	60,320,172
---	---	105,284	105,284
---	1,645	362,442	364,087
455,429	1,240,065	7,507,899	9,409,097
---	---	---	297,372
---	---	1,019,455	1,019,455
7,939,178	44,187,773	3,732,379	56,094,282
1,159	---	955,736	1,374,914
---	---	---	2,209,013
---	---	(1,324,552)	6,234,868
<u>8,395,766</u>	<u>45,429,483</u>	<u>12,358,643</u>	<u>77,108,372</u>
<u>\$ 29,661,237</u>	<u>\$ 50,455,762</u>	<u>\$ 16,097,014</u>	<u>\$ 137,428,544</u>

CITY OF SIOUX CITY, IOWA  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

EXHIBIT 3A

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

Total Fund Balances - Governmental Funds (Exhibit 3) \$ 77,108,372

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	\$ 43,418,112	
Construction in Progress	72,229,825	
Infrastructure, net of \$47,068,530 accumulated depreciation	109,350,791	
Buildings, net of \$23,538,485 accumulated depreciation	71,711,151	
Buildings under Capital Lease, net of \$4,605,125 accumulated depreciation	3,069,875	
Improvements other than Buildings, net of \$18,661,370 accumulated depreciation	37,010,979	
Equipment, net of \$13,902,705 accumulated depreciation	<u>2,027,058</u>	
Total Capital Assets		338,817,791

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. (8,793,698)

Deferred Revenues that provide current financial resources for governmental activities. 1,886,935

Accrued interest expense from the balance sheet that requires current financial resources for governmental activities. (298,348)

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	419,605	
Bond Discount	79,935	
Bond Premium	<u>(1,748,270)</u>	
Total Bond Issue Costs (See Note 6)		(1,248,730)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(103,706,105)	
Notes Payable	(8,353)	
Compensated Absences	<u>(3,009,833)</u>	
Total Long-term Liabilities (See Note 6)		(106,724,291)

Total Net Assets - Governmental Activities (Exhibit 1) \$ 300,748,031

*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, 2011**

<u>REVENUES</u>	General	Other Employee Benefits	Local Option Sales Tax
Taxes	\$ 22,980,184	\$ 8,201,141	\$ 11,138,684
Special Assessments	366,333	---	---
Regulatory Fees	2,798,758	---	---
Intergovernmental Revenue	1,902,127	---	---
Revenue from Use of Property	365,315	---	---
Charges for Services	4,867,525	---	---
Interest	204,083	---	2,432
Contributions	156,580	---	---
Miscellaneous	269,214	1,161	1,826
Total Revenue	33,910,119	8,202,302	11,142,942
 <u>EXPENDITURES</u>			
Current:			
Public Safety	31,894,744	809,830	---
Public Works	1,583,353	---	---
Culture and Recreation	7,845,281	140,853	---
Community and Economic Development	1,017,801	13,841	474,507
General Government	3,529,474	29,154	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	45,870,653	993,678	474,507
Excess (Deficiency) of Revenues Over Expenditures	(11,960,534)	7,208,624	10,668,435
 <u>OTHER FINANCING SOURCES (USES)</u>			
Issuance of Debt	---	---	---
Premiums on Bonds Issued	---	---	---
Proceeds from the Sale of Uncapitalized Assets	---	---	---
Transfers In	16,376,835	60,000	---
Transfers Out	(4,329,819)	(7,158,772)	(10,745,663)
Total Other Financing Sources (Uses)	12,047,016	(7,098,772)	(10,745,663)
Net Change in Fund Balance	86,482	109,852	(77,228)
Fund Balance - Beginning of Year	8,205,929	125,100	2,474,345
Fund Balance - End of Year	<u>\$ 8,292,411</u>	<u>\$ 234,952</u>	<u>\$ 2,397,117</u>

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 20,417,349	\$ ---	\$ 686,919	\$ 63,424,277
58,806	---	2,697	427,836
---	---	---	2,798,758
---	5,705,183	19,851,161	27,458,471
---	440,862	4,557,662	5,363,839
---	---	3,638,793	8,506,318
20,951	201,915	215,958	645,339
---	2,813,558	---	2,970,138
55,759	---	680,866	1,008,826
20,552,865	9,161,518	29,634,056	112,603,802
---	---	---	32,704,574
---	---	12,843,587	14,426,940
---	---	8,035,539	16,021,673
---	---	8,817,415	10,323,564
---	---	---	3,558,628
21,987,817	---	---	21,987,817
---	30,926,892	518,201	31,445,093
21,987,817	30,926,892	30,214,742	130,468,289
(1,434,952)	(21,765,374)	(580,686)	(17,864,487)
---	20,745,486	---	20,745,486
544,257	---	---	544,257
---	77,145	---	77,145
5,150,632	8,792,108	5,431,706	35,811,281
(3,176,590)	(8,588,238)	(5,149,247)	(39,148,329)
2,518,299	21,026,501	282,459	18,029,840
1,083,347	(738,873)	(298,227)	165,353
7,312,419	46,168,356	12,656,870	76,943,019
\$ 8,395,766	\$ 45,429,483	\$ 12,358,643	\$ 77,108,372

**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, 2011**

EXHIBIT 4A

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

Net Change in Fund Balances - Governmental Funds (Exhibit 4)		\$ 165,353
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 (\$27,762,301) exceeded depreciation (\$9,453,060) in the current period.		18,309,241
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		449,963
Accrued interest expense that does not require current financial resources.		5,612
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:		434,839
<p>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.</p>		
Debt Issued:		
General Obligation Bonds	(20,745,486)	
Bond Costs	75,988	
Bond Premium	(544,257)	
Repayments:		
General Obligation Bonds	15,843,212	
Bond Charges	52,721	
Notes Payable	2,063	
Net Adjustment (See Note 6)	(5,315,759)	
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.		564,127
Changes in Net Assets - Governmental Activities (Exhibit 2)		\$ 14,613,376

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

CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 1,283,820	\$ 1,856,740
Accounts Receivable	58,328	2,114,782
Accrued Interest Receivable	---	4,330
Notes Receivable - Current	---	---
Due from Other Governments	100,952	614,467
Due from Other Funds	---	---
Inventories, at Cost	6,955	---
Prepaid Items	590	3,538
Bond Issue Costs	---	405,720
Total Current Assets	<u>1,450,645</u>	<u>4,999,577</u>
<b><u>Other Assets</u></b>		
Advances to Other Funds	---	---
<b><u>Non-Current Assets</u></b>		
Notes Receivable - Long-term	1,000	---
Capital Assets, Net of Accumulated Depreciation	30,003,054	88,718,235
Total Non-Current Assets	<u>30,004,054</u>	<u>88,718,235</u>
Total Assets	<u>31,454,699</u>	<u>93,717,812</u>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	93,089	1,005,417
Accrued Wages and Compensated Absences	109,646	298,620
Accrued Interest Payable	4,760	113,570
Contracts and Retainers Payable	320,487	3,900,755
Due to Other Governments	---	107,400
Due to Other Funds	15,551	---
Estimated Liability for Damage Claims	---	---
Current Portion of G.O. Bonds	273,769	286,435
Current Portion of Notes Payable	---	6,201,859
Matured Bonds and Coupons Payable	---	6,050
Deferred Revenues	---	---
Total Current Liabilities	<u>817,302</u>	<u>11,920,106</u>
<b><u>Non-Current Liabilities</u></b>		
Post Employment Benefit Obligation	---	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Advances from Other Funds	72,383	---
General Obligation Bonds, Net of Current Portion	1,471,312	3,011,456
Notes Payable, Net of Current Portion	---	39,993,000
Total Non-Current Liabilities	<u>1,543,695</u>	<u>43,004,456</u>
Total Liabilities	<u>2,360,997</u>	<u>54,924,562</u>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets, Net of Related Debt	28,257,973	39,225,485
Unrestricted	835,729	(432,235)
Total Net Assets	<u>\$ 29,093,702</u>	<u>\$ 38,793,250</u>

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

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 13,158,931	\$ 4,018,413	\$ 928,992	\$ 21,246,896	\$ 15,334,300
3,317,522	792,628	271,720	6,554,980	521,148
15,464	3,823	265	23,882	6,759
---	---	---	---	80,675
296,104	---	1,711	1,013,234	---
---	---	5,961	5,961	15,551
---	---	---	6,955	217,004
16,950	---	---	21,078	173,952
742,020	---	---	1,147,740	---
<u>17,546,991</u>	<u>4,814,864</u>	<u>1,208,649</u>	<u>30,020,726</u>	<u>16,349,389</u>
---	---	---	---	72,383
---	---	---	1,000	---
<u>113,354,932</u>	<u>1,375,569</u>	<u>8,778,985</u>	<u>242,230,775</u>	<u>7,488,865</u>
<u>113,354,932</u>	<u>1,375,569</u>	<u>8,778,985</u>	<u>242,231,775</u>	<u>7,488,865</u>
<u>130,901,923</u>	<u>6,190,433</u>	<u>9,987,634</u>	<u>272,252,501</u>	<u>23,910,637</u>
243,949	11,502	49,024	1,402,981	410,287
173,151	2,910	53,362	637,689	275,481
214,152	64	6,479	339,025	---
3,287,120	750,305	53,460	8,312,127	2,304
101,862	26,439	---	235,701	---
---	---	159,059	174,610	---
---	---	---	---	1,265,000
265,370	12,641	376,312	1,214,527	---
3,840,000	---	---	10,041,859	---
56	---	7,612	13,718	---
---	---	665,000	665,000	---
<u>8,125,660</u>	<u>803,861</u>	<u>1,370,308</u>	<u>23,037,237</u>	<u>1,953,072</u>
---	---	---	---	14,130,000
---	---	---	---	16,621,263
---	1,660,663	---	1,660,663	---
---	---	---	72,383	---
455,228	24,464	1,766,908	6,729,368	---
72,788,867	---	---	112,781,867	---
<u>73,244,095</u>	<u>1,685,127</u>	<u>1,766,908</u>	<u>121,244,281</u>	<u>30,751,263</u>
<u>81,369,755</u>	<u>2,488,988</u>	<u>3,137,216</u>	<u>144,281,518</u>	<u>32,704,335</u>
36,005,467	1,338,464	6,635,765	111,463,154	7,488,865
13,526,701	2,362,981	214,653	16,507,829	(16,282,563)
<u>\$ 49,532,168</u>	<u>\$ 3,701,445</u>	<u>\$ 6,850,418</u>	<u>\$ 127,970,983</u>	<u>\$ (8,793,698)</u>

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<b><u>OPERATING REVENUES</u></b>		
Revenue from Use of Property	\$ 1,222,429	\$ 93,659
Charges for Service	345,902	11,741,023
Total Operating Revenues	<u>1,568,331</u>	<u>11,834,682</u>
<b><u>OPERATING EXPENSES</u></b>		
Employee Services	1,010,775	4,004,422
Supplies and Services	368,271	1,471,048
Repairs and Improvements	631,300	570,041
Utilities	168,686	469,077
Depreciation	1,830,530	2,690,844
Damage Settlement	---	---
Total Operating Expenses	<u>4,009,562</u>	<u>9,205,432</u>
Operating Income (Loss)	(2,441,231)	2,629,250
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Intergovernmental Revenue	1,625,122	7,967,391
Interest Income	---	135,216
Gain (Loss) on Sale of Capital Assets	---	---
Other Non-Operating Revenues	97,233	17,697
Interest Expense	(73,889)	(1,029,167)
Other Non-Operating Expenses	---	(120,349)
Total Non-Operating Revenues (Expenses)	<u>1,648,466</u>	<u>6,970,788</u>
Income (Loss) before Transfers	(792,765)	9,600,038
Transfers In	<u>1,001,171</u>	<u>702,748</u>
Changes in Net Assets	208,406	10,302,786
Net Assets - Beginning of the Year	<u>28,885,296</u>	<u>28,490,464</u>
Net Assets - End of Year	<u>\$ 29,093,702</u>	<u>\$ 38,793,250</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
\$ 27,310	\$ 351,137	\$ ---	\$ 1,694,535	\$ 85,208
17,100,325	4,122,027	1,607,133	34,916,410	24,134,664
17,127,635	4,473,164	1,607,133	36,610,945	24,219,872
3,463,075	170,521	495,689	9,144,482	14,885,238
4,456,977	4,199,756	607,801	11,103,853	1,219,708
1,067,865	11,308	153,821	2,434,335	5,467,127
854,410	27,058	52,755	1,571,986	29,741
2,143,660	221,260	479,604	7,365,898	2,483,288
---	---	---	---	921,713
11,985,987	4,629,903	1,789,670	31,620,554	25,006,815
5,141,648	(156,739)	(182,537)	4,990,391	(786,943)
73,190	---	---	9,665,703	---
161,351	63,097	695	360,359	24,100
---	1,029	---	1,029	9,165
---	---	---	114,930	260,809
(2,252,459)	(957)	(72,065)	(3,428,537)	---
(249,606)	---	---	(369,955)	---
(2,267,524)	63,169	(71,370)	6,343,529	294,074
2,874,124	(93,570)	(253,907)	11,333,920	(492,869)
339,133	---	237,000	2,280,052	1,056,996
3,213,257	(93,570)	(16,907)	13,613,972	564,127
46,318,911	3,795,015	6,867,325	114,357,011	(9,357,825)
<u>\$ 49,532,168</u>	<u>\$ 3,701,445</u>	<u>\$ 6,850,418</u>	<u>\$ 127,970,983</u>	<u>\$ (8,793,698)</u>

**CITY OF SIOUX CITY, IOWA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Business-Type Activities</b>	
	<b>Airport</b>	<b>Water System</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash Received from Customers	\$ 1,438,812	\$ 12,446,350
Cash Paid for Personal Services	(1,009,333)	(3,998,131)
Cash Paid to Suppliers	(1,527,264)	(708,955)
Other Non-Operating Revenues	97,233	17,697
Net Cash Provided (Used) by Operating Activities	(1,000,552)	7,756,961
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisition and Construction of Capital Assets	(2,259,967)	(37,020,283)
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	46,500	1,984,750
Bond Issuance Costs	---	(117,947)
Proceeds from Notes Payable	---	19,649,921
Principal Paid on Notes and Bonds	(296,587)	(1,582,200)
Interest Paid on Notes and Bonds	(75,413)	(979,934)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,585,467)	(18,065,693)
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Intergovernmental Revenue	2,638,088	7,795,453
Transfers In	1,001,171	702,748
Net Cash Provided by Non-Capital Financing Activities	3,639,259	8,498,201
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest and Dividends on Investments	---	137,055
Payments Received on Notes Receivable	---	---
Net Cash Provided (Used) By Investing Activities	---	137,055
Net Increase (Decrease) in Cash and Cash Equivalents	53,240	(1,673,476)
Cash and Cash Equivalents at Beginning of Year	1,230,580	3,530,216
Cash and Cash Equivalents at End of Year	\$ 1,283,820	\$ 1,856,740
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u></b>		
<b><u>PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating Income (Loss)	\$ (2,441,231)	\$ 2,629,250
<i>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	1,830,530	2,690,844
Other Non-Operating Revenues	97,233	17,697
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	(28,567)	211,668
Due from Other Governments	(100,952)	---
Due from Other Funds	---	400,000
Inventories	(6,955)	---
Advances to Other Funds	---	---
Prepaid Items	(590)	263
Accounts Payable	10,319	382,288
Accrued Wages and Compensated Absences	1,442	6,291
Contracts and Retainers Payable	(344,873)	1,460,859
Due to Other Governments	---	(19,798)
Due to Other Funds	(16,908)	(22,401)
Deferred Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	1,440,679	5,127,711
Net Cash Provided (Used) by Operating Activities	\$ (1,000,552)	\$ 7,756,961

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
\$ 16,863,250	\$ 4,398,824	\$ 1,617,788	\$ 36,765,024	\$ 24,263,494
(3,401,330)	(171,756)	(497,988)	(9,078,538)	(13,603,761)
(8,293,483)	(4,011,219)	(850,089)	(15,391,010)	(8,798,809)
---	---	---	114,930	260,809
5,168,437	215,849	269,711	12,410,406	2,121,733
(10,114,181)	---	(100,907)	(49,495,338)	(2,568,274)
---	1,028	---	1,028	98,852
---	---	648,264	2,679,514	---
(207,296)	---	---	(325,243)	---
12,579,382	---	---	32,229,303	---
(2,674,081)	(12,943)	(362,977)	(4,928,788)	---
(2,221,594)	(974)	(71,548)	(3,349,463)	---
(2,637,770)	(12,889)	112,832	(23,188,987)	(2,469,422)
105,860	---	---	10,539,401	---
339,133	---	237,000	2,280,052	1,056,996
444,993	---	237,000	12,819,453	1,056,996
159,834	64,058	710	361,657	24,126
---	---	---	---	(25,684)
159,834	64,058	710	361,657	(1,558)
3,135,494	267,018	620,253	2,402,529	707,749
10,023,437	3,751,395	308,739	18,844,367	14,626,551
\$ 13,158,931	\$ 4,018,413	\$ 928,992	\$ 21,246,896	\$ 15,334,300
\$ 5,141,648	\$ (156,739)	\$ (182,537)	\$ 4,990,391	\$ (786,943)
2,143,660	221,260	479,604	7,365,898	2,483,288
---	---	---	114,930	260,809
(264,385)	(74,340)	14,262	(141,362)	(45,667)
---	---	---	(100,952)	---
---	---	(3,607)	396,393	89,289
---	---	---	(6,955)	125,467
---	---	---	---	(72,383)
(16,950)	---	---	(17,277)	1,806
213,102	(8,865)	(1,215)	595,629	(292,409)
61,745	(1,235)	(2,299)	65,944	(17,520)
(2,104,288)	406,241	33,165	(548,896)	504
(6,095)	(3,278)	---	(29,171)	---
---	---	37,338	(1,971)	---
---	---	(105,000)	(105,000)	---
---	---	---	---	1,298,997
---	(167,195)	---	(167,195)	---
---	---	---	---	(923,505)
26,789	372,588	452,248	7,420,015	2,908,676
\$ 5,168,437	\$ 215,849	\$ 269,711	\$ 12,410,406	\$ 2,121,733

CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

EXHIBIT 8

ASSETS

Cash and Cash Equivalents	\$ 842,907
Accounts Receivable	<u>48,835</u>
Total Assets	<u>891,742</u>

LIABILITIES

Accounts Payable	38,696
Due to Other Governments	<u>853,046</u>
Total Liabilities	<u>891,742</u>
Total Net Assets	<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, 2011**

**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, 2011

**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, 2011

**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, Storm Water Drainage, Road Use, Community Development, Housing, Main Street, Local Option Sales Tax, Events Facilities, and Transit Operations. 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. The Emergency Fund was discontinued due to new accounting standards.

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, whereas non-operating revenue and expenses result from activities outside the normal business 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. 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.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1 - (Continued)**

Enterprise Funds – (Continued)

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.

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, 2011**

**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.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 1 - (Continued)**

**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.

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, 2011, 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.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 1 - (Continued)**

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2011, 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.

**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.

CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1 - (Continued)**

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.

**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.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 1 - (Continued)**

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 Fund 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 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.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 2011, 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, 2011, were \$99,798,283. These deposits have a book balance of \$99,040,716.

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, 2011.

Investments	Carrying Amount	Moody's Rating 6/30/11
U.S. Treasury Strips	\$ 328,132	N/A
U.S. Agencies	1,000,103	N/A
	\$ 1,328,235	

*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.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 2 - (Continued)**

*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, 2011, 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, 2011, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 1,328,235
Bank Deposits	99,040,716
Cash on hand, petty cash and other cash items	12,333
Total Cash and Cash Equivalents	<u>\$ 100,381,284</u>
Cash and Cash Equivalents – Exhibit 1	\$99,538,377
Cash and Cash Equivalents – Exhibit 8	842,907
Total Cash and Cash Equivalents	<u>\$100,381,284</u>

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

**Note 3 - Receivables**

The following schedule details receivables:

<u>Fund Type</u>	<u>Property Taxes</u>	<u>Grants/ Revenue from Other Governments</u>	<u>Accounts Receivable</u>
<b>GENERAL</b>	\$ 21,057,283	\$ 759,440	\$ 992,985
Special Revenues			
Storm Water Drainage	---	---	77,641
Road Use	---	642,531	---
Community Development	---	522,113	---
Housing	---	---	610
Main Street	126,479	---	---
Local Option Sales Tax	---	1,849,929	9,779
Events Facilities	---	---	130,973
Transit System	---	1,569,119	35,158
Employee Benefits	8,130,724	---	---
<b>TOTAL SPECIAL REVENUES</b>	<b>8,257,203</b>	<b>4,583,692</b>	<b>254,161</b>
<b>DEBT SERVICE</b>	<b>20,098,536</b>	<b>---</b>	<b>12,052</b>
<b>CAPITAL PROJECTS</b>	<b>---</b>	<b>2,749,507</b>	<b>733,151</b>
Enterprises			
Airport System	---	100,952	58,328
Water System	---	614,467	2,114,782
Sewer System	---	296,104	3,317,522
Solid Waste System	---	---	792,628
Parking Facility	---	1,711	155,047
Skyway System	---	---	116,673
<b>TOTAL ENTERPRISE</b>	<b>---</b>	<b>1,013,234</b>	<b>6,554,980</b>
Internal Service Funds			
Central Maintenance Garage	---	---	382,004
Comprehensive Insurance	---	---	139,144
<b>TOTAL INTERNAL SERVICE</b>	<b>---</b>	<b>---</b>	<b>521,148</b>
<b>TOTAL RECEIVABLES</b>	<b>\$ 49,413,022</b>	<b>\$ 9,105,873</b>	<b>\$ 9,068,477</b>

<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
\$ 17,600	\$ ---	\$ 22,827,308
---	---	77,641
---	---	642,531
7,479,195	---	8,001,308
28,704	---	29,314
---	---	126,479
188,104	---	2,047,812
---	---	130,973
---	---	1,604,277
---	---	8,130,724
<u>7,696,003</u>	---	<u>20,791,059</u>
455,429	1,543,133	22,109,150
1,240,065	---	4,722,723
1,000	---	160,280
---	---	2,729,249
---	---	3,613,626
---	---	792,628
---	---	156,758
---	---	116,673
<u>1,000</u>	---	<u>7,569,214</u>
80,675	---	462,679
---	---	139,144
<u>80,675</u>	---	<u>601,823</u>
<u>\$ 9,490,772</u>	<u>\$ 1,543,133</u>	<u>\$ 78,621,277</u>

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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-one 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 \$17,600 as of June 30, 2011.

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, 2011, of \$317,570. 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, 2011, was \$2,158,040.

The City also has other notes receivable totaling \$457,322 at June 30, 2011, 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 \$4,546,263 from twenty-two 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, 2011. 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, 2011, was \$132,590. 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, 2011, was \$8,353. During fiscal 2011 the City executed an amendment to an agreement with Warfield Building, LLC in relation to a parking licensing agreement for property located at 3<sup>rd</sup> & Jones Street. The agreement calls for \$300,000 to be repaid with annual payments of \$25,000 beginning in January, 2012. The balance outstanding at June 30, 2011 was \$300,000.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 3 – (Continued)**

The City has three 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, 2011, of \$130,593. 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 \$109,472 at June 30, 2011. The second was a \$1,000,000 note to the Siouxland Center for Active Generations. The note calls for annual principal payments beginning on December 1, 2010, with interest accruing on unpaid annual payments and a final balloon payment on December 1, 2017. The principal balance outstanding at June 30, 2011 was \$1,000,000.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$188,104. These notes receivables are reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$28,704 for housing loan repayments. \$9,047 of the balance is due after June 30, 2012.

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, 2011, was \$7,532. During fiscal 2011, the Central Maintenance Garage Fund loaned an additional \$84,228 to Green Valley Floyd Golf Corporation for purchase of new grounds equipment. It is a 5 year note with 6% interest and will be repaid with 60 monthly payments of \$1,628.36. The outstanding balance at June 30, 2011 was \$73,143.

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, 2011, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,078,446, \$1,414,301 and \$368,688, respectively.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 4 - Capital Assets**

A summary of the changes in capital assets for the year ended June 30, 2011, is as follows:

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

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 42,673,294	\$ 744,818	\$ ---	\$ 43,418,112
Construction in Progress	74,645,336	17,068,007	(19,483,518)	72,229,825
Total capital assets, not being depreciated	<u>117,318,630</u>	<u>17,812,825</u>	<u>(19,483,518)</u>	<u>115,647,937</u>
Capital assets, being depreciated:				
Buildings	86,415,694	9,518,125	---	95,933,819
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	55,474,367	752,830	---	56,227,197
Equipment	43,494,582	3,555,960	(1,102,457)	45,948,085
Infrastructure	138,244,968	18,174,353	---	156,419,321
Total capital assets, being depreciated	<u>331,304,611</u>	<u>32,001,268</u>	<u>(1,102,457)</u>	<u>362,203,422</u>
Less accumulated depreciation for:				
Buildings	(21,795,875)	(2,426,793)	---	(24,222,668)
Buildings under capital lease	(4,413,250)	(191,875)	---	(4,605,125)
Improvements other than buildings	(16,340,136)	(2,668,196)	---	(19,008,332)
Equipment	(34,814,985)	(2,837,834)	1,012,770	(36,640,049)
Infrastructure	(43,256,880)	(3,811,650)	---	(47,068,530)
Total accumulated depreciation	<u>(120,621,126)</u>	<u>(11,936,348)</u>	<u>1,012,770</u>	<u>(131,544,704)</u>
Total capital assets, being depreciated, net	<u>210,683,485</u>	<u>20,064,920</u>	<u>(89,687)</u>	<u>230,658,718</u>
Governmental Activities capital assets, net	<u>\$328,002,115</u>	<u>\$37,877,745</u>	<u>\$(19,573,205)</u>	<u>\$346,306,655</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, 2011**

**Note 4 - (Continued)**

**Business-Type Activities:**

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 3,059,023	\$ 150,000	\$ ---	\$ 3,209,023
Construction in progress	106,635,720	49,345,340	(12,037,132)	143,943,928
Total capital assets, not being depreciated	<u>109,694,743</u>	<u>49,495,340</u>	<u>(12,037,132)</u>	<u>147,152,951</u>
Capital assets, being depreciated:				
Buildings	68,568,431	---	---	68,568,431
Improvements other than buildings	125,722,747	11,368,775	---	137,091,522
Equipment	5,927,545	668,359	(4,995)	6,590,909
Total capital assets, being depreciated	<u>200,218,723</u>	<u>12,037,134</u>	<u>(4,995)</u>	<u>212,250,862</u>
Less accumulated depreciation for:				
Buildings	(54,899,211)	(899,830)	---	(55,799,041)
Improvements other than buildings	(50,252,057)	(6,192,559)	---	(56,444,616)
Equipment	(4,660,867)	(273,509)	4,995	(4,929,381)
Total accumulated depreciation	<u>(109,812,135)</u>	<u>(7,365,898)</u>	<u>4,995</u>	<u>(117,173,038)</u>
Total capital assets, being depreciated, net	<u>90,406,588</u>	<u>4,671,236</u>	<u>---</u>	<u>95,077,824</u>
Business-Type Activities capital assets, net	<u>\$200,101,331</u>	<u>\$54,166,576</u>	<u>\$(12,037,132)</u>	<u>\$242,230,775</u>

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

**Governmental Activities**

Public Safety	\$ 801,196
Public Works	3,492,225
Culture and Recreation	2,700,379
Community and Economic Development	252,852
General Government	2,206,408
Internal Service	2,483,288
Total	<u>\$ 11,936,348</u>

**Business-Type Activities**

Airport	\$ 1,830,530
Water	2,690,844
Sewer	2,143,660
Solid Waste	221,260
Parking	479,604
Total	<u>\$ 7,365,898</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 4 – (Continued)**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets (net of accumulated depreciation)	\$ 346,306,655	\$ 242,230,775
Less: General Obligation Bonds Payable	105,374,440	7,943,895
Notes Payable	<u>8,353</u>	<u>122,823,726</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 240,923,862</u>	<u>\$ 111,463,154</u>

**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 \$4,605,125, for a net book value at June 30, 2011, of \$3,069,875.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 2011, was \$8,353.

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, 2011, of \$374,000 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, 2011, of \$461,000 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, 2011, were \$17,243,000 in the Water fund and \$5,352,000 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, 2011, was \$26,172,000 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, 2011, was \$4,928,000 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, 2011, was \$13,862,000 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 amount of the Sewer loan increased to \$38,600,000 in fiscal 2011. The loans are to be drawn upon as improvements are made. The loans had not been fully drawn as of June 30, 2011, and had remaining balances to be drawn of \$8,192,132 in the Sewer Fund and \$195,346 in the Water fund. The outstanding balances of the notes as of June 30, 2011, were \$30,407,867 in the Sewer fund and \$4,023,859 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 was fully drawn as of June 30, 2011. The outstanding balance of the note as of June 30, 2011, was \$10,807,000 in the Water fund.

During fiscal 2011, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$9,193,000 with an interest rate of 3%. The loan is to be drawn upon as improvements are made. The loan had not been drawn upon as of June 30, 2011, leaving the outstanding balance of the note as of June 30, 2011, at \$9,193,000 in the Water fund.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 6 – (Continued)**

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

Year Ending <u>June 30</u>	Governmental Activities		Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 8,353	\$ ---	\$ 10,041,859	\$ 3,810,060
2013	---	---	6,206,000	3,629,520
2014	---	---	6,400,000	3,443,340
2015	---	---	6,599,000	3,251,340
2016	---	---	6,706,000	3,053,370
2017-2021	---	---	36,201,000	12,155,010
2022-2026	---	---	35,672,000	6,533,670
2027-2031	---	---	14,997,867	1,464,690
<b>Total</b>	<b>\$ 8,353</b>	<b>\$ ---</b>	<b>\$ 122,823,726</b>	<b>\$ 37,341,000</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 2011 as follows:

On April 18, 2011, the City sold general obligation bonds, series 2011A. The bonds were sold to Hutchinson, Shockey, Erley & Co. for \$23,976,221.60. The bonds have a true interest rate of 2.5539% with principal payments due June 1 of the years 2012 through 2021.

General obligation bonds outstanding as of June 30, 2011, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.25%	\$103,706,105
Business-Type Activities	2.00 – 5.25%	7,943,895

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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
2012	\$ 16,420,473	\$ 3,580,189	\$ 1,214,527	\$ 257,780
2013	16,466,974	3,015,740	1,213,026	213,848
2014	15,355,189	2,493,365	1,054,811	176,044
2015	12,899,205	1,983,855	865,795	143,766
2016	10,080,166	1,538,876	799,834	115,619
2017-2021	31,092,726	3,376,194	2,577,274	296,788
2022	1,391,372	50,628	218,628	6,616
<b>Total</b>	<b>\$ 103,706,105</b>	<b>\$ 16,038,847</b>	<b>\$ 7,943,895</b>	<b>\$ 1,210,461</b>

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 98,803,831	\$ 20,745,486	\$ 15,843,212	\$ 103,706,105	\$ 16,420,473
Unamortized Bond Charges	1,241,268	544,257	117,190	1,668,335	211,411
Notes Payable	10,417	---	2,064	8,353	8,353
Compensated Absences	3,672,150	2,793,600	3,253,480	3,212,270	1,633,608
Governmental Activities Long-term Liabilities	<u>\$ 103,727,666</u>	<u>\$ 24,083,343</u>	<u>\$ 19,215,946</u>	<u>\$108,595,063</u>	<u>\$ 18,303,845</u>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 6,416,169	\$ 2,679,514	\$ 1,151,788	\$ 7,943,895	\$ 1,214,527
Notes Payable	95,878,872	30,721,854	3,777,000	122,823,726	10,041,859
Compensated Absences	425,537	263,126	266,305	422,358	229,772
Est. Liability for Landfill Closure	1,827,858	---	167,195	1,660,663	60,730
Business-type Activities Long-term Liabilities	<u>\$ 104,548,436</u>	<u>\$ 33,664,494</u>	<u>\$ 5,362,288</u>	<u>\$132,850,642</u>	<u>\$ 11,546,888</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 6 - (Continued)**

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$1,668,335 on the Statement of Net Assets.

		Exhibit 1- Statement of Net Assets	
General Obligation Bonds	\$ 103,706,105	General Obligation Bonds Payable-current	\$16,631,884
Unamortized Bond Charges	<u>1,668,335</u>	General Obligation Bonds Payable-long term	<u>88,742,556</u>
	<u>\$105,374,440</u>		<u>\$105,374,440</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, 2011, \$202,437 of internal service funds compensated absences are included in the above amounts. Also, for the 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, 2011, approximately 71% will be liquidated by the general fund, 22% 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, 2011, of \$744,740. The operation of the Convention Center and Tyson Events Center 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 2012 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, 2011, of \$392,175. 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, 2011, of \$22,373,630. 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 \$14,130,000 as of June 30, 2011. 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.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 8 – Internal Balances**

The following is a summary of Interfund Receivables/Payables as of June 30, 2011:

Fund	Interfund Receivable	Interfund Payable
General	\$ 2,541,199	\$ 7,355
Capital Improvements	---	1,080
Nonmajor Governmental	4,130	2,383,796
Internal Service	87,934	---
Airport	---	87,934
Nonmajor Enterprise	5,961	159,059
Totals	<u>\$ 2,639,224</u>	<u>\$ 2,639,224</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2011.

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

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

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types				
	General	Other Employee Benefits	Debt Service	Capital Improv	Nonmajor Govt
General	\$ ---	\$ 60,000	\$ 596,721	\$ 1,755,731	\$ 1,917,367
Employee Benefits	6,679,311	---	---	---	479,461
Local Opt Sales Tax	7,376,371	---	51,594	2,612,000	705,698
Debt Service	117,629	---	---	1,718,350	163,840
Capital Improvements	1,248,733	---	3,013,888	---	2,165,340
Nonmajor Govt	954,791	---	1,488,429	2,706,027	---
TOTAL TRANSFERS-IN	<u>\$ 16,376,835</u>	<u>\$ 60,000</u>	<u>\$ 5,150,632</u>	<u>\$ 8,792,108</u>	<u>\$ 5,431,706</u>

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.

Proprietary Fund Types					Total
Airport	Parking	Water	Sewer	Internal Service	Transfers Out
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,329,819
---	---	---	---	---	7,158,772
---	---	---	---	---	10,745,663
539,771	237,000	400,000	---	---	3,176,590
461,400	---	302,748	339,133	1,056,996	8,588,238
---	---	---	---	---	5,149,247
<u>\$ 1,001,171</u>	<u>\$ 237,000</u>	<u>\$ 702,748</u>	<u>\$ 339,133</u>	<u>\$ 1,056,996</u>	<u>\$ 39,148,329</u>

CITY OF SIOUX CITY, IOWA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2011

**NOTE 9 - Fund Balances**

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

	General Fund	Major Special Revenue	
		Other Employee Benefits	Local Option Sales Tax
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	\$ ---	\$ ---	\$ ---
Prepaid Items	---	---	---
Long-Term Notes Receivable	17,600	---	188,104
Investment in Joint Venture	297,372	---	---
Endowment, non-expendable	---	---	---
<b>Restricted for:</b>			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	234,952	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
<b>Committed to:</b>			
Public Safety	84,683	---	---
Public Works	830	---	---
Culture & Recreation	253,181	---	---
Comm & Econ Develop	41,488	---	---
General Governmental	37,837	---	---
<b>Assigned to:</b>			
Other Purposes	---	---	2,209,013
<b>Unassigned:</b>	7,559,420	---	---
<b>Total Fund Balances</b>	<u>\$ 8,292,411</u>	<u>\$ 234,952</u>	<u>\$ 2,397,117</u>

Major Debt Service Fund	Major Capital Improvements Fund	Other Funds	Total
\$ ---	\$ ---	\$ 105,284	\$ 105,284
---	1,645	362,442	364,087
455,429	1,240,065	7,507,899	9,409,097
---	---	---	297,372
---	---	1,019,455	1,019,455
---	---	316,770	316,770
---	---	3,373,808	3,373,808
---	---	---	234,952
7,939,178	---	---	7,939,178
---	44,187,773	---	44,187,773
---	---	41,801	41,801
---	---	---	84,683
---	---	931,396	932,226
390	---	24,340	277,911
---	---	---	41,488
769	---	---	38,606
---	---	---	2,209,013
---	---	(1,324,552)	6,234,868
<u>\$ 8,395,766</u>	<u>\$ 45,429,483</u>	<u>\$ 12,358,643</u>	<u>\$ 77,108,372</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**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, 2011. A provision for health claims incurred but unpaid as of June 30, 2011, of \$1,817,555 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 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 2011. 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 eight 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
2011	\$18,809,768	\$11,986,751	\$12,910,256	\$17,886,263

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 11 - Commitments**

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2011. The following summary presents the amount of contracts outstanding at June 30, 2011 for both Governmental and Enterprise Funds combined:

Construction	\$ 27,827,762
Design & Engineering Services	6,494,375
Other	4,345,124
Less: Due, but unpaid at June 30, 2011	<u>(6,466,566)</u>
Construction Contract Commitments	<u>\$ 32,200,695</u>

Governmental contracts and encumbrances outstanding at June 30, 2011 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	Debt Service	Total
Public Safety	\$ 84,683	\$ ---	\$ ---	\$ 84,683
Public Works	830	37,173	---	38,003
Culture & Recreation	253,181	24,340	390	277,911
Community & Economic Development	41,488	---	---	41,488
General Government	37,837	---	769	38,606
Totals	<u>\$ 418,019</u>	<u>\$ 61,513</u>	<u>\$ 1,159</u>	<u>\$ 480,691</u>

As of June 30, 2011 the City had \$630,360 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, 2014.

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 expected to be \$26,133,920.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 12 - Deferred Revenues**

Deferred Revenues, which are measurable but not yet available at June 30, 2011, are as follows:

	<u>EXHIBIT 1</u>	<u>EXHIBIT 3</u>	<u>EXHIBIT 5</u>
Property Taxes	\$ 48,006,606	\$ 48,201,018	\$ ---
Special Assessments	---	1,388,820	---
Unearned Revenue	<u>665,000</u>	<u>303,703</u>	<u>665,000</u>
 Total Deferred Revenues	 <u>\$ 48,671,606</u>	 <u>\$ 49,893,541</u>	 <u>\$ 665,000</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. The City maintains the financial records and bank accounts of WCICC, which are recorded as an agency fund of the City (see Exhibit D-2). The fixed assets are reported directly on the City/County financials per the 60/40 ownership. The remaining equity is recorded as an investment in joint venture on the City/County financials per the same 60/40 ownership. Summary financial information as of, and for the fiscal year ended June 30, 2011, is presented as follows:

Fixed Assets	\$ 554,520
Other Assets	<u>799,834</u>
Total Assets	<u>1,354,354</u>
 Total Liabilities	 304,214
Fund Equity	<u>1,050,140</u>
Total Liabilities and Fund Equity	<u>1,354,354</u>
 Total Revenue	 2,789,537
Total Expenditures	<u>(2,605,230)</u>
Net Increase in Fund Balance	<u>\$ 184,307</u>

The Woodbury County Information and Communication Commission does not publish a Comprehensive Annual Financial Report. The City's share of the fixed assets is 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, 2011**

**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, 2011 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. This is a liability of the City's Comprehensive Insurance Fund and will be liquidated as required by the Internal Service Fund, which will then charge the applicable City funds at that time.

*Annual OPEB Cost and NET OPEB Obligation.* The City's postemployment benefit plan is a single-employer defined benefit plan. The Other Employee Benefits fund is used to liquidate the net other postemployment benefit obligation. 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		\$ 1,937,000
Interest on net OPEB obligation		577,000
Adjustment to annual required contribution		(490,000)
Annual OPEB cost (expense)		2,024,000
Contributions made		(725,000)
Increase in net OPEB obligation		1,299,000
Net OPEB obligation – beginning of year		12,831,000
Net OPEB obligation – end of year		\$ 14,130,000

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 2011 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%	12,831,000
2011	\$ 2,024,000	55.8%	\$ 14,130,000

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 14 – (Continued)**

*Funded Status and Funding Progress.* The funded status of the plan as of June 30, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 25,911,000
Actuarial value of plan assets	---
Unfunded actuarial accrued liability (UAAL)	\$ 25,911,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 41,948,644
UAAL as a percentage of covered payroll	61.77%

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, 2011, actuarial valuation, the projected 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 4.5% interest discount rate and an annual medical healthcare cost trend rate of 11% initially, reduced by decrements to an ultimate rate of 5% after 11 years, as well as a 3.5% 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, 2011, one employment agreement involving termination benefits was in effect. These termination benefits include

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**Note 15 - (Continued)**

severance, health, life and long term disability benefits. The long-term portion of \$169,681 is reported in the governmental activities in the government-wide statements. The liabilities were calculated based on current salary rates and benefit cost at the time of statement preparation.

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, 2011.

Compensated absences consist of the following amounts as of June 30, 2011:

Accrued Vacation	\$ 2,312,089
Accrued Severance Pay	1,016,149
Accrued Transit Sick Leave	136,709
Accrued Termination Benefits	169,681
Total	<u>\$ 3,634,628</u>

Compensated absences have been recorded as follows:

	<u>CURRENT</u>	<u>LONG-TERM</u>	<u>TOTAL</u>
Enterprise Funds	\$ 229,772	\$ 192,586	\$ 422,358
Internal Service Funds	101,914	100,523	202,437
Government-Wide Statement	1,531,694	1,478,139	3,009,833
	<u>\$ 1,863,380</u>	<u>\$ 1,771,248</u>	<u>\$ 3,634,628</u>

**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 4.50% of their annual covered salary and the City is required to contribute 6.95% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$1,864,429, \$1,719,833, and \$1,623,512, respectively, equal to the required contributions for each year.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**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, 2011, 2010 and 2009 were \$3,100,839 (19.90%), \$2,623,941 (17.00%), and \$2,774,173 (18.75%), 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 2, 2011, was \$1,660,663. This full amount has been accrued by the City as of June 30, 2011. Of this amount, it was estimated that \$60,730 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, 2011**

**Note 20 – Subsequent Events**

On August 15, 2011, the City Council approved additional notes payable to the Iowa Finance Authority for Water Revenue Capital Notes, Taxable Series 2011B in the amount of \$30,618,000.

On September 2, 2011, the City paid to Alleycat Holdings, LLC \$50,000. Council had approved a \$50,000 zero interest loan to Alleycat Holdings, LLC to be repaid over ten years on August 16, 2010. The funds will be used to demolish the structure at 413 Pearl Street to construct a 16-space parking lot, providing parking for tenants along Pearl Street.

On September 19, 2011 Council approved a resolution waving the \$50,000 Annual Administrative Reimbursement Fee from Gill Hauling in connection with the Solid Waste Collection Agreement.

On September 26, 2011 Council approved a resolution authorizing and directing the City Manager to sign a funding agreement between the City and Homebuilder's Association of Greater Siouxland for the purpose of providing up to \$160,000 in Neighborhood Stabilization Program (NSP 3) funds for the construction of affordable owner-occupied housing at 1620 Ingleside Avenue in the City of Sioux City, Iowa.

On October 10, 2011 Council approved a resolution approving \$500,000 in City assistance to Bart Connelly's mixed-use redevelopment of the Stifel Nicolaus building, located at 700 4th Street, known by many as the Piper Jaffrey or UBS building. The agreement includes a ten-year minimum assessment schedule, (\$2.0 million by year one, \$3.0 million in year two, and \$4.0 million by year four and thereafter). The increased tax revenue from the new assessed values over the current \$508,000 assessment will result in an estimated payback to the City within six years.

## 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 30,2011**

	Governmental Fund Types Actual	Internal Service Funds Actual	Proprietary Funds Actual
<b><u>REVENUES</u></b>			
Taxes	\$ 63,424,277	\$ ---	\$ ---
Special Assessments	427,836	---	---
Regulatory Fees	2,798,758	---	---
Intergovernmental Revenue <sup>2</sup>	27,458,471	---	9,665,703
Revenue from Use of Property	6,009,178	109,308	2,055,923
Charges for Service	8,506,318	24,134,664	34,916,410
Miscellaneous	3,978,964	269,974	114,930
Total Revenues	<u>112,603,802</u>	<u>24,513,946</u>	<u>46,752,966</u>
<b><u>EXPENDITURES</u></b>			
Public Safety	32,704,574	---	---
Public Works	14,426,940	---	---
Culture and Recreation	16,021,673	---	---
Community and Economic Development	10,323,564	---	---
General Government	3,558,628	---	---
Debt Service	21,987,817	---	3,428,537
Capital Projects <sup>2</sup>	31,445,093	---	---
Business-Type/Enterprises <sup>2</sup>	---	25,006,815	31,990,509
Total Expenditures	<u>130,468,289</u>	<u>25,006,815</u>	<u>35,419,046</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,864,487)	(492,869)	11,333,920
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Other Financing Sources	57,178,169	1,056,996	2,280,052
Other Financing Uses	(39,148,329)	---	---
Total Other Financing Sources	<u>18,029,840</u>	<u>1,056,996</u>	<u>2,280,052</u>
Net Change in Fund Balance (Deficit)	165,353	564,127	13,613,972
Fund Balance - Beg. of Year	<u>76,943,019</u>	<u>(9,357,825)</u>	<u>114,357,011</u>
Fund Balance (Deficit)- End of Year	<u>\$ 77,108,372</u>	<u>\$ (8,793,698)</u>	<u>\$ 127,970,983</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 government 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.

Total Actual	Budgeted Amounts		Final Budget Over (Under)
	Original	Final	
\$ 63,424,277	\$ 63,732,059	\$ 66,688,059	\$ (3,263,782)
427,836	229,015	379,015	48,821
2,798,758	1,851,862	2,951,862	(153,104)
37,124,174	30,607,227	68,765,787	(31,641,613)
8,174,409	8,070,388	18,070,388	(9,895,979)
67,557,392	70,467,378	75,961,457	(8,404,065)
4,363,868	4,158,748	18,774,789	(14,410,921)
<u>183,870,714</u>	<u>179,116,677</u>	<u>251,591,357</u>	<u>(67,720,643)</u>
32,704,574	31,373,411	36,883,482	(4,178,908)
14,426,940	15,033,885	24,696,397	(10,269,457)
16,021,673	17,251,490	26,241,447	(10,219,774)
10,323,564	13,535,484	22,932,346	(12,608,782)
3,558,628	6,976,607	11,958,349	(8,399,721)
25,416,354	23,683,021	34,576,449	(9,160,095)
31,445,093	168,231,897	154,598,252	(123,153,159)
56,997,324	170,636,124	220,368,370	(163,371,046)
<u>190,894,150</u>	<u>446,721,919</u>	<u>532,255,092</u>	<u>(341,360,942)</u>
(7,023,436)	(267,605,242)	(280,663,735)	273,640,299
60,515,217	99,208,947	114,252,947	(53,737,730)
<u>(39,148,329)</u>	<u>(48,889,281)</u>	<u>(48,889,281)</u>	<u>(9,740,952)</u>
21,366,888	50,319,666	65,363,666	(43,996,778)
<u>\$ 14,343,452</u>	<u>(217,285,576)</u>	<u>(215,300,069)</u>	<u>\$ 229,643,521</u>
	245,270,626	245,270,626	
	<u>\$ 27,985,050</u>	<u>\$ 29,970,557</u>	

**CITY OF SIOUX CITY, IOWA  
POST EMPLOYMENT HEALTHCARE BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT 10

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%
6/30/2011	\$ ---	\$25,911,000	\$25,911,000	0.00%	\$41,948,644	61.8%

\* 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:**

**Emergency Fund** - this fund was discontinued due to new accounting standards

**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:**

**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, 2011

Special Revenue Funds

<u>ASSETS</u>	Emergency Fund	Storm Water Drainage	Road Use	Community Development
Cash and Cash Equivalents	\$ ---	\$ 827,555	\$ ---	\$ 1,279,360
Accounts Receivable	---	77,641	---	---
Accrued Interest Receivable	---	---	---	613,657
Notes Receivable	---	---	---	7,479,195
Due from Other Governments	---	---	642,531	522,113
Due from Other Funds	---	---	---	---
Inventories	---	---	---	---
Prepaid Items	---	---	---	15,085
Total Assets	<u>---</u>	<u>905,196</u>	<u>642,531</u>	<u>9,909,410</u>
<u>LIABILITIES</u>				
Accounts Payable	---	---	133,473	23,489
Accrued Wages	---	---	121,046	22,781
Contracts & Retainers Payable	---	---	---	128,999
Due to Other Governments	---	10,973	---	---
Due to Other Funds	---	---	71,242	---
Deferred Revenue	---	---	---	---
Total Liabilities	<u>---</u>	<u>10,973</u>	<u>325,761</u>	<u>175,269</u>
<u>FUND BALANCES</u>				
Non-Spendable:				
Inventory	---	---	---	---
Prepaid Items	---	---	---	15,085
Long-Term Notes Receivable	---	---	---	7,479,195
Endowment, non-expendable	---	---	---	---
Restricted	---	---	316,770	2,239,861
Committed	---	894,223	---	---
Unassigned	---	---	---	---
Total Fund Balances (Deficit)	<u>---</u>	<u>894,223</u>	<u>316,770</u>	<u>9,734,141</u>
Total Liabilities and Fund Balances	<u>\$ ---</u>	<u>\$ 905,196</u>	<u>\$ 642,531</u>	<u>\$ 9,909,410</u>

	Permanent Fund				
Housing	Main Street	Events Facilities	Transit Operations	Cemetery Trust	Total Governmental Nonmajor Funds
\$ 1,236,910	\$ 35,698	\$ ---	\$ ---	\$ 1,019,455	\$ 4,398,978
610	---	130,973	35,158	---	244,382
---	---	---	---	---	613,657
28,704	---	---	---	---	7,507,899
---	126,479	---	1,569,119	---	2,860,242
---	---	4,130	---	---	4,130
---	---	105,284	---	---	105,284
326,517	---	20,840	---	---	362,442
<u>1,592,741</u>	<u>162,177</u>	<u>261,227</u>	<u>1,604,277</u>	<u>1,019,455</u>	<u>16,097,014</u>
52,037	---	442,958	27,684	---	679,641
22,833	---	89,859	57,920	---	314,439
---	---	---	70,184	---	199,183
---	---	1,260	---	---	12,233
---	---	471,890	1,840,664	---	2,383,796
28,703	120,376	---	---	---	149,079
103,573	120,376	1,005,967	1,996,452	---	3,738,371
---	---	105,284	---	---	105,284
326,517	---	20,840	---	---	362,442
28,704	---	---	---	---	7,507,899
---	---	---	---	1,019,455	1,019,455
1,133,947	41,801	---	---	---	3,732,379
---	---	24,340	37,173	---	955,736
---	---	(895,204)	(429,348)	---	(1,324,552)
<u>1,489,168</u>	<u>41,801</u>	<u>(744,740)</u>	<u>(392,175)</u>	<u>1,019,455</u>	<u>12,358,643</u>
<u>\$ 1,592,741</u>	<u>\$ 162,177</u>	<u>\$ 261,227</u>	<u>\$ 1,604,277</u>	<u>\$ 1,019,455</u>	<u>\$ 16,097,014</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, 2011**

**Special Revenue Funds**

<u>REVENUES</u>	<u>Emergency Fund</u>	<u>Storm Water Drainage</u>	<u>Road Use</u>	<u>Community Development</u>
Taxes	\$ 559,171	\$ ---	\$ ---	\$ ---
Special Assessments	---	2,697	---	---
Intergovernmental Revenue	---	---	8,323,670	4,463,143
Revenue from Use of Property	---	---	2,473	---
Charges for Services	---	1,339,588	---	2,303
Interest	---	9,153	---	205,565
Miscellaneous	---	---	49,936	59,326
Total Revenue	559,171	1,351,438	8,376,079	4,730,337
 <u>EXPENDITURES</u>				
Current:				
Public Works	---	128,522	8,531,726	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	---	3,559,434
Capital Projects	---	---	---	518,201
Total Expenditures	---	128,522	8,531,726	4,077,635
Excess (Deficiency) of Revenues Over Expenditures	559,171	1,222,916	(155,647)	652,702
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	639,000	434,765	100,000	1,116,339
Transfers Out	(3,296,000)	(1,570,280)	---	(21,066)
Total Other Financing Sources (Uses)	(2,657,000)	(1,135,515)	100,000	1,095,273
Net Change in Fund Balance	(2,097,829)	87,401	(55,647)	1,747,975
Fund Balance (Deficit) - Beginning of Year	2,097,829	806,822	372,417	7,986,166
Fund Balance (Deficit) - End of Year	\$ ---	\$ 894,223	\$ 316,770	\$ 9,734,141

Special Revenue Funds				Permanent Fund	Total Governmental Nonmajor Funds
Housing	Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ ---	\$ 127,748	\$ ---	\$ ---	\$ ---	\$ 686,919
---	---	---	---	---	2,697
5,069,638	---	---	1,994,710	---	19,851,161
---	---	4,463,976	72,827	18,386	4,557,662
---	---	944,937	1,351,965	---	3,638,793
1,240	---	---	---	---	215,958
56,670	---	441,586	73,348	---	680,866
5,127,548	127,748	5,850,499	3,492,850	18,386	29,634,056
---	---	---	4,183,339	---	12,843,587
---	---	8,035,539	---	---	8,035,539
4,965,981	292,000	---	---	---	8,817,415
---	---	---	---	---	518,201
4,965,981	292,000	8,035,539	4,183,339	---	30,214,742
161,567	(164,252)	(2,185,040)	(690,489)	18,386	(580,686)
---	163,839	1,979,519	998,244	---	5,431,706
---	---	---	(261,901)	---	(5,149,247)
---	163,839	1,979,519	736,343	---	282,459
161,567	(413)	(205,521)	45,854	18,386	(298,227)
1,327,601	42,214	(539,219)	(438,029)	1,001,069	12,656,870
<u>\$ 1,489,168</u>	<u>\$ 41,801</u>	<u>\$ (744,740)</u>	<u>\$ (392,175)</u>	<u>\$ 1,019,455</u>	<u>\$ 12,358,643</u>

**SI<sup>o</sup>UX<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, 2011

EXHIBIT B-1

<u>ASSETS</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 928,992	\$ ---	\$ 928,992
Accounts Receivable	155,047	116,673	271,720
Accrued Interest Receivable	265	---	265
Due from Other Governments	1,711	---	1,711
Due from Other Funds	1,080	4,881	5,961
Total Current Assets	1,087,095	121,554	1,208,649
<b><u>Non-Current Assets</u></b>			
Fixed Assets, Net of Accumulated Depreciation	8,711,455	67,530	8,778,985
Total Non-Current Assets	8,711,455	67,530	8,778,985
Total Assets	9,798,550	189,084	9,987,634
 <b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	35,123	13,901	49,024
Accrued Wages and Compensated Absences	37,238	16,124	53,362
Accrued Interest Payable	6,479	---	6,479
Contracts and Retainers Payable	53,460	---	53,460
Due to Other Funds	---	159,059	159,059
Current Portion of G.O. Bonds	376,312	---	376,312
Matured Bonds and Coupons Payable	7,612	---	7,612
Deferred Revenue	665,000	---	665,000
Total Current Liabilities	1,181,224	189,084	1,370,308
<b><u>Non-Current Liabilities</u></b>			
General Obligation Bonds, Net of Current Portion	1,766,908	---	1,766,908
Total Non-current Liabilities	1,766,908	---	1,766,908
Total Liabilities	2,948,132	189,084	3,137,216
 <b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	6,568,235	67,530	6,635,765
Unrestricted	282,183	(67,530)	214,653
Total Net Assets	\$ 6,850,418	\$ ---	\$ 6,850,418

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT B-2

<u>OPERATING REVENUES</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
Charges for Services	\$ 1,294,498	\$ 312,635	\$ 1,607,133
Total Operating Revenues	1,294,498	312,635	1,607,133
 <u>OPERATING EXPENSES</u>			
Employee Services	418,504	77,185	495,689
Supplies and Services	435,654	172,147	607,801
Repairs and Improvements	140,771	13,050	153,821
Utilities	2,502	50,253	52,755
Depreciation	479,604	---	479,604
Total Operating Expenses	1,477,035	312,635	1,789,670
Operating (Loss)	(182,537)	---	(182,537)
 <u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	695	---	695
Interest Expense	(72,065)	---	(72,065)
Total Non-Operating (Expenses)	(71,370)	---	(71,370)
(Loss) Before Transfers	(253,907)	---	(253,907)
Transfers In	237,000	---	237,000
Changes in Net Assets	(16,907)	---	(16,907)
Net Assets - Beginning of Year	6,867,325	---	6,867,325
Net Assets - End of Year	<u>\$ 6,850,418</u>	<u>\$ ---</u>	<u>\$ 6,850,418</u>

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT B-3

	Parking Facilities	Skyway System	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 1,274,687	\$ 343,101	\$ 1,617,788
Cash Paid for Personal Services	(421,187)	(76,801)	(497,988)
Cash Paid to Suppliers	(651,319)	(198,770)	(850,089)
Net Cash Provided by Operating Activities	202,181	67,530	269,711
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Proceeds from Bond Sales	648,264	---	648,264
Acquisition and Construction of Capital Assets	(33,377)	(67,530)	(100,907)
Principal Paid on Notes and Bonds	(362,977)	---	(362,977)
Interest Paid on Notes and Bonds	(71,548)	---	(71,548)
Net Cash Provided (Used) by Capital and Related Financing Activities	180,362	(67,530)	112,832
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Transfers In	237,000	---	237,000
Net Cash Provided by Non-Capital Financing Activities	237,000	---	237,000
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	710	---	710
Net Cash Provided by Investing Activities	710	---	710
Net Increase in Cash and Cash Equivalents	620,253	---	620,253
Cash and Cash Equivalents at Beginning of Year	308,739	---	308,739
Cash and Cash Equivalents at End of Year	<u>\$ 928,992</u>	<u>\$ ---</u>	<u>\$ 928,992</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating (Loss)	\$ (182,537)	\$ ---	\$ (182,537)
<i>Adjustments to Reconcile Operating (Loss)</i>			
<i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	479,604	---	479,604
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(17,020)	31,282	14,262
Due from Other Funds	(2,791)	(816)	(3,607)
Accounts Payable	(557)	(658)	(1,215)
Accrued Wages and Compensated Absences	(2,683)	384	(2,299)
Contracts and Retainers Payable	33,165	---	33,165
Due to Other Funds	---	37,338	37,338
Deferred Revenues	(105,000)	---	(105,000)
Total Adjustments	384,718	67,530	452,248
Net Cash Provided by Operating Activities	<u>\$ 202,181</u>	<u>\$ 67,530</u>	<u>\$ 269,711</u>

**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, 2011

EXHIBIT C-1

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 5,800,051	\$ 9,534,249	\$ 15,334,300
Accounts Receivable	382,004	139,144	521,148
Accrued Interest Receivable	---	6,759	6,759
Notes Receivable	80,675	---	80,675
Due from Other Funds	15,551	---	15,551
Inventories, at Cost	217,004	---	217,004
Prepaid Items	---	173,952	173,952
Total Current Assets	6,495,285	9,854,104	16,349,389
<b><u>OTHER ASSETS</u></b>			
Advances to Other Funds	72,383	---	72,383
<b><u>Non-Current Assets</u></b>			
Capital Assets, Net of Accumulated Depreciation	7,488,865	---	7,488,865
Total Assets	14,056,533	9,854,104	23,910,637
<b><u>LIABILITIES</u></b>			
Accounts Payable	325,512	84,775	410,287
Accrued Wages and Compensated Absences	151,089	124,392	275,481
Contracts and Retainers Payable	---	2,304	2,304
Post Employment Benefit Obligation	---	14,130,000	14,130,000
Estimated Liability for Damage Claims	---	17,886,263	17,886,263
Total Liabilities	476,601	32,227,734	32,704,335
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets	7,488,865	---	7,488,865
Unrestricted	6,091,067	(22,373,630)	(16,282,563)
Total Net Assets	\$ 13,579,932	\$ (22,373,630)	\$ (8,793,698)

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT C-2

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<b><u>OPERATING REVENUE</u></b>			
Revenue from Use of Property	\$ 85,208	\$ ---	\$ 85,208
Charges for Services	9,471,292	14,663,372	24,134,664
Total Operating Revenues	9,556,500	14,663,372	24,219,872
<b><u>OPERATING EXPENSES</u></b>			
Employee Services	1,956,856	12,928,382	14,885,238
Supplies and Services	306,641	913,067	1,219,708
Repairs and Improvements	5,462,565	4,562	5,467,127
Utilities	29,334	407	29,741
Depreciation	2,483,288	---	2,483,288
Damage Settlement	---	921,713	921,713
Total Operating Expenses	10,238,684	14,768,131	25,006,815
Net Operating (Loss)	(682,184)	(104,759)	(786,943)
<b><u>NON-OPERATING REVENUES</u></b>			
Interest Income	5,374	18,726	24,100
Gain on Sale of Capital Assets	9,165	---	9,165
Other Non-Operating Revenues	260,809	---	260,809
Total Non-Operating Revenues	275,348	18,726	294,074
Income (Loss) Before Transfers	(406,836)	(86,033)	(492,869)
Transfers In	1,056,996	---	1,056,996
Changes in Net Assets	650,160	(86,033)	564,127
Net Assets - Beginning of Year	12,929,772	(22,287,597)	(9,357,825)
Net Assets - End of Year	<u>\$ 13,579,932</u>	<u>\$ (22,373,630)</u>	<u>\$ (8,793,698)</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

EXHIBIT C-3

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 9,446,746	\$ 14,816,748	\$ 24,263,494
Cash Paid for Personal Services	(1,970,824)	(11,632,937)	(13,603,761)
Cash Paid to Suppliers	(5,985,125)	(2,813,684)	(8,798,809)
Other Non-Operating Revenue	260,809	---	260,809
Net Cash Provided by Operating Activities	<u>1,751,606</u>	<u>370,127</u>	<u>2,121,733</u>
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition and Construction of Capital Assets	(2,568,274)	---	(2,568,274)
Proceeds from Sale of Assets	98,852	---	98,852
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,469,422)</u>	<u>---</u>	<u>(2,469,422)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Transfers In	1,056,996	---	1,056,996
Net Cash Provided by Non-Capital Financing Activities	<u>1,056,996</u>	<u>---</u>	<u>1,056,996</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	5,374	18,752	24,126
Payments Received on Notes Receivable	(25,684)	---	(25,684)
Net Cash Provided (Used) by Investing Activities	<u>(20,310)</u>	<u>18,752</u>	<u>(1,558)</u>
Net Increase in Cash and Cash Equivalents	318,870	388,879	707,749
Cash and Cash Equivalents at Beginning of Year	5,481,181	9,145,370	14,626,551
Cash and Cash Equivalents at End of Year	<u>\$ 5,800,051</u>	<u>\$ 9,534,249</u>	<u>\$ 15,334,300</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u></b>			
<b><u>PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating (Loss)	\$ (682,184)	\$ (104,759)	\$ (786,943)
<i>Adjustments to Reconcile Operating (Loss)</i>			
<i>to Net Cash Provided by Operating Activities:</i>			
Depreciation	2,483,288	---	2,483,288
Other Non-Operating Revenues	260,809	---	260,809
<i>(Increase) Decrease in Assets and</i>			
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(199,043)	153,376	(45,667)
Due from Other Funds	89,289	---	89,289
Inventories	125,467	---	125,467
Advances to Other Funds	(72,383)	---	(72,383)
Prepaid Items	---	1,806	1,806
Accounts Payable	(239,669)	(52,740)	(292,409)
Accrued Wages and Compensated Absences	(13,968)	(3,552)	(17,520)
Contracts and Retainers Payable	---	504	504
Post Employment Benefit Obligation	---	1,298,997	1,298,997
Estimated Liability for Damage Claims	---	(923,505)	(923,505)
Total Adjustments	<u>2,433,790</u>	<u>474,886</u>	<u>2,908,676</u>
Net Cash Provided by Operating Activities	<u>\$ 1,751,606</u>	<u>\$ 370,127</u>	<u>\$ 2,121,733</u>

CITY OF SIOUX CITY, IOWA  
COMBINING FINANCIAL 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, 2011

	Sioux City Housing Trust Fund	Revolving	Woodbury County Information Communication Commission
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 2,842	\$ ---	\$ 789,695
Accounts Receivable	---	38,696	10,139
Total Assets	2,842	38,696	799,834
<b><u>LIABILITIES</u></b>			
Accounts Payable	---	38,696	---
Due to Other Governments	2,842	---	799,834
Total Liabilities	2,842	38,696	799,834
Total Net Assets	\$ ---	\$ ---	\$ ---

<u>Museum Building Property Inc.</u>	<u>Siouxland Historic Auditorium Restoration Project (SHARP)</u>	<u>Totals</u>
\$ 50,370	\$ ---	\$ 842,907
<u>---</u>	<u>---</u>	<u>48,835</u>
<u>50,370</u>	<u>---</u>	<u>891,742</u>
---	---	38,696
<u>50,370</u>	<u>---</u>	<u>853,046</u>
<u>50,370</u>	<u>---</u>	<u>891,742</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, 2011

EXHIBIT D-2

SIOUX CITY HOUSING TRUST FUND	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 140,492	\$ 42,150	\$ 179,800	\$ 2,842
Total Assets	<u>140,492</u>	<u>42,150</u>	<u>179,800</u>	<u>2,842</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	3,700	15,563	3,700	15,563
Due to Other Governments	<u>136,792</u>	<u>26,587</u>	<u>176,100</u>	<u>(12,721)</u>
Total Liabilities	<u>\$ 140,492</u>	<u>\$ 42,150</u>	<u>\$ 179,800</u>	<u>\$ 2,842</u>

REVOLVING

<b><u>ASSETS</u></b>				
Accounts Receivable	\$ 44,306	\$ 1,042,155	\$ 1,047,765	\$ 38,696
Total Assets	<u>44,306</u>	<u>1,042,155</u>	<u>1,047,765</u>	<u>38,696</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	<u>44,306</u>	<u>1,042,155</u>	<u>1,047,765</u>	<u>38,696</u>
Total Liabilities	<u>\$ 44,306</u>	<u>\$ 1,042,155</u>	<u>\$ 1,047,765</u>	<u>\$ 38,696</u>

WOODBURY COUNTY INFORMATION  
 COMMUNICATION COMMISSION  
 (WCICC)

<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 520,910	\$ 4,446,948	\$ 4,178,163	\$ 789,695
Accounts Receivable	107,845	1,582,710	1,680,416	10,139
Due from Other Governments	---	161,799	161,799	---
Total Assets	<u>628,755</u>	<u>6,191,457</u>	<u>6,020,378</u>	<u>799,834</u>
<b><u>LIABILITIES</u></b>				
Due to Other Governments	<u>628,755</u>	<u>6,191,457</u>	<u>6,020,378</u>	<u>799,834</u>
Total Liabilities	<u>\$ 628,755</u>	<u>\$ 6,191,457</u>	<u>\$ 6,020,378</u>	<u>\$ 799,834</u>

CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT D-2  
 (Continued)

MUSEUM BUILDING PROPERTY INC.	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 138,190	\$ 416,706	\$ 504,526	\$ 50,370
Total Assets	<u>138,190</u>	<u>416,706</u>	<u>504,526</u>	<u>50,370</u>
<b>LIABILITIES</b>				
Due to Other Governments	<u>138,190</u>	<u>416,706</u>	<u>504,526</u>	<u>50,370</u>
Total Liabilities	<u>\$ 138,190</u>	<u>\$ 416,706</u>	<u>\$ 504,526</u>	<u>\$ 50,370</u>

SIOUXLAND HISTORIC AUDITORIUM RESTORATION PROJECT (SHARP)				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ ---	\$ 7,914,553	\$ 7,914,553	\$ ---
Total Assets	<u>---</u>	<u>7,914,553</u>	<u>7,914,553</u>	<u>---</u>
<b>LIABILITIES</b>				
Due to Other Governments	<u>---</u>	<u>7,914,553</u>	<u>7,914,553</u>	<u>---</u>
Total Liabilities	<u>\$ ---</u>	<u>\$ 7,914,553</u>	<u>\$ 7,914,553</u>	<u>\$ ---</u>

TOTAL - ALL AGENCY FUNDS				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 799,592	\$ 12,820,357	\$ 12,777,042	\$ 842,907
Accounts Receivable	152,151	2,624,865	2,728,181	48,835
Due from Other Governments	<u>---</u>	<u>161,799</u>	<u>161,799</u>	<u>---</u>
Total Assets	<u>951,743</u>	<u>15,607,021</u>	<u>15,667,022</u>	<u>891,742</u>
<b>LIABILITIES</b>				
Accounts Payable	48,006	1,057,718	1,051,465	54,259
Due to Other Governments	<u>903,737</u>	<u>14,549,303</u>	<u>14,615,557</u>	<u>837,483</u>
Total Liabilities	<u>\$ 951,743</u>	<u>\$ 15,607,021</u>	<u>\$ 15,667,022</u>	<u>\$ 891,742</u>

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.

<u>Contents</u>	<u>Table</u>
<p><b>Financial Trends</b>            These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.</p>	I-V
<p><b>Revenue Capacity</b>            These tables contain information that may assist the reader in assessing the City's most significant local revenue source, the property tax.</p>	VI-X
<p><b>Debt Capacity</b>            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.</p>	XI-XV
<p><b>Economic &amp; Demographic Information</b>            These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.</p>	XVI-XVII
<p><b>Operating Information</b>            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.</p>	XVIII-XX

**Source:**

Unless otherwise noted, the information in these tables is derived from the annual financial report for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

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

	2002	2003	2004	FISCAL YEAR 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
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	621,662	660,395	724,772	782,515
Unrestricted	<u>44,457,987</u>	<u>47,747,865</u>	<u>29,559,632</u>	<u>52,580,385</u>
<b>Total Governmental Activities Net Assets</b>	<u><u>155,586,927</u></u>	<u><u>184,416,592</u></u>	<u><u>211,482,527</u></u>	<u><u>236,937,083</u></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	<u>14,079,033</u>	<u>9,184,436</u>	<u>14,102,161</u>	<u>14,725,602</u>
<b>Total Business-Type Activities Net Assets</b>	<u><u>69,837,279</u></u>	<u><u>69,537,794</u></u>	<u><u>70,168,061</u></u>	<u><u>72,633,792</u></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>2</sup>	5,074,878	---	10,666,980	18,095,819
Debt Service	4,061,206	3,802,491	4,924,215	2,411,720
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	621,662	660,395	724,772	782,515
Unrestricted	<u>58,537,020</u>	<u>56,932,301</u>	<u>43,661,793</u>	<u>67,305,987</u>
<b>Total Primary Government Net Assets</b>	<u><u>\$ 225,424,206</u></u>	<u><u>\$ 253,954,386</u></u>	<u><u>\$ 281,650,588</u></u>	<u><u>\$ 309,570,875</u></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> In fiscal year 2003, the entire Capital Improvements fund balance was encumbered, primarily for the Events Center project.

TABLE I

2006	2007	2008	2009	2010	2011
\$ 178,531,068	\$ 202,244,071	\$ 201,725,694	\$ 215,118,921	\$ 227,946,599	\$ 240,923,862
15,772,571	15,827,272	17,324,318	4,854,761	19,204,876	45,429,483
1,438,126	1,438,831	3,203,515	4,889,636	8,262,859	9,984,352
---	---	---	---	---	316,770
---	---	---	---	---	234,952
---	---	---	---	---	11,223,309
---	---	---	---	---	41,801
838,105	927,910	971,321	980,767	1,001,069	1,019,455
56,134,972	48,896,046	46,553,214	41,580,680	29,719,252	(8,425,953)
<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>	<u>300,748,031</u>
59,757,382	70,041,912	81,233,654	89,062,832	97,806,290	111,463,154
---	496,000	486,158	---	---	---
21,081,482	21,021,615	13,286,975	15,063,269	16,550,721	16,507,829
<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>	<u>127,970,983</u>
238,288,450	272,285,983	282,959,348	304,181,753	325,752,889	352,387,016
15,772,571	15,827,272	17,324,318	4,854,761	19,204,876	45,429,483
1,438,126	1,934,831	3,689,673	4,889,636	8,262,859	9,984,352
---	---	---	---	---	316,770
---	---	---	---	---	234,952
---	---	---	---	---	11,223,309
---	---	---	---	---	41,801
838,105	927,910	971,321	980,767	1,001,069	1,019,455
77,216,454	69,917,661	59,840,189	56,643,949	46,269,973	8,081,876
<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>	<u>\$ 428,719,014</u>

**CITY OF SIOUX CITY, IOWA  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2002	2003	2004	2005
<b>Expenses<sup>1</sup></b>				
<b>Governmental Activities:</b>				
Public Safety	\$ -	\$ 24,129,343	\$ 24,901,874	\$ 27,628,436
Community Protection	21,048,856	---	---	---
Public Works	---	10,960,350	11,000,039	11,028,031
Culture and Recreation	---	11,183,008	12,183,759	13,550,054
Human Development	6,186,316	---	---	---
Community and Economic Development	---	11,017,771	10,680,718	8,402,228
Home and Community Development	39,315,091	---	---	---
General Government	---	15,803,180	650,274	5,257,329
Policy and Administration	25,273,412	---	---	---
Debt Service	---	---	---	5,678,533
Capital Projects <sup>2</sup>	---	4,216,065	8,668,744	2,874,889
Interest Expense	---	5,523,373	5,334,401	---
Unallocated Depreciation Expense	6,382,983	6,305,406	6,718,649	4,289,476
<b>Total Governmental Activities Expenses</b>	<u>98,206,658</u>	<u>89,138,496</u>	<u>80,138,458</u>	<u>78,708,976</u>
<b>Business-Type Activities:</b>				
Airport	---	3,783,809	3,547,215	3,541,192
Water	---	10,446,242	11,693,816	9,451,225
Sewer	---	8,987,353	10,229,066	10,105,125
Solid Waste	---	3,158,508	3,642,375	4,876,127
Home and Community Development	22,167,410	---	---	---
Parking	---	1,269,823	1,272,388	1,152,837
Skyway System	---	290,645	343,430	300,431
<b>Total Business-Type Activities Expenses</b>	<u>22,167,410</u>	<u>27,936,380</u>	<u>30,728,290</u>	<u>29,426,937</u>
<b>Total Primary Government Expenses</b>	<u>120,374,068</u>	<u>117,074,876</u>	<u>110,866,748</u>	<u>108,135,913</u>
<b>Program Revenues<sup>1</sup></b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
Public Safety	---	1,797,850	306,263	288,873
Community Protection	1,606,056	---	---	---
Public Works	---	1,832,618	3,006,966	3,153,921
Culture and Recreation	---	938,765	1,123,362	4,502,333
Human Development	932,104	---	---	---
Community and Economic Development	---	1,968,650	738,406	856,813
Home and Community Development	7,896,550	---	---	---
General Government	---	16,484,226	4,578,523	6,606,159
Policy and Administration	18,779,982	---	---	---
Capital Projects	---	---	---	24,493
Operating Grants and Contributions	12,835,750	21,167,457	20,833,159	20,615,010
Capital Grants and Contributions	12,762,481	15,670,270	15,935,106	5,545,934
Special Assessments	731,180	338,882	---	---
<b>Total Governmental Activities Program Revenues</b>	<u>\$ 55,544,103</u>	<u>\$ 60,198,718</u>	<u>\$ 46,521,785</u>	<u>\$ 41,593,536</u>

Notes:

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

<sup>2</sup> In fiscal year 2008, capital projects began to be allocated to their respective program functions.

TABLE II

2006	2007	2008	2009	2010	2011
\$ 27,117,017	\$ 28,854,253	\$ 30,260,933	\$ 31,565,111	\$ 32,815,671	\$ 33,066,562
---	---	---	---	---	---
13,640,878	15,506,549	19,638,707	17,695,921	18,703,073	18,462,437
14,727,651	16,080,955	17,340,040	18,427,540	18,748,901	18,629,284
---	---	---	---	---	---
10,965,458	10,787,387	25,630,391	10,847,635	14,585,952	13,195,482
---	---	---	---	---	---
5,791,061	10,471,162	13,073,878	12,097,651	11,884,328	10,164,915
---	---	---	---	---	---
5,992,311	5,980,529	6,490,067	6,309,941	5,908,003	6,008,221
8,948,563	1,203,328	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>87,182,939</u>	<u>88,884,163</u>	<u>112,434,016</u>	<u>96,943,799</u>	<u>102,645,928</u>	<u>99,526,901</u>
4,825,894	3,614,198	3,613,044	3,624,184	3,683,947	4,083,451
7,465,007	7,594,727	8,878,234	9,046,687	9,462,914	10,354,948
11,414,499	11,306,475	12,815,794	12,493,265	13,573,929	14,488,052
3,980,655	4,108,577	4,721,183	4,242,223	4,469,177	4,630,860
---	---	---	---	---	---
1,220,276	1,475,538	1,425,352	1,671,573	1,412,106	1,549,100
254,683	322,577	303,892	318,624	378,203	312,635
<u>29,161,014</u>	<u>28,422,092</u>	<u>31,757,499</u>	<u>31,396,556</u>	<u>32,980,276</u>	<u>35,419,046</u>
<u>116,343,953</u>	<u>117,306,255</u>	<u>144,191,515</u>	<u>128,340,355</u>	<u>135,626,204</u>	<u>134,945,947</u>
280,292	283,845	351,518	1,034,208	1,051,542	1,224,249
---	---	---	---	---	---
3,384,769	3,670,886	3,911,984	4,245,184	4,257,041	4,462,029
4,547,640	4,855,063	5,251,614	5,295,764	5,898,699	6,131,602
---	---	---	---	---	---
871,956	891,801	1,030,980	212,204	208,647	209,815
---	---	---	---	---	---
3,445,465	2,695,053	9,436,829	5,356,830	6,377,269	7,387,758
---	---	---	---	---	---
22,597	---	---	---	---	---
20,355,850	19,595,863	19,163,094	18,059,563	20,164,596	21,909,868
9,081,256	6,656,241	4,714,416	6,050,466	15,344,878	8,711,966
---	---	---	---	---	---
<u>\$ 41,989,825</u>	<u>\$ 38,648,752</u>	<u>\$ 43,860,435</u>	<u>\$ 40,254,219</u>	<u>\$ 53,302,672</u>	<u>\$ 50,037,287</u>

**CITY OF SIOUX CITY, IOWA  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	2002	2003	2004	2005
<b>Business-Type Activities:</b>				
Charges for Services:				
Airport	\$ -	\$ 2,350,085	\$ 1,548,766	\$ 1,556,390
Water	---	7,380,118	7,742,305	8,458,775
Sewer	---	10,776,672	10,807,909	10,881,489
Solid Waste	---	3,538,028	4,262,988	4,357,118
Home and Community Development	23,664,198	---	---	---
Parking	---	1,226,075	1,176,276	1,067,911
Skyway System	---	290,645	343,430	300,431
Operating Grants and Contributions	831,046	1,490,965	503,502	3,725,102
Capital Grants and Contributions	---	---	---	---
<b>Total Business-Type Activities Program Revenues</b>	<u>24,495,244</u>	<u>27,052,588</u>	<u>26,385,176</u>	<u>30,347,216</u>
<b>Total Primary Government Program Revenues</b>	<u>80,039,347</u>	<u>87,251,306</u>	<u>72,906,961</u>	<u>71,940,752</u>
<b>Net (Expense)/Revenue<sup>1</sup></b>				
Governmental Activities	(42,662,555)	(28,939,778)	(33,616,673)	(37,115,440)
Business-Type Activities	2,327,834	(883,792)	(4,343,114)	920,279
<b>Total Primary Government Net Expense</b>	<u>(40,334,721)</u>	<u>(29,823,570)</u>	<u>(37,959,787)</u>	<u>(36,195,161)</u>
<b>General Revenues</b>				
Governmental Activities:				
Property Taxes	35,778,991	39,851,751	41,059,605	44,032,023
Franchise Taxes	2,082,885	2,553,597	2,220,948	2,819,425
Hotel-Motel Taxes	815,659	693,391	781,039	819,901
Local Option Sales Taxes	7,941,416	8,707,139	8,854,807	9,039,490
Interest	1,385,238	1,093,276	768,608	1,631,250
Revenue from the Use of Property	3,449,175	2,964,164	3,564,962	---
Revenue from Sale of Uncapitalized Property	---	---	---	185,424
Miscellaneous	2,769,278	2,107,173	2,895,044	2,720,836
Net Gain on Sale of Capital Assets	139,869	---	---	460,091
Extraordinary Items	---	---	---	---
Transfers	(320,648)	(201,048)	157,595	383,333
<b>Total Governmental Activities</b>	<u>54,041,863</u>	<u>57,769,443</u>	<u>60,302,608</u>	<u>62,091,773</u>
Business-Type Activities:				
Interest	417,422	264,882	295,742	438,552
Revenue from the Sale of Uncapitalized Property	71,243	116,085	75,465	---
Miscellaneous	4,111	2,292	4,046,313	225,128
Net Gain on Sale of Capital Assets	---	---	---	1,265,105
Transfers	320,648	201,048	(157,595)	(383,333)
<b>Total Business-Type Activities</b>	<u>813,424</u>	<u>584,307</u>	<u>4,259,925</u>	<u>1,545,452</u>
<b>Total Primary Government</b>	<u>54,855,287</u>	<u>58,353,750</u>	<u>64,562,533</u>	<u>63,637,225</u>
<b>Change in Net Assets</b>				
Governmental Activities	11,379,308	28,829,665	26,685,935	24,976,333
Business-Type Activities	3,141,258	(299,485)	(83,189)	2,465,731
<b>Total Primary Government</b>	<u>\$ 14,520,566</u>	<u>\$ 28,530,180</u>	<u>\$ 26,602,746</u>	<u>\$ 27,442,064</u>

**Notes:**

<sup>1</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.

TABLE II  
(Continued)

2006	2007	2008	2009	2010	2011
\$ 1,591,496	\$ 1,407,558	\$ 1,707,199	\$ 1,582,967	\$ 1,559,765	\$ 1,568,331
9,842,528	10,590,423	10,308,555	10,990,717	11,365,825	11,834,682
10,735,055	11,848,359	14,206,172	16,372,370	17,370,461	17,127,635
4,397,189	4,911,254	4,754,467	4,631,072	4,607,291	4,473,164
---	---	---	---	---	---
1,069,120	1,004,738	1,158,055	1,219,013	1,261,195	1,294,498
254,683	322,577	303,892	318,624	378,203	312,635
2,813,675	3,940,017	1,062,111	2,329,283	131,069	598,268
---	---	---	---	5,454,015	9,067,435
<u>30,703,746</u>	<u>34,024,926</u>	<u>33,500,451</u>	<u>37,444,046</u>	<u>42,127,824</u>	<u>46,276,648</u>
<u>72,693,571</u>	<u>72,673,678</u>	<u>77,360,886</u>	<u>77,698,265</u>	<u>95,430,496</u>	<u>96,313,935</u>
(45,193,114)	(50,235,411)	(68,573,581)	(56,689,580)	(49,343,256)	(49,489,614)
1,542,732	5,602,834	1,742,952	6,047,490	9,147,548	10,857,602
<u>(43,650,382)</u>	<u>(44,632,577)</u>	<u>(66,830,629)</u>	<u>(50,642,090)</u>	<u>(40,195,708)</u>	<u>(38,632,012)</u>
44,670,160	45,743,901	47,592,848	50,788,744	50,213,734	48,720,069
2,609,122	2,810,233	2,793,497	2,586,811	2,426,557	2,363,862
890,533	873,749	951,260	1,061,104	1,098,913	1,245,787
9,116,344	10,876,276	10,521,527	10,992,806	11,132,267	11,138,684
3,691,733	3,959,731	3,296,165	1,457,756	1,070,516	669,439
---	---	---	---	---	---
715,093	859,249	230,112	539,534	644,883	694,982
2,503,184	2,110,285	2,355,707	1,751,700	2,002,806	1,541,054
44,155	180,088	2,035,150	87,064	---	9,165
---	---	---	(14,034,170)	---	---
<u>(3,269,450)</u>	<u>(558,814)</u>	<u>(758,753)</u>	<u>(895,066)</u>	<u>(536,530)</u>	<u>(2,280,052)</u>
<u>60,970,874</u>	<u>66,854,698</u>	<u>69,017,513</u>	<u>54,336,283</u>	<u>68,053,146</u>	<u>64,102,990</u>
825,506	1,198,245	735,839	497,295	299,164	360,359
433,482	---	---	---	---	---
2,126,499	484,370	250,220	1,670,839	247,668	114,930
7,403	3,128	65,356	8,624	---	1,029
3,269,450	558,814	758,753	895,066	536,530	2,280,052
<u>6,662,340</u>	<u>2,244,557</u>	<u>1,810,168</u>	<u>3,071,824</u>	<u>1,083,362</u>	<u>2,756,370</u>
<u>67,633,214</u>	<u>69,099,255</u>	<u>70,827,681</u>	<u>57,408,107</u>	<u>69,136,508</u>	<u>66,859,360</u>
15,777,760	16,619,287	443,932	(2,353,297)	18,709,890	14,613,376
8,205,072	7,847,391	3,553,120	9,119,314	10,230,910	13,613,972
<u>\$ 23,982,832</u>	<u>\$ 24,466,678</u>	<u>\$ 3,997,052</u>	<u>\$ 6,766,017</u>	<u>\$ 28,940,800</u>	<u>\$ 28,227,348</u>

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

**TABLE III**

<b>FISCAL YEAR</b>	<b>GENERAL PROPERTY TAXES<sup>1</sup></b>	<b>LOCAL OPTION SALES TAXES</b>	<b>BANK FRANCHISE TAXES<sup>2</sup></b>	<b>UTILITY FRANCHISE TAXES<sup>3</sup></b>	<b>CABLE TV FRANCHISE TAX</b>	<b>HOTEL-MOTEL TAXES</b>	<b>TOTAL TAXES</b>
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
2011	\$ 48,720,069	\$ 11,138,684	\$ ---	\$ 1,923,225	\$ 440,637	\$ 1,245,787	\$ 63,468,402
Percentage Change							
In Dollars Over							
10 Years	36.79%	34.94%	-100.00%	19.51%	23.88%	52.73%	35.70%

**Notes:**

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

<sup>2</sup> Bank franchise taxes were implemented for ten years and were completed during fiscal year 2005.

<sup>3</sup> In fiscal years 2003 and 2005, utility franchise taxes increased due to increases in City-wide utility sales by the City's utility provider, MidAmerican Energy.

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

	FISCAL YEAR			
	2002	2003	2004	2005
General Fund				
Reserved <sup>1</sup>	\$ 475,175	\$ 235,828	\$ 330,372	\$ 465,774
Non-Spendable	---	---	---	---
Committed	---	---	---	---
Unreserved	4,485,508	4,734,750	4,687,269	5,716,529
Unassigned	---	---	---	---
Total General Fund	<u>4,960,683</u>	<u>4,970,578</u>	<u>5,017,641</u>	<u>6,182,303</u>
All Other Governmental Funds				
Reserved <sup>1</sup>	35,949,563	44,168,957	35,698,820	57,733,852
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	7,007,526	4,681,193	4,721,544	5,368,184
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total All Other Governmental Funds <sup>2</sup>	<u>42,957,089</u>	<u>48,850,150</u>	<u>40,420,364</u>	<u>63,102,036</u>
Total Governmental Funds				
Reserved	36,424,738	44,404,785	36,029,192	58,199,626
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	11,493,034	9,415,943	9,408,813	11,084,713
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Governmental Funds	<u>\$ 47,917,772</u>	<u>\$ 53,820,728</u>	<u>\$ 45,438,005</u>	<u>\$ 69,284,339</u>

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.

TABLE IV

2006	2007	2008	2009	2010	2011
\$ 333,970	\$ 330,765	\$ 368,976	\$ 574,335	\$ -	\$ ---
---	---	---	---	22,000	314,972
---	---	---	---	446,436	418,019
6,425,351	7,226,338	7,696,996	7,578,177	---	---
---	---	---	---	7,737,493	7,559,420
<u>6,759,321</u>	<u>7,557,103</u>	<u>8,065,972</u>	<u>8,152,512</u>	<u>8,205,929</u>	<u>8,292,411</u>
55,314,255	51,112,529	54,238,966	56,777,930	---	---
---	---	---	---	18,282,888	10,880,323
---	---	---	---	10,330,941	56,094,282
---	---	---	---	18,833,986	956,895
7,542,829	9,534,586	8,825,958	6,656,344	---	---
---	---	---	---	23,372,058	2,209,013
---	---	---	---	(2,082,783)	(1,324,552)
<u>62,857,084</u>	<u>60,647,115</u>	<u>63,064,924</u>	<u>63,434,274</u>	<u>68,737,090</u>	<u>68,815,961</u>
55,648,225	51,443,294	54,607,942	57,352,265	---	---
---	---	---	---	18,304,888	11,195,295
---	---	---	---	10,330,941	56,094,282
---	---	---	---	19,280,422	1,374,914
13,968,180	16,760,924	16,522,954	14,234,521	---	---
---	---	---	---	23,372,058	2,209,013
---	---	---	---	5,654,710	6,234,868
<u>\$ 69,616,405</u>	<u>\$ 68,204,218</u>	<u>\$ 71,130,896</u>	<u>\$ 71,586,786</u>	<u>\$ 76,943,019</u>	<u>\$ 77,108,372</u>

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

	FISCAL YEAR			
	2002	2003	2004	2005
<b>Revenues</b>				
Taxes	\$ 46,560,104	\$ 51,706,623	\$ 52,998,921	\$ 56,614,493
Special Assessments	502,280	440,633	226,404	301,359
Regulatory Fees	1,061,288	1,250,875	1,237,582	1,328,107
Intergovernmental Revenue	32,475,237	36,642,152	36,359,020	25,599,234
Revenue from the Use of Property	3,629,669	3,041,082	3,482,104	4,462,980
Charges for Services	6,453,870	6,279,171	6,511,977	7,079,903
Interest	1,385,238	1,093,276	763,379	1,569,427
Contributions	503,475	195,575	267,001	260,806
Miscellaneous	2,573,765	1,991,930	2,601,848	2,366,864
<b>Total Revenues</b>	<u>95,144,926</u>	<u>102,641,317</u>	<u>104,448,236</u>	<u>99,583,173</u>
<b>Expenditures<sup>1</sup></b>				
Public Safety	---	24,262,437	24,921,335	27,162,912
Community Protection	23,629,295	---	---	---
Public Works	---	11,004,008	10,918,769	10,932,711
Culture and Recreation	---	11,132,692	12,210,191	13,153,004
Human Development	10,589,986	---	---	---
Community and Economic Development	---	11,011,474	10,654,583	9,142,019
Home and Community Development	18,148,505	---	---	---
General Government	---	3,073,574	3,071,353	3,395,797
Policy and Administration	6,503,907	---	---	---
Debt Service				
Principal	6,239,281	10,682,841	11,536,556	13,783,047
Interest and Fiscal Charges	9,570,196	5,684,742	5,479,590	5,787,508
Capital Projects	31,375,569	46,244,027	45,529,590	9,193,970
<b>Total Expenditures</b>	<u>106,056,739</u>	<u>123,095,795</u>	<u>124,321,967</u>	<u>92,550,968</u>
Excess of Revenues over (under) Expenditures	(10,911,813)	(20,454,478)	(19,873,731)	7,032,205
<b>Other Financing Sources (Uses)</b>				
Proceeds from Issuance of Bonds and Notes	16,114,622	26,889,906	11,867,975	18,945,000
Proceeds from Refunding Bonds Issued	4,062,300	4,455,675	2,548,000	3,468,000
Payment to Refunded Bond Escrow Agent	(3,960,000)	(4,446,245)	(2,528,000)	(3,448,000)
Premiums on Bonds Issued	172,081	43,002	42,356	62,229
Discounts on Bonds Issued	---	(105,094)	(10,763)	(69,280)
Sale of Uncapitalized Property	---	---	---	---
Sale of Capitalized Property	---	---	---	---
Transfers In	30,969,460	31,433,852	27,915,915	35,383,804
Transfers Out	(31,003,332)	(31,913,662)	(28,724,475)	(37,672,513)
<b>Total Other Financing Sources</b>	<u>16,355,131</u>	<u>26,357,434</u>	<u>11,111,008</u>	<u>16,669,240</u>
<b>Net Change in Fund Balances</b>	<u>\$ 5,443,318</u>	<u>\$ 5,902,956</u>	<u>\$ (8,762,723)</u>	<u>\$ 23,701,445</u>
Debt Service as a percentage of non-capital expenditures	16.99%	18.23%	18.55%	21.74%

Note:

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

TABLE V

2006	2007	2008	2009	2010	2011
\$ 57,223,300	\$ 60,501,050	\$ 61,867,015	\$ 65,343,777	\$ 64,952,946	\$ 63,424,277
297,536	251,812	260,969	180,335	220,916	427,836
1,174,657	1,253,658	1,347,989	1,318,657	1,809,309	2,798,758
26,989,896	26,156,355	23,773,756	23,609,689	33,242,384	27,458,471
4,431,425	4,254,653	4,173,576	4,319,645	5,133,199	5,363,839
7,067,902	7,817,733	7,833,868	8,095,902	8,124,607	8,506,318
3,560,311	3,797,191	3,151,839	1,390,580	1,048,889	645,339
2,410,834	247,534	257,645	220,392	2,006,582	2,970,138
2,178,484	1,978,346	1,918,522	1,622,361	1,096,745	1,008,826
<u>105,334,345</u>	<u>106,258,332</u>	<u>104,585,179</u>	<u>106,101,338</u>	<u>117,635,577</u>	<u>112,603,802</u>
27,135,419	27,927,945	28,364,591	30,633,912	32,033,725	32,704,574
---	---	---	---	---	---
11,985,865	13,199,362	13,791,226	13,857,068	14,409,099	14,426,940
13,233,666	13,612,396	14,711,438	15,830,037	15,591,587	16,021,673
---	---	---	---	---	---
11,279,598	10,719,564	10,836,744	9,150,589	10,325,583	10,323,564
---	---	---	---	---	---
2,891,590	2,821,790	3,234,848	2,756,647	3,574,549	3,558,628
---	---	---	---	---	---
16,829,547	17,531,767	15,880,284	16,477,867	14,997,906	15,845,275
6,009,331	6,004,815	6,507,761	6,971,753	6,047,885	6,142,542
28,442,887	23,638,330	34,288,621	25,298,862	34,037,802	31,445,093
<u>117,807,903</u>	<u>115,455,969</u>	<u>127,615,513</u>	<u>120,976,735</u>	<u>131,018,136</u>	<u>130,468,289</u>
(12,473,558)	(9,197,637)	(23,030,334)	(14,875,397)	(13,382,559)	(17,864,487)
16,562,021	8,688,000	24,579,000	16,239,718	18,837,640	20,745,486
---	---	11,710,323	6,768,104	4,580,000	---
---	---	(11,840,323)	(6,703,104)	(4,725,000)	---
25,137	94,586	414,731	370,275	672,987	544,257
(29,993)	---	---	(35,229)	(12,480)	---
---	---	---	263,314	39,508	77,145
---	---	2,280,333	6,062	62,667	---
37,227,859	39,003,460	45,028,357	38,607,508	30,327,098	35,811,281
(40,979,400)	(40,000,596)	(46,215,409)	(40,185,361)	(31,043,628)	(39,148,329)
<u>12,805,624</u>	<u>7,785,450</u>	<u>25,957,012</u>	<u>15,331,287</u>	<u>18,738,792</u>	<u>18,029,840</u>
<u>\$ 332,066</u>	<u>\$ (1,412,187)</u>	<u>\$ 2,926,678</u>	<u>\$ 455,890</u>	<u>\$ 5,356,233</u>	<u>\$ 165,353</u>
23.44%	25.44%	20.60%	23.71%	20.36%	21.40%

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

FISCAL YEAR	REAL PROPERTY		UTILITIES	
	ASSESSED VALUE	TAXABLE VALUE <sup>2</sup>	ASSESSED VALUE	TAXABLE VALUE
2002	\$ 2,757,749,024	\$ 1,660,580,572	\$ 130,515,881	\$ 130,515,881
2003	2,944,880,846	1,665,576,989	129,163,982	129,163,982
2004	2,978,740,856	1,739,587,340	131,714,015	131,714,015
2005	3,032,174,354	1,734,566,855	131,744,261	131,744,261
2006	3,099,265,840	1,786,220,561	124,848,499	124,848,499
2007	3,280,496,069	1,831,228,796	123,180,706	123,180,706
2008	3,330,737,211	1,855,056,995	119,580,684	119,580,684
2009	3,465,673,736	1,880,122,184	123,186,151	123,186,151
2010	3,514,390,581	1,930,302,271	125,743,849	125,743,849
2011	\$ 3,589,308,247	\$ 2,020,074,529	\$ 116,440,894	\$ 116,440,894

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.)

TABLE VI

TOTAL		TOTAL DIRECT TAX RATE	TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
ASSESSED VALUE	TAXABLE VALUE		
\$ 2,888,264,905	\$ 1,791,096,453	\$ 14.407	62%
3,074,044,828	1,794,740,971	16.001	58%
3,110,454,871	1,871,301,355	16.433	60%
3,163,918,615	1,866,311,116	17.787	59%
3,224,114,339	1,911,069,060	17.971	59%
3,403,676,775	1,954,409,502	18.255	57%
3,450,317,895	1,974,637,679	18.473	57%
3,588,859,887	2,003,308,335	18.712	56%
3,640,134,430	2,056,046,120	17.851	56%
\$ 3,705,749,141	\$ 2,136,515,423	\$ 17.301	58%

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	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	TOTAL DIRECT	SCHOOL DISTRICT	COUNTY
2002	\$ 8.610	\$ 4.617	\$ 1.180	\$ 14.407	\$ 14.435	\$ 6.868
2003	8.600	5.581	1.820	16.001	15.770	6.820
2004	8.600	6.573	1.260	16.433	16.151	7.109
2005	8.430	8.187	1.170	17.787	17.016	7.660
2006	8.490	8.831	0.650	17.971	17.500	7.691
2007	8.430	8.295	1.530	18.255	16.768	7.778
2008	8.490	8.693	1.290	18.473	17.519	8.004
2009	8.721	8.534	1.457	18.712	17.762	7.952
2010	8.682	5.011	4.158	17.851	17.610	7.933
2011	\$ 8.471	\$ 4.763	\$ 4.067	\$ 17.301	\$ 17.755	\$ 7.985

Source: Woodbury County, Iowa; County Auditor

TABLE VII

OVERLAPPING RATES							
WESTERN IOWA TECH	CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL OVERLAPPING	TOTAL DIRECT AND OVERLAPPING		
\$ 0.621	\$ 0.450	\$ 0.054	\$ 0.005	\$ 22.433	\$ 36.840		
0.944	0.620	0.054	0.004	24.212	40.213		
0.541	0.582	0.053	0.004	24.440	40.873		
0.572	0.431	0.054	0.004	25.737	43.524		
0.699	0.426	0.054	0.004	26.374	44.345		
0.703	0.487	0.051	0.004	25.791	44.046		
0.736	0.485	0.125	0.004	26.873	45.346		
0.828	0.485	0.131	0.004	27.162	45.874		
0.821	0.492	0.133	0.003	26.992	44.843		
\$ 0.818	\$ 0.442	\$ 0.129	\$ 0.003	\$ 27.132	\$ 44.433		

CITY OF SIOUX CITY, IOWA  
 PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS  
 JUNE 30, 2011

TABLE VIII

TAXPAYER	2011			2002		
	ASSESSED <sup>2</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED <sup>3</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 61,707,000	1	1.665%	\$ 61,876,500	2	2.142%
WAL-MART	47,898,200	2	1.293%	11,958,300	10	0.414%
BOOK	24,837,500	3	0.670%	22,396,600	6	0.775%
CLOVERLEAF COLD STORAGE	23,515,100	4	0.635%	27,553,400	4	0.954%
KLINGER	20,219,700	5	0.546%	31,833,700	3	1.102%
DAVENPORT ET AL	19,591,700	6	0.529%	19,318,026	7	0.669%
LAKEPORT COMMONS	18,018,200	7	0.486%	---	---	0.000%
DAVIES IOWA LOGISTICS	17,751,000	8	0.479%	---	---	0.000%
CARGILL	13,238,900	9	0.357%	---	---	0.000%
ST LUKES MEDICAL	12,704,900	10	0.343%	23,651,500	5	0.819%
HOLTZ CONSTRUCTION	---	---	0.000%	16,680,000	8	0.578%
MIDAMERICAN ENERGY <sup>1</sup>	---	---	0.000%	130,515,504	1	4.519%
QWEST	---	---	0.000%	12,759,864	9	0.442%
TOTAL PRINCIPAL TAXPAYERS	\$ 259,482,200		7.128%	\$ 358,543,394		12.414%
ALL OTHER TAXPAYERS	3,446,266,941		92.872%	2,529,721,511		87.586%
TOTAL ASSESSED VALUATION	<u>\$ 3,705,749,141</u>		<u>100.000%</u>	<u>\$ 2,888,264,905</u>		<u>100.000%</u>

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, 2009.

<sup>3</sup> Assessed values as of January 1, 2000.

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

TABLE IX

FISCAL YEAR	TOTAL TAX LEVY <sup>2</sup>	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
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%
2011	\$ 38,099,144	\$ 37,779,912	99.16%	N/A	\$ 37,779,912	99.16%	\$ 319,232	0.84%

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>
2002	\$ 163,038	\$ 505,822	310%	\$ 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
2011	\$ 139,378	\$ 276,348	198%	\$ 1,543,133

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

<sup>1</sup> GAAP basis.

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	NOTES PAYABLE	GENERAL OBLIGATION BONDS	CAPITAL LEASES	NOTES PAYABLE	GENERAL OBLIGATION BONDS	REVENUE BONDS
2002	\$ 751,146	\$ 71,408,850	\$ 3,030,000	\$ 2,110,000	\$ 10,556,150	\$ 4,420,000
2003	859,792	88,040,439	2,480,000	11,870,924	9,044,561	3,840,000
2004	644,709	89,042,621	1,915,000	26,463,062	8,092,379	3,240,000
2005	173,333	94,904,574	1,310,000	28,276,782	7,530,426	2,595,000
2006	90,771	95,359,610	670,000	31,531,535	8,530,390	1,915,000
2007	25,000	87,260,843	---	41,349,668	6,839,157	1,195,000
2008	20,417	95,834,142	---	61,901,747	5,950,858	465,000
2009	15,000	95,104,514	---	75,722,515	4,840,486	---
2010	10,417	98,803,831	---	95,878,872	6,416,169	---
2011	\$ 8,353	\$ 103,706,105	\$ ---	\$ 122,823,726	\$ 7,943,895	\$ ---

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.

TABLE XI

	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>PERCENTAGE OF PERSONAL INCOME<sup>1</sup></u>	<u>PER CAPITA<sup>1</sup></u>
\$	92,276,146	5.82%	1,085
	116,135,716	7.32%	1,366
	129,397,771	8.15%	1,522
	134,790,115	8.37%	1,586
	138,097,306	8.57%	1,624
	136,669,668	7.70%	1,608
	164,172,164	9.25%	1,977
	175,682,515	10.38%	2,067
	201,109,289	11.46%	2,422
\$	234,482,079	13.69%	2,836

**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>
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	---	105,220,000	5.12%	1,267
2011	\$ 111,650,000	\$ 7,939,178	\$ 103,710,822	4.85%	\$ 1,254

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.

CITY OF SIOUX CITY, IOWA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT<sup>6</sup>  
 JUNE 30, 2011

TABLE XIII

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	\$ 103,714,458	100.00%	\$ 103,714,458
Overlapping:			
Woodbury County <sup>1</sup>	3,310,000	67.90%	2,247,490
Sioux City Community School District <sup>2</sup>	749,392	98.83%	740,624
Western Iowa Tech Community College <sup>3</sup>	20,705,000	37.70%	7,805,785
Lawton-Bronson School District <sup>4</sup>	6,530,000	5.40%	352,620
Sergeant Bluff-Luton Comm School District <sup>5</sup>	<u>4,370,000</u>	24.81%	<u>1,084,197</u>
Total Overlapping	35,664,392		12,230,716
 TOTAL	 <u>\$ 139,378,850</u>		 <u>\$ 115,945,174</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.

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

	2002	2003	2004	2005
Debt Limit	\$ 144,182,450	\$ 153,702,241	\$ 155,522,744	\$ 158,195,931
Total net debt applicable to limit	80,764,940	94,142,301	92,855,494	100,196,613
Legal Debt Margin	<u>\$ 63,417,510</u>	<u>\$ 59,559,940</u>	<u>\$ 62,667,250</u>	<u>\$ 57,999,318</u>
Total net debt applicable to limit as a percentage of debt limit	56.02%	61.25%	59.71%	63.34%

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.

TABLE XIV

2006	2007	2008	2009	2010	2011
\$ 161,205,717	\$ 170,183,839	\$ 172,515,895	\$ 179,442,994	\$ 182,006,722	\$ 185,287,457
102,542,645	92,686,169	98,601,902	96,043,190	98,103,294	103,719,175
<u>\$ 58,663,072</u>	<u>\$ 77,497,670</u>	<u>\$ 73,913,993</u>	<u>\$ 83,399,804</u>	<u>\$ 83,903,428</u>	<u>\$ 81,568,282</u>
63.61%	54.46%	57.16%	53.52%	53.90%	55.98%

CITY OF SIOUX CITY, IOWA  
 LEGAL DEBT MARGIN CALCULATION  
 JUNE 30, 2011

TABLE XV

ASSESSED VALUE

Real and Personal Property Within the City	
TOTAL ESTIMATED VALUATION	<u>\$ 3,705,749,141</u>
DEBT LIMIT - 5% OF ESTIMATED VALUATION	<u>3,705,749,141</u>
	<u>185,287,457</u>

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable	234,482,079
---	-------------

Less:

Notes Payable

Sewer Revolving Notes Payable	76,628,867
Water Revolving Notes Payable	<u>46,194,859</u>

122,823,726

Amount Available for Repayment of General Obligation Debt	<u>7,939,178</u>
---	------------------

DEBT APPLICABLE TO DEBT LIMIT  
 LEGAL DEBT MARGIN

	103,719,175
	<u>\$ 81,568,282</u>

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>2</sup>	PER CAPITA PERSONAL INCOME <sup>1</sup>
2002	85,013	\$ 1,586,852,658	\$ 18,666
2003	85,013	1,586,852,658	18,666
2004	85,013	1,586,852,658	18,666
2005	85,013	1,610,486,272	18,944
2006	85,013	1,610,486,272	18,944
2007	85,013	1,774,136,297	20,869
2008	85,013	1,774,136,297	20,869
2009	85,013	1,691,928,726	19,902
2010	83,035	1,754,363,480	21,128
2011	82,684	\$ 1,713,295,164	\$ 20,721

Sources:

<sup>1</sup> U.S. Census Bureau Estimates

<sup>2</sup> Computation of per capita personal income multiplied by population.

<sup>3</sup> Sioux City Community School District, Bishop Heelan Catholic Schools and Siouxland Community Christian School.

<sup>4</sup> Iowa Workforce Development Website.

TABLE XVI

<b>EDUCATIONAL ATTAINMENT BACHELOR'S DEGREE OR HIGHER<sup>1</sup></b>	<b>MEDIAN AGE<sup>1</sup></b>	<b>SCHOOL ENROLLMENT<sup>3</sup></b>	<b>UNEMPLOYMENT RATE<sup>4</sup></b>
19%	33.4	16,721	3.90%
19%	33.4	16,505	5.00%
19%	33.4	16,465	5.40%
19%	33.4	16,227	4.50%
20%	37.5	16,024	3.80%
23%	36.2	15,736	3.70%
23%	36.2	15,596	3.60%
21%	35.4	15,497	5.60%
21%	35.4	15,643	7.50%
20%	34.3	15,573	5.80%

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

TABLE XVII

EMPLOYER	2011		PERCENTAGE OF TOTAL CITY EMPLOYMENT
	# OF EMPLOYEES	RANK	
Tyson Fresh Meats	4,768	1	11.14%
Sioux City Community School District	2,057	2	4.81%
Mercy Medical Center	2,000	3	4.67%
St. Luke's Medical Center	1,250	4	2.92%
185th Iowa Air National Guard	950	5	2.22%
City of Sioux City	746	6	1.74%
Curly's Foods	701	7	1.64%
MidAmerican Energy Company	659	8	1.54%
Western Iowa Tech Community College	650	9	1.52%
Tur Pak Foods Inc.	500	10	1.17%
<b>Total Principal Employers</b>	<b>14,281</b>		<b>33.37%</b>
<b>Other Employers</b>	<b>28,519</b>		<b>66.63%</b>
<b>Total Employers</b>	<b>42,800</b>		<b>100.00%</b>

Source: Sioux City Economic Development website [www.locationone.com](http://www.locationone.com)

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	Fiscal Year			
	2002	2003	2004	2005
Public Safety				
Fire	118.63	118.63	115.63	115.63
Police	159.65	160.65	158.65	159.65
Public Works				
Engineering	25.00	23.40	24.40	24.40
Field Services	131.59	128.49	128.49	126.91
Transit <sup>3</sup>	36.25	36.25	30.52	53.02
Culture and Recreation				
Art Center	9.99	9.99	9.99	9.99
Convention Center/Auditorium/Tourism	60.46	60.46	60.46	58.71
Library	38.15	38.02	36.27	36.27
Museum	9.66	9.66	9.28	9.61
Community and Economic Development <sup>6</sup>				
Community Development	43.51	42.51	43.02	42.52
Economic Development	-	5.00	8.00	8.00
General Government				
Administrative Services <sup>1</sup>	45.75	42.55	41.05	40.05
City Council	5.00	5.00	5.00	5.00
City Manager <sup>2</sup>	19.30	10.30	8.18	7.88
Finance <sup>1</sup>	37.63	36.13	36.08	11.58
Human Resources <sup>5</sup>	-	-	-	-
Human Rights	2.00	3.00	2.00	2.00
Legal	7.00	7.00	7.00	6.00
Employees under 28E Agreement				
Communications Center	25.40	25.40	24.40	24.40
Information Center	13.00	15.00	15.00	14.00
Airport	20.00	20.00	20.00	18.33
Water	36.00	36.75	36.00	36.00
Sewer	16.00	15.00	15.00	15.00
Solid Waste <sup>4</sup>	30.75	29.75	29.75	29.75
	<u>890.72</u>	<u>878.94</u>	<u>864.17</u>	<u>854.70</u>

Source: City of Sioux City Finance Department

Notes:

<sup>1</sup> The Finance Department and Administrative Services Department were combined in 2007.

<sup>2</sup> 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.

<sup>3</sup> The Central Maintenance Garage was moved from the General Government (Finance) function to the Public Works (Transit) function in 2005.

<sup>4</sup> In 2006, the Solid Waste function was contracted out.

<sup>5</sup> The Human Resources Department was moved out of the City Manager Department into its own department within the General Government function in 2006.

<sup>6</sup> The Real Estate Division of Economic Development was moved to Community Development in 2008.

TABLE XVIII

2006	2007	2008	2009	2010	2011
117.00	117.00	116.00	116.00	116.00	116.00
153.65	152.65	153.65	151.65	151.65	151.65
20.00	20.00	20.00	20.00	19.00	19.00
137.81	139.81	137.11	138.95	139.28	138.90
52.02	51.02	53.02	53.02	56.02	56.02
9.99	9.99	9.49	10.49	10.36	9.89
58.71	58.59	58.59	54.82	54.82	54.82
36.27	36.27	36.47	36.47	35.47	34.47
9.61	9.52	9.72	9.37	9.25	10.25
42.38	41.38	45.88	45.88	44.88	42.88
8.00	8.00	4.75	4.75	5.00	5.00
39.55	49.00	49.55	49.00	48.75	49.05
5.00	5.00	5.00	5.00	5.00	5.00
3.88	3.75	3.75	3.75	3.75	3.75
11.58	-	-	-	-	-
4.00	4.63	4.63	4.63	4.63	4.63
2.00	2.60	2.80	2.80	2.80	2.80
7.00	7.00	7.00	7.00	7.00	7.00
24.40	24.40	24.40	24.40	24.40	24.40
14.00	14.00	14.00	14.00	14.00	13.00
17.83	16.95	16.95	17.53	16.03	15.03
34.00	30.80	33.50	32.50	32.50	31.50
15.00	13.00	13.00	13.00	13.00	13.00
2.00	1.50	-	-	-	-
<u>825.68</u>	<u>816.86</u>	<u>819.26</u>	<u>815.01</u>	<u>813.59</u>	<u>808.04</u>

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

Function	Fiscal Year			
	2002	2003	2004	2005
<b>Police</b>				
Average physical arrests per day - adult	14.0	16.4	17.8	16.5
Average physical arrests per day - juvenile	4.8	4.2	4.8	4.4
Traffic citations issued	9,719	13,258	16,110	17,634
<b>Fire</b>				
Number of suppression calls	1,697	1,512	1,487	1,427
Number of emergency medical calls	4,228	4,234	4,206	4,158
% of responses where EMS on scene in 4 min	61%	59%	61%	61%
Number of hazardous materials incidents in city	2	5	1	11
<b>Public Works</b>				
Streets cleaned per year (miles)	15,650	17,762	20,015	21,505
Asphalt placed (tons)	1,086	1,384	1,137	1,167
Potholes repaired	17,231	17,742	18,932	24,537
Dirt miles bladed and shaped	7,308	6,464	5,824	5,209
Total Transit System miles	1,135,532	821,037	688,761	674,405
Total Transit System passengers <sup>3</sup>	1,220,945	1,191,507	1,007,149	1,042,757
Total Transit System passengers per mile	1.08	1.45	1.46	1.55
<b>Culture and Recreation</b>				
Swimming pool attendance <sup>2</sup>	95,000	90,000	60,000	84,324
Museum visitation	48,515	59,550	63,625	64,674
<b>Community and Economic Development</b>				
Total residential/commercial permits issued	1,366	1,303	1,319	2,794
Property value for commercial permits issued	\$93,098,281	\$127,515,206	\$92,254,675	\$122,652,094
Property value for residential permits issued	\$14,093,553	\$11,076,078	\$19,917,765	\$20,572,504
Number of inspections made	16,144	23,424	19,364	22,594
<b>Water</b>				
Water production (millions of gallons)	4,821	4,858	4,784	5,457
Water main breaks per miles of pipe	0.20	0.26	0.25	0.31
Total main breaks	81	105	103	124
Length of service disruption per break (hours)	6.19	6.00	5.96	10.18
<b>Sewer</b>				
Sewer backups	51	51	57	97
Total hours per sewer backup	5.10	2.96	6.45	6.69
<b>Solid Waste</b>				
Refuse collected (tons/day) <sup>4</sup>	126.66	128.00	129.24	127.08
Recyclables collected (tons/day) <sup>4</sup>	6.91	6.85	6.53	8.42

Source: Various City of Sioux City departments.

Notes:

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

<sup>2</sup> Swimming pool attendance was low in fiscal years 2004, 2010 and 2011 due to unseasonably cool weather.

<sup>3</sup> Total Transit passengers decreased in 2006 since the number is the actual number of passengers and no longer based on a formula.

<sup>4</sup> Solid Waste refuse and recyclables collected is no longer available as the work is contracted out to a third party.

TABLE XIX

2006	2007	2008	2009	2010	2011
14.9	15.7	14.6	15.2	14.3	14.1
4.5	5.0	4.0	4.5	3.8	4.2
13,117	13,190	9,705	14,892	12,376	10,885
1,704	1,550	1,576	1,679	1,564	1,624
3,931	4,399	4,524	4,758	4,909	5,203
50%	62%	86%	87%	83%	80%
6	3	9	3	7	7
19,620	15,281	13,301	11,846	14,068	13,982
889	991	1,854	1,849	2,401	2,651
19,833	22,447	28,404	27,533	38,181	41,841
5,607	4,837	8,039	17,568	17,713	12,215
681,902	666,987	677,453	743,317	781,697	875,120
860,519	970,808	1,224,567	1,203,818	1,202,255	1,250,294
1.26	1.46	1.81	1.62	1.54	1.43
85,396	77,684	70,248	64,460	52,132	49,336
50,893	50,741	47,412	50,008	46,828	33,903
3,201	3,115	3,055	2,895	2,943	2,858
\$108,305,627	\$126,792,169	\$151,235,117	\$146,361,953	\$101,417,640	\$82,687,755
\$24,491,184	\$26,641,760	\$27,305,791	\$24,551,180	\$24,682,987	\$18,399,761
25,026	23,324	25,012	26,153	23,250	23,568
5,081	4,844	5,024	4,775	4,654	4,365
0.21	0.29	0.25	0.21	0.24	0.25
86	122	113	102	115	119
6.13	9.53	6.33	6.93	5.67	7.96
93	95	90	78	77	44
5.27	6.13	8.20	9.10	5.03	7.23
121.85	n/a	n/a	n/a	n/a	n/a
8.78	n/a	n/a	n/a	n/a	n/a

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

Function	Fiscal Year			
	2002	2003	2004	2005
<b>Police</b>				
Stations	1	1	1	1
Patrol Cars	n/a	n/a	n/a	49
Training Centers	1	1	1	1
<b>Fire</b>				
Stations	7	7	7	7
Engines	n/a	n/a	n/a	15
<b>Public Works</b>				
Transit Buses	n/a	n/a	n/a	44
Streets (miles)	510	510	510	510
Streetlights (City Owned)	1,283	1,283	1,339	1,384
Sidewalks (miles)	470	496	497	497
<b>Culture and Recreation</b>				
Parks Acres	1,425	1,425	1,425	1,425
Parks	57	57	57	57
Swimming Pools	5	5	5	5
Tennis Courts	24	22	22	22
Softball Diamonds	23	18	13	13
Baseball Diamonds	35	40	34	34
Soccer Fields	9	9	10	10
Golf Courses (18 hole)	2	2	2	2
Play Fields	29	29	29	29
<b>Cemetery</b>				
Cemeteries (acres)	226	225	225	225
Cemeteries Maintained (acres)	226	180	180	180
<b>Water</b>				
Fire Hydrants (City maintained)	n/a	n/a	n/a	3,476
Water Mains (miles)	n/a	n/a	n/a	405
<b>Sewer</b>				
Sanitary Sewer (miles)	320	320	320	320
Storm Sewer (miles) <sup>2</sup>	200	200	200	200
<b>Solid Waste</b>				
Solid Waste Collection Trucks	11	11	11	11
Recycling Trucks	5	5	5	5

**Notes:**

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

TABLE XX

2006	2007	2008	2009	2010	2011
1	1	1	1	1	1
52	46	51	57	53	52
1	1	1	1	1	1
7	7	7	7	7	7
14	14	14	14	15	15
42	38	41	42	43	43
510	510	489	489	489	489
1,379	1,457	1,461	1,476	1,499	1,499
497	497	497	600	600	600
1,403	1,600	1,700	1,700	1,700	1,700
57	57	58	58	58	58
5	5	5	5	5	5
22	22	22	22	22	20
13	13	13	13	13	12
34	34	34	34	34	34
10	10	10	10	10	10
2	2	2	2	2	2
29	29	29	29	29	29
225	225	225	225	225	225
185	185	185	185	185	185
3,543	3,535	3,524	3,524	3,665	3,661
415	450	450	483	475	462
320	360	360	372	360	362
200	200	200	200	228	246
11	14	12	12	12	14
5	5	0	0	0	0

CITY OF SIOUX CITY, IOWA  
ADDITIONAL INFORMATION

**CITY OF SIOUX CITY HOUSING AUTHORITY  
BALANCE SHEET  
JUNE 30, 2011**

Performance Center Project	242	246
Project No.	IA018V0	IA018VA
Contract No.	<u>KC9030V</u>	

**ASSETS**

Cash	\$ 413,939	\$ 71,795
Accounts Receivable (net of allowance for doubtful account)	29,314	---
Allowance for Doubtful Accounts	(10,982)	---
Prepaid Housing Assistance	321,531	4,986
Total Assets	753,802	76,781

**LIABILITIES & DEFERRED CREDITS**

Accounts Payable	13,538	---
Security Deposits	50,338	---
Accrued Liabilities-Current	44,941	---
Accrued Liabilities-Noncurrent	41,164	---
Total Liabilities	149,981	---

**EQUITY:**

Restricted Net Assets	603,821	76,781
Unrestricted Net Assets	---	---
Total Equity/Net Assets	603,821	76,781
Total Liabilities and Equity/Net Assets	\$ 753,802	\$ 76,781

241/243/245	GRAND TOTAL (MEMORANDUM ONLY)
<p>\$ 751,175</p> <p>---</p> <p>---</p> <p>---</p> <hr/> <p>751,175</p> <hr/>	<p>\$ 1,236,909</p> <p>29,314</p> <p>(10,982)</p> <p>326,517</p> <hr/> <p>1,581,758</p> <hr/>
<p>---</p> <p>---</p> <p>---</p> <p>---</p> <hr/> <p>---</p>	<p>13,538</p> <p>50,338</p> <p>44,941</p> <p>41,164</p> <hr/> <p>149,981</p>
<p>---</p> <p>751,175</p> <hr/> <p>751,175</p>	<p>680,602</p> <p>751,175</p> <hr/> <p>1,431,777</p>
<hr/> <p>\$ 751,175</p> <hr/>	<hr/> <p>\$ 1,581,758</p> <hr/>

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY  
ANALYSIS OF GENERAL FUND CASH  
JUNE 30, 2011**

Performance Center Project	242	246
Project No.	IA018V0	IA018VA
Contract No.	<u>KC9030V</u>	-

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	\$ 603,821	\$ 76,781
Total	<u>603,821</u>	<u>76,781</u>

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	13,538	---
Accrued Wages	86,105	---
Security Deposits	50,338	---
Prepaid Rent	(321,531)	(4,986)

Income Not Received:

Accounts Receivable (net of allowance for doubtful accounts)	<u>(18,332)</u>	<u>---</u>
General Fund Cash Available	<u>\$ 413,939</u>	<u>\$ 71,795</u>

241/243/245

GRAND  
TOTALS  
(MEMORANDUM  
ONLY)

\$ 751,175	\$ 1,431,777
<u>751,175</u>	<u>1,431,777</u>
---	13,538
---	86,105
---	50,338
---	(326,517)
<u>---</u>	<u>\$ (18,332)</u>
<u>\$ 751,175</u>	<u>\$ 1,236,909</u>

CITY OF SIOUX CITY, IOWA  
 SCHEDULE OF SALARY, ALLOWANCES,  
 AND REIMBURSED EXPENSES  
 FOR TEN HIGHEST PAID EMPLOYEES  
 FOR THE YEAR ENDED JUNE 30, 2011

EXHIBIT E-3

NAME	SALARY	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Paul A. Eckert, City Manager	\$148,633	\$ 5,268	Travel/auto allowance
Robert K. Padmore, Assistant City Manager	\$125,252	\$ 600	Travel/cell phone allowance
Curtis R. Miller, Airport/Transit/Fleet Director	\$115,502	\$ 7,949	Travel/auto/cell phone allowance
Andrew W. Mai, City Attorney	\$114,660	\$ 1,117	Travel reimbursement
Christopher R. Payer, Public Works Director	\$113,997	\$ 1,272	Travel reimbursement
John J. Malloy, Information Services Director	\$112,066	\$ 522	Travel/cell phone allowance
Aran W. Rush, Events Facilities Director	\$108,145	\$ 1,329	Travel reimbursement
Douglas A. Young, Police Chief	\$107,016	\$ 1,315	Travel/clothing allowance
Thomas M. Everett, Fire Chief	\$107,016	\$ ---	
Robert S. Logan, City Engineer	\$105,456	\$ 360	Cell phone allowance

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2011**

	<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:	2012	3.50%	630,000
	2013	3.50%	630,000
	2014	3.62%	630,000
			\$1,890,000
Type: Corporate Purpose			
Issued: 12/1/03			
Amount Issued: \$6,085,000			
City Project # 911-143			
Matures:	2012	3.25%	600,000
	2013	3.40%	600,000
	2014	3.50%	600,000
			\$1,800,000
Type: Corporate Purpose			
Issued: 12/1/04			
Amount Issued: \$5,140,000			
City Project # 911-144			
Matures:	2012	3.75%	515,000
	2013	4.00%	515,000
	2014	4.00%	510,000
	2015	4.00%	510,000
			\$2,050,000
Type: Corporate Purpose			
Issued: 12/1/04			
Amount Issued: \$14,755,000			
City Project # 911-146			
Matures:	2012	3.25%	1,475,000
	2013	3.38%	1,475,000
	2014	3.55%	1,475,000
	2015	3.63%	1,475,000
			\$5,900,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2011

	Interest Rate	<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:	2012	4.00%	435,000
	2013	4.00%	430,000
	2014	4.13%	430,000
	2015	4.13%	430,000
	2016	4.13%	430,000
			\$2,155,000
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$12,990,000			
City Project # 911-149			
Matures:	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%	1,295,000
			\$6,490,000
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$1,830,000			
City Project # 911-150			
Matures:	2012	4.00%	185,000
	2013	4.00%	180,000
	2014	4.13%	180,000
	2015	4.13%	180,000
	2016	4.13%	180,000
			\$905,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2011**

	<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:			
	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
			\$5,250,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$9,385,000			
City Project # 911-152			
Matures:			
	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
			\$6,565,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$4,525,000			
City Project # 911-153			
Matures:			
	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
			\$3,160,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2011

	<u>Interest</u>	<u>Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/07				
Amount Issued: \$10,990,000				
City Project # 911-154				
Matures:	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	
				\$7,690,000
Type: Corporate Purpose				
Issued: 4/1/08				
Amount Issued: \$13,440,000				
City Project # 911-156				
Matures:	2012	3.25%	2,030,000	
	2013	3.25%	1,205,000	
				\$3,235,000
Type: Corporate Purpose				
Issued: 4/1/09				
Amount Issued \$9,435,000				
City Project # 911-158				
Matures:	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	
				\$8,285,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2011**

	<u>Interest 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:	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
			\$4,850,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$1,310,000			
City Project # 911-160			
Matures:	2012	2.50%	435,000
			\$435,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$7,330,000			
City Project # 911-161			
Matures:	2012	1.70%	1,470,000
	2013	2.10%	1,430,000
	2014	2.50%	1,395,000
			\$4,295,000

CITY OF SIOUX CITY  
 SCHEDULE OF INDIVIDUAL BOND MATURITIES  
 JUNE 30, 2011

	<u>Interest</u> <u>Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$13,750,000			
City Project # 911-162			
Matures:	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
			\$12,600,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$5,625,000			
City Project # 911-163			
Matures:	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
			\$5,155,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2011**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:	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
			\$1,870,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$4,580,000			
City Project # 911-165			
Matures:	2012	2.00%	935,000
	2013	2.00%	920,000
	2014	3.00%	900,000
	2015	3.00%	890,000
			\$3,645,000
Type: Corporate Purpose			
Issued: 5/1/11			
Amount Issued: \$23,425,000			
City Project # 911-166			
Matures:	2012	2.00%	1,500,000
	2013	2.00%	2,440,000
	2014	2.00%	2,440,000
	2015	2.00%	2,435,000
	2016	2.00%	2,435,000
	2017	2.50%	2,435,000
	2018	3.00%	2,435,000
	2019	3.00%	2,435,000
	2020	4.00%	2,435,000
	2021	4.00%	2,435,000
			\$23,425,000
Total General Obligation Bonds			\$111,650,000

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, 2011**

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	\$ 554,746	\$ 86,187	\$ 61,266
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>					
Community Development Block Grant Entitlement	14.218	B-08-MC-19-0006	1,876,878	394,340	396,340
	14.218	B-09-MC-19-0006	1,915,845	1,134,790	1,124,312
Emergency Shelter Grant	14.231	S-09-MC-19-0002	83,565	11,350	7,047
	14.231	S-10-MC-19-0002	83,961	65,063	72,933
Supportive Housing Program/Continuum of Care	14.235	IA0004B7D000802	113,452	113,452	79,121
	14.235	IA0004B7D000803	113,452	-	31,844
Home Investment Partnerships Program	14.239	M-08-DC-19-0207	497,773	307,487	299,844
	14.239	M-09-DC-19-0207	554,280	138,003	272,242
Community Development Block Grant-Recovery	14.253	ARRA B09-MY-19-0002	509,481	286,148	225,555
2009 Recovery Act Homeless Prevention	14.257	ARRA S09-MY-19-0002	779,497	229,348	229,199
Fair Housing Assistance Program	14.401	FF207K097018	38,428	3,843	5,438
	14.401	FF207K107018	47,160	47,160	-
Section 8 Voucher Program	14.871	IA018VO0131	4,537,727	3,837	-
	14.871	IA018VO0135	4,887,333	4,887,333	4,784,387
Section 8 Voucher Program-FSS	14.871	2010-FSS8-IA018-5209	113,727	85,389	135,476
Section 8 Voucher Program-Affordable Home Own	14.871	IA018AFHV05	17,390	17,390	32,557
Section 8 Veterans Affairs Supportive Housing	14.VSH	IA018VA0002	95,824	95,824	13,808
Lead-Based Paint Hazard Control	14.907	ARRA IALHB0425-08	1,983,747	1,311,134	1,178,415
<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	626,826	562,393
<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	27,041	12,284
	16.803	09JAG/ARRA-3605B	257,321	238,793	249,516
<b>Passed through Woodbury County</b>					
Byrne-Justice Assistance Grant (JAG) Program	16.738	2009-DJ-BX-0402	41,400	-	14,123
	16.738	ARRA2009-SB-B9-3028	184,820	-	487
	16.738	2010-DJ-BX-1115	36,656	36,656	11,908
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Violence Against Women Act	16.588	ARRA VWS-10-77	7,578	6,920	-
Bulletproof Vest Partnership Program	16.607	2007BUBX06133806	6,588	6,588	4,681
Project Safe Neighborhoods	16.609	08-ND05	11,927	115	114
	16.609	09-ND05	11,027	2,664	1,227
	16.609	10-PSN-6525	11,318	3,958	3,958
Office of Community Oriented Policing	16.710	2007CKWX0217	390,784	3,008	1,337
	16.710	2008CKWX0043	298,383	4,790	1,083
	16.710	2009CKWX0564	500,000	420,048	314,917
	16.710	2010CKWX0446	800,000	89,157	344,368
Methamphetamine Drug Hot Spots Grant	16.710	09-Hotspots/Interdiction-10	\$ 19,500	\$ 5,918	\$ 5,918

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
<b>Federal Aviation Administration</b>					
Airport Improvement Project	20.106	AIP319008534-2008	\$ 2,011,891	253,267	11,353
	20.106	ARRA-AIP319008538-09	3,965,686	1,847,859	1,583,445
	20.106	AIP319008540-2009	626,715	236,139	155,686
	20.106	AIP319008541-2010	394,301	139,751	136,839
<b>Passed through Iowa Department of Transportation</b>					
Highway Planning and Construction	20.205	BRM7057(626)8N97	1,000,000	50,000	-
	20.205	BRM7057(650)8N97	1,000,000	13,998	-
	20.205	BROS7057(632)8J97	1,000,000	295,227	463,080
	20.205	BROS7057(645)8J97	1,000,000	828,131	458,066
	20.205	HDP7057(628)7I97	4,732,334	18,232	14,462
	20.205	HDP7057(641)7I97	2,368,580	492,184	347,704
	20.205	HDP7057(642)7I97	666,720	96,720	-
	20.205	HDP7057(643)7I97	2,192,515	109,626	-
	20.205	HDP7057(649)7I97	2,334,688	270,136	55,369
	20.205	HDP7057(658)7I97	3,620,515	42,448	14,399
	20.205	STPA7057(625)8697	126,000	6,300	-
	20.205	STPE7057(655)8V97	209,990	-	150,090
	20.205	STPA7057(646)8697	1,502,500	219,651	-
	20.205	STPU7057(644)7097	4,077,692	397,538	718,229
	20.205	ARRA-ESL7057(662)7S97	792,853	476,305	187,525
Surface Transportation Program	20.205	STPU7057(656)7097	3,093,760	24,235	10,601
	20.205	STPU7057(630)7097	2,097,600	-	108,570
	20.205	STPU7057(634)7097	1,016,392	63,128	-
Transportation Enhancement Program	20.205	STPES7057(651)8I97	606,856	415,212	366,417
Transit JPA Capital Investment Assistance Prog	20.500	IA-04-0113-705-08	331,170	63,551	63,551
	20.500	IA-04-0113-705-10	3,200	3,200	3,200
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X001-705-11	62,128	62,128	62,128
Transit JPA Job Access/Reverse Commute	20.516	IA-37-X017-705-10	36,240	1,649	1,649
	20.516	IA-37-X017-705-11	39,618	1,629	1,629
Transit JPA New Freedom Operating Assistance	20.521	(10867)IA-57-X001-705-09	63,910	63,910	63,910
	20.521	IA-57-X001-705-10	72,859	72,859	72,859
	20.521	IA-57-X009-705-11	2,500	936	1,564
Transit JPA Transportation for Elderly/Disabled	20.521	(11451)IA-57-X001-705-09	900	175	175
<b>FEDERAL TRANSIT ADMINISTRATION</b>					
Transit Capital Improvement Grants	20.507	ARRA IA-96-X003-00	353,602	353,602	330,313
	20.507	ARRA IA-66-X001-00	84,251	84,251	84,251
	20.507	ARRA 96-0001-705-09	339,483	339,483	339,483
Transit Operating Assistance	20.507	IA90X352	1,585,282	1,585,282	-
	20.507	IA90X373	1,569,119	-	1,569,119
JPA Rural Transit Assistance Program	20.509	18-702X-705-10	12,000	10,980	6,284
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
<b>Passed through Governor's Traffic Safety Bureau</b>					
Alcohol Incentive Grant	20.601	PAP 10-410, Task 66	42,850	30,276	23,138
	20.601	PAP 11-410, Task 70	34,250	5,043	16,074
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
<b>Passed through Department of Natural Resources</b>					
Clean Water State Revolving Fund Program	66.458	CS192415 01	31,000,000	1,276,628	1,276,628
Drinking Water State Revolving Fund Program	66.468	FS-97-09-DWSRF-019	\$ 10,807,000	\$ 4,224,418	\$ 4,224,418

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
Congressionally Mandated Projects	66.202	XP98756501-0	\$ 2,117,200	\$ 105,860	\$ -
Brownfield Revolving Loan Fund	66.818	BF97710301	14,144	2,150	6,150
Brownfield Revolving Loan Fund	66.818	ARRA 2B-97709201	650,000	22,250	20,077
<b>U.S. DEPARTMENT OF ENERGY</b>					
Energy Efficiency & Conversation Block Grant	81.128	ARRA SC0003029	801,300	-	224,916
Energy Efficiency Conservation Block Grant	81.128	ARRA EECBG 10-3161	244,800	43,181	43,181
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>					
High Intensity Drug Trafficking Area/HIDTA	95.001	G10MW0002A	156,700	93,764	65,956
	95.001	G11MW0002A	142,700	-	88,416
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Public Assistance Grant Program	97.036	193-73335-000	210,908	180,204	24,375
	97.036	DR-1998	390,710	-	390,710
Assistance to Firefighths Program	97.044	EMW-2009-FO-11389	136,000	136,000	121,424
	97.044	EMW-2009-FP-01634	24,168	24,168	24,168
Urban Search & Rescue Task Force	97.067	2006-GE-T6-0065-010	325,000	24,960	-
	97.067	2007-GE-T7-0032-019	200,000	131,275	-
	97.067	2008-GE-T8-2008-019	133,450	-	61,237
	97.067	2009-SS-T9-0034-018	222,500	-	1,661
Law Enforcement Officer Reimbursement	97.090	HSTS0208HSLR274	\$ 540,047	49,223	99,797
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<b>\$ 25,979,682</b>	<b>\$ 24,572,374</b>

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2011**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>STATE AWARDS</b>					
<b>IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT</b>					
Brownfield Project Financial Assistance		<i>08-BRN-03</i>	\$ 100,000	\$ 100,000	\$ -
<b>IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT/DEPARTMENT OF TOURISM</b>					
Vision Iowa		<i>09-CAT-027</i> <i>10-CAT-002</i>	2,000,000 266,446	1,340,302 174,395	867,717 152,089
<b>IOWA DEPARTMENT OF TRANSPORTATION</b>					
STA Joint Participation Agreement		<i>STA-FORM-705-FY11</i>	272,649	272,649	272,649
Commercial Air Service Vertical Infrastructure		<i>STA-SPEC-705-FY09</i>	3,500	789	789
Revitalize Iowa's Sound Economy Program		<i>91110SUX200</i>	112,953	40,247	65,708
Rebuild Iowa Infrastructure Fund		<i>RM7057(666)9D97</i> <i>S397A090016A</i>	507,585 451,789	- 451,789	391,394 451,789
<b>IOWA FINANCE AUTHORITY</b>					
I-JOBS Water Quality Financial Assistance		<i>WQ-01</i>	8,000,000	7,811,100	7,557,472
<b>IOWA HOMELAND SECURITY AND EMERGENCY MANAGEMENT</b>					
Pre-Disaster Mitigation Planning Grant		<i>PDMC-2007-97-01</i>	5,115	5,115	5,115
<b>STATE LIBRARY OF IOWA</b>					
Enrich Iowa		<i>FY2010 Direct Aid</i> <i>FY2011 Direct Aid</i>	19,818 15,779	- 15,779	329 2,207
<b>IOWA DEPARTMENT OF NATURAL RESOURCES</b>					
Iowa Brownfield Redevelopment Program		<i>10-7540-09</i>	\$ 24,975	24,975	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>10,237,140</u>	<u>9,767,258</u>
<b>TOTAL FEDERAL &amp; STATE FINANCIAL ASSISTANCE</b>				<u>\$ 36,216,822</u>	<u>\$ 34,339,632</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2011**

- (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, 2011, are:

	<u>Balance</u>
CDBG loans	\$456,942
CDBG deferred loans	575,384

- (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, 2011

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I. Summary of Auditor's Results

- a. Unqualified opinions were issued on the financial statements.
- b. No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- 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
Community Development Block Grants / State's Programs	CFDA #14.228
Home Investment Partnerships Program	CFDA #14.239
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
Capitalization Grants for Clean Water State Revolving Funds	CFDA #66.458
Capitalization Grants for Drinking Water State Revolving Funds	CFDA #66.468
Energy Efficiency and Conservation Block Grant Program	CFDA #81.128

- h. Dollar threshold used to distinguish between Type A and Type B programs \$572,140.
- 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.

Internal Control Deficiencies:

No material weaknesses in internal control were reported.

CITY OF SIOUX CITY, IOWA  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011

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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. Other Findings Related to Required Statutory Reporting

11-IV-A – Certified Budget – City expenditures during the year ended June 30, 2011 did not exceed the amounts budgeted.

11-IV-B – Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

11-IV-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.

11-IV-D – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.

11-IV-E – Questionable Expenditures – We noted no questionable expenditures during our audit.

11-IV-F – Revenue Bonds – No violations of revenue bond resolutions were noted.

11-IV-G – Business Transactions – No business transactions between the City and City officials or employees were noted.

11-IV-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**  
**07/01/10 - 06/30/11**

	FY-10 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-11 Total	FY-11 Program Total
<b>Revenue:</b>							
Collections	\$ 3,261,824	\$ 18,436	\$ 27,126	\$ 24,175	\$ 25,120	\$ 94,857	\$ 3,356,681
Interest	1,676	-	-	-	-	-	1,676
<b>Total Revenue</b>	<b>3,263,500</b>	<b>18,436</b>	<b>27,126</b>	<b>24,175</b>	<b>25,120</b>	<b>94,857</b>	<b>3,358,357</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	76,510	-	-	-	-	-	76,510
Financing & Interest	19,893	-	-	-	-	-	19,893
Acquire Snow Removal Equipment	54,313	-	-	-	-	-	54,313
Financing & Interest	14,121	-	-	-	-	-	14,121
Rehabilitate Aircraft Parking Apron	58,245	828	-	-	-	828	59,073
Financing & Interest	-	15,359	-	-	-	15,359	15,359
Acquire Land for Runway 13 RPZ	-	2,249	27,126	544	-	29,919	29,919
Financing & Interest	-	-	-	7,779	-	7,779	7,779

**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**07/01/10 - 06/30/11**

	FY-10 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-11 Total	FY-11 Program Total
Acquire Replace Snow Plow Truck	-			15,155		15,155	15,155
Financing & Interest	-			697	3,243	3,940	3,940
Extend Taxiway C (include perimeter ro	-				21,877	21,877	21,877
Financing & Interest	-					-	-
Acquire Replacement Snow Blower	-					-	-
Financing & Interest	-					-	-
Total Application #5	295,380	18,436	27,126	24,175	25,120	94,857	390,237
<b>Total Disbursements</b>	<b>3,263,500</b>	<b>18,436</b>	<b>27,126</b>	<b>24,175</b>	<b>25,120</b>	<b>94,857</b>	<b>3,358,357</b>
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

Notes:

1. 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



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

**Report on Compliance with Requirements That Could Have a Direct  
and Material Effect on Each Major Program and on 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 11, 2011  
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



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

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

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, 2011 which collectively comprise the City's basic financial statements and have issued our report thereon dated November 11, 2011. 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.

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.

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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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*.

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 11, 2011  
Sioux City, Iowa