

*City of Sioux City, Iowa  
Comprehensive Annual Financial Report  
Year Ended June 30, 2013*



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

FOR THE YEAR ENDED JUNE 30, 2013

PREPARED BY

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

CITY OF SIOUX CITY, IOWA  
INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2013**

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## THE COVER

This year's cover displays the recently constructed Sioux City Public Museum. The new location at 607 4<sup>th</sup> Street was the result of several years of planning and significant remodeling and reconstruction at what was previously a downtown retail store. In April 2011, the Public Museum relocated to the new building from the John Peirce Mansion on 2901 Jackson Street where it had been located since 1960.

The move has brought new life to the Museum and provides visitors with an exciting, interactive look into Siouxland history. The new attraction features a variety of exhibitions, educational programs and events, interactive displays, and much more.

## ABOUT SIOUX CITY, IA

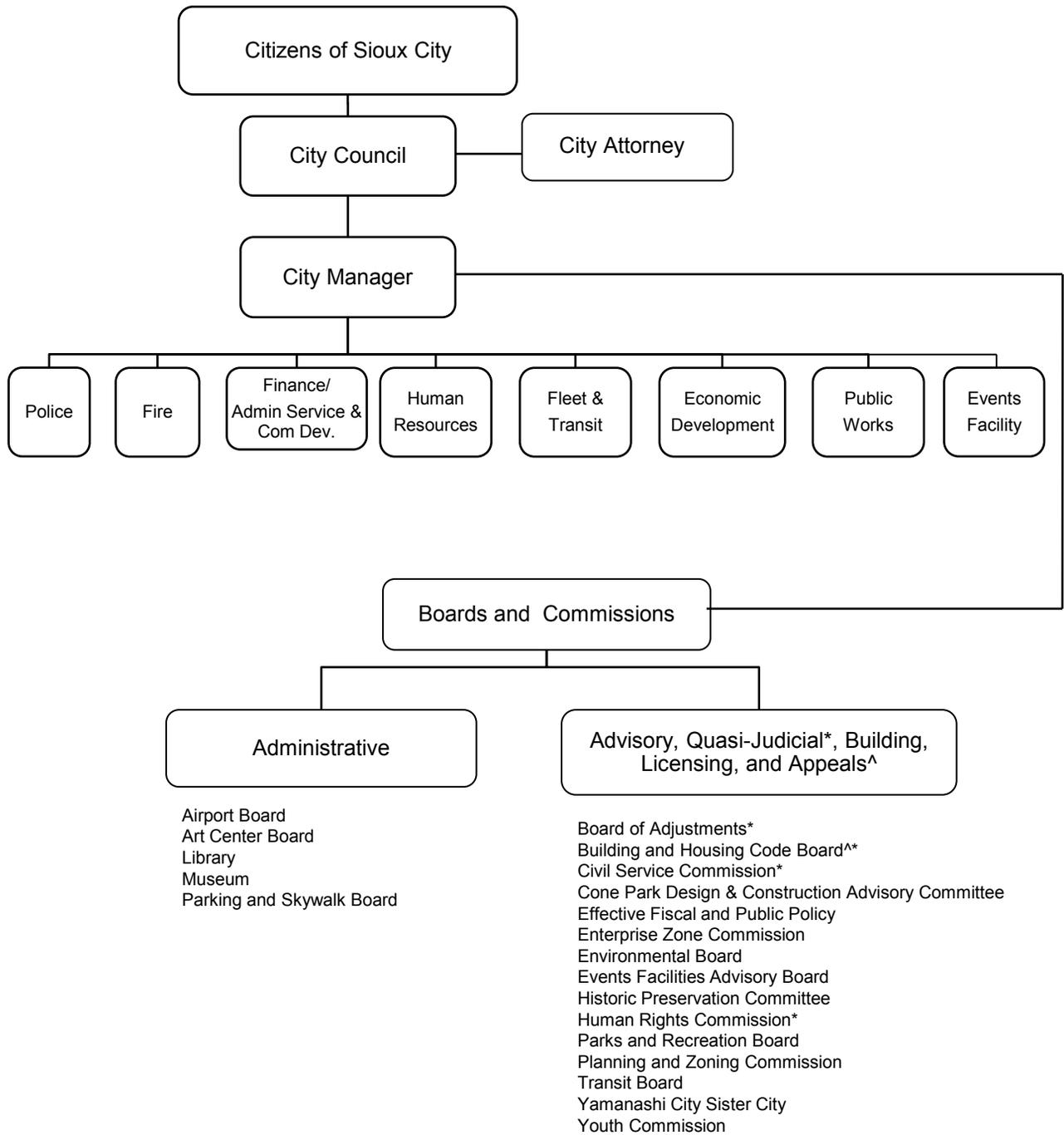
The City of Sioux City, the principal city of northwest Iowa and the county seat of Woodbury County, is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the states of Iowa, Nebraska, and South Dakota. This Tri-State area is known as “Siouxland.”

Founded in 1854, Sioux City’s roots go back to the days of the early fur traders. In the late 1800’s, the City was a major transportation and marketing center in the Midwest, only behind St. Louis and Chicago. 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 the food processing industry has continued 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. Also, the City has garnered top 10 rankings for Emerging Logistics/Distribution Centers with less than 500,000 residents. Most recently, in 2012, the Siouxland area was chosen by Site Selection magazine as #1 in the nation for Economic Growth Potential in an area with less than 200,000 residents. This was the third time in six years that the Siouxland region has been recognized with this distinction.

Today, Sioux City is the fourth largest city in the State of Iowa. The City currently serves as the regional hub for business, employment, industry, retail trade, medical care, educational opportunities and tourism in Northwest Iowa, Southeast South Dakota and Northeast Nebraska. More than 140,000 people live in the tri-state metropolitan area.

Siouxland is also home to the headquarters of several national companies including Tyson Fresh Meats, Inc., Sioux Honey Association, American Pop Corn Company, Bomgaars, Aalfs Manufacturing, Gelita USA Inc, Wilson Trailer, Inc., Beef Products, Inc. (BPI), and Great West Casualty Company.



# SCHEDULE OF CITY OFFICIALS

June 30, 2013

## Elected Officials

		<b>Term Expires</b>
Mayor	Robert Scott	January 1, 2016
Mayor Pro Tem	John Fitch	January 1, 2014
Council Member	Thomas Padgett	January 1, 2014
Council Member	Keith Radig	January 1, 2014
Council Member	Rhonda Capron	January 1, 2016

## Council Appointed Officials

		<b>Date of Appointment</b>
City Manager	Paul Eckert	March 22, 2002
City Attorney	Nicole Jensen-Harris	October 3, 2011
City Clerk	Lisa McCardle	June 24, 2006

## City Manager and Board Appointed Officials

		<b>Date of Appointment</b>
Airport Acting Director	John Backer	June 1, 2012
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
Events Facilities Acting Executive Director	Erika Newton	May 6, 2013
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	Jade Dundas	September 13, 2010

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**



Offices of the City Manager & Finance Director  
*City of Sioux City, Iowa*  
P O Box 447  
Sioux City, IA 51102-0447  
November 4, 2013

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, 2013 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 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 2013 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, 2013, 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 82,719.

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:

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

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 commitments 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**

Like many other local municipalities, Sioux City is faced with the challenge of minimizing property taxes, meeting current obligations, and increasing quality of life, all while the current costs of providing public services continue to rise. Notable challenges include increased salary and benefit obligations and decreased federal and state funding. Road maintenance is an area of particular importance due to significant increases in construction costs but stagnant growth in State Road Use Tax funding. However, successful economic development initiatives along with growth and expansion in private industry can often offset these challenges by increasing the City's property tax base. There have been a number of developments announced in the previous year that will bring jobs and tourism to the Siouxland community.

The most significant individual project that directly impacts the City and is currently underway is the construction of a \$118.5 million Hard Rock Hotel & Casino in downtown Sioux City. The building will increase the City property tax base through a minimum \$51 million property tax assessment and the facility will also pay the City 1.75 percent of its gross casino revenues, or \$2.1 million a year, whichever is greater. The new facility will employ approximately 500 workers, an increase of 125 over the amount employed at the casino it is replacing. The new facility is set to open in July 2014.

UnityPoint Health-St. Luke's recently constructed the Sunnybrook Medical Plaza, which is located on 17 acres in Morningside near Target and Lowe's. The \$26.7 million, 86,000 square foot medical facility will house outpatient services, urgent care, cardiology, imaging, pharmacy, maternal-fetal medicine and pulmonary care. The facility opened in September 2013.

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 recently completed \$35 million Southbridge Water Treatment Plant provides clean water to the industrial site. The plant contains a state-of-the-art micromembrane filtration system that can treat 30 million gallons of water per day and provide service to the 400-acre Southbridge site and well as residents in the Morningside area of Sioux City.

The first major development in the Southbridge Area was an \$18 million, 192,000 square foot Sabre Communications factory expansion which opened in December 2012. The expansion created 192 new positions in the areas of production, shipping, receiving, administration, sales, operations, and human resources.

Expedition Business Park, also near the Airport, has seen industrial growth as well. Titan Machinery completed the construction of a new 20,000 square foot Case IH and New Holland farm and construction equipment dealership at the corner of Expedition Court and Discovery Boulevard. A minimum property assessment of \$1.5 million was included in the property exchange agreement and the dealership plans to add eight to 10 new jobs.

Ziegler Cat completed construction of a \$6 million, 24,000 square foot expansion of their Caterpillar equipment dealership in January 2013. The expansion will result in the addition of 10 to 20 jobs. In exchange for City assistance, the dealership agreed to a \$2.5 million minimum property tax assessment.

Other development underway that will benefit the City and Siouxland area include a \$1.7 billion expansion of CF Industries' Port Neal fertilizer complex just south of Sioux City. The project is expected to result in 100 permanent positions, 700 indirect jobs, and 1,500 to 2,000 construction workers over the two-year project, which is expected to come online in 2016. Additionally, a \$90 million upgrade at the Tyson Fresh Meats plant in Dakota City, NE will add about 200 production jobs and will further boost the Siouxland economy.

## **LONG-TERM FINANCIAL PLANNING**

The City of Sioux City sold three series of bonds on June 20, 2013 totaling \$35,515,000. These funds will be used for the fiscal year 2014 Capital Improvements Projects, which includes \$22,500,000 in infrastructure for the new downtown casino. Standard & Poor's designated Sioux City an AA rating, citing the City's strong position as a regional economic and employment center with adequate income levels and market value per capita. Standard & Poor's also notes Sioux City as having very strong reserves, a history of operating surpluses, and low to moderate overall debt burden combined with rapid principal amortization. Moody's Investors Service gave Sioux City an Aa1 rating, citing a stable and diverse tax base serving as a regional service center for northwestern Iowa and surrounding states, and having a long trend of balanced General Fund operations with unlimited levy authority for certain expenditures which provide additional financial flexibility.

## **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 a 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 59.57% 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.

In fiscal year 2013 the City spent about \$14 million on capital improvement projects. The largest projects were: Water Treatment Plant Pre-Treatment Addition \$5.2, Annual Infrastructure \$2.8 million, I-29 Sewer Relocation \$2 million, and Harbor Drive Connector, \$1.3 million.

The City expects to spend significant capital amounts in fiscal year 2014. At the top of the list, the City will make infrastructure improvements for the new downtown casino, in the amount of \$22.5 million. The City has planned for over \$14.1 million in street maintenance projects which includes \$7 million for annual infrastructure, \$1.8 million for annual resurfacing, and \$1.3 million for annual bridge repairs. Additionally, the City plans to spend \$4.3 million on relocating utilities for the reconstruction of Interstate 29, \$4.2 million on ten new public transit buses, \$4 million towards the construction of rail infrastructure in the Southbridge Business Park, and \$3 million to further develop the Bridgeport West Industrial Business Park.

The City continues to pursue development opportunities in areas of the City where growth and expansion prospects exist. The Northern Valley Community Development area on Floyd Boulevard across from Wal-mart will start to flourish with the addition of a Pizza Ranch which is near completion, along with other prospectively interested businesses. The downtown area offers several sites which would appeal to specific business opportunities including the Ho Chunk Centre, the Public Museum Building (former Delta site), and the Badgerow Building.

## **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, 2012.

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 2013 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,



Robert Padmore  
Interim City Manager

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**



Government Finance Officers Association

**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, 2012**



*Jeffrey R. Emer*

Executive Director/CEO

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



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Sioux City, IA 51101  
Phone (712) 252-5337  
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## INDEPENDENT AUDITOR'S REPORT

The Mayor and Members of the  
City Council  
City of Sioux City, Iowa

### **Report on the Financial Statements**

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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 performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis, budgetary comparison information and OPEB Schedule of Funding Progress 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 U.S. generally accepted auditing standards, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other financial information, combining nonmajor fund financial statements, schedule of expenditures of passenger facility charges, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 is also not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2013, on our consideration of the City of Sioux City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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* in considering the City of Sioux City's internal control over financial reporting and compliance.

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

Sioux City, Iowa  
November 4, 2013

**SILOUX<sup>TM</sup>**  
**CITY**



## Management Discussion and Analysis

June 30, 2013

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, 2013. 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, 2013, by \$470,435,100. Of this amount, \$30,058,894 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$25,409,611 during the year. Of this amount, the net position of our Governmental Activities increased \$17,097,260 and the net position of our Business-Type Activities increased \$8,312,351.
- The largest factors contributing to the increase in net position were; reduction of Internal Service Fund operating expenses of \$12,619,332 due to changes in liability estimates; excess of Sewer Fund revenues over expenses and transfers out in the amount of \$5,751,655 and the excess of Water Fund revenues and transfers in over expenditures in the amount of \$3,155,403, both due to planned rate increases in the utility funds.
- The City's long term debt increased \$20,023,148 (8.0%). Contributing to the increase was the issuance of three series of general obligation bonds totaling \$35,515,000. The bond proceeds were used to fund the fiscal year 2014 Capital Improvement Program. Notes payable increased by \$3,639,344 in the enterprise funds due to additional State Revolving Loans relating to the Southeast Morningside Sanitary Sewer Project. Outstanding General Obligation debt totals \$124,875,000.

### 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 Position 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 Position 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 Position 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 Position 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 the method of accounting used by most private-sector companies. These two statements report the City's net position, which is calculated as assets plus deferred outflows minus liabilities and deferred inflows, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position 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 Position 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 Position 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 Position 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 Position and a Statement of Changes in Fiduciary Net Position. 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 position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position 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 position for the years ended June 30, 2013, and 2012:

	<b>General Governmental Activities</b>	
	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$175,215,644	\$146,022,594
Capital Assets	<u>361,765,444</u>	<u>361,667,089</u>
Total Assets	536,981,088	507,689,683
Other Liabilities	61,349,032	57,114,239
Long-Term Liabilities Outstanding	<u>149,134,185</u>	<u>141,174,833</u>
Total Liabilities	210,483,217	198,289,072
Net Position:		
Net Investment in Capital Assets	265,299,824	259,727,010
Restricted	65,136,114	62,015,849
Unrestricted	<u>(3,938,067)</u>	<u>(12,342,248)</u>
Total Net Position	<u>\$326,497,871</u>	<u>\$309,400,611</u>

This summary reflects an increase in total net position of 5.53% for the governmental activities and an increase of 6.13% in the business-type activities.

The restricted portion of net position (13.8%) is subject to external restrictions on how these resources may be used. The remaining balance of unrestricted net position (\$30,058,894) may be used to meet any ongoing obligations to citizens and creditors.

The government's total net position increased \$25.4 million during the current fiscal year which can be attributed to the fact that revenues have once again exceeded expenses.

<b>Business-Type Activities</b>		<b>Totals</b>	
<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
\$40,787,357	\$38,965,096	\$216,003,001	\$184,987,690
<u>262,575,512</u>	<u>255,214,721</u>	<u>624,340,956</u>	<u>616,881,810</u>
303,362,869	294,179,817	840,343,957	801,869,500
4,776,748	7,739,781	66,125,780	64,854,020
<u>154,648,892</u>	<u>150,815,158</u>	<u>303,783,077</u>	<u>291,989,991</u>
159,425,640	158,554,939	369,908,857	356,844,011
109,940,268	106,357,863	375,240,092	366,084,873
---	---	65,136,114	62,015,849
<u>33,996,961</u>	<u>29,267,015</u>	<u>30,058,894</u>	<u>16,924,767</u>
<u>\$143,937,229</u>	<u>\$135,624,878</u>	<u>\$470,435,100</u>	<u>\$445,025,489</u>

Governmental activities increased 5.53% while Business-Type Activities increased 6.13%. Details of the changes in net position are shown as follows:

Revenue Source	Governmental Activities	
	2013	2012
<b>Program Revenues:</b>		
Charges for Services	\$29,321,629	\$16,178,287
Operating Grants and Contributions	18,601,593	21,777,329
Capital Grants and Contributions	3,260,591	8,856,243
<b>Total Program Revenues</b>	<b>51,183,813</b>	<b>46,811,859</b>
<b>General Revenues :</b>		
Property Taxes	48,661,701	47,856,978
Franchise Taxes	2,379,273	2,174,884
Hotel-Motel Taxes	1,375,769	1,263,522
Local Option Sales Taxes	11,820,387	11,147,414
Interest	453,317	588,020
Revenue from the Sale of Uncapitalized Property	709,868	376,449
Miscellaneous	1,789,176	1,467,847
Net Gain on Sale of Capital Assets	324,974	90,008
<b>Total General Revenues</b>	<b>67,514,465</b>	<b>64,965,122</b>
<b>Total Revenues</b>	<b>118,698,278</b>	<b>111,776,981</b>
<b>Expenses:</b>		
Public Safety	35,578,147	35,153,307
Public Works	18,148,457	18,146,262
Culture and Recreation	19,056,629	19,105,473
Community and Economic Development	11,888,737	14,093,979
General Government	9,464,502	10,023,938
Investment in Joint Venture	297,372	297,372
Debt Service	5,643,693	5,784,156
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skyway System	---	---
<b>Total Expenses</b>	<b>100,077,537</b>	<b>102,604,487</b>
<b>Increase in Net Position Before Transfers</b>	<b>18,620,741</b>	<b>9,172,494</b>
Transfers	(1,523,481)	(519,914)
<b>Increase in Net Position</b>	<b>17,097,260</b>	<b>8,652,580</b>
<b>Net Position - Beginning of Year</b>	<b>309,400,611</b>	<b>300,748,031</b>
<b>Net Position</b>	<b>\$326,497,871</b>	<b>\$309,400,611</b>

Business-Type Activities		Totals	
2013	2012	2013	2012
\$40,409,427	\$41,323,744	\$69,731,056	\$57,502,031
255,474	435,479	18,857,067	22,212,808
2,534,064	941,572	5,794,655	9,797,815
<b>43,198,965</b>	<b>42,700,795</b>	<b>94,382,778</b>	<b>89,512,654</b>
---	---	48,661,701	47,856,978
---	---	2,379,273	2,174,884
---	---	1,375,769	1,263,522
---	---	11,820,387	11,147,414
306,810	387,506	760,127	975,526
---	---	709,868	376,449
124,696	150,356	1,913,872	1,618,203
---	---	324,974	90,008
<b>431,506</b>	<b>537,862</b>	<b>67,945,971</b>	<b>65,502,984</b>
<b>43,630,471</b>	<b>43,238,657</b>	<b>162,328,749</b>	<b>155,015,638</b>
---	---	35,578,147	35,153,307
---	---	18,148,457	18,146,262
---	---	19,056,629	19,105,473
---	---	11,888,737	14,093,979
---	---	9,464,502	10,023,938
---	---	297,372	297,372
---	---	5,643,693	5,784,156
4,328,864	4,489,545	4,328,864	4,489,545
12,257,979	11,690,391	12,257,979	11,690,391
13,082,732	13,213,218	13,082,732	13,213,218
5,075,557	4,758,852	5,075,557	4,758,852
1,724,424	1,570,589	1,724,424	1,570,589
372,045	382,081	372,045	382,081
<b>36,841,601</b>	<b>36,104,676</b>	<b>136,919,138</b>	<b>138,709,163</b>
<b>6,788,870</b>	<b>7,133,981</b>	<b>25,409,611</b>	<b>16,306,475</b>
1,523,481	519,914	---	---
<b>8,312,351</b>	<b>7,653,895</b>	<b>25,409,611</b>	<b>16,306,475</b>
<b>135,624,878</b>	<b>127,970,983</b>	<b>445,025,489</b>	<b>428,719,014</b>
<b>\$143,937,229</b>	<b>\$135,624,878</b>	<b>\$470,435,100</b>	<b>\$445,025,489</b>

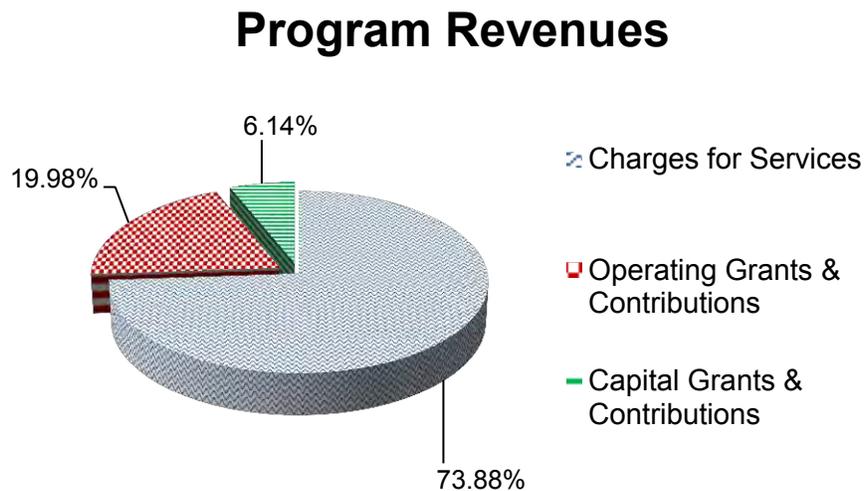
Program revenues totaled \$94,382,778 for fiscal year 2013. Governmental Activities provided \$51,183,813 and Business-Type Activities provided \$43,198,965. Revenue collected for Charges for Services during fiscal year 2013 was \$69,731,056 accounting for approximately 74% of the total program revenues.

Governmental charges for services increased about \$13 million. At the government-wide level, red light and speed cameras contributed to the charges for services increase of \$2 million in the General Fund. Additionally, in the Comprehensive Insurance Fund, a decrease of \$12 million in damage settlement expense contributed to the increase.

Governmental operating grants and contributions decreased \$3.2 million. Public Safety operating grants decreased \$2.5 million due to decreased Federal Emergency Management Agency (FEMA) reimbursements for the Missouri River Flood of 2011 of \$1.3 million, decreased receipts from the Department of Justice for \$665,000 and Iowa Homeland Security of \$320,000. Public Works operating grants increased \$640,000 due to faster draws on Iowa Department of Transportation (IDOT) grants for projects. Culture and Recreation contributions increased \$265,000 due to increased FEMA reimbursements for the riverfront park and for increased contributions and grants to the Public Library. Community and Economic Development operating grants decreased \$1 million due to decreased Department of Housing and Urban Development (HUD) grant amounts.

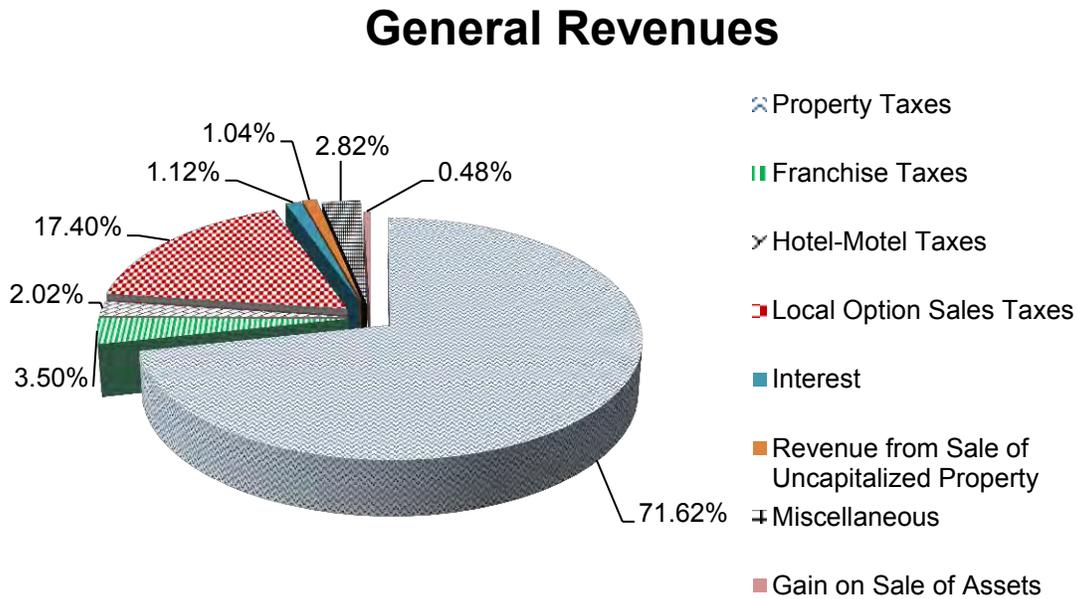
Governmental capital grants and contributions decreased \$5.6 million. Public Safety capital grants decreased \$115,500 due to lower receipts from the Department of Energy for traffic control and \$30,400 for decreased FEMA reimbursements. Public Works capital grants decreased \$5.8 million due to lower receipts from the IDOT for road projects. Community and Economic Development capital grants increased \$770,000 due to a grant from the Economic Development Administration (EDA) in the amount of \$500,000, Targeted Jobs Withholding Tax Credits for \$191,000, and increased HUD receipts. General Governmental capital grants decreased \$450,000 due to decreased FEMA receipts. Debt Service capital contributions increased \$72,000 due to increased special assessments collections. In the Business-Type funds, the Airport capital grants increased \$720,000 due to an increase in receipts from the Federal Aviation Administration (FAA) for airport capital improvements. Sewer capital grants increased \$870,000 due to a \$675,000 increase in EDA receipts for the Interstate 29 sewer relocation project and \$195,000 increase in FEMA receipts for sewer related flood recovery projects.

The following chart breaks down program revenues by source:



General Revenues for fiscal year 2013 totaled \$67,945,971, which is \$2,442,987 more than fiscal year 2012. Governmental Activities provided \$67,514,465 and Business-Type Activities provided \$431,506. Property tax revenues for fiscal year 2013 totaled \$48,661,701, accounting for 72% of General Revenues, \$804,723 higher than fiscal year 2012 due to increased property valuations and an increase in the Iowa property tax rollback provision. Total interest income decreased \$215,399 due to continued low rates of return.

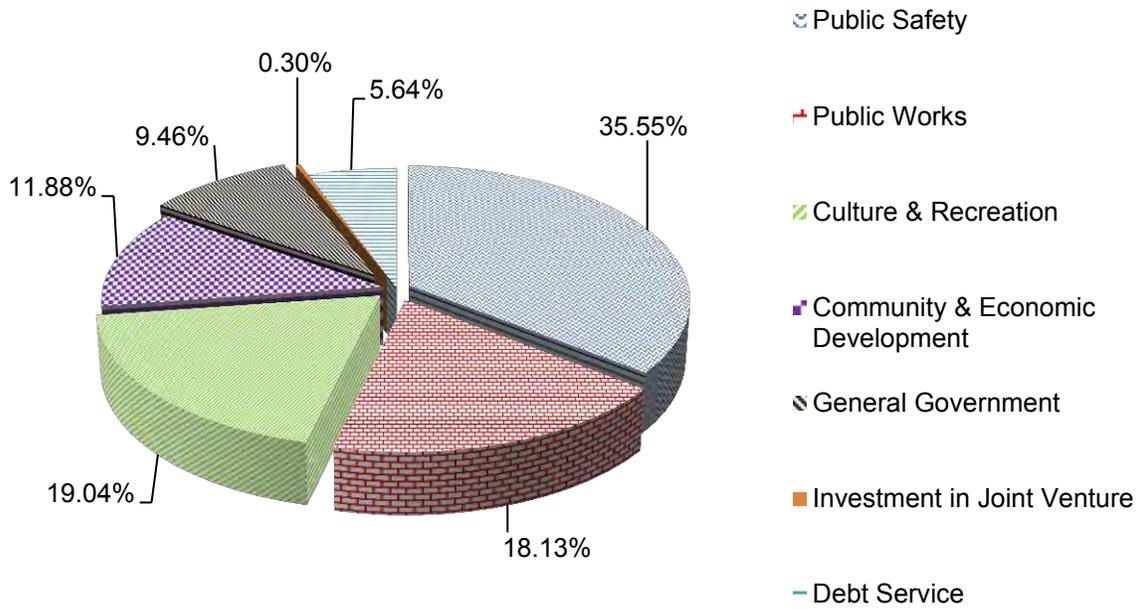
The following chart breaks down General Revenues by source:



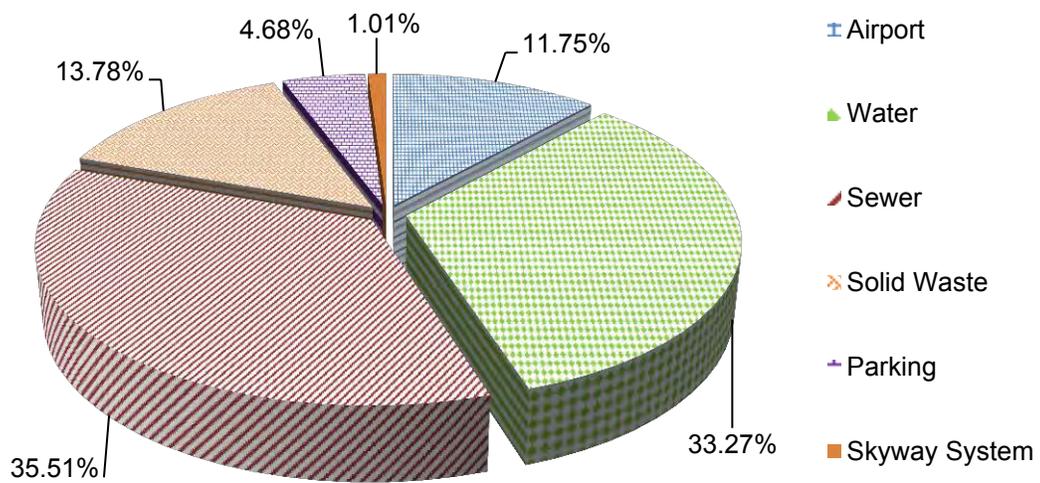
Expenses for fiscal year 2013 totaled \$136,919,138, a decrease of \$1.8 million from fiscal year 2012. Expenses for General Governmental Activities totaled \$100,077,537 accounting for 73% of total expenses. Business-Type Activity expenses totaled \$36,841,601 for 27% of the total.

Public Safety expenses increased \$425,000 due to contractual obligations relating to employee wages and State mandated increases in the retirement funding. Community and Economic Development expenses decreased \$2.2 million due a decrease in operating grants received in the amount of \$1 million and a decrease in expenditures for capital projects in the amount of \$1.2 million. General Government expenses decreased \$560,000 due to decreased capital expenditures of \$181,000 and decreased litigation expenses. Water expenses increased \$568,000 due to an increase in interest and depreciation expense. The Solid Waste fund expenses increased \$317,000 due to a \$250,000 increase for supplies and services and increase in repair and improvement expense. The expenses are shown on the following page:

## Governmental Expenses



## Business-Type Expenses



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

<b>Program Level</b>	<b>Activity</b>
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 \$35,578,147 and received \$1,127,315 in revenue thus leaving a cost to the taxpayer of \$34,450,832 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 \$100,077,537. Of these costs, \$29,321,629 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 \$21,862,184, leaving a Net Expense of \$48,893,724 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>FY13</u>	<u>FY12</u>
<b><u>Governmental Activities</u></b>		
Public Safety	\$(34,450,832)	\$(31,178,919)
Public Works	(1,119,203)	4,143,278
Culture & Recreation	(12,112,861)	(12,551,390)
Community & Economic Development	(3,413,510)	(5,329,814)
General Government	8,071,122	(5,294,255)
Investment in Joint Venture	(297,372)	(297,372)
Debt Service	(5,571,068)	(5,284,156)
Total Net (Expense) Revenue		
Government Activities	(48,893,724)	(55,792,628)
General Revenues & Transfers	65,990,984	64,445,208
Change in Net Position	<u>\$17,097,260</u>	<u>\$8,652,580</u>

Total resources available during the year to finance governmental operations were \$426,575,408, consisting of Net Position at July 1, 2012 of \$309,400,611, Program Revenues of \$51,183,813, General Revenues of \$67,514,465 and Transfers of \$(1,523,481). Total Governmental Activities during the year expended \$100,077,537; thus, Net Position was increased by \$17,097,260 to \$326,497,871.

**Business-Type Activities**

Business-type activities increased the City's net position by \$8,312,351.

The cost of all Proprietary activities this year was \$36,841,601. As shown in the Statement of Activities, the amounts paid by users of the systems was \$40,409,427, and \$2,789,538 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$6,357,364. As discussed in the revenue section, Airport capital grants increased \$720,000 due to an increase in assistance from the Federal Aviation Administration (FAA) for capital improvements. Sewer capital grants increased about \$870,000 due to a \$675,000 increase in EDA receipts for the Interstate 29 sewer relocation project and \$195,000 increase in FEMA receipts for sewer related flood recovery projects.

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>FY13</u>	<u>FY12</u>
Airport System	\$(892,684)	\$(1,776,558)
Water System	2,112,774	2,551,373
Sewer System	5,715,055	6,073,239
Solid Waste System	(216,066)	(172,261)
Parking	(361,715)	(147,204)
Skyway System	---	67,530
<b>Total Net (Expense) Revenue Business-Type Activities</b>	<b>6,357,364</b>	<b>6,596,119</b>
<b>General Revenues &amp; Transfers</b>	<b>1,954,987</b>	<b>1,057,776</b>
<b>Change in Net Position</b>	<b>\$8,312,351</b>	<b>\$7,653,895</b>

Total resources available during the year to finance Proprietary Fund activities were \$180,778,830, consisting of Net Position at July 1, 2012 of \$135,624,878, program revenues of \$43,198,965, General Revenues of \$431,506, and transfers of \$1,523,481. Total Proprietary Fund Activities during the year expended \$36,841,601, thus Net Position was increased by \$8,312,351 to \$143,937,229.

## 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 \$98,757,321, a total increase of \$28,304,525 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$8,709,801 is approximately 18.6% 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 \$347,998, an increase of \$278,606 from fiscal year 2012. Regulatory fees increased \$2.36 million due to revenue increases from the Redflex Speed cameras located along Interstate 29. As referenced at the government-wide level, intergovernmental revenue decreased due to decreased Federal Emergency Management Agency (FEMA) reimbursements for the Missouri River Flood of 2011 of \$1.3 million, decreased receipts from the Department of Justice for \$665,000 and Iowa Homeland Security of \$320,000.

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 2013 fund balance decreased \$2,416,456. The decrease in the fund balance is the result of decreased transfers into the fund and increased debt service payments. The majority (99.9%) of the fund balance is restricted for debt service, and the remaining fund balance is committed.

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 \$3.8 million due to lower receipts from the IDOT for Public Works road projects, decreased FEMA reimbursements, and lower receipts from the Department of Energy for traffic control projects. Capital expenditures decreased \$17.4 million while debt proceeds increased \$20.7 million, both due to the timing of construction projects in which funds are borrowed in one fiscal year and spent in another fiscal year.

The Enterprise Funds, which account for operations that are similar to a private business, had a net position increase of \$8,312,351 in fiscal year 2013. The funds with the largest net position increases were the Water Fund and the Sewer Fund. Charges for services increased slightly in the Water Fund due to a 7% increase in rates combined with decreased usage. Sewer Fund charges for service decreased due to no increase in rates combined with decreased usage. Airport intergovernmental revenue, including capital grants, increased \$695,000 due to an increase in receipts from the Federal Aviation Administration (FAA) for airport capital improvements. The Sewer Fund intergovernmental revenues and capital grants increased \$820,000 due to the receipt of an EDA grant for the Interstate 29 sewer relocation project. Water Fund operating expenses increased \$275,000 largely due to an increase in depreciation expense. Interest expense increased in the Water fund due to an additional State Revolving Loan received for water plant improvements. Solid Waste Fund supplies and services increased \$250,000 primarily due to increase in the Gill Hauling waste removal contract.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2013 original (adopted) General Fund amount of \$54,528,140 to the final budget amount of \$79,549,743, shows a net increase of \$25,021,603.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$54,528,140	\$479,418	\$55,007,558	\$24,542,185	\$79,549,743

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	\$40,047,173	\$33,037,730	\$(7,009,443)
Public Works	1,873,587	1,726,177	(147,410)
Culture & Recreation	15,012,150	7,954,123	(7,058,027)
Community & Economic Development	942,149	784,781	(157,368)
General Government	16,752,936	3,211,246	(13,541,690)
	74,627,995	46,714,057	(27,913,938)
Transfers Out	4,921,748	4,058,469	(863,279)
Total Expenditures	<u>\$79,549,743</u>	<u>\$50,772,526</u>	<u>\$(28,777,217)</u>

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

In fiscal year 2013, appropriations increased \$24.5 million between the original budget and the final amended budget. Public Safety increased \$7.5 million, Culture and Recreation increased \$6.9 million, and General Government increased \$10.1 million all due to additional grants received during the fiscal year and due to accrual and year-end budget adjustments.

## CAPITAL ASSETS

The City's investment in capital assets, including land, building and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2013 was \$353,025,092 (net of accumulated depreciation and outstanding financings). This is a decrease of \$13,059,781 (3.6%) from fiscal year 2012. The gross additions to capital assets for fiscal years 2013 and 2012 are as follows:

	General Governmental Activities		Business-Type Activities	
	2013	2012	2013	2012
Land	\$1,326,995	\$2,140,832	\$ - -	\$194,511
Infrastructure	47,858,241	4,966,388	- - -	- - -
Buildings	2,771,161	11,041,581	- - -	6,536,115
Improvements-Other than Buildings	350,493	194,833	4,236,251	7,666,762
Equipment	4,336,713	2,426,557	32,878	567,591
Construction in Progress	7,634,851	19,902,006	15,622,810	20,081,652
Total Gross Additions	<u>\$64,278,454</u>	<u>\$40,672,197</u>	<u>\$19,891,939</u>	<u>\$35,046,631</u>

	Totals	
	2013	2012
Land	\$1,326,995	\$2,335,343
Infrastructure	47,858,241	4,966,388
Buildings	2,771,161	17,577,696
Improvements-Other than Buildings	4,586,744	7,861,595
Equipment	4,369,591	2,994,148
Construction in Progress	23,257,661	39,983,658
Total Gross Additions	<u>\$84,170,393</u>	<u>\$75,718,828</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 2013 and included: Glenn Oaks Extension to Chambers, Wesley Parkway, Lafayette Street, 21<sup>st</sup> & Clark and 22<sup>nd</sup> & Hawkeye, and Harbor Drive Realignment. The major expenditures related to buildings included improvements to the Tyson Events Center, Convention Center, and Long Lines Family Recreational Center. New equipment included licensed vehicles acquired by the City's Central Maintenance Garage fund which is an Internal Service Fund and final expenditures for a new digital marquee at the Tyson Events Center. Construction in progress included Harbor Drive Connector, Dace/Cunningham/Leech Alignment, Wesley Parkway, and West 19<sup>th</sup> Reconstruction.

For Business-Type Activities, construction in progress included the Water Treatment Plant Pre-Treatment Addition, I-29 Yards Sewer Relocation, and the renovation of the Waste Water Treatment Plant. Improvements included the Airport security enhancements.

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

## **DEBT ADMINISTRATION**

At year end, the City had \$269,217,660 of debt outstanding. This is an increase of \$20,023,148 from the prior year. Of this amount \$116,582,416 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds) and \$152,635,244 is to be repaid from the City's Municipal Enterprises. The fiscal year 2014 bonds were borrowed in fiscal year 2013 due to favorable markets.

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.

Major projects for fiscal year 2014 include: infrastructure improvements for the new downtown Hard Rock Casino, Bridgeport Business Park infrastructure development, annual infrastructure reconstruction, annual resurfacing and the paving of 225<sup>th</sup> Street in Southbridge Business Park.

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 \$192,613,415. With outstanding general obligation debt applicable to this limit of \$118,379,958, the City is utilizing 61.46% of this limit. More detailed information on debt administration is provided in Note 6 of the financial statements.

## **ECONOMIC FACTORS**

A number of major initiatives recently completed and currently underway will have a positive impact on the Siouxland economy, bringing new jobs, economic stimulation, and an increased property tax base. A few of these projects discussed in greater detail in the transmittal letter include an \$18 million expansion of Sabre Industries in Southbridge, a new \$26.7 million UnityPoint Health-St. Luke's medical facility and expansions by both Titan Machinery and Ziegler Cat. Economic challenges in the prior year included increases in salary and benefit obligations and increased health care costs.

An indicator of local economic activity often used by the City is the amount of sales tax collected. In fiscal year 2013, the amount collected was \$11.8 million. This is a \$650,000 increase over fiscal year 2012, or 5.8%.

An increase in the property value of residential and commercial building permits issued is another good sign of economic stimulation in Sioux City. Property value of permits increased in fiscal year 2013 to \$125.9 million, an increase of \$4.4 million from fiscal year 2012, or 3.6%.

Assessed 2013 property values increased \$115.4 million to \$3.85 billion, or about 3%, from \$3.74 billion in 2012. Per capita income increased to \$21,573 in 2013, up 2% from \$21,147 in 2012.

## **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 POSITION  
JUNE 30, 2013**

**EXHIBIT 1**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 101,001,189	\$ 30,238,461	\$ 131,239,650
Accounts Receivable	2,039,029	7,300,754	9,339,783
Accrued Interest Receivable	1,170,180	41,851	1,212,031
Notes Receivable	8,173,402	1,000	8,174,402
Special Assessments, net of allowance	123,515	42,613	166,128
Due from Other Governments	61,417,436	1,966,190	63,383,626
Internal Balances	196,682	(196,682)	---
Inventories, at Cost	338,630	8,288	346,918
Prepaid Items	227,772	60,599	288,371
Internal Balances - Note Receivable	46,872	(46,872)	---
Bond Issue Costs	480,937	1,371,155	1,852,092
Capital Assets not being depreciated:			
Land	46,754,539	3,403,534	50,158,073
Construction in Progress	36,272,612	161,108,845	197,381,457
Capital Assets net of accumulated depreciation:			
Infrastructure	153,067,683	---	153,067,683
Buildings	80,003,693	17,302,319	97,306,012
Buildings under Capital Lease	2,686,125	---	2,686,125
Improvements other than buildings	32,406,672	79,030,233	111,436,905
Equipment	10,574,120	1,730,581	12,304,701
<b>Total Assets</b>	<b>536,981,088</b>	<b>303,362,869</b>	<b>840,343,957</b>
<b>LIABILITIES</b>			
Accounts Payable	5,599,987	1,452,333	7,052,320
Accrued Wages	2,169,198	231,087	2,400,285
Accrued Interest Payable	304,617	372,575	677,192
Contracts and Retainers Payable	1,485,971	1,967,419	3,453,390
Due to Other Governments	126,585	284,616	411,201
Matured Bonds and Coupons Payable	1,740	13,718	15,458
Unavailable Revenue	51,660,934	455,000	52,115,934
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	18,114,214	1,346,510	19,460,724
Notes Payable	---	7,622,059	7,622,059
Compensated Absences	2,385,345	289,075	2,674,420
Estimated Liability for Damage Claims	1,354,756	---	1,354,756
Estimated Liability for Landfill Closure	---	66,797	66,797
Due in more than one year			
General Obligation Bonds Payable	100,566,406	6,946,074	107,512,480
Notes Payable	---	136,720,601	136,720,601
Estimated Post Retirement Benefit Obligation	15,702,000	---	15,702,000
Compensated Absences	1,016,354	80,646	1,097,000
Estimated Liability for Damage Claims	9,995,110	---	9,995,110
Estimated Liability for Landfill Closure	---	1,577,130	1,577,130
<b>Total Liabilities</b>	<b>210,483,217</b>	<b>159,425,640</b>	<b>369,908,857</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	265,299,824	109,940,268	375,240,092
Restricted for:			
Capital Improvements	46,211,716	---	46,211,716
Debt Service	6,499,138	---	6,499,138
Road Use	1,082,738	---	1,082,738
Other Employee Benefits	96,087	---	96,087
Community Programs & Services	10,111,743	---	10,111,743
Other Purposes	41,691	---	41,691
Endowment, non-expendable	1,093,001	---	1,093,001
Total Restricted	65,136,114	---	65,136,114
Unrestricted	(3,938,067)	33,996,961	30,058,894
<b>Total Net Position</b>	<b>\$ 326,497,871</b>	<b>\$ 143,937,229</b>	<b>\$ 470,435,100</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, 2013**

<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><u>Governmental Activities:</u></b>				
Public Safety	\$ 35,578,147	\$ 964,489	\$ 158,167	\$ 4,659
Public Works	18,148,457	4,586,684	10,428,804	2,013,766
Culture and Recreation	19,056,629	6,154,581	500,073	289,114
Community and Economic Development	11,888,737	194,676	7,400,124	880,427
General Government	9,464,502	17,421,199	114,425	---
Investment in Joint Venture	297,372	---	---	---
Debt Service	5,643,693	---	---	72,625
Total Governmental Activities	<u>100,077,537</u>	<u>29,321,629</u>	<u>18,601,593</u>	<u>3,260,591</u>
<b>Business-Type Activities:</b>				
Airport	4,328,864	1,692,593	80,645	1,662,942
Water	12,257,979	14,258,996	111,757	---
Sewer	13,082,732	17,863,593	63,072	871,122
Solid Waste	5,075,557	4,859,491	---	---
Parking	1,724,424	1,362,709	---	---
Skyway System	372,045	372,045	---	---
Total Business-Type Activities	<u>36,841,601</u>	<u>40,409,427</u>	<u>255,474</u>	<u>2,534,064</u>
<b>Total Functions/Programs</b>	<u><u>\$ 136,919,138</u></u>	<u><u>\$ 69,731,056</u></u>	<u><u>\$ 18,857,067</u></u>	<u><u>\$ 5,794,655</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 Position

Net Position - Beginning of Year

Net Position - End of Year

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

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (34,450,832)	\$ ---	\$ (34,450,832)
(1,119,203)	---	(1,119,203)
(12,112,861)	---	(12,112,861)
(3,413,510)	---	(3,413,510)
8,071,122	---	8,071,122
(297,372)	---	(297,372)
(5,571,068)	---	(5,571,068)
<u>(48,893,724)</u>	---	<u>(48,893,724)</u>
---	(892,684)	(892,684)
---	2,112,774	2,112,774
---	5,715,055	5,715,055
---	(216,066)	(216,066)
---	(361,715)	(361,715)
---	---	---
---	<u>6,357,364</u>	<u>6,357,364</u>
<u>\$ (48,893,724)</u>	<u>\$ 6,357,364</u>	<u>\$ (42,536,360)</u>
48,661,701	---	48,661,701
2,379,273	---	2,379,273
1,375,769	---	1,375,769
11,820,387	---	11,820,387
453,317	306,810	760,127
709,868	---	709,868
1,789,176	124,696	1,913,872
324,974	---	324,974
<u>(1,523,481)</u>	<u>1,523,481</u>	<u>---</u>
<u>65,990,984</u>	<u>1,954,987</u>	<u>67,945,971</u>
<u>17,097,260</u>	<u>8,312,351</u>	<u>25,409,611</u>
<u>309,400,611</u>	<u>135,624,878</u>	<u>445,025,489</u>
<u>\$ 326,497,871</u>	<u>\$ 143,937,229</u>	<u>\$ 470,435,100</u>

**CITY OF SIOUX CITY, IOWA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

<b><u>ASSETS</u></b>	<b>General</b>	<b>Other Employee Benefits</b>	<b>Local Option Sales Tax</b>
Cash and Cash Equivalents	\$ 7,216,542	\$ 929	\$ 1,191,197
Accounts Receivable	747,222	---	---
Accrued Interest Receivable	131,775	---	3,850
Notes Receivable	8,800	---	135,201
Special Assessments, net of allowance	88,112	---	---
Due from Other Governments	22,576,674	6,639,768	1,862,926
Due from Other Funds	1,545,030	---	---
Inventories	---	---	---
Prepaid Items	---	---	---
Total Assets	32,314,155	6,640,697	3,193,174
<b><u>LIABILITIES</u></b>			
Accounts Payable	331,251	12,480	1,528
Accrued Wages	1,627,641	---	---
Contracts and Retainers Payable	63,755	---	---
Due to Other Governments	103,963	---	---
Due to Other Funds	6,044	---	---
Matured Bonds and Coupons Payable	---	---	---
Unavailable Revenue	21,471,700	6,532,130	---
Total Liabilities	23,604,354	6,544,610	1,528
<b><u>FUND BALANCES</u></b>			
Non-Spendable:			
Inventory	---	---	---
Prepaid Items	---	---	---
Long-Term Notes Receivable	8,800	---	135,201
Endowment, non-expendable	---	---	---
Restricted	---	96,087	---
Committed	343,224	---	650
Assigned	---	---	3,055,795
Unassigned	8,357,777	---	---
Total Fund Balances	8,709,801	96,087	3,191,646
Total Liabilities and Fund Balances	\$ 32,314,155	\$ 6,640,697	\$ 3,193,174

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

<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 5,485,025	\$ 69,230,587	\$ 3,611,392	\$ 86,735,672
---	598,345	323,567	1,669,134
---	3,851	1,020,475	1,159,951
351,180	132,610	7,468,345	8,096,136
27,557	---	7,846	123,515
24,814,296	2,093,479	3,411,354	61,398,497
---	---	823	1,545,853
---	---	119,166	119,166
---	152	36,773	36,925
<b>30,678,058</b>	<b>72,059,024</b>	<b>15,999,741</b>	<b>160,884,849</b>
136,779	2,417,442	1,947,299	4,846,779
---	11,976	448,853	2,088,470
---	1,200,470	215,549	1,479,774
---	2,420	20,202	126,585
---	---	1,356,232	1,362,276
1,740	---	---	1,740
24,040,401	---	177,673	52,221,904
<b>24,178,920</b>	<b>3,632,308</b>	<b>4,165,808</b>	<b>62,127,528</b>
---	---	119,166	119,166
---	152	36,773	36,925
---	132,610	---	276,611
---	---	1,093,001	1,093,001
6,495,042	68,293,954	11,230,889	86,115,972
4,096	---	745,389	1,093,359
---	---	---	3,055,795
---	---	(1,391,285)	6,966,492
<b>6,499,138</b>	<b>68,426,716</b>	<b>11,833,933</b>	<b>98,757,321</b>
<b>\$ 30,678,058</b>	<b>\$ 72,059,024</b>	<b>\$ 15,999,741</b>	<b>\$ 160,884,849</b>

**CITY OF SIOUX CITY, IOWA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

**EXHIBIT 3A**

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

Total Fund Balances - Governmental Funds (Exhibit 3)		\$ 98,757,321
<p>Infrastructure, property and equipment used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:</p>		
Land	46,754,539	
Construction in Progress	36,272,612	
Infrastructure, net of \$56,176,267 accumulated depreciation	153,067,683	
Buildings, net of \$29,742,868 accumulated depreciation	80,003,693	
Buildings under Capital Lease, net of \$4,988,875 accumulated depreciation	2,686,125	
Improvements other than Buildings, net of \$23,993,966 accumulated depreciation	32,223,716	
Equipment, net of \$15,157,384 accumulated depreciation	<u>2,249,538</u>	
Total Capital Assets		353,257,906
<p>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 Position.</p>		
		(4,396,657)
<p>Unavailable Revenues that provide current financial resources for governmental activities.</p>		
		560,970
<p>Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.</p>		
		(304,617)
<p>Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.</p>		
Bond Issue Costs	480,937	
Bond Discount	198,105	
Bond Premium	<u>(2,296,309)</u>	
Total Bond Issue Costs (See Note 6)		(1,617,267)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
General Obligation Bonds	(116,582,416)	
Compensated Absences	(3,177,369)	
Total Long-term Liabilities (See Note 6)		<u>(119,759,785)</u>
Total Net Position - Governmental Activities (Exhibit 1)		<u>\$ 326,497,871</u>

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

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

<b><u>REVENUES</u></b>	<b>General</b>	<b>Other Employee Benefits</b>	<b>Local Option Sales Tax</b>
Taxes	\$ 25,110,068	\$ 7,185,875	\$ 11,820,387
Special Assessments	---	---	---
Regulatory Fees	6,292,635	---	---
Intergovernmental Revenue	527,686	---	---
Revenue from Use of Property	203,284	---	---
Charges for Services	5,090,599	---	---
Interest	---	---	---
Contributions	225,222	---	---
Miscellaneous	240,410	143	1,207
<b>Total Revenue</b>	<b>37,689,904</b>	<b>7,186,018</b>	<b>11,821,594</b>
<b><u>EXPENDITURES</u></b>			
Current:			
Public Safety	33,037,730	1,029,014	---
Public Works	1,726,177	---	---
Culture and Recreation	7,954,123	178,928	---
Community and Economic Development	784,781	10,870	227,241
General Government	3,211,246	33,791	---
Debt Service	---	---	---
Capital Projects	---	---	---
<b>Total Expenditures</b>	<b>46,714,057</b>	<b>1,252,603</b>	<b>227,241</b>
Excess (Deficiency) of Revenues Over Expenditures	(9,024,153)	5,933,415	11,594,353
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Issuance of Debt	---	---	---
Premiums on Bonds Issued	---	---	---
Discounts on Bonds Issued	---	---	---
Proceeds on Sale of Uncapitalized Assets	---	---	---
Transfers In	13,430,620	---	---
Transfers Out	(4,058,469)	(5,989,256)	(10,971,831)
<b>Total Other Financing Sources (Uses)</b>	<b>9,372,151</b>	<b>(5,989,256)</b>	<b>(10,971,831)</b>
<b>Net Change in Fund Balance</b>	<b>347,998</b>	<b>(55,841)</b>	<b>622,522</b>
Fund Balance - Beginning of Year	8,361,803	151,928	2,569,124
Fund Balance - End of Year	<b>\$ 8,709,801</b>	<b>\$ 96,087</b>	<b>\$ 3,191,646</b>

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

<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 19,954,749	\$ ---	\$ 119,776	\$ 64,190,855
72,625	---	---	72,625
---	---	---	6,292,635
---	4,262,938	17,847,552	22,638,176
---	422,206	4,737,801	5,363,291
---	---	3,466,447	8,557,046
40,245	76,348	330,634	447,227
---	476,400	---	701,622
61,900	275,283	856,069	1,435,012
<hr/>	<hr/>	<hr/>	<hr/>
20,129,519	5,513,175	27,358,279	109,698,489
---	---	---	34,066,744
---	---	12,527,875	14,254,052
---	---	7,602,578	15,735,629
---	---	7,553,436	8,576,328
---	---	---	3,245,037
23,644,121	---	---	23,644,121
---	14,094,576	614,420	14,708,996
<hr/>	<hr/>	<hr/>	<hr/>
23,644,121	14,094,576	28,298,309	114,230,907
<hr/>	<hr/>	<hr/>	<hr/>
(3,514,602)	(8,581,401)	(940,030)	(4,532,418)
229,000	33,791,304	---	34,020,304
824,052	---	---	824,052
(133,290)	---	---	(133,290)
---	113,161	---	113,161
3,905,580	6,937,423	3,558,343	27,831,966
(3,727,196)	(3,071,352)	(2,001,146)	(29,819,250)
<hr/>	<hr/>	<hr/>	<hr/>
1,098,146	37,770,536	1,557,197	32,836,943
<hr/>	<hr/>	<hr/>	<hr/>
(2,416,456)	29,189,135	617,167	28,304,525
<hr/>	<hr/>	<hr/>	<hr/>
8,915,594	39,237,581	11,216,766	70,452,796
<hr/>	<hr/>	<hr/>	<hr/>
\$ 6,499,138	\$ 68,426,716	\$ 11,833,933	\$ 98,757,321

**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, 2013**

**EXHIBIT 4A**

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

Net Change in Fund Balances - Governmental Funds (Exhibit 4) \$ 28,304,525

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 depreciation (\$11,204,209) exceeded capital outlays (\$9,818,564) in the current period. (1,385,645)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (1,648,980)

Accrued interest expense that does not require current financial resources. (34,356)

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: (9,660)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when new debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Debt Issued:			
General Obligation Bonds	(34,020,304)		
Bond Costs	137,015		
Bond Discounts	133,290		
Bond Premium	(824,052)		
Repayments:			
General Obligation Bonds	17,774,346		
Bond Charges	122,226		
Notes Payable	1,196		
Net Adjustment (See Note 6)	(16,676,283)		(16,676,283)

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 Position. The net expense of the Internal Service funds is reported with governmental activities. 8,547,659

Changes in Net Position - Governmental Activities (Exhibit 2) \$ 17,097,260

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

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013**

	<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	\$ 847,159	\$ 9,773,541
Accounts Receivable	42,002	2,481,701
Accrued Interest Receivable	1,193	13,473
Notes Receivable - Current	---	---
Special Assessments, net of allowance	---	7,620
Due from Other Governments	480,373	283,799
Due from Other Funds	---	---
Inventories, at Cost	8,288	---
Prepaid Items	587	---
Bond Issue Costs	---	631,848
Total Current Assets	<u>1,379,602</u>	<u>13,191,982</u>
<b><u>Non-Current Assets</u></b>		
Advances to Other Funds	---	---
Notes Receivable - Long-term	1,000	---
Capital Assets, Net of Accumulated Depreciation	28,854,323	104,299,045
Total Non-Current Assets	<u>28,855,323</u>	<u>104,299,045</u>
Total Assets	<u>30,234,925</u>	<u>117,491,027</u>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	172,308	927,672
Accrued Wages and Compensated Absences	82,786	263,520
Accrued Interest Payable	4,716	167,439
Contracts and Retainers Payable	318,679	423,994
Due to Other Governments	---	133,607
Due to Other Funds	13,105	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Current Portion of G.O. Bonds	279,324	389,012
Current Portion of Notes Payable	---	3,461,000
Matured Bonds and Coupons Payable	---	6,050
Unavailable Revenue	---	---
Total Current Liabilities	<u>870,918</u>	<u>5,772,294</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	46,872	---
General Obligation Bonds, Net of Current Portion	1,569,887	2,798,278
Notes Payable, Net of Current Portion	---	63,332,917
Total Non-Current Liabilities	<u>1,616,759</u>	<u>66,131,195</u>
Total Liabilities	<u>2,487,677</u>	<u>71,903,489</u>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	27,005,112	34,317,838
Unrestricted	742,136	11,269,700
Total Net Position	<u>\$ 27,747,248</u>	<u>\$ 45,587,538</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
\$ 15,498,997	\$ 2,822,381	\$ 1,296,383	\$ 30,238,461	\$ 14,265,517
3,602,220	805,371	369,460	7,300,754	369,895
21,421	3,947	1,817	41,851	10,229
---	---	---	---	77,266
3,817	2,332	28,844	42,613	---
1,200,863	---	1,155	1,966,190	18,939
---	---	4,214	4,214	13,105
---	---	---	8,288	219,464
60,012	---	---	60,599	190,847
739,307	---	---	1,371,155	---
<u>21,126,637</u>	<u>3,634,031</u>	<u>1,701,873</u>	<u>41,034,125</u>	<u>15,165,262</u>
---	---	---	---	46,872
---	---	---	1,000	---
<u>120,584,006</u>	<u>1,066,667</u>	<u>7,771,471</u>	<u>262,575,512</u>	<u>8,507,538</u>
<u>120,584,006</u>	<u>1,066,667</u>	<u>7,771,471</u>	<u>262,576,512</u>	<u>8,554,410</u>
<u>141,710,643</u>	<u>4,700,698</u>	<u>9,473,344</u>	<u>303,610,637</u>	<u>23,719,672</u>
255,532	18,186	78,635	1,452,333	753,208
189,389	4,683	60,430	600,808	305,058
194,790	11	5,619	372,575	---
821,513	398,062	5,171	1,967,419	6,197
119,340	31,669	---	284,616	---
---	---	187,791	200,896	---
---	---	---	---	1,354,756
---	66,797	---	66,797	---
256,549	12,165	409,460	1,346,510	---
4,161,059	---	---	7,622,059	---
56	---	7,612	13,718	---
---	---	455,000	455,000	---
<u>5,998,228</u>	<u>531,573</u>	<u>1,209,718</u>	<u>14,382,731</u>	<u>2,419,219</u>
---	---	---	---	15,702,000
---	---	---	---	9,995,110
---	1,577,130	---	1,577,130	---
---	---	---	46,872	---
874,532	---	1,703,377	6,946,074	---
<u>73,387,684</u>	<u>---</u>	<u>---</u>	<u>136,720,601</u>	<u>---</u>
<u>74,262,216</u>	<u>1,577,130</u>	<u>1,703,377</u>	<u>145,290,677</u>	<u>25,697,110</u>
<u>80,260,444</u>	<u>2,108,703</u>	<u>2,913,095</u>	<u>159,673,408</u>	<u>28,116,329</u>
41,904,182	1,054,502	5,658,634	109,940,268	8,507,538
19,546,017	1,537,493	901,615	33,996,961	(12,904,195)
<u>\$ 61,450,199</u>	<u>\$ 2,591,995</u>	<u>\$ 6,560,249</u>	<u>\$ 143,937,229</u>	<u>\$ (4,396,657)</u>

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<b><u>OPERATING REVENUES</u></b>		
Revenue from Use of Property	\$ 1,398,254	\$ 152,889
Charges for Service	294,339	14,106,107
Total Operating Revenues	<u>1,692,593</u>	<u>14,258,996</u>
<b><u>OPERATING EXPENSES</u></b>		
Employee Services	994,272	4,206,492
Supplies and Services	544,836	1,206,653
Repairs and Improvements	391,043	849,228
Utilities	156,115	661,654
Depreciation	2,187,815	3,223,161
Damage Settlement	---	---
Total Operating Expenses	<u>4,274,081</u>	<u>10,147,188</u>
Operating Income (Loss)	(2,581,488)	4,111,808
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
Intergovernmental Revenue	80,645	111,757
Interest Income	---	131,303
Gain (Loss) on Sale of Capital Assets	---	---
Other Non-Operating Revenues	114,021	6,613
Interest Expense	(54,783)	(1,892,963)
Other Non-Operating Expenses	---	(217,828)
Total Non-Operating Revenues (Expenses)	<u>139,883</u>	<u>(1,861,118)</u>
Income (Loss) before Capital Grants, Contributions, and Transfers	(2,441,605)	2,250,690
Capital Grants and Contributions	1,662,942	---
Transfers In	553,923	904,713
Transfers Out	---	---
Changes in Net Position	(224,740)	3,155,403
Net Position - Beginning of the Year	<u>27,971,988</u>	<u>42,432,135</u>
Net Position - End of Year	<u>\$ 27,747,248</u>	<u>\$ 45,587,538</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
\$ 14,045	\$ 550,474	\$ ---	\$ 2,115,662	\$ 80,593
17,849,548	4,309,017	1,734,754	38,293,765	24,282,517
17,863,593	4,859,491	1,734,754	40,409,427	24,363,110
4,109,479	145,783	475,727	9,931,753	16,773,971
1,423,955	4,690,216	572,208	8,437,868	1,846,146
1,743,041	96,347	435,667	3,515,326	5,235,384
967,580	---	60,175	1,845,524	28,193
2,228,751	142,688	479,604	8,262,019	1,965,239
---	---	---	---	(8,885,167)
10,472,806	5,075,034	2,023,381	31,992,490	16,963,766
7,390,787	(215,543)	(288,627)	8,416,937	7,399,344
63,072	---	---	255,474	1,133
120,005	55,502	---	306,810	6,090
---	---	---	---	324,974
3,750	312	---	124,696	357,682
(2,376,671)	(523)	(73,088)	(4,398,028)	(5,367)
(233,255)	---	---	(451,083)	---
(2,423,099)	55,291	(73,088)	(4,162,131)	684,512
4,967,688	(160,252)	(361,715)	4,254,806	8,083,856
871,122	---	---	2,534,064	---
---	---	152,000	1,610,636	463,803
(87,155)	---	---	(87,155)	---
5,751,655	(160,252)	(209,715)	8,312,351	8,547,659
55,698,544	2,752,247	6,769,964	135,624,878	(12,944,316)
\$ 61,450,199	\$ 2,591,995	\$ 6,560,249	\$ 143,937,229	\$ (4,396,657)

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash Received from Customers	\$ 1,490,873	\$ 14,427,147
Cash Paid for Personal Services	(984,053)	(4,215,686)
Cash Paid to Suppliers	(867,143)	(5,109,128)
Other Non-Operating Revenues	115,236	6,611
Net Cash Provided (Used) by Operating Activities	<u>(245,087)</u>	<u>5,108,944</u>
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisition and Construction of Capital Assets	(2,008,865)	(7,138,142)
Capital Grants and Contributions	1,662,942	---
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	353,518	136,178
Bond Issuance Costs	---	(176,528)
Proceeds from Notes Payable	---	8,267,076
Principal Paid on Notes and Bonds	(280,619)	(3,750,344)
Interest Paid on Notes and Bonds	(54,618)	(1,909,606)
Net Cash (Used) by Capital and Related Financing Activities	<u>(327,642)</u>	<u>(4,571,366)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Intergovernmental Revenue	80,645	26,026
Transfers In	553,923	904,713
Transfers Out	---	---
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>634,568</u>	<u>930,739</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest and Dividends on Investments	(1,366)	128,449
Payments Received on Notes Receivable	---	---
Net Cash Provided (Used) By Investing Activities	<u>(1,366)</u>	<u>128,449</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,473	1,596,766
Cash and Cash Equivalents at Beginning of Year	786,686	8,176,775
Cash and Cash Equivalents at End of Year	<u>\$ 847,159</u>	<u>\$ 9,773,541</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>		
Operating Income (Loss)	\$ (2,581,488)	\$ 4,111,808
<i>Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	2,187,815	3,223,161
Other Non-Operating Revenues	115,236	6,611
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	23,141	159,098
Special Assessments	---	9,053
Due from Other Governments	(224,861)	---
Due from Other Funds	---	---
Inventories	(657)	---
Advances to Other Funds	---	---
Prepaid Items	6	---
Accounts Payable	43,876	161,314
Accrued Wages and Compensated Absences	10,219	(9,194)
Contracts and Retainers Payable	195,080	(2,543,564)
Due to Other Governments	---	(9,343)
Due to Other Funds	(13,454)	---
Unavailable Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	<u>2,336,401</u>	<u>997,136</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (245,087)</u>	<u>\$ 5,108,944</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
\$ 18,038,412	\$ 4,797,978	\$ 1,743,236	\$ 40,497,646	\$ 24,148,037
(4,120,938)	(144,507)	(478,335)	(9,943,519)	(16,414,797)
(4,896,069)	(4,694,614)	(1,159,248)	(16,726,202)	(7,017,776)
3,750	312	---	125,909	357,682
<u>9,025,155</u>	<u>(40,831)</u>	<u>105,653</u>	<u>13,953,834</u>	<u>1,073,146</u>
(6,456,579)	---	(19,226)	(15,622,812)	(3,449,238)
---	---	---	1,662,942	---
---	---	---	---	324,974
720,000	---	285,000	1,494,696	---
(186,771)	---	---	(363,299)	---
3,800,000	---	---	12,067,076	---
(4,206,147)	(12,298)	(423,246)	(8,672,654)	---
(2,386,117)	(559)	(71,481)	(4,422,381)	---
<u>(8,715,614)</u>	<u>(12,857)</u>	<u>(228,953)</u>	<u>(13,856,432)</u>	<u>(3,124,264)</u>
5,652	---	---	112,323	1,133
---	---	152,000	1,610,636	463,803
(87,155)	---	---	(87,155)	---
<u>(81,503)</u>	<u>---</u>	<u>152,000</u>	<u>1,635,804</u>	<u>464,936</u>
118,372	55,276	(2,087)	298,644	238
---	---	---	---	(21,039)
<u>118,372</u>	<u>55,276</u>	<u>(2,087)</u>	<u>298,644</u>	<u>(20,801)</u>
346,410	1,588	26,613	2,031,850	(1,606,983)
<u>15,152,587</u>	<u>2,820,793</u>	<u>1,269,770</u>	<u>28,206,611</u>	<u>15,872,500</u>
<u>\$ 15,498,997</u>	<u>\$ 2,822,381</u>	<u>\$ 1,296,383</u>	<u>\$ 30,238,461</u>	<u>\$ 14,265,517</u>
\$ 7,390,787	\$ (215,543)	\$ (288,627)	\$ 8,416,937	\$ 7,399,344
2,228,751	142,688	479,604	8,262,019	1,965,239
3,750	312	---	125,909	357,682
169,915	(66,024)	(18,485)	267,645	(197,369)
4,904	2,575	---	16,532	---
---	1,936	53	(222,872)	(18,752)
---	---	2,125	2,125	1,048
---	---	---	(657)	68,037
---	---	---	---	12,406
(14,765)	---	---	(14,759)	(18,618)
57,123	674	41,182	304,169	299,875
(11,459)	1,276	(2,608)	(11,766)	13,024
(795,946)	26,392	1,614	(3,116,424)	(689)
(7,905)	2,660	---	(14,588)	---
---	---	(4,205)	(17,659)	---
---	---	(105,000)	(105,000)	---
---	---	---	---	346,150
---	62,223	---	62,223	---
---	---	---	---	(9,154,231)
<u>1,634,368</u>	<u>174,712</u>	<u>394,280</u>	<u>5,536,897</u>	<u>(6,326,198)</u>
<u>\$ 9,025,155</u>	<u>\$ (40,831)</u>	<u>\$ 105,653</u>	<u>\$ 13,953,834</u>	<u>\$ 1,073,146</u>

**CITY OF SIOUX CITY, IOWA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013**

**EXHIBIT 8**

**ASSETS**

Cash and Cash Equivalents	\$ 190,755
Accounts Receivable	172,986
Due from Other Governments	<u>86,377</u>
Total Assets	<u>450,118</u>

**LIABILITIES**

Accounts Payable	73,414
Due to Other Governments	<u>376,704</u>
Total Liabilities	<u>450,118</u>
Total Net Position	<u><u>\$ ---</u></u>

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

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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). 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 funds are classified as governmental-type activities. The government-wide financial statements do not include fiduciary funds.

In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first uses restricted resources to finance qualifying activities.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - (Continued)**

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 position 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 nonmajor 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, 2013**

**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.

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 position, 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, 2013**

**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.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 commitments 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, 2013**

**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. Special assessment receivables are reported net of allowances for doubtful accounts of \$1,555,777 in the General Fund, \$7,648 in the Storm Water Drainage Fund, \$7,437 in the Water Fund, \$3,721 in the Sewer Fund and \$2,274 in the Solid Waste 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, 2013, 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, 2013**

**Note 1 - (Continued)**

**K. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2013, 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 1 - (Continued)**

**P. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets 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 investment in capital assets 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 position is reported as restricted when there are limitations imposed on its 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 resolution, 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, 2013**

**Note 1 - (Continued)**

Assigned Fund Balance – Amounts that are constrained by legal action taken by the City Council that are to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balances up to \$25,000 has been delegated by the City Council to the City Manager.

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, 2013**

**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, 2013, 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, 2013, were \$89,153,317. These deposits have a book balance of \$86,552,238.

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, 2013.

Investments	Carrying Amount	Moody's Rating 6/30/13
U.S. Treasury Strips	\$ 243,359	N/A
Commercial Paper	3,996,765	P-1
U.S. Agencies	<u>40,626,876</u>	N/A
	<u>\$44,867,000</u>	

*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, 2013**

**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, 2013, 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, 2013, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 44,867,000
Bank Deposits	86,552,238
Cash on hand, petty cash and other cash items	11,167
Total Cash and Cash Equivalents	<u>\$ 131,430,405</u>

Cash and Cash Equivalents – Exhibit 1	\$131,239,650
Cash and Cash Equivalents – Exhibit 8	190,755
Total Cash and Cash Equivalents	<u>\$ 131,430,405</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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>	<b>\$ 21,791,417</b>	<b>\$ 785,257</b>	<b>\$ 747,222</b>
Special Revenues			
Storm Water Drainage	---	---	72,752
Road Use	---	1,204,293	---
Community Development	---	653,920	4,118
Housing	---	22,973	1,043
Main Street	136,589	---	---
Local Option Sales Tax	---	1,862,926	---
Events Facilities	---	6,470	219,553
Transit System	---	1,387,109	25,625
Employee Benefits	6,639,768	---	---
<b>TOTAL SPECIAL REVENUES</b>	<b>6,776,357</b>	<b>5,137,691</b>	<b>323,091</b>
<b>DEBT SERVICE</b>	<b>24,814,296</b>	<b>---</b>	<b>---</b>
<b>CAPITAL PROJECTS</b>	<b>---</b>	<b>2,093,479</b>	<b>598,345</b>
Enterprises			
Airport System	---	480,373	42,002
Water System	---	283,799	2,481,701
Sewer System	---	1,200,863	3,602,220
Solid Waste System	---	---	805,371
Parking Facility	---	1,155	176,067
Skyway System	---	---	193,393
<b>TOTAL ENTERPRISE</b>	<b>---</b>	<b>1,966,190</b>	<b>7,300,754</b>
Internal Service Funds			
Central Maintenance Garage	---	18,939	128,018
Comprehensive Insurance	---	---	241,877
<b>TOTAL INTERNAL SERVICE</b>	<b>---</b>	<b>18,939</b>	<b>369,895</b>
Permanent Fund			
Cemetery Trust	---	---	476
<b>TOTAL PERMANENT</b>	<b>---</b>	<b>---</b>	<b>476</b>
<b>TOTAL RECEIVABLES</b>	<b>\$ 53,382,070</b>	<b>\$ 10,001,556</b>	<b>\$ 9,339,783</b>

<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
<b>\$ 8,800</b>	<b>\$ 88,112</b>	<b>\$ 23,420,808</b>
---	7,846	80,598
---	---	1,204,293
7,439,884	---	8,097,922
28,461	---	52,477
---	---	136,589
135,201	---	1,998,127
---	---	226,023
---	---	1,412,734
---	---	6,639,768
<b>7,603,546</b>	<b>7,846</b>	<b>19,848,531</b>
<b>351,180</b>	<b>27,557</b>	<b>25,193,033</b>
<b>132,610</b>	---	<b>2,824,434</b>
1,000	---	523,375
---	7,620	2,773,120
---	3,817	4,806,900
---	2,332	807,703
---	---	177,222
---	28,844	222,237
<b>1,000</b>	<b>42,613</b>	<b>9,310,557</b>
77,266	---	224,223
---	---	241,877
<b>77,266</b>	---	<b>466,100</b>
---	---	476
---	---	<b>476</b>
<b>\$ 8,174,402</b>	<b>\$ 166,128</b>	<b>\$ 81,063,939</b>

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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-three 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 \$8,800 as of June 30, 2013.

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, 2013, of \$298,653. 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, 2013, was \$2,190,829.

The City also has other notes receivable totaling \$325,408 at June 30, 2013, 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 \$4,624,994 from twenty-two local businesses.

The Debt Service Fund had a note receivable from the Sioux City Explorers Baseball Club with a 6% interest rate and called for annual principal and interest payments of \$7,901 until 2012. The loan was paid off in Fiscal Year 2013. 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, 2013, was \$82,430. 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 was to be repaid over five years. The balance of this loan at June 30, 2013, was \$0. 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, 2013 was \$268,750.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 3 - (Continued)**

The City has two 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, 2013, of \$132,610. The City extended a \$100,000 note in the Capital Projects fund in fiscal 2008 to R&G LLC. The note accrues interest at 4% and calls for one payment of principal and interest on December 1, 2012. The loan was paid off in Fiscal Year 2013.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$135,201. These notes receivables are reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$51,434 for housing loan repayments. The amount due by June 30, 2014 is \$21,331 while \$7,130 of the balance is due after June 30, 2014. The balance of \$22,973 for housing loan repayments is a receivable from the State of Iowa Income Offset Program.

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

During fiscal 2011, the Central Maintenance Garage Fund loaned \$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. The outstanding balance at June 30, 2013 was \$41,032.

The City has two notes receivables from Siouxland District Health for vehicles purchased in 2013. The June 30, 2013 balances are \$17,499 and \$18,735, respectively. The amounts are reported in the Central Maintenance Garage fund.

At June 30, 2013, special assessments receivables totaled \$166,128. This amount is reported net of an allowance for doubtful accounts of \$1,577,392.

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, 2013, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,414,444, \$1,559,569 and \$440,104, respectively.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**Note 4 - Capital Assets**

A summary of the changes in capital assets for the year ended June 30, 2013, is as follows:

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

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 45,427,544	\$ 1,326,995	\$ - - -	\$ 46,754,539
Construction in Progress	79,648,412	7,634,851	(51,010,651)	36,272,612
Total capital assets, not being depreciated	<b>125,075,956</b>	<b>8,961,846</b>	<b>(51,010,651)</b>	<b>83,027,151</b>
Capital assets, being depreciated:				
Buildings	106,975,400	2,771,161	- - -	109,746,561
Buildings under capital lease	7,675,000	- - -	- - -	7,675,000
Improvements other than buildings	56,422,030	350,493	- - -	56,772,523
Equipment	46,875,807	4,336,713	(1,671,711)	49,540,809
Infrastructure	161,385,709	47,858,241	- - -	209,243,950
Total capital assets, being depreciated	379,333,946	55,316,608	(1,671,711)	432,978,843
Less accumulated depreciation for:				
Buildings	(26,841,299)	(2,901,569)	- - -	(29,742,868)
Buildings under capital lease	(4,797,000)	(191,875)	- - -	(4,988,875)
Improvements other than buildings	(21,702,954)	(2,662,897)	- - -	(24,365,851)
Equipment	(37,892,413)	(2,745,987)	1,671,711	(38,966,689)
Infrastructure	(51,509,147)	(4,667,120)	- - -	(56,176,267)
Total accumulated depreciation	(142,742,813)	(13,169,448)	1,671,711	(154,240,550)
Total capital assets, being depreciated, net	<b>236,591,133</b>	<b>42,147,160</b>	<b>- - -</b>	<b>278,738,293</b>
Governmental Activities capital assets, net	<b>\$ 361,667,089</b>	<b>\$ 51,109,006</b>	<b>\$(51,010,651)</b>	<b>\$ 361,765,444</b>

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

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 4 - (Continued)**

**Business-Type Activities:**

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 3,403,534	\$ ---	\$ ---	\$ 3,403,534
Construction in progress	149,755,164	15,622,810	(4,269,129)	161,108,845
Total capital assets, not being depreciated	<u>153,158,698</u>	<u>15,622,810</u>	<u>(4,269,129)</u>	<u>164,512,379</u>
Capital assets, being depreciated:				
Buildings	75,104,546	---	---	75,104,546
Improvements other than buildings	144,758,284	4,236,251	---	148,994,535
Equipment	7,158,500	32,878	---	7,191,378
Total capital assets, being depreciated	<u>227,021,330</u>	<u>4,269,129</u>	<u>---</u>	<u>231,290,459</u>
Less accumulated depreciation for:				
Buildings	(56,698,682)	(1,103,545)	---	(57,802,227)
Improvements other than buildings	(63,067,596)	(6,896,706)	---	(69,964,302)
Equipment	(5,199,029)	(261,768)	---	(5,460,797)
Total accumulated depreciation	<u>(124,965,307)</u>	<u>(8,262,019)</u>	<u>---</u>	<u>(133,227,326)</u>
Total capital assets, being depreciated, net	<u>102,056,023</u>	<u>(3,992,890)</u>	<u>---</u>	<u>98,063,133</u>
Business-Type Activities capital assets, net	<u>\$ 255,214,721</u>	<u>\$ 11,629,920</u>	<u>\$ (4,269,129)</u>	<u>\$ 262,575,512</u>

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

**Governmental Activities**

Public Safety	\$ 867,617
Public Works	4,082,824
Culture and Recreation	2,920,436
Community and Economic Development	252,853
General Government	3,080,479
Internal Service	1,965,239
Total	<u>\$ 13,169,448</u>

**Business-Type Activities**

Airport	\$ 2,187,815
Water	3,223,161
Sewer	2,228,751
Solid Waste	142,688
Parking	479,604
Total	<u>\$ 8,262,019</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 4 – (Continued)**

**Reconciliation of Net Investment in Capital Assets:**

	Governmental Activities	Business- Type Activities
Capital Assets (net of accumulated depreciation)	\$ 361,765,444	\$ 262,575,512
Unspent Bond Proceeds	22,215,000	---
Less: General Obligation Bonds Payable	118,680,620	8,292,584
Notes Payable	---	144,342,660
	\$ 265,299,824	\$ 109,940,268

**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 position. Buildings under capital lease have an original cost of \$7,675,000, accumulated depreciation of \$4,988,875 for a net book value at June 30, 2013, of \$2,686,125.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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 of \$1,196 was paid in full at June 30, 2013.

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, 2013, of \$194,000 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, 2013, of \$289,000 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, 2013, were \$14,882,000 in the Water fund and \$4,587,000 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 was drawn upon as the funds were 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, 2013, was \$23,535,000 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, 2013, was \$4,342,000 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 was drawn upon as the funds were spent on improvements. The loan was fully drawn as of June 30, 2010, and the outstanding balance of the note as of June 30, 2013, was \$12,665,000 in the Sewer fund.

During fiscal 2009, the City obtained four notes with the State of Iowa Clean and Drinking Water State Revolving Fund. These loans included one loan in the amount of \$31,000,000 in the Sewer Fund and three Planning & Design Loans totaling \$4,450,000 in the Water Fund, all loans have a 3% interest rate. The loans are drawn upon as improvements are made. The amount of the sewer loan increased to \$38,600,000 in fiscal 2011. The City did not draw the full loan amount authorized. The final loan amount drawn through June 30, 2013 was \$37,322,059 with an outstanding balance in the Sewer Fund at June 30, 2013 of \$34,471,059. During fiscal 2012, \$4,023,859 that had been drawn under the Planning & Design Loans in the Water Fund was rolled into a new construction loan totaling \$30,618,000. The loan had not been fully drawn as of June 30, 2013, and had a remaining balance to be drawn of \$462,083. The balance outstanding in the Water Fund at June 30, 2013 was \$29,044,917.

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 was drawn upon as funds were spent on improvements. The loan was fully drawn as of June 30, 2011. The outstanding balance of the note as of June 30, 2013, was \$10,010,000 in the Water fund.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 6 – (Continued)**

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 was drawn upon as improvements were made. The loan was fully drawn as of June 30, 2011, with an outstanding balance as of June 30, 2013, of \$8,515,000 in the Water fund.

During fiscal 2013, the City obtained three Sewer Capital Loan Notes from the State of Iowa Clean and Drinking Water State Revolving Fund. The authorized loan amounts were \$3,100,000 for I-29 Sewer Relocation on S. Lafayette Street, \$4,200,000 for the Southeast Morningside Sanitary Sewer Project and \$7,100,000 for the Wastewater Treatment Plant Asset Renewal. The loans all have an interest rate of 1.75%. Loan funds drawn through June 30, 2013 totaled \$1,237,152, \$235,784 and \$334,748, respectively. The outstanding balance at June 30, 2013 was \$1,237,152, \$235,784 and \$334,748 in the Sewer Fund.

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ ---	\$ ---	\$ 7,622,059	\$ 4,373,242
2015	---	---	8,322,000	4,259,304
2016	---	---	8,111,532	3,838,877
2017	---	---	8,144,000	3,602,922
2018	---	---	8,397,000	3,365,753
2019-2023	---	---	45,896,153	12,939,614
2024-2028	---	---	38,480,000	6,305,340
2029-2032	---	---	19,369,916	1,242,943
<b>Total</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 144,342,660</b>	<b>\$ 39,927,995</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 2013 as follows:

On June 28, 2013, the City sold general obligation bonds in three series. Series A was issued for \$8,820,000. The bonds were sold to BMO Capital Markets GKST Inc. for \$9,635,353.25. The bonds have a true interest rate of 2.0445% with principal payments due June 1 of the years 2014 through 2023. Series B was issued for \$4,480,000. The bonds were sold to Robert W. Baird & Co., Inc. for \$4,488,698.33. The bonds have a true interest rate of 2.2811% with principal payments due June 1 of the years 2014 through 2023. Series C was issued for \$22,215,000. The bonds were sold to Piper Jaffray for \$22,081,710.37. The bonds have a true interest rate of 3.4960% with principal payments due June 1 of the years 2015 through 2033.

General obligation bonds outstanding as of June 30, 2013, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.25%	\$116,582,416
Business-Type Activities	2.00 – 5.25%	8,292,584

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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
2014	\$ 17,843,490	\$ 3,655,411	\$ 1,346,510	\$ 250,186
2015	16,552,506	3,171,048	1,157,494	214,420
2016	13,742,619	2,665,833	1,092,381	178,949
2017	12,087,735	2,248,782	832,265	149,474
2018	11,218,714	1,882,638	826,286	128,747
2019-2023	33,442,352	5,011,146	3,037,648	271,211
2024-2028	5,850,000	1,834,082	---	---
2029-2033	5,845,000	727,263	---	---
<b>Total</b>	<b>\$ 116,582,416</b>	<b>\$ 21,196,203</b>	<b>\$ 8,292,584</b>	<b>\$ 1,192,987</b>

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 100,336,458	\$ 34,020,304	\$ 17,774,346	\$ 116,582,416	\$ 17,843,490
Unamortized Bond Charges	1,602,425	690,762	194,983	2,098,204	270,724
Notes Payable	1,196	---	1,196	---	---
Compensated Absences	3,374,807	3,248,676	3,221,784	3,401,699	2,385,345
Governmental Activities					
Long-term Liabilities	<u>\$105,314,886</u>	<u>\$ 37,959,742</u>	<u>\$ 21,192,309</u>	<u>\$ 122,082,319</u>	<u>\$ 20,499,559</u>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 8,153,542	\$ 1,494,696	\$ 1,355,654	\$ 8,292,584	\$ 1,346,510
Notes Payable	140,703,316	10,956,344	7,317,000	144,342,660	7,622,059
Compensated Absences	376,596	303,920	310,795	369,721	289,075
Est. Liability for Landfill Closure	1,581,704	62,223	---	1,643,927	66,797
Business-type Activities					
Long-term Liabilities	<u>\$150,815,158</u>	<u>\$ 12,817,183</u>	<u>\$ 8,983,449</u>	<u>\$ 154,648,892</u>	<u>\$ 9,324,441</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 6 – (Continued)**

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$2,098,204 on the Statement of Net Position.

		Exhibit 1- Statement of Net Position	
General Obligation Bonds	\$ 116,582,416	General Obligation Bonds Payable-current	\$18,114,214
Unamortized Bond Charges	<u>2,098,204</u>	General Obligation Bonds Payable-long term	<u>100,566,406</u>
	<u>\$118,680,620</u>		<u>\$118,680,620</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, 2013, \$224,330 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, 2013, approximately 69% will be liquidated by the general fund, 23% by the special revenue funds, 1% by the capital projects fund and 7% 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 Fund had a deficit fund balance at June 30, 2013, of \$1,029,361. 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 2013 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, 2013, of \$43,376. This is due to increasing expenditures and due to a 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, 2013, of \$18,110,159. 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 \$15,702,000 as of June 30, 2013. 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 \$7,000,000. 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, 2013**

**Note 8 – Internal Balances**

The following is a summary of Interfund Receivables/Payables as of June 30, 2013:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General	\$ 1,545,030	\$ 6,044
Nonmajor Governmental	823	1,356,232
Internal Service	13,105	---
Airport	---	13,105
Nonmajor Enterprise	4,214	187,791
Totals	<u>\$ 1,563,172</u>	<u>\$ 1,563,172</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2013.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

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

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types			
	General	Debt Service	Capital Improv	Nonmajor Govt
General	\$ ---	\$ 861,664	\$ 1,695,278	\$ 1,495,527
Employee Benefits	5,597,746	---	---	391,510
Local Opt Sales Tax	7,650,131	21,026	2,489,000	696,674
Debt Service	114,542	---	1,929,791	187,227
Capital Improvements	---	1,826,144	---	787,405
Nonmajor Govt	68,201	1,196,746	736,199	---
Sewer	---	---	87,155	---
<b>TOTAL TRANSFERS-IN</b>	<b><u>\$ 13,430,620</u></b>	<b><u>\$ 3,905,580</u></b>	<b><u>\$ 6,937,423</u></b>	<b><u>\$ 3,558,343</u></b>

Transfers are used to:

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

Proprietary Fund Types				Total
Airport	Parking	Water	Internal Service	Transfers Out
\$ ---	\$ ---	\$ ---	\$ 6,000	\$ 4,058,469
---	---	---	---	5,989,256
25,000	90,000	---	---	10,971,831
528,923	62,000	904,713	---	3,727,196
---	---	---	457,803	3,071,352
---	---	---	---	2,001,146
---	---	---	---	87,155
<u>\$ 553,923</u>	<u>\$ 152,000</u>	<u>\$ 904,713</u>	<u>\$ 463,803</u>	<u>\$ 29,906,405</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 9 - Fund Balances**

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

	<u>General Fund</u>	<u>Major Special Revenue</u>	
		<u>Other Employee Benefits</u>	<u>Local Option Sales Tax</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	\$ ---	\$ ---	\$ ---
Prepaid Items	---	---	---
Long-Term Notes Receivable	8,800	---	135,201
Endowment, non-expendable	---	---	---
<b>Restricted for:</b>			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	96,087	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
<b>Committed to:</b>			
Public Safety	95,435	---	---
Public Works	43,684	---	---
Culture & Recreation	131,688	---	---
Comm & Econ Develop	32,230	---	650
General Governmental	40,187	---	---
<b>Assigned to:</b>			
Other Purposes	---	---	3,055,795
<b>Unassigned:</b>	8,357,777	---	---
Total Fund Balances	<u>\$ 8,709,801</u>	<u>\$ 96,087</u>	<u>\$ 3,191,646</u>

<b>Major Debt Service Fund</b>	<b>Major Capital Improvements Fund</b>	<b>Other Funds</b>	<b>Total</b>
\$ ---	\$ ---	\$ 119,166	\$ 119,166
---	152	36,773	36,925
---	132,610	---	276,611
---	---	1,093,001	1,093,001
---	---	1,082,738	1,082,738
---	---	10,106,460	10,106,460
---	---	---	96,087
6,495,042	---	---	6,495,042
---	68,293,954	---	68,293,954
---	---	41,691	41,691
---	---	---	95,435
---	---	586,986	630,670
390	---	158,403	290,481
---	---	---	32,880
3,706	---	---	43,893
---	---	---	3,055,795
---	---	(1,391,285)	6,966,492
<u>\$ 6,499,138</u>	<u>\$ 68,426,716</u>	<u>\$ 11,833,933</u>	<u>\$ 98,757,321</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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 current estimated potential liability is \$7,000,000. 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, 2013. A provision for health claims incurred but unpaid as of June 30, 2013, of \$1,886,792 has also been recorded.

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The City has self-insured itself since July 1, 1986 for general liability, automobile, transit and workers compensation. The City began self-insuring health coverage as of July 1, 1988. It is self-insured for health coverage risk up to \$150,000, 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 2013. 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 nine 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
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
2012	17,886,263	15,592,769	12,974,935	20,504,097
2013	\$20,504,097	\$3,756,957	\$12,911,188	\$11,349,866

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 11 - Commitments**

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2013. The following summary presents the amount of contracts outstanding at June 30, 2013 for both Governmental and Enterprise Funds combined:

Construction	\$ 14,407,008
Design & Engineering Services	3,294,056
Other	2,477,472
Less: Due, but unpaid at June 30, 2013	<u>(2,538,333)</u>
Construction Contract Commitments	<u>\$ 17,640,203</u>

Governmental contracts and encumbrances outstanding at June 30, 2013 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	Local Option Sales Tax	Total
Public Safety	\$ 95,435	\$ ---	\$ ---	\$ ---	\$ 95,435
Public Works	43,684	10,824	---	---	54,508
Culture & Recreation	131,688	158,403	390	---	290,481
Community & Economic Development	32,230	---	---	650	32,880
General Government	40,187	---	3,706	---	43,893
Totals	<u>\$ 343,224</u>	<u>\$ 169,227</u>	<u>\$ 4,096</u>	<u>\$ 650</u>	<u>\$ 517,197</u>

As of June 30, 2013 the City had \$1,243,144 outstanding purchase orders of the total encumbrances carried over listed above, while commitments under development agreements totaled \$1,200,000.

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 January 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.

The City approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for infrastructure improvements totaling \$475,000 at the site of a newly proposed school.

The City approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for infrastructure improvements totaling \$413,000 at the site of the proposed Washington School.

The City approved an agreement to develop the area around the Heelan campus. The City's share of the costs is expected to be \$1,284,533.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 11 – (Continued)**

The City approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for infrastructure improvements totaling \$545,000 at the site of Hoover School.

The City entered into a development agreement with SCE Partners, LLC where the City will pay SCE, LLC \$22,000,000 in developmental costs from the time casino construction has commenced until the occupancy permit is issued.

**Note 12 - Unavailable Revenues**

Unavailable Revenues, which are measurable but not yet available at June 30, 2013, are as follows:

	<u>EXHIBIT 1</u>	<u>EXHIBIT 3</u>	<u>EXHIBIT 5</u>
Property Taxes	\$ 51,660,934	\$ 51,908,169	\$ ---
Special Assessments	---	24,801	---
Unearned Revenue	<u>455,000</u>	<u>288,934</u>	<u>455,000</u>
Total Unavailable Revenues	<u>\$ 52,115,934</u>	<u>\$ 52,221,904</u>	<u>\$ 455,000</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 capital 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. The equity for the current fiscal year ended in a negative balance and therefore is not recorded on the balance sheet. Summary financial information as of, and for the fiscal year ended June 30, 2013, is presented as follows:

Capital Assets	\$ 139,394
Other Assets	<u>309,487</u>
Total Assets	<u>448,881</u>
Total Liabilities	461,261
Fund Equity	<u>( 12,380)</u>
Total Liabilities and Fund Equity	<u>448,881</u>
Total Revenue	2,654,107
Total Expenditures	<u>(2,687,042)</u>
Net Increase (Decrease) in Fund Balance	<u>\$ ( 32,935)</u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 13 – (Continued)**

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

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

**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, 2013 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	\$ 883,000
Interest on net OPEB obligation	691,000
Adjustment to annual required contribution	<u>(586,000)</u>
Annual OPEB cost (expense)	988,000
Contributions made	<u>(641,850)</u>
Increase in net OPEB obligation	346,150
Net OPEB obligation – beginning of year	<u>15,355,850</u>
Net OPEB obligation – end of year	<u><u>\$ 15,702,000</u></u>

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**Note 14 – (Continued)**

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 2013 were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
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	35.9%	14,130,000
2012	2,082,850	41.2%	15,355,850
2013	\$ 988,000	64.9%	\$ 15,702,000

*Funded Status and Funding Progress.* The funded status of the plan as of June 30, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 9,905,000
Actuarial value of plan assets	---
Unfunded actuarial accrued liability (UAAL)	<u>\$ 9,905,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 42,736,274
UAAL as a percentage of covered payroll	23.18%

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, 2013, 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 10% initially, reduced by decrements to an ultimate rate of 5% after 11 years, as well as a 3.5% growth in payroll per annum. An inflation rate of 0% is assumed for purposes of this computation.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2013 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2013.

**CITY OF SIOUX CITY, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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, 2013, one employment agreement involving termination benefits was in effect and one had matured as a result of resignation. These termination benefits include severance, health, life and long term disability benefits. The short-term portion of \$91,151 is reported with accrued wages at the fund level in the governmental activities and the long-term portion of \$169,681 is reported in the governmental activities in the government-wide financial 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, 2013.

Compensated absences consist of the following amounts as of June 30, 2013:

Accrued Vacation	\$ 2,454,756
Accrued Severance Pay	1,007,123
Accrued Transit Sick Leave	139,860
Accrued Termination Benefits	169,681
Total	\$ 3,771,420

Compensated absences have been recorded as follows:

	CURRENT	LONG-TERM	TOTAL
Enterprise Funds	\$ 289,075	\$ 80,646	\$ 369,721
Internal Service Funds	224,330	---	224,330
Government-Wide Statement	2,161,015	1,016,354	3,177,369
	\$ 2,674,420	\$ 1,097,000	\$ 3,771,420

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 5.78% of their annual covered salary and the City is required to contribute 8.67% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$2,355,909, \$2,192,127, and \$1,864,429, respectively, equal to the required contributions for each year.

**POLICE AND FIRE RETIREMENT SYSTEM**

The City contributes to the Municipal Fire and 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, disability, 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, 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50266.

Plan members are required to contribute 9.40% of earnable compensation and the City's contribution rate, based upon an actuarially determined normal contribution rate, is 26.12% of earnable compensation. Contribution rates are established by State statute. The City's contributions to MFPRSI for the years ended June 30, 2013, 2012 and 2011 were \$4,213,126 (26.12%), \$3,922,797 (24.76%), and \$3,100,839 (19.90%), respectively, which met the required minimum contribution 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 April 1, 2013 was \$1,643,927. This full amount has been accrued by the City as of June 30, 2013. Of this amount, it was estimated that \$66,797 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 current estimated potential liability is \$7,000,000. 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.

**CITY OF SIOUX CITY, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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.

**Note 20 – Subsequent Events**

On August 12, 2013, the City Council approved additional notes payable to the Iowa Finance Authority for Water Revenue Capital Loan Notes, Series 2013 in the amount of \$2,100,000. The Capital Loan Note bears interest at 1.75% per annum, with a final maturity date of June 1, 2034.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

## 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 basic financial statements.



**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**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, 2013**

	<b>Governmental Fund Types Actual</b>	<b>Internal Service Funds Actual</b>	<b>Proprietary Funds Actual</b>
<b><u>REVENUES</u></b>			
Taxes	\$ 64,190,855	\$ ---	\$ ---
Special Assessments	72,625	---	---
Regulatory Fees	6,292,635	---	---
Intergovernmental Revenue <sup>2</sup>	22,638,176	1,133	2,789,538
Revenue from Use of Property	5,810,518	86,683	2,422,472
Charges for Service	8,557,046	24,282,517	38,293,765
Miscellaneous	2,136,634	682,656	124,696
Total Revenues	109,698,489	25,052,989	43,630,471
<b><u>EXPENDITURES</u></b>			
Public Safety	34,066,744	---	---
Public Works	14,254,052	---	---
Culture and Recreation	15,735,629	---	---
Community and Economic Development	8,576,328	---	---
General Government	3,245,037	---	---
Debt Service	23,644,121	---	4,398,028
Capital Projects <sup>2</sup>	14,708,996	---	---
Business-Type/Enterprises <sup>2</sup>	---	16,969,133	32,443,573
Total Expenditures	114,230,907	16,969,133	36,841,601
Excess (Deficiency) of Revenues Over Expenditures	(4,532,418)	8,083,856	6,788,870
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Other Financing Sources	62,789,483	463,803	1,610,636
Other Financing Uses	(29,952,540)	---	(87,155)
Total Other Financing Sources	32,836,943	463,803	1,523,481
Net Change in Fund Balance (Deficit)	28,304,525	8,547,659	8,312,351
Fund Balance - Beg. of Year	70,452,796	(12,944,316)	135,624,878
Fund Balance (Deficit)- End of Year	\$ 98,757,321	\$ (4,396,657)	\$ 143,937,229

Notes:

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

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

Total Actual	Budgeted Amounts		Final Budget Over (Under)
	Original	Final	
\$ 64,190,855	\$ 64,365,512	\$ 67,120,512	\$ (2,929,657)
72,625	212,022	1,022,022	(949,397)
6,292,635	4,467,635	14,344,547	(8,051,912)
25,428,847	28,366,661	111,603,822	(86,174,975)
8,319,673	7,271,428	17,809,357	(9,489,684)
71,133,328	72,065,183	101,815,186	(30,681,858)
2,943,986	5,371,026	19,268,599	(16,324,613)
<u>178,381,949</u>	<u>182,119,467</u>	<u>332,984,045</u>	<u>(154,602,096)</u>
34,066,744	33,299,808	40,690,581	(6,623,837)
14,254,052	15,698,041	27,508,461	(13,254,409)
15,735,629	17,005,566	27,867,885	(12,132,256)
8,576,328	13,373,854	23,221,693	(14,645,365)
3,245,037	7,189,539	12,535,630	(9,290,593)
28,042,149	25,597,562	48,431,438	(20,389,289)
14,708,996	96,059,174	141,695,179	(126,986,183)
49,412,706	98,228,399	166,638,680	(117,225,974)
<u>168,041,641</u>	<u>306,451,943</u>	<u>488,589,547</u>	<u>(320,547,906)</u>
10,340,308	(124,332,476)	(155,605,502)	165,945,810
64,863,922	72,770,516	101,066,516	(36,202,594)
<u>(30,039,695)</u>	<u>(51,069,132)</u>	<u>(54,850,609)</u>	<u>(24,810,914)</u>
<u>34,824,227</u>	<u>21,701,384</u>	<u>46,215,907</u>	<u>(11,391,680)</u>
<u>\$ 45,164,535</u>	<u>(102,631,092)</u>	<u>(109,389,595)</u>	<u>\$ 154,554,130</u>
	137,440,131	137,440,131	
	<u>\$ 34,809,039</u>	<u>\$ 28,050,536</u>	

**CITY OF SIOUX CITY, IOWA  
POST EMPLOYMENT HEALTHCARE BENEFITS  
SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT 10**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
2005	6/30/2005 *	N/A	N/A	N/A	N/A	N/A	N/A
2006	6/30/2006 *	N/A	N/A	N/A	N/A	N/A	N/A
2007	6/30/2007	\$ ---	\$47,002,628	\$47,002,628	0.00%	\$39,151,301	120.1%
2008	6/30/2008	\$ ---	\$47,002,628	\$47,002,628	0.00%	\$38,749,440	121.3%
2009	6/30/2009	\$ ---	\$47,002,628	\$47,002,628	0.00%	\$39,629,916	118.6%
2010	6/30/2010	\$ ---	\$34,631,716	\$34,631,716	0.00%	\$41,006,803	84.5%
2011	6/30/2011	\$ ---	\$25,911,000	\$25,911,000	0.00%	\$41,948,644	61.8%
2012	6/30/2011 **	\$ ---	\$25,911,000	\$25,911,000	0.00%	\$42,379,587	61.1%
2013	6/30/2013	\$ ---	\$9,905,000	\$9,905,000	0.00%	\$42,736,274	23.2%

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

\*\* The actuarial report dated 6/30/11 was also used for Fiscal 2012.

CITY OF SIOUX CITY, IOWA  
OTHER SUPPLEMENTARY INFORMATION



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

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

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

**MAJOR FUNDS:**

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

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

**NON-MAJOR FUNDS:**

**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, 2013**

**Special Revenue Funds**

<b><u>ASSETS</u></b>	<b><u>Storm Water Drainage</u></b>	<b><u>Road Use</u></b>	<b><u>Community Development</u></b>	<b><u>Housing</u></b>
Cash and Cash Equivalents	\$ 509,459	\$ 303,237	\$ 160,276	\$ 1,149,529
Accounts Receivable	72,752	---	4,118	1,043
Accrued Interest Receivable	---	---	1,020,475	---
Notes Receivable	---	---	7,439,884	28,461
Special Assessments, net of allowance	7,846	---	---	---
Due from Other Governments	---	1,204,293	653,920	22,973
Due from Other Funds	---	---	---	---
Inventories	---	---	---	---
Prepaid Items	---	---	5,283	---
Total Assets	<u>590,057</u>	<u>1,507,530</u>	<u>9,283,956</u>	<u>1,202,006</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	1,427	267,639	19,856	54,363
Accrued Wages	---	156,663	24,609	24,755
Contracts & Retainers Payable	---	417	195,540	146
Due to Other Governments	11,133	73	3,278	116
Due to Other Funds	---	---	123	---
Unavailable Revenue	---	---	---	51,433
Total Liabilities	<u>12,560</u>	<u>424,792</u>	<u>243,406</u>	<u>130,813</u>
<b><u>FUND BALANCES</u></b>				
Non-Spendable:				
Inventory	---	---	---	---
Prepaid Items	---	---	5,283	---
Endowment, non-expendable	---	---	---	---
Restricted	---	1,082,738	9,035,267	1,071,193
Committed	577,497	---	---	---
Unassigned	---	---	---	---
Total Fund Balances (Deficit)	<u>577,497</u>	<u>1,082,738</u>	<u>9,040,550</u>	<u>1,071,193</u>
Total Liabilities and Fund Balances	<u>\$ 590,057</u>	<u>\$ 1,507,530</u>	<u>\$ 9,283,956</u>	<u>\$ 1,202,006</u>

			<b>Permanent Fund</b>			
<u>Main Street</u>	<u>Events Facilities</u>	<u>Transit Operations</u>	<u>Cemetery Trust</u>	<u>Total Governmental Nonmajor Funds</u>		
\$ 31,342	\$ 365,024	\$ ---	\$ 1,092,525	\$	3,611,392	
---	219,553	25,625	476		323,567	
---	---	---	---		1,020,475	
---	---	---	---		7,468,345	
---	---	---	---		7,846	
136,589	6,470	1,387,109	---		3,411,354	
---	823	---	---		823	
---	119,166	---	---		119,166	
---	31,490	---	---		36,773	
<u>167,931</u>	<u>742,526</u>	<u>1,412,734</u>	<u>1,093,001</u>		<u>15,999,741</u>	
---	1,586,029	17,985	---		1,947,299	
---	178,971	63,855	---		448,853	
---	---	19,446	---		215,549	
---	5,602	---	---		20,202	
---	1,285	1,354,824	---		1,356,232	
126,240	---	---	---		177,673	
<u>126,240</u>	<u>1,771,887</u>	<u>1,456,110</u>	<u>---</u>		<u>4,165,808</u>	
---	119,166	---	---		119,166	
---	31,490	---	---		36,773	
---	---	---	1,093,001		1,093,001	
41,691	---	---	---		11,230,889	
---	158,403	9,489	---		745,389	
---	(1,338,420)	(52,865)	---		(1,391,285)	
<u>41,691</u>	<u>(1,029,361)</u>	<u>(43,376)</u>	<u>1,093,001</u>		<u>11,833,933</u>	
<u>\$ 167,931</u>	<u>\$ 742,526</u>	<u>\$ 1,412,734</u>	<u>\$ 1,093,001</u>		<u>\$ 15,999,741</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, 2013**

**Special Revenue Funds**

<b><u>REVENUES</u></b>	<b><u>Storm Water Drainage</u></b>	<b><u>Road Use</u></b>	<b><u>Community Development</u></b>	<b><u>Housing</u></b>
Taxes	\$ ---	\$ ---	\$ ---	\$ ---
Intergovernmental Revenue	---	8,538,778	2,860,068	4,537,562
Revenue from Use of Property	---	9,115	---	900
Charges for Services	1,322,270	---	311	---
Interest	8,812	---	320,074	1,748
Miscellaneous	---	63,017	5,710	74,724
<b>Total Revenue</b>	<b>1,331,082</b>	<b>8,610,910</b>	<b>3,186,163</b>	<b>4,614,934</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Works	135,962	8,203,133	---	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	2,356,006	4,890,430
Capital Projects	---	---	614,420	---
<b>Total Expenditures</b>	<b>135,962</b>	<b>8,203,133</b>	<b>2,970,426</b>	<b>4,890,430</b>
Excess (Deficiency) of Revenues Over Expenditures	1,195,120	407,777	215,737	(275,496)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	212,202	899,596	---	---
Transfers Out	(1,258,144)	(616,199)	(8,584)	---
<b>Total Other Financing Sources (Uses)</b>	<b>(1,045,942)</b>	<b>283,397</b>	<b>(8,584)</b>	<b>---</b>
<b>Net Change in Fund Balance</b>	<b>149,178</b>	<b>691,174</b>	<b>207,153</b>	<b>(275,496)</b>
Fund Balance (Deficit) - Beginning of Year	428,319	391,564	8,833,397	1,346,689
Fund Balance (Deficit) - End of Year	<b>\$ 577,497</b>	<b>\$ 1,082,738</b>	<b>\$ 9,040,550</b>	<b>\$ 1,071,193</b>

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 119,776	\$ ---	\$ ---	\$ ---	\$ 119,776
---	42,478	1,868,666	---	17,847,552
---	4,629,070	64,446	34,270	4,737,801
---	799,355	1,344,511	---	3,466,447
---	---	---	---	330,634
---	585,318	127,300	---	856,069
119,776	6,056,221	3,404,923	34,270	27,358,279
---	---	4,188,780	---	12,527,875
---	7,602,578	---	---	7,602,578
307,000	---	---	---	7,553,436
---	---	---	---	614,420
307,000	7,602,578	4,188,780	---	28,298,309
(187,224)	(1,546,357)	(783,857)	34,270	(940,030)
187,227	1,463,141	796,177	---	3,558,343
---	---	(118,219)	---	(2,001,146)
187,227	1,463,141	677,958	---	1,557,197
3	(83,216)	(105,899)	34,270	617,167
41,688	(946,145)	62,523	1,058,731	11,216,766
\$ 41,691	\$ (1,029,361)	\$ (43,376)	\$ 1,093,001	\$ 11,833,933

**SILOUX<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 POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2013**

**EXHIBIT B-1**

<b><u>ASSETS</u></b>	<b><u>Parking Facilities</u></b>	<b><u>Skyway System</u></b>	<b><u>Totals</u></b>
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 1,296,383	\$ ---	\$ 1,296,383
Accounts Receivable	176,067	193,393	369,460
Accrued Interest Receivable	1,817	---	1,817
Special Assessments, net of allowance	---	28,844	28,844
Due from Other Governments	1,155	---	1,155
Due from Other Funds	---	4,214	4,214
Total Current Assets	<u>1,475,422</u>	<u>226,451</u>	<u>1,701,873</u>
<b><u>Non-Current Assets</u></b>			
Fixed Assets, Net of Accumulated Depreciation	<u>7,771,471</u>	<u>---</u>	<u>7,771,471</u>
Total Non-Current Assets	<u>7,771,471</u>	<u>---</u>	<u>7,771,471</u>
Total Assets	<u>9,246,893</u>	<u>226,451</u>	<u>9,473,344</u>
 <b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	56,597	22,038	78,635
Accrued Wages and Compensated Absences	43,163	17,267	60,430
Accrued Interest Payable	5,619	---	5,619
Contracts and Retainers Payable	5,171	---	5,171
Due to Other Funds	645	187,146	187,791
Current Portion of G.O. Bonds	409,460	---	409,460
Matured Bonds and Coupons Payable	7,612	---	7,612
Unavailable Revenue	<u>455,000</u>	<u>---</u>	<u>455,000</u>
Total Current Liabilities	983,267	226,451	1,209,718
<b><u>Non-Current Liabilities</u></b>			
General Obligation Bonds, Net of Current Portion	<u>1,703,377</u>	<u>---</u>	<u>1,703,377</u>
Total Non-current Liabilities	<u>1,703,377</u>	<u>---</u>	<u>1,703,377</u>
Total Liabilities	<u>2,686,644</u>	<u>226,451</u>	<u>2,913,095</u>
 <b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	5,658,634	---	5,658,634
Unrestricted	<u>901,615</u>	<u>---</u>	<u>901,615</u>
Total Net Position	<u>\$ 6,560,249</u>	<u>\$ ---</u>	<u>\$ 6,560,249</u>

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF REVENUES,  
 EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT B-2**

<b><u>OPERATING REVENUES</u></b>	<b><u>Parking Facilities</u></b>	<b><u>Skyway System</u></b>	<b><u>Totals</u></b>
Charges for Services	\$ 1,362,709	\$ 372,045	\$ 1,734,754
Total Operating Revenues	1,362,709	372,045	1,734,754
<b><u>OPERATING EXPENSES</u></b>			
Employee Services	395,468	80,259	475,727
Supplies and Services	400,313	171,895	572,208
Repairs and Improvements	370,210	65,457	435,667
Utilities	5,741	54,434	60,175
Depreciation	479,604	---	479,604
Total Operating Expenses	1,651,336	372,045	2,023,381
Net Operating (Loss)	(288,627)	---	(288,627)
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Interest Expense	(73,088)	---	(73,088)
Total Non-Operating (Expenses)	(73,088)	---	(73,088)
(Loss) Before Transfers	(361,715)	---	(361,715)
Transfers In	152,000	---	152,000
Changes in Net Position	(209,715)	---	(209,715)
Net Position - Beginning of Year	6,769,964	---	6,769,964
Net Position - End of Year	\$ 6,560,249	\$ ---	\$ 6,560,249

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT B-3**

	<b>Parking Facilities</b>	<b>Skyway System</b>	<b>Totals</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Cash Received from Customers	\$ 1,376,729	\$ 366,507	\$ 1,743,236
Cash Paid for Personal Services	(397,531)	(80,804)	(478,335)
Cash Paid to Suppliers	(873,545)	(285,703)	(1,159,248)
Net Cash Provided by Operating Activities	105,653	---	105,653
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Proceeds from Bond Sales	285,000	---	285,000
Acquisition and Construction of Capital Assets	(19,226)	---	(19,226)
Principal Paid on Notes and Bonds	(423,246)	---	(423,246)
Interest Paid on Notes and Bonds	(71,481)	---	(71,481)
Net Cash (Used) by Capital and Related Financing Activities	(228,953)	---	(228,953)
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Transfers In	152,000	---	152,000
Net Cash Provided by Non-Capital Financing Activities	152,000	---	152,000
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	(2,087)	---	(2,087)
Net Cash (Used) by Investing Activities	(2,087)	---	(2,087)
Net Increase in Cash and Cash Equivalents	26,613	---	26,613
Cash and Cash Equivalents at Beginning of Year	1,269,770	---	1,269,770
Cash and Cash Equivalents at End of Year	\$ 1,296,383	\$ ---	\$ 1,296,383
<b><u>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>			
Operating (Loss)	\$ (288,627)	\$ ---	\$ (288,627)
<i>Adjustments to Reconcile Operating (Loss) to Net Cash Provided by Operating Activities:</i>			
<i>Depreciation</i>	479,604	---	479,604
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(10,822)	(7,663)	(18,485)
Due from Other Governments	53	---	53
Due from Other Funds	---	2,125	2,125
Accounts Payable	31,100	10,082	41,182
Accrued Wages and Compensated Absences	(2,063)	(545)	(2,608)
Contracts and Retainers Payable	1,614	---	1,614
Due to Other Funds	(206)	(3,999)	(4,205)
Deferred Revenues	(105,000)	---	(105,000)
Total Adjustments	394,280	---	394,280
Net Cash Provided by Operating Activities	\$ 105,653	\$ ---	\$ 105,653

**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 POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2013**

**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	\$ 5,300,635	\$ 8,964,882	\$ 14,265,517
Accounts Receivable	128,018	241,877	369,895
Accrued Interest Receivable	372	9,857	10,229
Notes Receivable	77,266	---	77,266
Due from Other Governments	18,939	---	18,939
Due from Other Funds	13,105	---	13,105
Inventories, at Cost	219,464	---	219,464
Prepaid Items	240	190,607	190,847
Total Current Assets	<u>5,758,039</u>	<u>9,407,223</u>	<u>15,165,262</u>
<b><u>Non-Current Assets</u></b>			
Advances to Other Funds	46,872	---	46,872
Capital Assets, Net of Accumulated Depreciation	8,507,538	---	8,507,538
Total Non-Current Assets	<u>8,554,410</u>	<u>---</u>	<u>8,554,410</u>
Total Assets	<u>14,312,449</u>	<u>9,407,223</u>	<u>23,719,672</u>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	426,016	327,192	753,208
Accrued Wages and Compensated Absences	172,931	132,127	305,058
Contracts and Retainers Payable	---	6,197	6,197
Estimated Liability for Damage Claims	---	1,354,756	1,354,756
Total Current Liabilities	<u>598,947</u>	<u>1,820,272</u>	<u>2,419,219</u>
<b><u>Non-Current Liabilities</u></b>			
Post Employment Benefit Obligation	---	15,702,000	15,702,000
Estimated Liability for Damage Claims	---	9,995,110	9,995,110
Total Non-Current Liabilities	<u>---</u>	<u>25,697,110</u>	<u>25,697,110</u>
Total Liabilities	<u>598,947</u>	<u>27,517,382</u>	<u>28,116,329</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	8,507,538	---	8,507,538
Unrestricted	5,205,964	(18,110,159)	(12,904,195)
Total Net Position	<u>\$ 13,713,502</u>	<u>\$ (18,110,159)</u>	<u>\$ (4,396,657)</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT C-2**

	<b>Central Maintenance</b>	<b>Comprehensive Insurance</b>	<b>Totals</b>
<b><u>OPERATING REVENUE</u></b>			
Revenue from Use of Property	\$ 80,593	\$ ---	\$ 80,593
Charges for Services	9,729,604	14,552,913	24,282,517
Total Operating Revenues	9,810,197	14,552,913	24,363,110
<b><u>OPERATING EXPENSES</u></b>			
Employee Services	1,980,715	14,793,256	16,773,971
Supplies and Services	1,003,319	842,827	1,846,146
Repairs and Improvements	5,232,172	3,212	5,235,384
Utilities	27,666	527	28,193
Depreciation	1,965,239	---	1,965,239
Damage Settlement	---	(8,885,167)	(8,885,167)
Total Operating Expenses	10,209,111	6,754,655	16,963,766
Net Operating Income (Loss)	(398,914)	7,798,258	7,399,344
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>			
Intergovernmental Revenue	1,133	---	1,133
Interest Income	6,090	---	6,090
Gain on Sale of Capital Assets	324,974	---	324,974
Other Non-Operating Revenues	357,682	---	357,682
Interest Expense	---	(5,367)	(5,367)
Total Non-Operating Revenues (Expenses)	689,879	(5,367)	684,512
Income Before Transfers	290,965	7,792,891	8,083,856
Transfers In	379,352	84,451	463,803
Changes in Net Position	670,317	7,877,342	8,547,659
Net Position - Beginning of Year	13,043,185	(25,987,501)	(12,944,316)
Net Position - End of Year	\$ 13,713,502	\$ (18,110,159)	\$ (4,396,657)

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**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	\$ 9,754,728	\$ 14,393,309	\$ 24,148,037
Cash Paid for Personal Services	(1,972,320)	(14,442,477)	(16,414,797)
Cash Paid to Suppliers	(6,156,545)	(861,231)	(7,017,776)
Other Non-Operating Revenue	357,682	---	357,682
Net Cash Provided (Used) by Operating Activities	1,983,545	(910,399)	1,073,146
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition and Construction of Capital Assets	(3,449,238)	---	(3,449,238)
Proceeds from Sale of Assets	324,974	---	324,974
Net Cash (Used) by Capital and Related Financing Activities	(3,124,264)	---	(3,124,264)
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>			
Intergovernmental Revenue	1,133	---	1,133
Transfers In	379,352	84,451	463,803
Net Cash Provided by Non-Capital Financing Activities	380,485	84,451	464,936
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends on Investments	5,872	(5,634)	238
Payments Received on Notes Receivable	(21,039)	---	(21,039)
Net Cash (Used) by Investing Activities	(15,167)	(5,634)	(20,801)
Net Decrease in Cash and Cash Equivalents	(775,401)	(831,582)	(1,606,983)
Cash and Cash Equivalents at Beginning of Year	6,076,036	9,796,464	15,872,500
Cash and Cash Equivalents at End of Year	<u>\$ 5,300,635</u>	<u>\$ 8,964,882</u>	<u>\$ 14,265,517</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u></b>			
<b><u>PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>			
Operating Income (Loss)	\$ (398,914)	\$ 7,798,258	\$ 7,399,344
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
<i>Depreciation</i>			
Depreciation	1,965,239	---	1,965,239
<i>Other Non-Operating Revenues</i>			
Other Non-Operating Revenues	357,682	---	357,682
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
<i>Accounts Receivable</i>			
Accounts Receivable	(37,765)	(159,604)	(197,369)
<i>Due from Other Governments</i>			
Due from Other Governments	(18,752)	---	(18,752)
<i>Due from Other Funds</i>			
Due from Other Funds	1,048	---	1,048
<i>Inventories</i>			
Inventories	68,037	---	68,037
<i>Advances to Other Funds</i>			
Advances to Other Funds	12,406	---	12,406
<i>Prepaid Items</i>			
Prepaid Items	(240)	(18,378)	(18,618)
<i>Accounts Payable</i>			
Accounts Payable	26,409	273,466	299,875
<i>Accrued Wages and Compensated Absences</i>			
Accrued Wages and Compensated Absences	8,395	4,629	13,024
<i>Contracts and Retainers Payable</i>			
Contracts and Retainers Payable	---	(689)	(689)
<i>Post Employment Benefit Obligation</i>			
Post Employment Benefit Obligation	---	346,150	346,150
<i>Estimated Liability for Damage Claims</i>			
Estimated Liability for Damage Claims	---	(9,154,231)	(9,154,231)
Total Adjustments	2,382,459	(8,708,657)	(6,326,198)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,983,545</u>	<u>\$ (910,399)</u>	<u>\$ 1,073,146</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.

**CITY OF SIOUX CITY, IOWA  
 COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2013**

	<u>Sioux City Housing Trust Fund</u>	<u>Revolving</u>	<u>Woodbury County Information Communication Commission</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ ---	\$ 6,979	\$ 116,006
Accounts Receivable	---	52,746	120,240
Due from Other Governments	<u>13,136</u>	<u>---</u>	<u>73,241</u>
Total Assets	<u>13,136</u>	<u>59,725</u>	<u>309,487</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	13,689	59,725	---
Due to Other Governments	<u>(553)</u>	<u>---</u>	<u>309,487</u>
Total Liabilities	<u>13,136</u>	<u>59,725</u>	<u>309,487</u>
Total Net Position	<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>

<u>Museum Building Property Inc.</u>	<u>Totals</u>
\$ 67,770	\$ 190,755
---	172,986
---	<u>86,377</u>
<u>67,770</u>	<u>450,118</u>
---	73,414
<u>67,770</u>	<u>376,704</u>
<u>67,770</u>	<u>450,118</u>
<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT D-2**

<b>SIOUX CITY HOUSING TRUST FUND</b>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 43,294	\$ 123,606	\$ 166,900	\$ ---
Due from Other Governments	---	13,136	---	13,136
Total Assets	<u>43,294</u>	<u>136,742</u>	<u>166,900</u>	<u>13,136</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	14,623	26,825	27,759	13,689
Due to Other Governments	28,671	109,917	139,141	(553)
Total Liabilities	<u>\$ 43,294</u>	<u>\$ 136,742</u>	<u>\$ 166,900</u>	<u>\$ 13,136</u>

**REVOLVING**

<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 84,536	\$ 1,042,605	\$ 1,120,162	\$ 6,979
Accounts Receivable	9,641	922,533	879,428	52,746
Total Assets	<u>94,177</u>	<u>1,965,138</u>	<u>1,999,590</u>	<u>59,725</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	94,177	1,965,138	1,999,590	59,725
Total Liabilities	<u>\$ 94,177</u>	<u>\$ 1,965,138</u>	<u>\$ 1,999,590</u>	<u>\$ 59,725</u>

**WOODBURY COUNTY INFORMATION  
COMMUNICATION COMMISSION  
(WCICC)**

<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 116,323	\$ 4,426,363	\$ 4,426,680	\$ 116,006
Accounts Receivable	28,975	1,651,323	1,560,058	120,240
Due from Other Governments	114,184	73,241	114,184	73,241
Total Assets	<u>259,482</u>	<u>6,150,927</u>	<u>6,100,922</u>	<u>309,487</u>
<b><u>LIABILITIES</u></b>				
Due to Other Governments	259,482	6,150,927	6,100,922	309,487
Total Liabilities	<u>\$ 259,482</u>	<u>\$ 6,150,927</u>	<u>\$ 6,100,922</u>	<u>\$ 309,487</u>

**CITY OF SIOUX CITY, IOWA  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT D-2  
(Continued)**

<b>MUSEUM BUILDING PROPERTY INC.</b>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 108,405	\$ 208,133	\$ 248,768	\$ 67,770
Total Assets	<u>108,405</u>	<u>208,133</u>	<u>248,768</u>	<u>67,770</u>
<b><u>LIABILITIES</u></b>				
Due to Other Governments	108,405	208,133	248,768	67,770
Total Liabilities	<u>\$ 108,405</u>	<u>\$ 208,133</u>	<u>\$ 248,768</u>	<u>\$ 67,770</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 352,558	\$ 5,800,707	\$ 5,962,510	\$ 190,755
Accounts Receivable	38,616	2,573,856	2,439,486	172,986
Due from Other Governments	114,184	86,377	114,184	86,377
Total Assets	<u>505,358</u>	<u>8,460,940</u>	<u>8,516,180</u>	<u>450,118</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	108,800	1,991,963	2,027,349	73,414
Due to Other Governments	396,558	6,468,977	6,488,831	376,704
Total Liabilities	<u>\$ 505,358</u>	<u>\$ 8,460,940</u>	<u>\$ 8,516,180</u>	<u>\$ 450,118</u>

**SILOUX<sup>TM</sup>**  
**CITY**

CITY OF SIOUX CITY, IOWA  
STATISTICAL SECTION



# CITY OF SIOUX CITY, IOWA

## STATISTICAL SECTION

(Unaudited)

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

<b><u>Contents</u></b>	<b><u>Table</u></b>
<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.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 165,606,928	\$ 163,066,644	\$ 178,531,068	\$ 202,244,071
Restricted for:				
Capital Improvements	10,666,980	18,095,819	15,772,571	15,827,272
Debt Service	4,924,215	2,411,720	1,438,126	1,438,831
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	724,772	782,515	838,105	927,910
Unrestricted	<u>29,559,632</u>	<u>52,580,385</u>	<u>56,134,972</u>	<u>48,896,046</u>
Total Governmental Activities Net Position	<u><u>211,482,527</u></u>	<u><u>236,937,083</u></u>	<u><u>252,714,842</u></u>	<u><u>269,334,130</u></u>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	56,065,900	57,908,190	59,757,382	70,041,912
Restricted for:				
Debt Service	---	---	---	496,000
Unrestricted	<u>14,102,161</u>	<u>14,725,602</u>	<u>21,081,482</u>	<u>21,021,615</u>
Total Business-Type Activities Net Position	<u><u>70,168,061</u></u>	<u><u>72,633,792</u></u>	<u><u>80,838,864</u></u>	<u><u>91,559,527</u></u>
<b>Primary Government</b>				
Net Investment in Capital Assets	221,672,828	220,974,834	238,288,450	272,285,983
Restricted for:				
Capital Improvements	10,666,980	18,095,819	15,772,571	15,827,272
Debt Service	4,924,215	2,411,720	1,438,126	1,934,831
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	724,772	782,515	838,105	927,910
Unrestricted	<u>43,661,793</u>	<u>67,305,987</u>	<u>77,216,454</u>	<u>69,917,661</u>
Total Primary Government Net Position	<u><u>\$ 281,650,588</u></u>	<u><u>\$ 309,570,875</u></u>	<u><u>\$ 333,553,706</u></u>	<u><u>\$ 360,893,657</u></u>

Notes:

<sup>1</sup> Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is 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.

TABLE I

2008	2009	2010	2011	2012	2013
\$ 201,725,694	\$ 215,118,921	\$ 227,946,599	\$ 240,923,862	\$ 259,727,010	\$ 265,299,824
17,324,318	4,854,761	19,204,876	45,429,483	39,237,581	46,211,716
3,203,515	4,889,636	8,262,859	9,984,352	10,954,271	6,499,138
---	---	---	316,770	391,564	1,082,738
---	---	---	234,952	151,928	96,087
---	---	---	11,223,309	10,180,086	10,111,743
---	---	---	41,801	41,688	41,691
971,321	980,767	1,001,069	1,019,455	1,058,731	1,093,001
46,553,214	41,580,680	29,719,252	(8,425,953)	(12,342,248)	(3,938,067)
<u>269,778,062</u>	<u>267,424,765</u>	<u>286,134,655</u>	<u>300,748,031</u>	<u>309,400,611</u>	<u>326,497,871</u>
81,233,654	89,062,832	97,806,290	111,463,154	106,357,863	109,940,268
486,158	---	---	---	---	---
13,286,975	15,063,269	16,550,721	16,507,829	29,267,015	33,996,961
<u>95,006,787</u>	<u>104,126,101</u>	<u>114,357,011</u>	<u>127,970,983</u>	<u>135,624,878</u>	<u>143,937,229</u>
282,959,348	304,181,753	325,752,889	352,387,016	366,084,873	375,240,092
17,324,318	4,854,761	19,204,876	45,429,483	39,237,581	46,211,716
3,689,673	4,889,636	8,262,859	9,984,352	10,954,271	6,499,138
---	---	---	316,770	391,564	1,082,738
---	---	---	234,952	151,928	96,087
---	---	---	11,223,309	10,180,086	10,111,743
---	---	---	41,801	41,688	41,691
971,321	980,767	1,001,069	1,019,455	1,058,731	1,093,001
59,840,189	56,643,949	46,269,973	8,081,876	16,924,767	30,058,894
<u>\$ 364,784,849</u>	<u>\$ 371,550,866</u>	<u>\$ 400,491,666</u>	<u>\$ 428,719,014</u>	<u>\$ 445,025,489</u>	<u>\$ 470,435,100</u>

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

	FISCAL YEAR			
	2004	2005	2006	2007
<b>Expenses</b>				
Governmental Activities:				
Public Safety	\$ 24,901,874	\$ 27,628,436	\$ 27,117,017	\$ 28,854,253
Public Works	11,000,039	11,028,031	13,640,878	15,506,549
Culture and Recreation	12,183,759	13,550,054	14,727,651	16,080,955
Community and Economic Development	10,680,718	8,402,228	10,965,458	10,787,387
General Government	650,274	5,257,329	5,791,061	10,471,162
Investment in Joint Venture	---	---	---	---
Debt Service <sup>1</sup>	---	5,678,533	5,992,311	5,980,529
Capital Projects <sup>2</sup>	8,668,744	2,874,889	8,948,563	1,203,328
Interest Expense <sup>1</sup>	5,334,401	---	---	---
Unallocated Depreciation Expense	6,718,649	4,289,476	---	---
Total Governmental Activities Expenses	<u>80,138,458</u>	<u>78,708,976</u>	<u>87,182,939</u>	<u>88,884,163</u>
Business-Type Activities:				
Airport	3,547,215	3,541,192	4,825,894	3,614,198
Water	11,693,816	9,451,225	7,465,007	7,594,727
Sewer	10,229,066	10,105,125	11,414,499	11,306,475
Solid Waste	3,642,375	4,876,127	3,980,655	4,108,577
Parking	1,272,388	1,152,837	1,220,276	1,475,538
Skyway System	343,430	300,431	254,683	322,577
Total Business-Type Activities Expenses	<u>30,728,290</u>	<u>29,426,937</u>	<u>29,161,014</u>	<u>28,422,092</u>
Total Primary Government Expenses	<u>110,866,748</u>	<u>108,135,913</u>	<u>116,343,953</u>	<u>117,306,255</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Public Safety	306,263	288,873	280,292	283,845
Public Works	3,006,966	3,153,921	3,384,769	3,670,886
Culture and Recreation	1,123,362	4,502,333	4,547,640	4,855,063
Community and Economic Development	738,406	856,813	871,956	891,801
General Government	4,578,523	6,606,159	3,445,465	2,695,053
Capital Projects	---	24,493	22,597	---
Operating Grants and Contributions	20,833,159	20,615,010	20,355,850	19,595,863
Capital Grants and Contributions	15,935,106	5,545,934	9,081,256	6,656,241
Total Governmental Activities Program Revenues	<u>\$ 46,521,785</u>	<u>\$ 41,593,536</u>	<u>\$ 41,989,825</u>	<u>\$ 38,648,752</u>

Notes:

<sup>1</sup> In 2005, interest expense was reclassified to debt service.

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

TABLE II

2008	2009	2010	2011	2012	2013
\$ 30,260,933	\$ 31,565,111	\$ 32,815,671	\$ 33,066,562	\$ 35,153,307	\$ 35,578,147
19,638,707	17,695,921	18,703,073	18,462,437	18,146,262	18,148,457
17,340,040	18,427,540	18,748,901	18,629,284	19,105,473	19,056,629
25,630,391	10,847,635	14,585,952	13,195,482	14,093,979	11,888,737
13,073,878	12,097,651	11,884,328	10,164,915	10,023,938	9,464,502
---	---	---	---	297,372	297,372
6,490,067	6,309,941	5,908,003	6,008,221	5,784,156	5,643,693
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>112,434,016</u>	<u>96,943,799</u>	<u>102,645,928</u>	<u>99,526,901</u>	<u>102,604,487</u>	<u>100,077,537</u>
3,613,044	3,624,184	3,683,947	4,083,451	4,489,545	4,328,864
8,878,234	9,046,687	9,462,914	10,354,948	11,690,391	12,257,979
12,815,794	12,493,265	13,573,929	14,488,052	13,213,218	13,082,732
4,721,183	4,242,223	4,469,177	4,630,860	4,758,852	5,075,557
1,425,352	1,671,573	1,412,106	1,549,100	1,570,589	1,724,424
303,892	318,624	378,203	312,635	382,081	372,045
<u>31,757,499</u>	<u>31,396,556</u>	<u>32,980,276</u>	<u>35,419,046</u>	<u>36,104,676</u>	<u>36,841,601</u>
<u>144,191,515</u>	<u>128,340,355</u>	<u>135,626,204</u>	<u>134,945,947</u>	<u>138,709,163</u>	<u>136,919,138</u>
351,518	1,034,208	1,051,542	1,224,249	1,080,541	964,489
3,911,984	4,245,184	4,257,041	4,462,029	4,680,854	4,586,684
5,251,614	5,295,764	5,898,699	6,131,602	6,042,193	6,154,581
1,030,980	212,204	208,647	209,815	206,055	194,676
9,436,829	5,356,830	6,377,269	7,387,758	4,168,644	17,421,199
---	---	---	---	---	---
19,163,094	18,059,563	20,164,596	21,909,868	21,777,329	18,601,593
4,714,416	6,050,466	15,344,878	8,711,966	8,856,243	3,260,591
<u>\$ 43,860,435</u>	<u>\$ 40,254,219</u>	<u>\$ 53,302,672</u>	<u>\$ 50,037,287</u>	<u>\$ 46,811,859</u>	<u>\$ 51,183,813</u>

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

	2004	2005	2006	2007
<b>Business-Type Activities:</b>				
Charges for Services:				
Airport	\$ 1,548,766	\$ 1,556,390	\$ 1,591,496	\$ 1,407,558
Water	7,742,305	8,458,775	9,842,528	10,590,423
Sewer	10,807,909	10,881,489	10,735,055	11,848,359
Solid Waste	4,262,988	4,357,118	4,397,189	4,911,254
Parking	1,176,276	1,067,911	1,069,120	1,004,738
Skyway System	343,430	300,431	254,683	322,577
Operating Grants and Contributions	503,502	3,725,102	2,813,675	3,940,017
Capital Grants and Contributions	---	---	---	---
Total Business-Type Activities Program Revenues	<u>26,385,176</u>	<u>30,347,216</u>	<u>30,703,746</u>	<u>34,024,926</u>
Total Primary Government Program Revenues	<u>72,906,961</u>	<u>71,940,752</u>	<u>72,693,571</u>	<u>72,673,678</u>
Net (Expense)/Revenue <sup>1</sup>				
Governmental Activities	(33,616,673)	(37,115,440)	(45,193,114)	(50,235,411)
Business-Type Activities	(4,343,114)	920,279	1,542,732	5,602,834
Total Primary Government Net Expense	<u>(37,959,787)</u>	<u>(36,195,161)</u>	<u>(43,650,382)</u>	<u>(44,632,577)</u>
<b>General Revenues</b>				
Governmental Activities:				
Property Taxes	41,059,605	44,032,023	44,670,160	45,743,901
Franchise Taxes	2,220,948	2,819,425	2,609,122	2,810,233
Hotel-Motel Taxes	781,039	819,901	890,533	873,749
Local Option Sales Taxes	8,854,807	9,039,490	9,116,344	10,876,276
Interest	768,608	1,631,250	3,691,733	3,959,731
Revenue from the Use of Property	3,564,962	---	---	---
Revenue from Sale of Uncapitalized Property	---	185,424	715,093	859,249
Miscellaneous	2,895,044	2,720,836	2,503,184	2,110,285
Net Gain on Sale of Capital Assets	---	460,091	44,155	180,088
Extraordinary Items	---	---	---	---
Transfers	157,595	383,333	(3,269,450)	(558,814)
Total Governmental Activities	<u>60,302,608</u>	<u>62,091,773</u>	<u>60,970,874</u>	<u>66,854,698</u>
Business-Type Activities:				
Interest	295,742	438,552	825,506	1,198,245
Revenue from the Sale of Uncapitalized Property	75,465	---	433,482	---
Miscellaneous	4,046,313	225,128	2,126,499	484,370
Net Gain on Sale of Capital Assets	---	1,265,105	7,403	3,128
Transfers	(157,595)	(383,333)	3,269,450	558,814
Total Business-Type Activities	<u>4,259,925</u>	<u>1,545,452</u>	<u>6,662,340</u>	<u>2,244,557</u>
Total Primary Government	<u>64,562,533</u>	<u>63,637,225</u>	<u>67,633,214</u>	<u>69,099,255</u>
<b>Change in Net Position</b>				
Governmental Activities	26,685,935	24,976,333	15,777,760	16,619,287
Business-Type Activities	(83,189)	2,465,731	8,205,072	7,847,391
Total Primary Government	<u>\$ 26,602,746</u>	<u>\$ 27,442,064</u>	<u>\$ 23,982,832</u>	<u>\$ 24,466,678</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)

2008	2009	2010	2011	2012	2013
\$ 1,707,199	\$ 1,582,967	\$ 1,559,765	\$ 1,568,331	\$ 1,664,593	\$ 1,692,593
10,308,555	10,990,717	11,365,825	11,834,682	14,029,681	14,258,996
14,206,172	16,372,370	17,370,461	17,127,635	19,171,819	17,863,593
4,754,467	4,631,072	4,607,291	4,473,164	4,584,655	4,859,491
1,158,055	1,219,013	1,261,195	1,294,498	1,423,385	1,362,709
303,892	318,624	378,203	312,635	449,611	372,045
1,062,111	2,329,283	131,069	598,268	435,479	255,474
---	---	5,454,015	9,067,435	941,572	2,534,064
<u>33,500,451</u>	<u>37,444,046</u>	<u>42,127,824</u>	<u>46,276,648</u>	<u>42,700,795</u>	<u>43,198,965</u>
<u>77,360,886</u>	<u>77,698,265</u>	<u>95,430,496</u>	<u>96,313,935</u>	<u>89,512,654</u>	<u>94,382,778</u>
(68,573,581)	(56,689,580)	(49,343,256)	(49,489,614)	(55,792,628)	(48,893,724)
1,742,952	6,047,490	9,147,548	10,857,602	6,596,119	6,357,364
<u>(66,830,629)</u>	<u>(50,642,090)</u>	<u>(40,195,708)</u>	<u>(38,632,012)</u>	<u>(49,196,509)</u>	<u>(42,536,360)</u>
47,592,848	50,788,744	50,213,734	48,720,069	47,856,978	48,661,701
2,793,497	2,586,811	2,426,557	2,363,862	2,174,884	2,379,273
951,260	1,061,104	1,098,913	1,245,787	1,263,522	1,375,769
10,521,527	10,992,806	11,132,267	11,138,684	11,147,414	11,820,387
3,296,165	1,457,756	1,070,516	669,439	588,020	453,317
---	---	---	---	---	---
230,112	539,534	644,883	694,982	376,449	709,868
2,355,707	1,751,700	2,002,806	1,541,054	1,467,847	1,789,176
2,035,150	87,064	---	9,165	90,008	324,974
---	(14,034,170)	---	---	---	---
<u>(758,753)</u>	<u>(895,066)</u>	<u>(536,530)</u>	<u>(2,280,052)</u>	<u>(519,914)</u>	<u>(1,523,481)</u>
<u>69,017,513</u>	<u>54,336,283</u>	<u>68,053,146</u>	<u>64,102,990</u>	<u>64,445,208</u>	<u>65,990,984</u>
735,839	497,295	299,164	360,359	387,506	306,810
---	---	---	---	---	---
250,220	1,670,839	247,668	114,930	150,356	124,696
65,356	8,624	---	1,029	---	---
758,753	895,066	536,530	2,280,052	519,914	1,523,481
<u>1,810,168</u>	<u>3,071,824</u>	<u>1,083,362</u>	<u>2,756,370</u>	<u>1,057,776</u>	<u>1,954,987</u>
<u>70,827,681</u>	<u>57,408,107</u>	<u>69,136,508</u>	<u>66,859,360</u>	<u>65,502,984</u>	<u>67,945,971</u>
443,932	(2,353,297)	18,709,890	14,613,376	8,652,580	17,097,260
3,553,120	9,119,314	10,230,910	13,613,972	7,653,895	8,312,351
<u>\$ 3,997,052</u>	<u>\$ 6,766,017</u>	<u>\$ 28,940,800</u>	<u>\$ 28,227,348</u>	<u>\$ 16,306,475</u>	<u>\$ 25,409,611</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</b>	<b>LOCAL OPTION SALES TAXES</b>	<b>BANK FRANCHISE TAXES<sup>1</sup></b>	<b>UTILITY FRANCHISE TAXES<sup>2</sup></b>	<b>CABLE TV FRANCHISE TAX</b>	<b>HOTEL-MOTEL TAXES</b>	<b>TOTAL TAXES</b>
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
2012	47,856,978	11,147,414	---	1,752,345	422,539	1,263,522	62,442,798
2013	\$ 48,661,701	\$ 11,820,387	\$ ---	\$ 1,955,130	\$ 424,143	\$ 1,375,769	\$ 64,237,130
Percentage Change							
In Dollars Over							
10 Years	18.51%	33.09%	-100.00%	11.64%	20.67%	76.15%	21.33%

Notes:

<sup>1</sup> Bank franchise taxes were implemented for ten years and were completed during fiscal year 2005.

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

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

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

	FISCAL YEAR			
	2004	2005	2006	2007
General Fund				
Reserved <sup>1</sup>	\$ 330,372	\$ 465,774	\$ 333,970	\$ 330,765
Non-Spendable	---	---	---	---
Committed	---	---	---	---
Unreserved	4,687,269	5,716,529	6,425,351	7,226,338
Unassigned	---	---	---	---
Total General Fund	<u>5,017,641</u>	<u>6,182,303</u>	<u>6,759,321</u>	<u>7,557,103</u>
All Other Governmental Funds				
Reserved <sup>1</sup>	35,698,820	57,733,852	55,314,255	51,112,529
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	4,721,544	5,368,184	7,542,829	9,534,586
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total All Other Governmental Funds <sup>2</sup>	<u>40,420,364</u>	<u>63,102,036</u>	<u>62,857,084</u>	<u>60,647,115</u>
Total Governmental Funds				
Reserved	36,029,192	58,199,626	55,648,225	51,443,294
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	9,408,813	11,084,713	13,968,180	16,760,924
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Governmental Funds	<u>\$ 45,438,005</u>	<u>\$ 69,284,339</u>	<u>\$ 69,616,405</u>	<u>\$ 68,204,218</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

2008	2009	2010	2011	2012	2013
\$ 368,976	\$ 574,335	\$ ---	\$ ---	\$ ---	\$ ---
---	---	22,000	314,972	13,578	8,800
---	---	446,436	418,019	479,418	343,224
7,696,996	7,578,177	---	---	---	---
---	---	7,737,493	7,559,420	7,868,807	8,357,777
<u>8,065,972</u>	<u>8,152,512</u>	<u>8,205,929</u>	<u>8,292,411</u>	<u>8,361,803</u>	<u>8,709,801</u>
54,238,966	56,777,930	---	---	---	---
---	---	18,282,888	10,880,323	1,653,675	1,516,903
---	---	10,330,941	56,094,282	58,674,582	86,115,972
---	---	18,833,986	956,895	594,137	750,135
8,825,958	6,656,344	---	---	---	---
---	---	23,372,058	2,209,013	2,379,614	3,055,795
---	---	(2,082,783)	(1,324,552)	(1,211,015)	(1,391,285)
<u>63,064,924</u>	<u>63,434,274</u>	<u>68,737,090</u>	<u>68,815,961</u>	<u>62,090,993</u>	<u>90,047,520</u>
54,607,942	57,352,265	---	---	---	---
---	---	18,304,888	11,195,295	1,667,253	1,525,703
---	---	10,330,941	56,094,282	58,674,582	86,115,972
---	---	19,280,422	1,374,914	1,073,555	1,093,359
16,522,954	14,234,521	---	---	---	---
---	---	23,372,058	2,209,013	2,379,614	3,055,795
---	---	5,654,710	6,234,868	6,657,792	6,966,492
<u>\$ 71,130,896</u>	<u>\$ 71,586,786</u>	<u>\$ 76,943,019</u>	<u>\$ 77,108,372</u>	<u>\$ 70,452,796</u>	<u>\$ 98,757,321</u>

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

	FISCAL YEAR			
	2004	2005	2006	2007
<b>Revenues</b>				
Taxes	\$ 52,998,921	\$ 56,614,493	\$ 57,223,300	\$ 60,501,050
Special Assessments	226,404	301,359	297,536	251,812
Regulatory Fees	1,237,582	1,328,107	1,174,657	1,253,658
Intergovernmental Revenue	36,359,020	25,599,234	26,989,896	26,156,355
Revenue from the Use of Property	3,482,104	4,462,980	4,431,425	4,254,653
Charges for Services	6,511,977	7,079,903	7,067,902	7,817,733
Interest	763,379	1,569,427	3,560,311	3,797,191
Contributions	267,001	260,806	2,410,834	247,534
Miscellaneous	2,601,848	2,366,864	2,178,484	1,978,346
<b>Total Revenues</b>	<b>104,448,236</b>	<b>99,583,173</b>	<b>105,334,345</b>	<b>106,258,332</b>
<b>Expenditures<sup>1</sup></b>				
Public Safety	24,921,335	27,162,912	27,135,419	27,927,945
Public Works	10,918,769	10,932,711	11,985,865	13,199,362
Culture and Recreation	12,210,191	13,153,004	13,233,666	13,612,396
Community and Economic Development	10,654,583	9,142,019	11,279,598	10,719,564
General Government	3,071,353	3,395,797	2,891,590	2,821,790
Debt Service				
Principal	11,536,556	13,783,047	16,829,547	17,531,767
Interest and Fiscal Charges	5,479,590	5,787,508	6,009,331	6,004,815
Capital Projects	45,529,590	9,193,970	28,442,887	23,638,330
<b>Total Expenditures</b>	<b>124,321,967</b>	<b>92,550,968</b>	<b>117,807,903</b>	<b>115,455,969</b>
Excess (Deficiency) of Revenues over Expenditures	(19,873,731)	7,032,205	(12,473,558)	(9,197,637)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Issuance of Bonds and Notes	11,867,975	18,945,000	16,562,021	8,688,000
Proceeds from Refunding Bonds Issued	2,548,000	3,468,000	---	---
Payment to Refunded Bond Escrow Agent	(2,528,000)	(3,448,000)	---	---
Premiums on Bonds Issued	42,356	62,229	25,137	94,586
Discounts on Bonds Issued	(10,763)	(69,280)	(29,993)	---
Sale of Uncapitalized Property	---	---	---	---
Sale of Capitalized Property	---	---	---	---
Transfers In	27,915,915	35,383,804	37,227,859	39,003,460
Transfers Out	(28,724,475)	(37,672,513)	(40,979,400)	(40,000,596)
<b>Total Other Financing Sources</b>	<b>11,111,008</b>	<b>16,669,240</b>	<b>12,805,624</b>	<b>7,785,450</b>
<b>Net Change in Fund Balances</b>	<b>\$ (8,762,723)</b>	<b>\$ 23,701,445</b>	<b>\$ 332,066</b>	<b>\$ (1,412,187)</b>
Debt Service as a percentage of non-capital expenditures	18.55%	21.74%	23.44%	25.44%

TABLE V

2008	2009	2010	2011	2012	2013
\$ 61,867,015	\$ 65,343,777	\$ 64,952,946	\$ 63,424,277	\$ 62,436,249	\$ 64,190,855
260,969	180,335	220,916	427,836	206,362	72,625
1,347,989	1,318,657	1,809,309	2,798,758	3,933,570	6,292,635
23,773,756	23,609,689	33,242,384	27,458,471	29,624,144	22,638,176
4,173,576	4,319,645	5,133,199	5,363,839	4,884,517	5,363,291
7,833,868	8,095,902	8,124,607	8,506,318	9,026,606	8,557,046
3,151,839	1,390,580	1,048,889	645,339	561,595	447,227
257,645	220,392	2,006,582	2,970,138	681,232	701,622
1,918,522	1,622,361	1,096,745	1,008,826	957,905	1,435,012
<u>104,585,179</u>	<u>106,101,338</u>	<u>117,635,577</u>	<u>112,603,802</u>	<u>112,312,180</u>	<u>109,698,489</u>
28,364,591	30,633,912	32,033,725	32,704,574	33,480,041	34,066,744
13,791,226	13,857,068	14,409,099	14,426,940	14,549,841	14,254,052
14,711,438	15,830,037	15,591,587	16,021,673	16,057,731	15,735,629
10,836,744	9,150,589	10,325,583	10,323,564	9,641,691	8,576,328
3,234,848	2,756,647	3,574,549	3,558,628	3,477,530	3,245,037
15,880,284	16,477,867	14,997,906	15,845,275	16,427,630	17,775,542
6,507,761	6,971,753	6,047,885	6,142,542	6,020,730	5,868,579
34,288,621	25,298,862	34,037,802	31,445,093	31,835,793	14,708,996
<u>127,615,513</u>	<u>120,976,735</u>	<u>131,018,136</u>	<u>130,468,289</u>	<u>131,490,987</u>	<u>114,230,907</u>
(23,030,334)	(14,875,397)	(13,382,559)	(17,864,487)	(19,178,807)	(4,532,418)
24,579,000	16,239,718	18,837,640	20,745,486	13,050,826	34,020,304
11,710,323	6,768,104	4,580,000	---	---	---
(11,840,323)	(6,703,104)	(4,725,000)	---	---	---
414,731	370,275	672,987	544,257	173,017	824,052
---	(35,229)	(12,480)	---	(27,517)	(133,290)
---	263,314	39,508	77,145	12,401	113,161
2,280,333	6,062	62,667	---	---	---
45,028,357	38,607,508	30,327,098	35,811,281	32,079,660	27,831,966
(46,215,409)	(40,185,361)	(31,043,628)	(39,148,329)	(32,765,156)	(29,819,250)
<u>25,957,012</u>	<u>15,331,287</u>	<u>18,738,792</u>	<u>18,029,840</u>	<u>12,523,231</u>	<u>32,836,943</u>
<u>\$ 2,926,678</u>	<u>\$ 455,890</u>	<u>\$ 5,356,233</u>	<u>\$ 165,353</u>	<u>\$ (6,655,576)</u>	<u>\$ 28,304,525</u>
20.60%	23.71%	20.36%	21.40%	21.33%	22.64%

**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
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
2012	3,614,201,445	2,080,082,950	122,683,826	122,683,826
2013	\$ 3,729,822,637	\$ 2,195,646,202	\$ 122,445,664	\$ 122,445,664

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**

<b>TOTAL</b>		<b>TOTAL DIRECT TAX RATE</b>	<b>TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE</b>
<b>ASSESSED VALUE</b>	<b>TAXABLE VALUE</b>		
\$ 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%
3,736,885,271	2,202,766,776	16.657	59%
\$ 3,852,268,301	\$ 2,318,091,866	\$ 15.989	60%

**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
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
2012	8.411	4.462	3.784	16.657	17.116	7.738
2013	\$ 8.395	\$ 4.034	\$ 3.560	\$ 15.989	\$ 17.190	\$ 7.450

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		
\$ 0.541	\$ 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		
0.779	0.429	0.125	0.003	26.189	42.846		
\$ 0.778	\$ 0.392	\$ 0.127	\$ 0.003	\$ 25.940	\$ 41.929		

**CITY OF SIOUX CITY, IOWA  
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS  
JUNE 30, 2013**

**TABLE VIII**

TAXPAYER	2013			2004		
	ASSESSED <sup>2</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED <sup>3</sup> VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 59,270,900	1	1.539%	\$ 67,893,300	2	2.183%
LAKEPORT COMMONS	35,515,600	2	0.922%	---	---	0.000%
WAL-MART	26,921,700	3	0.699%	14,532,200	9	0.467%
KLINGER	23,169,100	4	0.601%	28,132,200	3	0.904%
CARGILL INC	17,940,700	5	0.466%	---	---	0.000%
DAVIES IOWA LOGISTICS	14,733,400	6	0.382%	---	---	0.000%
LOWE'S	11,670,600	7	0.303%	---	---	0.000%
SCI SIOUX CITY	11,311,100	8	0.294%	---	---	0.000%
MENARD	11,131,900	9	0.289%	---	---	0.000%
CLOVERLEAF COLD STORAGE	11,001,000	10	0.286%	23,789,300	5	0.765%
MIDAMERICAN ENERGY <sup>1</sup>	---	---	0.000%	131,713,549	1	4.235%
DAVENPORT ET AL	---	---	0.000%	27,355,200	4	0.879%
LARRY BOOK	---	---	0.000%	22,809,300	6	0.733%
ST. LUKE'S MEDICAL	---	---	0.000%	22,232,400	7	0.715%
QWEST	---	---	0.000%	15,793,139	8	0.508%
HANDY LC	---	---	0.000%	13,682,400	10	0.440%
TOTAL PRINCIPAL TAXPAYERS	\$ 222,666,000		5.603%	\$ 367,932,988		11.829%
ALL OTHER TAXPAYERS	<u>3,629,602,301</u>		<u>94.397%</u>	<u>2,742,521,883</u>		<u>88.171%</u>
TOTAL ASSESSED VALUATION	<u>\$ 3,852,268,301</u>		<u>100.000%</u>	<u>\$ 3,110,454,871</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, 2011.

<sup>3</sup> Assessed values as of January 1, 2002.

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

**TABLE IX**

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY<sup>2</sup></b>	<b>CURRENT TAX COLLECTIONS</b>	<b>PERCENT OF LEVY COLLECTED</b>	<b>COLLECTIONS IN SUBSEQUENT YEARS<sup>3</sup></b>	<b>TOTAL TAX COLLECTIONS</b>	<b>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</b>	<b>OUT-STANDING DELINQUENT TAXES</b>	<b>PERCENT OF DELINQUENT TAXES TO TAX LEVY</b>
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%
2012	37,723,796	37,664,946	99.84%	N/A	37,664,946	99.84%	58,850	0.16%
2013	\$ 38,097,867	\$ 37,867,226	99.39%	N/A	\$ 37,867,226	99.39%	\$ 230,641	0.61%

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**

<b>FISCAL YEAR</b>	<b>CURRENT ASSESSMENTS DUE</b>	<b>CURRENT ASSESSMENTS COLLECTED</b>	<b>PERCENT OF COLLECTIONS TO AMOUNT DUE</b>	<b>TOTAL OUTSTANDING CURRENT &amp; DELINQUENT ASSESSMENTS<sup>1</sup></b>
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
2012	154,313	177,898	115%	2,017,251
2013	\$ 300,713	\$ 259,006	86%	\$ 1,743,520

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

<sup>1</sup> GAAP basis.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**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
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	---
2012	1,196	100,336,458	---	140,703,316	8,153,542	---
2013	\$ ---	\$ 116,582,416	\$ ---	\$ 144,342,660	\$ 8,292,584	\$ ---

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 XVI for personal income and population data.

TABLE XI

	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>PERCENTAGE OF PERSONAL INCOME<sup>1</sup></b>	<b>PER CAPITA<sup>1</sup></b>
\$	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
	249,194,512	14.20%	3,004
\$	269,217,660	15.09%	3,255

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

**TABLE XII**

<b>FISCAL YEAR</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND</b>	<b>TOTAL</b>	<b>PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE<sup>1</sup> OF PROPERTY</b>	<b>PER CAPITA<sup>2</sup></b>
2004	\$ 97,135,000	\$ 4,924,215	\$ 92,210,785	4.93%	\$ 1,085
2005	102,435,000	2,411,720	100,023,280	5.36%	1,177
2006	103,890,000	1,438,126	102,451,874	5.36%	1,205
2007	94,100,000	1,438,831	92,661,169	4.74%	1,090
2008	101,785,000	3,203,515	98,581,485	4.99%	1,160
2009	99,945,000	3,916,810	96,028,190	4.79%	1,130
2010	105,220,000	7,127,123	98,092,877	4.77%	1,181
2011	111,650,000	7,939,178	103,710,822	4.85%	1,254
2012	108,490,000	8,914,435	99,575,565	4.52%	1,200
2013	\$ 124,875,000	\$ 6,495,042	\$ 118,379,958	5.11%	\$ 1,431

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 XVI.

**CITY OF SIOUX CITY, IOWA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT<sup>6</sup>  
JUNE 30, 2013**

**TABLE XIII**

<b>NAME OF GOVERNMENTAL UNIT</b>	<b>DEBT OUTSTANDING</b>	<b>PERCENTAGE APPLICABLE<sup>7</sup> TO THIS GOVERNMENTAL UNIT</b>	<b>AMOUNT APPLICABLE TO CITY OF SIOUX CITY</b>
Direct:			
City of Sioux City	\$ 116,582,416	100.00%	\$ 116,582,416
Overlapping:			
Woodbury County <sup>1</sup>	2,584,000	67.30%	1,739,032
Sioux City Community School District <sup>2</sup>	345,000	98.77%	340,757
Western Iowa Tech Community College <sup>3</sup>	29,580,000	37.70%	11,151,660
Lawton-Bronson School District <sup>4</sup>	5,980,000	5.45%	325,910
Sergeant Bluff-Luton Comm School District <sup>5</sup>	<u>2,905,000</u>	24.81%	<u>720,731</u>
Total Overlapping	41,394,000		14,278,090
 TOTAL	 <u>\$ 157,976,416</u>		 <u>\$ 130,860,506</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**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 155,522,744	\$ 158,195,931	\$ 161,205,717	\$ 170,183,839
Total net debt applicable to limit	<u>92,855,494</u>	<u>100,196,613</u>	<u>102,542,645</u>	<u>92,686,169</u>
Legal Debt Margin	<u>\$ 62,667,250</u>	<u>\$ 57,999,318</u>	<u>\$ 58,663,072</u>	<u>\$ 77,497,670</u>
Total net debt applicable to limit as a percentage of debt limit	59.71%	63.34%	63.61%	54.46%

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**

2008	2009	2010	2011	2012	2013
\$ 172,515,895	\$ 179,442,994	\$ 182,006,722	\$ 185,287,457	\$ 186,844,264	\$ 192,613,415
98,601,902	96,043,190	98,103,294	103,719,175	99,576,761	118,379,958
<u>\$ 73,913,993</u>	<u>\$ 83,399,804</u>	<u>\$ 83,903,428</u>	<u>\$ 81,568,282</u>	<u>\$ 87,267,503</u>	<u>\$ 74,233,457</u>
57.16%	53.52%	53.90%	55.98%	53.29%	61.46%

**CITY OF SIOUX CITY, IOWA  
LEGAL DEBT MARGIN CALCULATION  
JUNE 30, 2013**

**TABLE XV**

**ASSESSED VALUE**

Real and Personal Property Within the City		\$ 3,852,268,301
TOTAL ESTIMATED VALUATION		<u>3,852,268,301</u>
DEBT LIMIT - 5% OF ESTIMATED VALUATION		<u>192,613,415</u>

**AMOUNT OF DEBT APPLICABLE TO LIMIT**

Total Bonded Debt and Long-Term Notes Payable		269,217,660
Less:		
Notes Payable		
Sewer Revolving Notes Payable	77,548,743	
Water Revolving Notes Payable	<u>66,793,917</u>	
		144,342,660
Amount Available for Repayment of General Obligation Debt		<u>6,495,042</u>

DEBT APPLICABLE TO DEBT LIMIT		118,379,958
LEGAL DEBT MARGIN		<u>\$ 74,233,457</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.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

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

<b>CALENDAR YEAR</b>	<b>POPULATION<sup>1</sup></b>	<b>TOTAL PERSONAL INCOME<sup>2</sup></b>	<b>PER CAPITA PERSONAL INCOME<sup>1</sup></b>
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
2012	82,967	1,754,503,149	21,147
2013	82,719	\$ 1,784,496,987	\$ 21,573

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	16,465	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%
20%	33.7	15,536	5.20%
20%	33.7	15,692	4.80%

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

**TABLE XVII**

<b>EMPLOYER</b>	<b>2013</b>		<b>PERCENTAGE OF TOTAL CITY EMPLOYMENT</b>
	<b># OF EMPLOYEES</b>	<b>RANK</b>	
Tyson Fresh Meats	4,663	1	11.16%
Mercy Medical Center	1,909	2	4.57%
Sioux City Community School District	1,847	3	4.42%
Unity Point	1,434	4	3.43%
185th Iowa Air National Guard	950	5	2.27%
Hy-Vee	878	6	2.10%
Curly's Foods	720	7	1.72%
Western Iowa Tech Community College	700	8	1.67%
City of Sioux City	673	9	1.61%
Tur Pak Foods Inc.	647	10	1.55%
<b>Total Principal Employers</b>	<b>14,421</b>		<b>34.50%</b>
<b>Other Employers</b>	<b>27,379</b>		<b>65.50%</b>
<b>Total Employers</b>	<b>41,800</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.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

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

Function	Fiscal Year			
	2004	2005	2006	2007
Public Safety				
Fire	115.63	115.63	117.00	117.00
Police	158.65	159.65	153.65	152.65
Public Works				
Engineering	24.40	24.40	20.00	20.00
Field Services	128.49	126.91	137.81	139.81
Transit <sup>2</sup>	30.52	53.02	52.02	51.02
Culture and Recreation				
Art Center	9.99	9.99	9.99	9.99
Convention Center/Auditorium/Tourism	60.46	58.71	58.71	58.59
Library	36.27	36.27	36.27	36.27
Museum	9.28	9.61	9.61	9.52
Community and Economic Development <sup>5</sup>				
Community Development	43.02	42.52	42.38	41.38
Economic Development	8.00	8.00	8.00	8.00
General Government				
Administrative Services <sup>1</sup>	41.05	40.05	39.55	49.00
City Council	5.00	5.00	5.00	5.00
City Manager	8.18	7.88	3.88	3.75
Finance <sup>1</sup>	36.08	11.58	11.58	-
Human Resources <sup>4</sup>	-	-	4.00	4.63
Human Rights	2.00	2.00	2.00	2.60
Legal	7.00	6.00	7.00	7.00
Employees under 28E Agreement				
Communications Center	24.40	24.40	24.40	24.40
Information Center	15.00	14.00	14.00	14.00
Airport	20.00	18.33	17.83	16.95
Water	36.00	36.00	34.00	30.80
Sewer <sup>6</sup>	15.00	15.00	15.00	13.00
Solid Waste <sup>3</sup>	29.75	29.75	2.00	1.50
	<u>864.17</u>	<u>854.70</u>	<u>825.68</u>	<u>816.86</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> The Central Maintenance Garage was moved from the General Government (Finance) function to the Public Works (Transit) function in 2005.

<sup>3</sup> In 2006, the Solid Waste function was contracted out.

<sup>4</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>5</sup> The Real Estate Division of Economic Development was moved to Community Development in 2008.

<sup>6</sup> The Utilities Department added 25 waste water treatment plant employees in 2012 as a result of terminating the operations contract with American Water Services.

TABLE XVIII

2008	2009	2010	2011	2012	2013
116.00	116.00	116.00	116.00	115.00	115.00
153.65	151.65	151.65	151.65	149.65	149.65
20.00	20.00	19.00	19.00	18.00	18.00
137.11	138.95	139.28	138.90	136.48	135.48
53.02	53.02	56.02	56.02	56.02	55.15
9.49	10.49	10.36	9.89	8.72	8.50
58.59	54.82	54.82	54.82	54.14	53.82
36.47	36.47	35.47	34.47	32.47	31.48
9.72	9.37	9.25	10.25	10.25	10.05
45.88	45.88	44.88	42.88	40.88	40.38
4.75	4.75	5.00	5.00	5.00	5.00
49.55	49.00	48.75	49.05	48.90	49.10
5.00	5.00	5.00	5.00	5.00	5.00
3.75	3.75	3.75	3.75	2.75	2.00
-	-	-	-	-	-
4.63	4.63	4.63	4.63	4.53	4.53
2.80	2.80	2.80	2.80	2.60	2.60
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	13.00	13.00	13.00
16.95	17.53	16.03	15.03	15.03	15.03
33.50	32.50	32.50	31.50	34.50	34.50
13.00	13.00	13.00	13.00	37.00	38.00
-	-	-	-	-	-
<u>819.26</u>	<u>815.01</u>	<u>813.59</u>	<u>808.04</u>	<u>821.32</u>	<u>817.67</u>

**CITY OF SIOUX CITY, IOWA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Fiscal Year Function	Fiscal Year			
	2004	2005	2006	2007
<b>Police</b>				
Average physical arrests per day - adult	17.8	16.5	14.9	15.7
Average physical arrests per day - juvenile	4.8	4.4	4.5	5.0
Traffic citations issued	16,110	17,634	13,117	13,190
<b>Fire</b>				
Number of suppression calls	1,487	1,427	1,704	1,550
Number of emergency medical calls	4,206	4,158	3,931	4,399
% of responses where EMS on scene in 4 min	61%	61%	50%	62%
Number of hazardous materials incidents in city	1	11	6	3
<b>Public Works</b>				
Streets cleaned per year (miles)	20,015	21,505	19,620	15,281
Asphalt placed (tons)	1,137	1,167	889	991
Potholes repaired	18,932	24,537	19,833	22,447
Dirt miles bladed and shaped	5,824	5,209	5,607	4,837
Total Transit System miles	688,761	674,405	681,902	666,987
Total Transit System passengers <sup>2</sup>	1,007,149	1,042,757	860,519	970,808
Total Transit System passengers per mile	1.46	1.55	1.26	1.46
<b>Culture and Recreation</b>				
Swimming pool attendance <sup>1</sup>	60,000	84,324	85,396	77,684
Museum visitation	63,625	64,674	50,893	50,741
<b>Community and Economic Development</b>				
Total residential/commercial permits issued	1,319	2,794	3,201	3,115
Property value for commercial permits issued	\$92,254,675	\$122,652,094	\$108,305,627	\$126,792,169
Property value for residential permits issued	\$19,917,765	\$20,572,504	\$24,491,184	\$26,641,760
Number of inspections made	19,364	22,594	25,026	23,324
<b>Water</b>				
Water production (millions of gallons) <sup>4</sup>	4,784	5,457	5,081	4,844
Water main breaks per miles of pipe	0.25	0.31	0.21	0.29
Total main breaks	103	124	86	122
Length of service disruption per break (hours)	5.96	10.18	6.13	9.53
<b>Sewer</b>				
Sewer backups	57	97	93	95
Total hours per sewer backup	6.45	6.69	5.27	6.13
<b>Solid Waste</b>				
Refuse collected (tons/day) <sup>3</sup>	129.24	127.08	121.85	n/a
Recyclables collected (tons/day) <sup>3</sup>	6.53	8.42	8.78	n/a

Source: Various City of Sioux City departments.

Notes:

<sup>1</sup> Swimming pool attendance was low in fiscal years 2004, 2010 and 2011 due to unseasonably cool weather.

<sup>2</sup> Total Transit passengers decreased in 2006 since the number is the actual number of passengers and no longer based on a formula.

<sup>3</sup> Solid Waste refuse and recyclables collected is no longer available as the work is contracted out to a third party.

<sup>4</sup> Water production increased in fiscal year 2013 with the addition of the Southbridge Water Plant.

TABLE XIX

2008	2009	2010	2011	2012	2013
14.6	15.2	14.3	14.1	12.8	13.9
4.0	4.5	3.8	4.2	3.9	3.2
9,705	14,892	12,376	10,885	10,323	10,408
1,576	1,679	1,564	1,624	1,584	1,690
4,524	4,758	4,909	5,203	5,215	5,316
86%	87%	83%	80%	84%	82%
9	3	7	7	10	9
13,301	11,846	14,068	13,982	13,156	13,365
1,854	1,849	2,401	2,651	2,266	1,821
28,404	27,533	38,181	41,841	31,782	36,936
8,039	17,568	17,713	12,215	10,982	8,319
677,453	743,317	781,697	875,120	852,875	790,196
1,224,567	1,203,818	1,202,255	1,250,294	1,204,897	1,111,830
1.81	1.62	1.54	1.43	1.41	1.41
70,248	64,460	52,132	49,336	65,256	64,991
47,412	50,008	46,828	33,903	77,281	69,497
3,055	2,895	2,943	2,858	3,038	2,837
\$151,235,117	\$146,361,953	\$101,417,640	\$82,687,755	\$98,358,399	\$97,358,414
\$27,305,791	\$24,551,180	\$24,682,987	\$18,399,761	\$23,192,263	\$28,586,954
25,012	26,153	23,250	23,568	25,468	32,348
5,024	4,775	4,654	4,365	4,044	4,763
0.25	0.21	0.24	0.25	0.28	0.39
113	102	115	119	132	184
6.33	6.93	5.67	7.96	8.61	4.35
90	78	77	44	49	51
8.20	9.10	5.03	7.23	14.40	4.28
n/a	n/a	n/a	n/a	n/a	n/a
n/a	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			
	2004	2005	2006	2007
Police				
Stations	1	1	1	1
Patrol Cars	n/a	49	52	46
Training Centers	1	1	1	1
Fire				
Stations	7	7	7	7
Engines	n/a	15	14	14
Public Works				
Transit Buses	n/a	44	42	38
Streets (miles)	510	510	510	510
Streetlights (City Owned)	1,339	1,384	1,379	1,457
Sidewalks (miles)	497	497	497	497
Culture and Recreation				
Parks Acres	1,425	1,425	1,403	1,600
Parks	57	57	57	57
Swimming Pools	5	5	5	5
Tennis Courts	22	22	22	22
Softball Diamonds	13	13	13	13
Baseball Diamonds	34	34	34	34
Soccer Fields	10	10	10	10
Golf Courses (18 hole)	2	2	2	2
Play Fields	29	29	29	29
Cemetery				
Cemeteries (acres)	225	225	225	225
Cemeteries Maintained (acres)	180	180	185	185
Water				
Fire Hydrants (City maintained)	n/a	3,476	3,543	3,535
Water Mains (miles)	n/a	405	415	450
Sewer				
Sanitary Sewer (miles)	320	320	320	360
Storm Sewer (miles) <sup>2</sup>	200	200	200	200
Solid Waste				
Solid Waste Collection Trucks	11	11	11	14
Recycling Trucks	5	5	5	5

Notes:

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

**TABLE XX**

2008	2009	2010	2011	2012	2013
1	1	1	1	1	1
51	57	53	52	59	60
1	1	1	1	1	1
7	7	7	7	7	7
14	14	15	15	14	13
41	42	43	43	40	37
489	489	489	489	489	491
1,461	1,476	1,499	1,499	1,517	1,560
497	600	600	600	600	600
1,700	1,700	1,700	1,700	1,700	1,711
58	58	58	58	57	58
5	5	5	5	5	5
22	22	22	20	20	20
13	13	13	12	12	12
34	34	34	34	34	34
10	10	10	10	10	12
2	2	2	2	2	2
29	29	29	29	29	30
225	225	225	225	225	225
185	185	185	185	185	185
3,524	3,524	3,665	3,661	3,941	4,004
450	483	475	462	466	466
360	372	360	362	363	363
200	200	228	246	256	259
12	12	12	14	14	13
0	0	0	0	0	0

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

CITY OF SIOUX CITY, IOWA  
ADDITIONAL INFORMATION



**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

**CITY OF SIOUX CITY HOUSING AUTHORITY  
BALANCE SHEET  
JUNE 30, 2013**

**EXHIBIT E-1**

Performance Center Project	242	241/243 244/245	GRAND TOTAL
Project No.	IA018V0	-	(MEMORANDUM
Contract No.	<u>KC9030V</u>	-	<u>ONLY)</u>
<u>ASSETS</u>			
Cash	\$ 402,190	\$ 747,339	\$ 1,149,529
Accounts Receivable (net of allowance for doubtful account)	52,476	---	52,476
Total Assets	<u>454,666</u>	<u>747,339</u>	<u>1,202,005</u>
<u>LIABILITIES &amp; DEFERRED CREDITS</u>			
Accounts Payable	4,052	---	4,052
Security Deposits	50,573	---	50,573
Deferred Revenue	51,433	---	51,433
Accrued Liabilities-Current	24,755	---	24,755
Total Liabilities	130,813	---	130,813
<u>EQUITY:</u>			
Restricted Net Assets	323,853	---	323,853
Unrestricted Net Assets	---	747,339	747,339
Total Equity/Net Assets	<u>323,853</u>	<u>747,339</u>	<u>1,071,192</u>
Total Liabilities and Equity/Net Assets	<u>\$ 454,666</u>	<u>\$ 747,339</u>	<u>\$ 1,202,005</u>

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY  
ANALYSIS OF GENERAL FUND CASH  
JUNE 30, 2013**

**EXHIBIT E-2**

Performance Center Project	242	241/243 244/245	GRAND TOTALS (MEMORANDUM ONLY)
Project No.	IA018V0	-	
Contract No.	<u>KC9030V</u>	-	

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	\$ 323,853	\$ 747,339	\$ 1,071,192
Total	323,853	747,339	1,071,192

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	4,052	---	4,052
Accrued Wages	24,755	---	24,755
Deferred Revenue	51,433	---	51,433
Security Deposits	50,573	---	50,573

Income Not Received:

Accounts Receivable (net of allowance for doubtful account)	(52,476)	---	(52,476)
---	----------	-----	----------

General Fund Cash Available	\$ 402,190	\$ 747,339	\$ 1,149,529
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**CITY OF SIOUX CITY, IOWA  
 SCHEDULE OF SALARY, ALLOWANCES,  
 AND REIMBURSED EXPENSES  
 FOR TEN HIGHEST PAID EMPLOYEES  
 FOR THE YEAR ENDED JUNE 30, 2013**

**EXHIBIT E-3**

NAME	SALARY	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Paul A. Eckert, City Manager	\$162,782	\$ 14,150	Auto/cell phone allowance, travel reimbursement
Robert K. Padmore, Assistant City Manager	\$128,592	\$ 835	Cell phone allowance
Jade Dundas, Public Works Director	\$116,317	\$ 3,538	Travel/cell phone reimbursement
John J. Malloy, Information Services Director	\$115,099	\$ 1,353	Travel reimbursement, cell phone allowance
Aran W. Rush, Events Facilities Director	\$114,808	\$ 6,664	Cell phone allowance, travel reimbursement
Douglas A. Young, Police Chief	\$112,243	\$ 2,727	Travel/clothing reimbursement
Thomas M. Everett, Fire Chief	\$110,903	\$ 1,322	Travel reimbursement
James Clark, Jr, Assistant Fire Chief	\$108,075	\$ 6,245	Clothing/cell phone allowance, travel reimbursement
Nicole Jensen-Harris, City Attorney	\$103,444	\$ 5,348	Auto/cell phone allowance, travel reimbursement
Christopher R. Payer, City Engineer	\$102,939	\$ 847	Travel reimbursement

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

		<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:	2014	3.62%	<u>630,000</u>	\$ 630,000
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,085,000				
City Project # 911-143				
Matures:	2014	3.50%	<u>600,000</u>	\$ 600,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$5,140,000				
City Project # 911-144				
Matures:	2014	4.00%	510,000	
	2015	4.00%	<u>510,000</u>	\$1,020,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$14,755,000				
City Project # 911-146				
Matures:	2014	3.55%	1,475,000	
	2015	3.63%	<u>1,475,000</u>	\$2,950,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$4,330,000				
City Project #911-147				
Matures:	2014	4.13%	430,000	
	2015	4.13%	430,000	
	2016	4.13%	<u>430,000</u>	\$1,290,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$12,990,000			
City Project # 911-149			
Matures:	2014	4.00%	1,300,000
	2015	4.00%	1,295,000
	2016	4.00%	<u>1,295,000</u>
			\$3,890,000
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$1,830,000			
City Project # 911-150			
Matures:	2014	4.13%	180,000
	2015	4.13%	180,000
	2016	4.13%	<u>180,000</u>
			\$ 540,000
Type: Corporate Purpose			
Issued: 12/1/06			
Amount Issued: \$8,755,000			
City Project # 911-151			
Matures:	2014	4.00%	875,000
	2015	4.00%	875,000
	2016	4.00%	875,000
	2017	4.00%	<u>875,000</u>
			\$3,500,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$9,385,000			
City Project # 911-152			
Matures:	2014	4.00%	940,000
	2015	4.00%	940,000
	2016	4.00%	935,000
	2017	4.00%	935,000
	2018	4.00%	<u>935,000</u>
			\$4,685,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

<u>GENERAL OBLIGATION BONDS</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$4,525,000			
City Project # 911-153			
Matures:	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
			\$2,250,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$10,990,000			
City Project # 911-154			
Matures:	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
			\$5,490,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued \$9,435,000			
City Project # 911-158			
Matures:	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
			\$6,850,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

	<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:	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
			\$4,000,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$7,330,000			
City Project # 911-161			
Matures:	2014	2.50%	1,395,000
			\$1,395,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$13,750,000			
City Project # 911-162			
Matures:	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
			\$10,305,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$5,625,000			
City Project # 911-163			
Matures:	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%	<u>465,000</u>
			\$4,215,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:	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%	<u>205,000</u>
			\$1,450,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$4,580,000			
City Project # 911-165			
Matures:	2014	3.00%	900,000
	2015	3.00%	<u>890,000</u>
			\$1,790,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 5/1/11			
Amount Issued: \$23,425,000			
City Project # 911-166			
Matures:	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
			\$19,485,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$9,635,000			
City Project # 911-167			
Matures:	2014	2.00%	965,000
	2015	2.00%	965,000
	2016	2.00%	965,000
	2017	2.00%	965,000
	2018	2.00%	965,000
	2019	2.00%	965,000
	2020	2.25%	960,000
	2021	2.25%	960,000
	2022	2.35%	960,000
			\$8,670,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$4,840,000			
City Project # 911-169			
Matures:	2014	0.80%	485,000
	2015	0.85%	485,000
	2016	1.00%	485,000
	2017	1.20%	485,000
	2018	1.45%	485,000
	2019	1.70%	485,000
	2020	1.90%	485,000
	2021	2.15%	480,000
	2022	2.40%	480,000
			\$4,355,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$8,820,000			
City Project # 911-168			
Matures:			
2014	3.00%	880,000	
2015	3.00%	880,000	
2016	1.50%	885,000	
2017	1.75%	885,000	
2018	3.00%	885,000	
2019	4.00%	885,000	
2020	4.00%	880,000	
2021	4.00%	880,000	
2022	5.00%	880,000	
2023	5.00%	880,000	
			\$8,820,000
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$4,480,000			
City Project # 911-170			
Matures:			
2014	3.00%	450,000	
2015	3.00%	450,000	
2016	1.50%	450,000	
2017	1.75%	450,000	
2018	3.00%	450,000	
2019	4.00%	450,000	
2020	4.00%	445,000	
2021	4.00%	445,000	
2022	5.00%	445,000	
2023	5.00%	445,000	
			\$4,480,000

**CITY OF SIOUX CITY  
SCHEDULE OF INDIVIDUAL BOND MATURITIES  
JUNE 30, 2013**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$22,215,000			
City Project # 911-171			
Matures:	2015	0.75%	1,165,000
	2016	2.00%	1,170,000
	2017	2.00%	1,170,000
	2018	2.00%	1,170,000
	2019	1.90%	1,170,000
	2020	2.20%	1,170,000
	2021	2.50%	1,165,000
	2022	2.75%	1,170,000
	2023	3.00%	1,170,000
	2024	3.20%	1,170,000
	2025	3.40%	1,170,000
	2026	3.60%	1,170,000
	2027	3.70%	1,170,000
	2028	3.80%	1,170,000
	2029	3.90%	1,170,000
	2030	4.00%	1,170,000
	2031	4.10%	1,170,000
	2032	4.20%	1,170,000
	2033	4.25%	1,165,000
		1,165,000	\$22,215,000
Total General Obligation Bonds			\$124,875,000

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, 2013**

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	05-69-05106	\$ 38,250	\$ 38,250	\$ 12,250
Economic Adjustment Assistance	11.307	05-79-05141	2,000,000	463,396	1,506,936
<b>DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>					
Community Development Block Grant Entitlement	14.218	B-10-MC-19-0006	2,077,613	751,141	752,094
	14.218	B-11-MC-19-0006	1,739,510	1,095,438	1,112,234
Hearth Emergency Solution Grant	14.231	E-11-MC-19-0002	131,520	16,028	15,927
	14.231	E-12-MC-19-0002	150,637	54,728	57,856
Home Investment Partnerships Program	14.239	M-10-DC-19-0207	551,295	291,353	203,022
Community Development Block Grant-Recovery	14.253	ARRA B09-MY-19-0002	509,481	8,796	7,304
2009 Recovery Act Homeless Prevention	14.257	ARRA S09-MY-19-0002	779,497	24,770	10,845
Fair Housing Assistance Program	14.401	FF207K097018	38,428	-	1,418
	14.401	FF207K107018	47,160	-	17,603
Section 8 Voucher Program	14.871	IA018VO0149	4,399,058	4,399,058	4,754,661
Section 8 Voucher Program-FSS	14.871	2012-FSS8-IA018-5648	138,500	138,500	192,073
Lead-Based Paint Hazard Control	14.900	IALHB0542-12	2,480,000	46,852	56,131
<b>Passed through Iowa Department of Economic Development</b>					
Community Development Block Grant/State Program and Non-Entitlement Grants	14.228	08-NSP-021	1,158,426	177,469	267,233
	14.228	11-NSP-021	1,000,000	335,782	454,340
<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-16498C	239,215	22,121	-
	16.803	10JAG/ARRA-42330	193,765	147,088	193,765
<b>Passed through Woodbury County</b>					
Byrne-Justice Assistance Grant (JAG) Program	16.738	ARRA2009-SB-B9-3028	184,820	-	8,430
	16.738	2010-DJ-BX-1115	36,656	-	2,283
	16.738	2011-DJ-BX-3015	28,546	28,546	277
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Bulletproof Vest Partnership Program	16.607	2012BUBX06133806	7,575	7,575	-
	16.607	2013BUBX06133806	9,608	-	9,608
Project Safe Neighborhoods	16.609	11-PSN-ND05	\$ 13,811	\$ 6,750	\$ 5,885

**CITY OF SIOUX CITY, IOWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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	AIP319008544-2011	\$ 376,642	\$ 338,978	\$ 262,762
	20.106	AIP319008546-2012	1,150,531	908,708	1,051,826
<b>Passed through Iowa Department of Transportation</b>					
Highway Planning and Construction	20.205	BHM7057(674)8K97	752,000	86,708	86,336
	20.205	BRM7057(650)8N97	1,000,000	365,600	-
	20.205	BROS7057(632)8J97	1,000,000	499,096	-
	20.205	BROS7057(645)8J97	1,000,000	17,380	8,967
	20.205	HDP7057(649)7I97	2,536,437	200,140	77,177
	20.205	HDP7057(658)7I97	3,658,114	214,440	33,194
	20.205	STPE7057(655)8V97	209,990	-	6,526
	20.205	STPESE7057(665)8I97	477,142	-	59,360
	20.205	STPU7057(644)7O97	5,252,692	866,659	490,255
	20.205	ARRA-ESL7057(662)7S97	792,853	39,643	-
	20.205	ARRA-ESL7057(663)7S97	495,533	24,777	-
Surface Transportation Program	20.205	STPU7057(668)7O97	622,262	160,789	41,262
	20.205	STPU7057(669)7O97	390,210	7,510	11,788
Transit JPA Capital Investment Assistance Prog	20.500	IA-04-0117-705-11	325,688	325,688	325,688
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X002-705-13	68,409	68,409	68,409
Transit JPA Job Access/Reverse Commute	20.516	IA-37-X022-705-12 13545	41,319	1,629	809
	20.516	IA-37-X022-705-12 14490	37,295	1,638	2,460
Transit JPA New Freedom Operating Assistance	20.521	IA-57-X001-705-12	2,500	600	600
	20.521	IA-57-X009-705-12	2,500	572	905
<b>FEDERAL TRANSIT ADMINISTRATION</b>					
Transit Operating Assistance	20.507	IA90X387	1,456,719	1,456,725	-
	20.507	IA90X3??	1,425,502	-	1,386,102
Transit JPA InterCity Bus Assistance Program	20.509	ICB CY12 Sioux City	8,820	7,160	-
	20.509	ICB CY13 Sioux City	12,000	9,550	9,550
JPA Transportation for Intercity Bus Assistance	20.509	ICB-CY09	11,200	-	-
<b>DEPARTMENT OF PUBLIC SAFETY</b>					
<b>Passed through Governor's Traffic Safety Bureau</b>					
Alcohol Incentive Grant	20.601	PAP 12-410, Task 66	30,680	18,901	11,396
	20.601	PAP 13-410, Task 50	40,000	12,939	16,345
<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	126,774	126,774
Drinking Water State Revolving Fund Program	66.468	FS-97-10-DWSRF-040	\$ 30,618,000	\$ 3,928,788	\$ 3,928,788

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
Brownfield Revolving Loan Fund	66.818	ARRA 2B-97709201	\$ 558,987	\$ 8,267	\$ -
<b>U.S. DEPARTMENT OF ENERGY</b>					
Energy Efficiency & Conservation Block Grant	81.128	ARRA SC0003029	801,300	576,442	339,670
	81.128	ARRA EECBG 10-3161	222,502	146,417	13,917
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>					
High Intensity Drug Trafficking Area/HIDTA	95.001	G11MW0002A	142,700	2,244	1,144
	95.001	SupplementG11MW0002A	24,186	8,370	2,783
	95.001	G12MW0002A	142,700	92,531	56,566
	95.001	SupplementG12MW0002A	9,763	8,378	8,458
	95.001	G13MW0002A	138,242	48,601	73,008
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Public Assistance Grant Program	97.036	DR-1998	2,503,569	265,424	111,914
Assistance to Firefighters Program	97.044	EMW-2010-FP-00865	14,000	-	2,050
Urban Search & Rescue Task Force	97.067	2009-SS-T9-0034-018	221,774	180,762	103,534
	97.067	2010-SS-T0-0031-023	268,467	130,818	172,502
	97.067	2012-SS-00071-S01-12	87,165	-	13,574
Law Enforcement Officer Reimbursement	97.090	HSTS0208HSLR274	476,788	58,717	30,323
	97.090	HSTS0213HSLR305	\$ 102,656	19,158	16,894
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<b>\$ 19,289,571</b>	<b>\$ 18,595,791</b>

**CITY OF SIOUX CITY, IOWA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
<b>STATE AWARDS</b>					
<b>IOWA ECONOMIC DEVELOPMENT AUTHORITY</b>					
Regional Sports Authority District Grant		<b>13-RSA-07</b>	\$ 50,000	37,500	50,000
<b>IOWA DEPARTMENT OF TRANSPORTATION</b>					
STA Joint Participation Agreement		<b>STA-FORM-705-FY13</b>	311,583	311,583	311,583
Commercial Air Service Vertical Infrastructure		<b>9I120SUX200</b>	107,536	98,535	98,535
Small Community Air Service Development Air Service Development Program		<b>Docket DOT-OST-2012-0069</b>	160,000	-	26,541
		<b>9I120SUX135</b>	28,000	28,000	10,624
		<b>9I130SUX135</b>	28,000	6,400	11,708
Air Improvement Program		<b>9I130SUX100</b>	230,004	60,217	99,070
Revitalize Iowa's Sound Economy Program		<b>RM7057(673)9D97</b>	4,791,519	1,756,713	1,808,193
		<b>RM7057(675)9D97</b>	665,677	132,427	319,214
<b>IOWA HOMELAND SECURITY</b>					
Public Assistance Grant Program		<b>DR-1998</b>	455,677	74,076	455,677
<b>STATE LIBRARY OF IOWA</b>					
Enrich Iowa		<b>FY2011 Direct Aid</b>	15,779	-	255
		<b>FY2012 Direct Aid</b>	11,130	-	11,130
		<b>FY2013 Direct Aid</b>	14,552	14,552	11,383
<b>IOWA DEPARTMENT OF NATURAL RESOURCES</b>					
Toxic Cleanup Day		<b>12-G340-24</b>	\$ 1,936	1,936	-
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				2,521,939	3,213,913
<b>TOTAL FEDERAL &amp; STATE FINANCIAL ASSISTANCE</b>				\$ 21,811,510	\$ 21,809,704

**CITY OF SIOUX CITY, IOWA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

- (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, 2013, are:

	<u>Balance</u>
CDBG loans	\$325,408
CDBG deferred loans	587,000

- (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, 2013**

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I. Summary of Auditor's Results

- a. An unmodified opinion was issued on the financial statements.
- b. A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. No significant deficiencies in internal control over major programs were disclosed.
- e. An unmodified 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:

Economic Adjustment Assistance	CFDA #11.307
Section 8 Voucher Program	CFDA #14.871
Byrne-Justice Assistance Grant Program	CFDA #16.803/16.738
Capitalization Grants for Drinking Water State Revolving Funds	CFDA #66.468
Energy Efficiency & Conservation Block Grant	CFDA #81.128

- h. Dollar threshold used to distinguish between Type A and Type B programs: \$436,207.
- 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.

Material Weakness:

- II-A-13 Financial Reporting – It was found that journal entries were required to properly reflect receivable, fixed asset and accrued liability amounts. Adjustments were subsequently made by the City to properly include these corrections in the financial statements.

**CITY OF SIOUX CITY, IOWA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2013**

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

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

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

Conclusion – Response accepted.

III. Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:

No Matters Were Noted.

Significant Deficiency:

No matters were noted.

IV. Other Findings Related to Required Statutory Reporting

13-IV-A – Certified Budget – City expenditures during the year ended June 30, 2013 did not exceed the amounts budgeted.

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

13-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.

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

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

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

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

13-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.

13-IV-I Urban Renewal Annual Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

**SI<sup>o</sup>UX<sup>TM</sup>**  
**CITY**

CITY OF SIOUX CITY, IOWA  
PASSENGER FACILITY CHARGES



**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**07/01/12 - 06/30/13**

	FY-12 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-13 Total	FY-13 Program Total
<b>Revenue:</b>							
Collections	\$ 3,469,279	\$ 29,828	\$ 27,348	\$ 26,195	\$ 26,807	\$ 110,178	\$ 3,579,457
Interest	1,676	-	-	-	-	-	1,676
Total Revenue	3,470,955	29,828	27,348	26,195	26,807	110,178	3,581,133
<b>Disbursements:</b>							
Application #1							
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
Total Application #1	204,465	-	-	-	-	-	204,465
Application #2							
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
Total Application #2	1,623,059	-	-	-	-	-	1,623,059
Application #3							
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
Total Application #3	882,501	-	-	-	-	-	882,501
Application #4							
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
Total Application #4	258,095	-	-	-	-	-	258,095
Application #5							
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	59,073					-	59,073
Financing & Interest	15,359					-	15,359
Acquire Land for Runway 13 RPZ	29,919					-	29,919
Financing & Interest	7,779					-	7,779

**PFC Revenue and Disbursement Schedule**  
**Sioux Gateway Airport/Col. Bud Day Field Airport Authority**  
**07/01/12 - 06/30/13**

	FY-12 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-13 Total	FY-13 Program Total
Acquire Replace Snow Plow Truck	15,155					-	15,155
Financing & Interest	3,940					-	3,940
Extend Taxiway C (include perimeter rc	134,475	29,828	27,348	26,195	20,812	104,183	238,658
Financing & Interest	-				5,995	5,995	5,995
Total Application #5	502,835	29,828	27,348	26,195	26,807	110,178	613,013
<b>Total Disbursements</b>	<b>3,470,955</b>	<b>29,828</b>	<b>27,348</b>	<b>26,195</b>	<b>26,807</b>	<b>110,178</b>	<b>3,581,133</b>
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>
							<u>\$ ---</u>

Notes:

- Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA

REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133





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**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control  
Over Compliance Required by OMB Circular A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *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, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in a material respects, with the types of compliance 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, 2013.

## Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of an opinion on compliance for each major federal program 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'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Sioux City, Iowa  
November 4, 2013

CITY OF SIOUX CITY, IOWA

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





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

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

We have audited, 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, 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 as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 4, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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. We consider the deficiency in internal control described in the accompanying schedule of findings and questioned costs as item II-A-13 to be a material weakness.

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*.

City of Sioux City's Response to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit.

If you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.

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

November 4, 2013  
Sioux City, Iowa