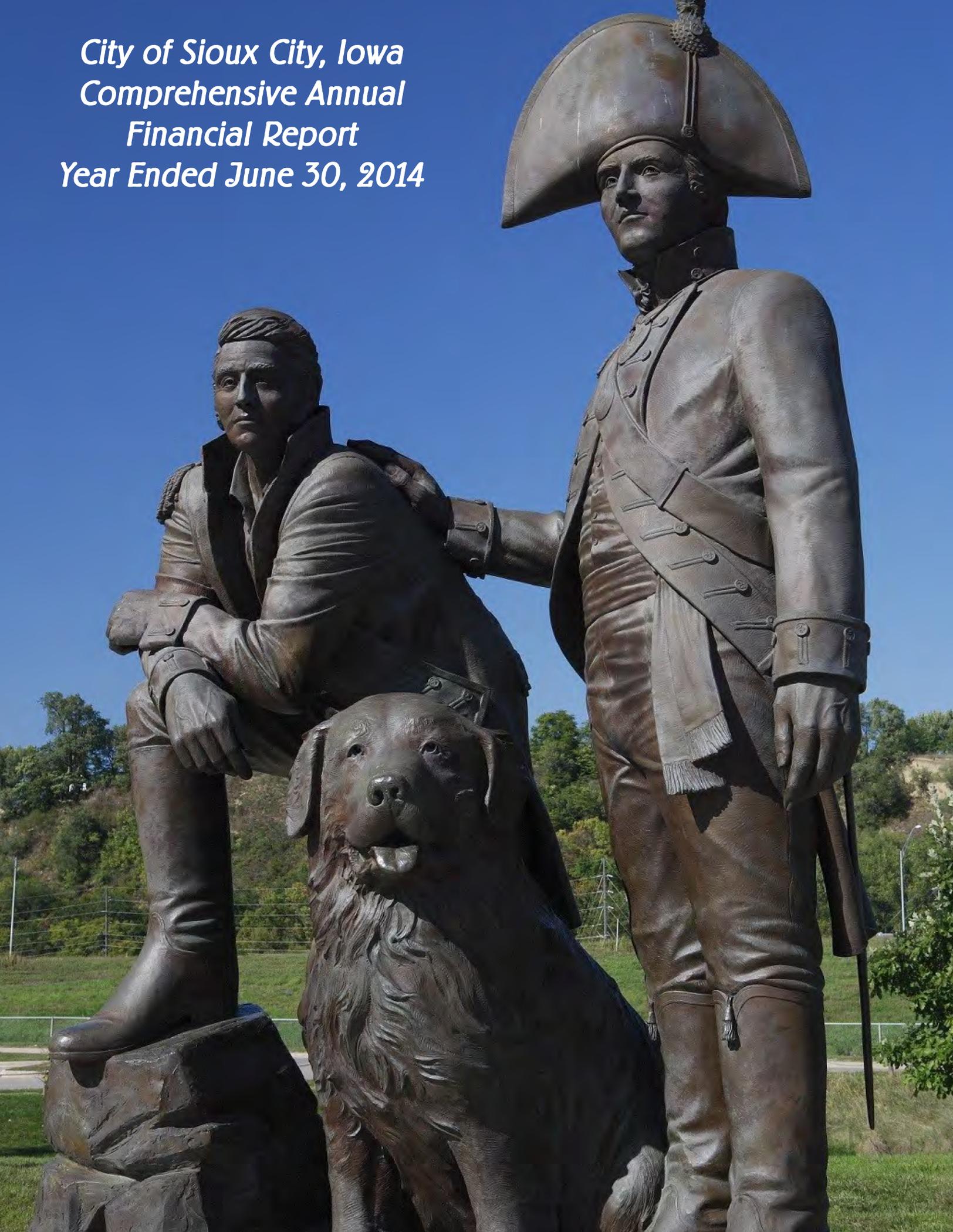


*City of Sioux City, Iowa
Comprehensive Annual
Financial Report
Year Ended June 30, 2014*



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

FOR THE YEAR ENDED JUNE 30, 2014

PREPARED BY

FINANCE DEPARTMENT

CITY OF SIOUX CITY, IOWA
INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2014**

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THE COVER

This year's cover displays the *Spirit of Discovery* monument located on Sioux City's Missouri Riverfront and graces the Missouri River Historical Development's entrance to their Lewis and Clark Interpretive Center. The 14-foot monument was installed in the summer of 2002 in recognition of Sioux City's Bicentennial Celebration of Lewis and Clark's historic 1804 journey, The Corps of Discovery Expedition. The monument was created by artist Pat Kennedy and is one of three castings. Kennedy's double-life size sculpture of Meriwether Lewis, William Clark and their Newfoundland dog named Seaman, portrays them in all their glory.

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.”

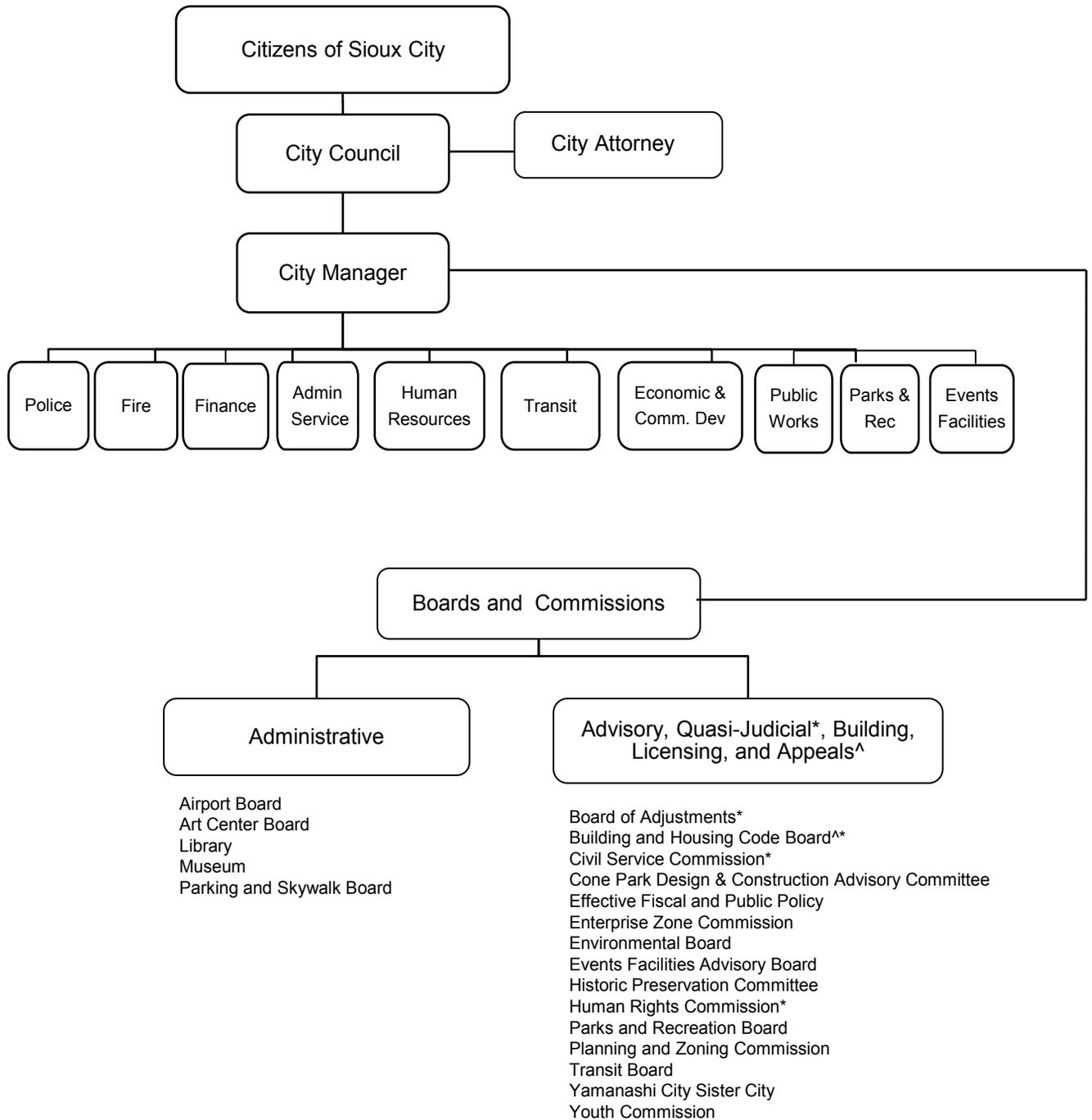
Founded in 1854, Sioux City’s roots go back to the days of the early fur traders. In the late 1800’s, the City was a major transportation and marketing center in the Midwest, only behind St. Louis and Chicago. On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. 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.

City of Sioux City Organizational Chart



SCHEDULE OF CITY OFFICIALS

June 30, 2014

Elected Officials

		Term Expires
Mayor	Robert Scott	January 1, 2016
Mayor Pro Tem	Keith Radig	January 1, 2018
Council Member	Rhonda Capron	January 1, 2016
Council Member	Pete Groetken	January 1, 2018
Council Member	Dan Moore	January 1, 2018

Council Appointed Officials

		Date of Appointment
City Manager	Robert Padmore	February 3, 2014
City Attorney	Nicole Jensen-Harris	October 3, 2011
City Clerk	Lisa McCardle	June 24, 2006

City Manager and Board Appointed Officials

		Date of Appointment
Airport Acting Director	John Backer	June 1, 2012
Art Center Director	Albert Harris	March 25, 2002
Assistant City Manager- Administrative Services	Michael Collett	March 3, 2014
Assistant City Manager- Public Works	Jade Dundas	March 3, 2014
Director of Human Rights Commission	Karen Mackey	March 22, 2004
Economic & Community Development Director	Martin Dougherty	September 13, 2006
Events Facilities Executive Director	Erika Newton	October 21, 2013
Finance Director	Donna Forker	March 24, 2014
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

SI^oUXTM
CITY



Offices of the City Manager & Finance Director
City of Sioux City, Iowa
P O Box 447
Sioux City, IA 51102-0447
October 30, 2014

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, 2014 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 2014 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, 2014, 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 82,459.

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:

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

The State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. Any amendments to the City budget must be prepared and adopted in the same manner as the original budget. With the exception of capital improvement projects and encumbrances, all other appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as 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 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

Commercial development is growing rapidly in Sioux City and its effects are having a positive impact on the City's finances. The City had a record year for value of commercial building permits issued of \$256.9 million, an increase of \$159.5 million from the prior year. Major projects constructed during the year including the new \$128.5 million downtown Hard Rock Hotel and Casino and \$26.7 million UnityPoint Health-St. Luke's Sunnybrook Medical Plaza contributed to the increase. These property values will be hitting the City's tax roll in the coming years and will provide increased revenues. Large construction projects in the area including the reconstruction of Interstate 29 through downtown Sioux City and a \$1.7 billion expansion of the CF Industries fertilizer plant just outside City limits has brought additional temporary workers to the area and has positively impacted our sales tax collections which increased almost 7% during the year.

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 in providing services have included increasing salary and benefit obligations and decreasing federal and state funding. Road maintenance continues to be an area of particular importance due to significant increases in construction costs but inadequate growth in State Road Use Tax funding. However, successful economic development initiatives are working to offset these challenges by increasing the City's property tax base or stimulating the economy through different measures. The following is a summary of some of the major projects currently underway:

- A new rail car repair and maintenance facility was recently announced and will be adding to the current development in our Southbridge Business Park. TrinityRail Maintenance Services, a Dallas, Texas-based company, plans to invest \$29.5 million in the new facility which will create 250 new good-paying jobs. The facility will be taking advantage of the new \$7 million drop and pull rail yard the City is constructing in the area as well as the recently constructed \$35 million Southbridge Water Treatment Plant.
- Mercy Medical Center-Sioux City began work in fiscal year 2014 on a \$16.8 million project that will expand and improve Mercy's critical care and imaging services. The investment includes a new \$3 million Magnetic Resonance Imaging scanner that will replace an older unit. Mercy will also spend \$13.8 million to add more space to the fifth floor intensive care units and renovate the existing space.
- Interstate 29 is currently being reconstructed through downtown Sioux City and is bringing additional workers to the area as well as increased demand for supplies and services from local vendors. The reconstruction project will increase the interstate from two lanes to three which will improve the traffic flow through the area.
- As a result of the current development and growth in Sioux City, residents and real estate professionals are noticing an increased demand for housing. As a result, a 229-acre subdivision on the edge of Sioux City was recently announced. The housing development, known as Eagle Ridge, could bring 290 homes into the City, just east of the Whispering Creek Golf Course off Old Highway 141. Construction of infrastructure to improve access to the site is underway and housing construction is anticipated to begin soon.
- Other development recently completed or currently underway that will benefit the City and Siouxland area includes 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 neighboring Dakota City, NE was recently completed and added about 200 production jobs.

LONG-TERM FINANCIAL PLANNING

The City Council and administration considers the long-term impact of all financial matters. Finance staff prepares detailed analysis periodically throughout the year that involves five to seven year forecasts for each of the City's major funds. These forecasts assist with the development of the annual operating budget and annually approved capital improvements program (CIP) budget. The CIP budget is a five-year plan of major capital expenditures which includes all corresponding revenue sources.

The City of Sioux City sold two series of bonds on June 24, 2014 totaling \$8,205,000. These funds will be used for the fiscal year 2015 Capital Improvements Projects. Standard & Poor's designated Sioux City an AA rating, citing the City's very strong budgetary flexibility and strong reserves. Standard & Poor's also notes Sioux City as having very strong management conditions including strong financial practices and policies. Moody's Investors Service gave Sioux City an Aa2 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 liquidity available in the Sales Tax Fund and Capital Improvements Fund 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 56.08% of its debt capacity.

MAJOR INITIATIVES

Sioux City invests in a wide array of capital improvement projects each year. These projects are primarily funded by issuing bonds, with State Revolving Fund loans, or through grant proceeds. Bonds are typically paid back over a period of 10 years with interest paid every six months.

In fiscal year 2014 the City spent about \$42 million on capital improvement projects. The largest projects were: Downtown Casino \$16.5 million, Waste Water Treatment Rehabilitation \$4.8 million, Annual Infrastructure \$3.5 million, and South East Morningside Interceptor \$2.8 million.

The City has several significant capital improvements planned for fiscal year 2015. The City has planned for over \$6.4 million in street maintenance projects which includes \$3.5 million for annual infrastructure, \$1.3 million for annual bridge repairs, and \$500,000 for annual resurfacing. Additionally, the City plans to spend \$17.2 million on relocating utilities for the reconstruction of Interstate 29, \$2.5 million for the replacement of a taxiway at the Airport and \$2.5 million to replace six public transit buses.

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 will continue to grow with prospectively interested businesses and Sunnybrook Plaza continues to expand. The Southbridge Business Park continues to grow with the addition of a rail yard and is a premier location for large-scale industrial and commercial projects.

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, 2013.

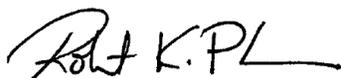
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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.

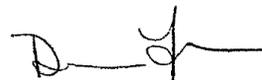
Acknowledgment - The preparation and completion of the 2014 Comprehensive Annual Financial Report was made possible by the dedicated service of the Finance Department employees. Each member of the Department has our sincere appreciation for the contributions they made toward this report. Sioux City is 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
City Manager



Donna Forker
Finance Director

SILOUXTM
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, 2013



Jeffrey R. Enser

Executive Director/CEO

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



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

INDEPENDENT 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, 2014, 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, 2014, 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 October 30, 2014, 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
October 30, 2014

SIouxTM
CITY



Management Discussion and Analysis

June 30, 2014

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, 2014. 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 its liabilities and deferred inflows of resources at June 30, 2014, by \$469,053,976. Of this amount, \$30,407,499 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$470,968 during the year. Of this amount, the net position of our Governmental Activities decreased \$9,460,714 and the net position of our Business-Type Activities increased \$9,931,682.
- The largest factors contributing to the increase in net position were; expenditures of \$16,500,000 in economic development funds received in the prior year, excess of Sewer Fund revenues over expenses and transfers out in the amount of \$4,527,612 and the excess of Water Fund revenues and transfers in over expenses in the amount of \$4,446,349, both due to planned rate increases in the utility funds.
- The City's long term debt decreased \$8,036,151 (3.0%). General obligation bonds outstanding decreased \$10,985,000 (8.8%) to \$113,890,000 and notes payable outstanding increased \$2,948,849 (2.0%) to \$147,291,509.

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, deferred outflows of resources, liabilities and deferred inflows of resources. 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, deferred outflows of resources, liabilities and deferred inflows of resources 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, 2014, and 2013:

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Current and Other Assets	\$154,567,212	\$175,215,644
Capital Assets	<u>358,232,304</u>	<u>361,765,444</u>
Total Assets	512,799,516	536,981,088
Other Liabilities	11,134,172	9,688,099
Long-Term Liabilities Outstanding	<u>132,620,347</u>	<u>149,134,185</u>
Total Liabilities	143,754,519	158,822,284
Unavailable Revenue – Property Taxes	<u>52,488,777</u>	<u>51,660,933</u>
Total Deferred Inflows of Resources	52,488,777	51,660,933
Net Position:		
Net Investment in Capital Assets	262,337,178	265,299,824
Restricted	57,793,525	65,136,114
Unrestricted	<u>(3,574,483)</u>	<u>(3,938,067)</u>
Total Net Position	<u>\$316,556,220</u>	<u>\$326,497,871</u>

This summary reflects a decrease in total net position of 3.04% for the governmental activities and an increase of 5.95% in the business-type activities.

The restricted portion of net position (12.3%) is subject to external restrictions on how these resources may be used. The remaining balance of unrestricted net position (\$30,407,499) may be used to meet any ongoing obligations to citizens and creditors.

Before applicable prior period adjustments, the government's total net position increased by \$470,968 during the current fiscal year which can be attributed to increased revenue slightly outpacing increased expenses.

Business-Type Activities		Totals	
2014	2013	2014	2013
\$42,216,230	\$40,787,357	\$196,783,442	\$216,003,001
<u>271,553,357</u>	<u>262,575,512</u>	<u>629,785,661</u>	<u>624,340,956</u>
313,769,587	303,362,869	826,569,103	840,343,957
4,492,209	4,776,748	15,626,381	14,464,847
<u>156,779,622</u>	<u>154,648,892</u>	<u>289,399,969</u>	<u>303,783,077</u>
161,271,831	159,425,640	305,026,350	318,247,924
<u>---</u>	<u>---</u>	<u>52,488,777</u>	<u>51,660,933</u>
---	---	52,488,777	51,660,933
118,515,774	109,940,268	380,852,952	375,240,092
---	---	57,793,525	65,136,114
<u>33,981,982</u>	<u>33,996,961</u>	<u>30,407,499</u>	<u>30,058,894</u>
<u>\$152,497,756</u>	<u>\$143,937,229</u>	<u>\$469,053,976</u>	<u>\$470,435,100</u>

Governmental activities decreased 3.04% while Business-Type Activities increased 5.95%. Details of the changes in net position are shown as follows:

Revenue Source	Governmental Activities	
	2014	2013
Program Revenues:		
Charges for Services	\$ 18,668,835	\$29,321,629
Operating Grants and Contributions	19,774,495	18,601,593
Capital Grants and Contributions	2,525,860	3,260,591
Total Program Revenues	40,969,190	51,183,813
General Revenues :		
Property Taxes	51,422,485	48,661,701
Franchise Taxes	2,681,383	2,379,273
Hotel-Motel Taxes	1,594,073	1,375,769
Local Option Sales Taxes	12,680,781	11,820,387
Interest	1,076,366	453,317
Revenue from the Sale of Uncapitalized Property	805,868	709,868
Miscellaneous	1,432,604	1,789,176
Net Gain on Sale of Capital Assets	209,574	324,974
Total General Revenues	71,903,134	67,514,465
Total Revenues	112,872,324	118,698,278
Expenses:		
Public Safety	36,482,386	35,578,147
Public Works	20,050,690	18,148,457
Culture and Recreation	18,423,101	19,056,629
Community and Economic Development	31,236,262	11,888,737
General Government	8,830,441	9,464,502
Investment in Joint Venture	---	297,372
Debt Service	5,858,236	5,643,693
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skyway System	---	---
Total Expenses	120,881,116	100,077,537
(Decrease) Increase in Net Position Before Transfers	(8,008,792)	18,620,741
Transfers	(1,451,922)	(1,523,481)
(Decrease) Increase in Net Position	(9,460,714)	17,097,260
Net Position - Beginning of Year Before Prior Period Adjustments	326,497,871	309,400,611
Prior Period Adjustment	(480,937)	---
Net Position - Beginning of Year as Restated	326,016,934	309,400,611
Net Position	\$316,556,220	\$326,497,871

Business-Type Activities		Totals	
2014	2013	2014	2013
\$ 40,797,221	\$40,409,427	\$59,466,056	\$69,731,056
107,960	255,474	19,882,455	18,857,067
1,365,936	2,534,064	3,891,796	5,794,655
42,271,117	43,198,965	83,240,307	94,382,778
---	---	51,422,485	48,661,701
---	---	2,681,383	2,379,273
---	---	1,594,073	1,375,769
---	---	12,680,781	11,820,387
537,065	306,810	1,613,431	760,127
---	---	805,868	709,868
1,741,486	124,696	3,174,090	1,913,872
928,389	---	1,137,963	324,974
3,206,940	431,506	75,110,074	67,945,971
45,478,057	43,630,471	158,350,381	162,328,749
---	---	36,482,386	35,578,147
---	---	20,050,690	18,148,457
---	---	18,423,101	19,056,629
---	---	31,236,262	11,888,737
---	---	8,830,441	9,464,502
---	---	---	297,372
---	---	5,858,236	5,643,693
4,425,095	4,328,864	4,425,095	4,328,864
12,746,754	12,257,979	12,746,754	12,257,979
13,381,173	13,082,732	13,381,173	13,082,732
4,670,923	5,075,557	4,670,923	5,075,557
1,414,570	1,724,424	1,414,570	1,724,424
359,782	372,045	359,782	372,045
36,998,297	36,841,601	157,879,413	136,919,138
8,479,760	6,788,870	470,968	25,409,611
1,451,922	1,523,481	---	---
9,931,682	8,312,351	470,968	25,409,611
143,937,229	135,624,878	470,435,100	445,025,489
(1,371,155)	---	(1,852,092)	---
142,566,074	135,624,878	468,583,008	445,025,489
\$152,497,756	\$143,937,229	\$469,053,976	\$470,435,100

Program revenues totaled \$83,240,307 for fiscal year 2014. Governmental Activities provided \$40,969,190 and Business-Type Activities provided \$42,271,117. Revenue collected for Charges for Services during fiscal year 2014 was \$59,466,056 accounting for approximately 71% of the total program revenues.

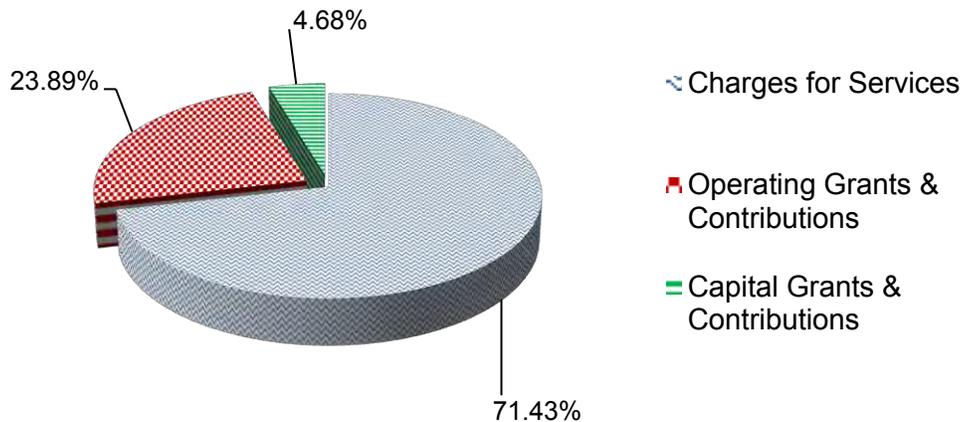
Governmental charges for services decreased about \$10.7 million. At the government-wide level, decreased speed camera tickets of \$1.9 million in the General Fund contributed to the decrease. Additionally, in the Comprehensive Insurance Fund, an increase of \$9.1 million in damage settlement expense contributed to the net decrease.

Governmental operating grants and contributions increased almost \$1.2 million. Public Safety operating grants increased \$1.4 million due to increased receipts in the General Fund for Fair Housing of \$225,000 and increased Federal Emergency Management Agency (FEMA) reimbursements for the Missouri River Flood of 2011 of \$1.1 million. Public Works operating grants decreased \$762,000 due to decreased State and Federal reimbursements in the Road Use Tax fund for the 2011 Missouri River flood. Community and Economic Development operating grants increased \$647,000 due to increased Department of Housing and Urban Development (HUD) grant amounts.

Governmental capital grants and contributions decreased \$735,000. Public Works capital grants decreased \$1.6 million due to lower receipts from the Iowa Department of Transportation (IDOT) for road projects. Community and Economic Development capital grants increased \$723,000 due to increased grant receipts from the Department of Commerce - Economic Development Administration (EDA). Debt Service capital contributions increased \$109,000 due to increased special assessments collections and miscellaneous contributions. In the Business-Type funds, operating grants decreased in Water fund \$112,000 and the Sewer fund \$63,000, due to decreased FEMA reimbursements for the 2011 Missouri River Flood. Airport capital grants decreased \$297,000 due to decreased receipts from the Federal Aviation Administration (FAA) for airport capital improvements. Sewer capital grants decreased \$870,000 due to a \$675,000 decrease in EDA receipts for the Interstate 29 sewer relocation project and \$195,000 decrease in FEMA receipts for sewer related flood recovery projects.

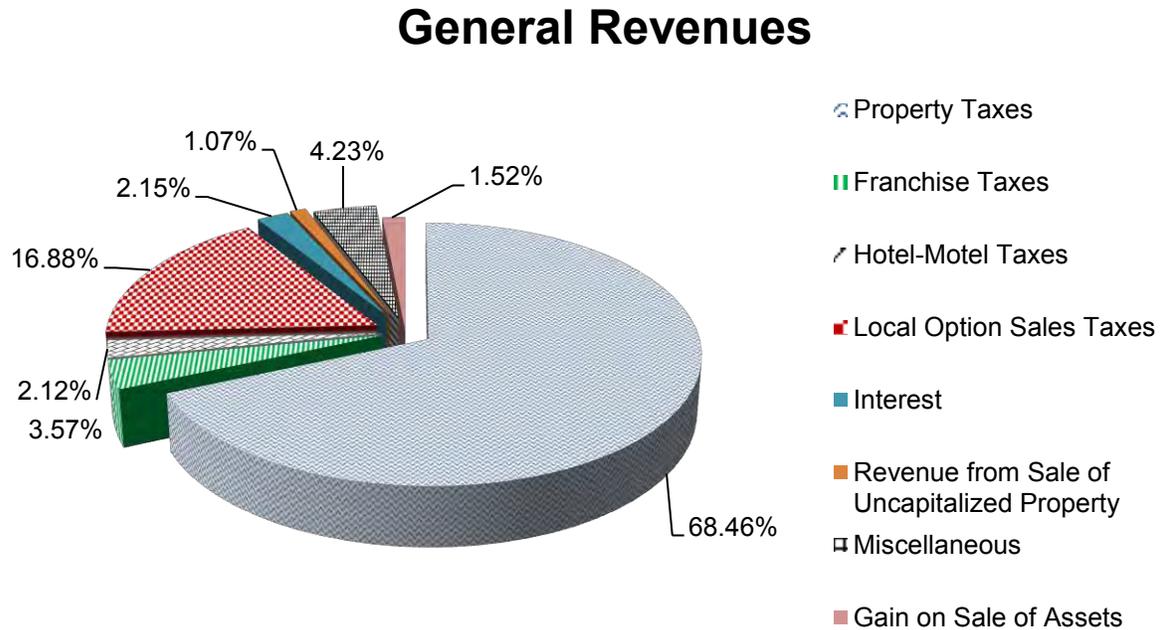
The following chart breaks down program revenues by source:

Program Revenues



General Revenues for fiscal year 2014 totaled \$75,110,074, which is \$7,164,103 more than fiscal year 2013. Governmental Activities provided \$71,903,134 and Business-Type Activities provided \$3,206,940. Property tax revenues for fiscal year 2014 totaled \$51,422,485, accounting for 68% of General Revenues, \$2,760,784 higher than fiscal year 2013 due to increased property tax rates and an increase in the Iowa property tax rollback provision. Total interest income increased \$853,304 due to improving rates of return.

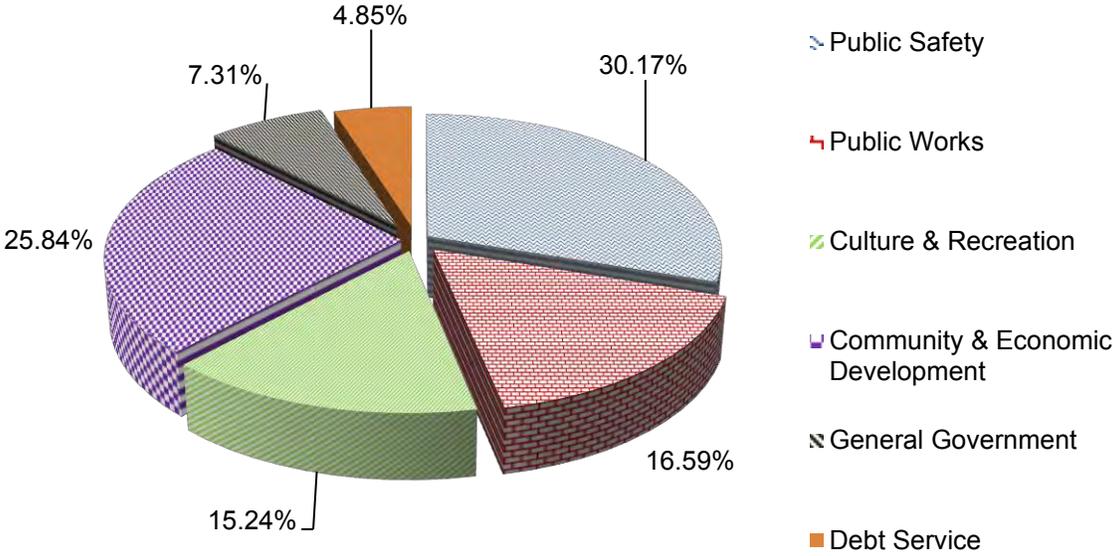
The following chart breaks down General Revenues by source:



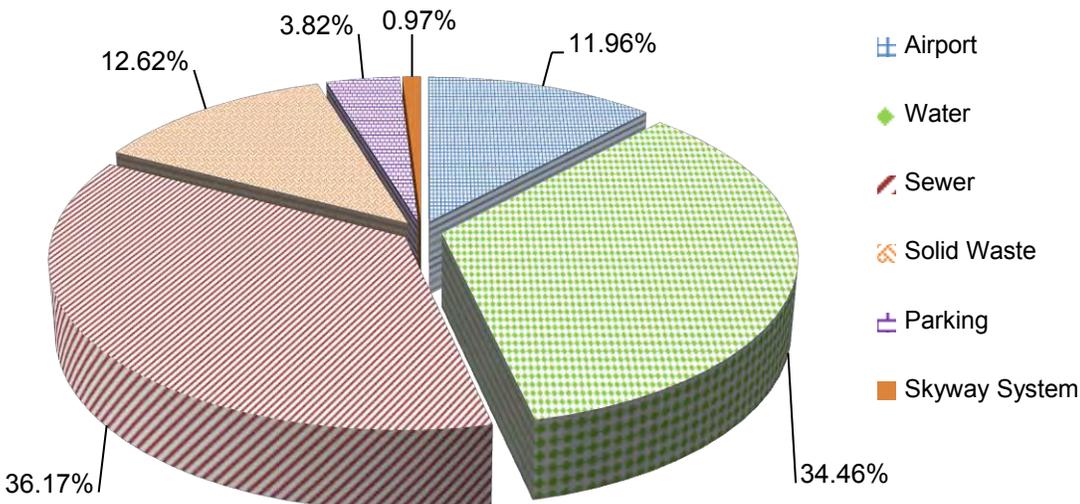
Expenses for fiscal year 2014 totaled \$157,879,413, an increase of \$21 million from fiscal year 2013. Expenses for Governmental Activities totaled \$120,881,116 accounting for 77% of total expenses. Business-Type Activity expenses totaled \$36,998,297 for 23% of the total.

Public Safety expenses increased \$904,000 due to contractual obligations relating to employee wages and State mandated increases in retirement funding. Public Works expenses increased \$1.9 million due to increased capital improvement spending on streets and bridges. Community and Economic Development expenses increased \$19.3 million due to \$16.5 million contributed towards the construction of a new downtown casino, \$1.2 million for a legal judgment related to an economic development project, and increased expenditures of \$910,000 in Housing Vouchers and Emergency Shelter Fund grant proceeds. General Government expenses decreased \$634,000 due to increased administration costs charged to the City's utility funds. Water expenses increased \$489,000 and Sewer expenses increased \$298,000 due to increased costs for personnel, services and supplies. The Solid Waste fund expenses decreased \$405,000 due to decreased payment to other agencies of \$327,000 and decreased repair and improvement expenses. The Parking fund expenses decreased \$310,000 due to decreased supplies and services and decreased repairs and improvements. The expenses are shown on the following page:

Governmental Expenses



Business-Type Expenses



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

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

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$36,482,386 and received \$3,029,541 in revenue thus leaving a cost to the taxpayer of \$33,452,845 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 \$120,881,116. Of these costs, \$18,668,835 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 \$22,300,355, leaving a Net Expense of \$79,911,926 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>FY14</u>	<u>FY13</u>
<u>Governmental Activities</u>		
Public Safety	\$(33,452,845)	\$(34,450,832)
Public Works	(5,639,864)	(1,119,203)
Culture & Recreation	(11,760,078)	(12,112,861)
Community & Economic Development	(21,352,684)	(3,413,510)
General Government	(2,029,858)	8,071,122
Investment in Joint Venture	---	(297,372)
Debt Service	(5,676,597)	(5,571,068)
Total Net (Expense) Revenue		
Government Activities	(79,911,926)	(48,893,724)
General Revenues & Transfers	70,451,212	65,990,984
Change in Net Position	<u><u>\$(9,460,714)</u></u>	<u><u>\$17,097,260</u></u>

Total resources available during the year to finance governmental operations were \$437,437,336, consisting of Net Position after applicable prior period adjustments at July 1, 2013, of \$326,016,934, Program Revenues of \$40,969,190, General Revenues of \$71,903,134 and Transfers of \$(1,451,922). Total Governmental Activities during the year expended \$120,881,116; thus, Net Position was decreased by \$9,460,714 to \$316,556,220.

Business-Type Activities

Business-type activities increased the City's net position by \$9,931,682.

The cost of all Proprietary activities this year was \$36,998,297. As shown in the Statement of Activities, the amounts paid by users of the systems was \$40,797,221, and \$1,473,896 was funded from grants and contributions, resulting in total net revenue for business-type activities of \$5,272,820. As discussed in the revenue section, Airport capital grants decreased \$297,000 due to decreased receipts from the Federal Aviation Administration (FAA) for airport capital improvements. Sewer capital grants decreased \$870,000 due to a \$675,000 decrease in EDA receipts for the Interstate 29 sewer relocation project and \$195,000 decrease 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>FY14</u>	<u>FY13</u>
Airport System	\$(1,191,682)	\$(892,684)
Water System	1,706,997	2,112,774
Sewer System	4,395,170	5,715,055
Solid Waste System	416,599	(216,066)
Parking	28,936	(361,715)
Skyway System	(83,200)	- - -
Total Net (Expense) Revenue Business-Type Activities	5,272,820	6,357,364
General Revenues & Transfers	4,658,862	1,954,987
Change in Net Position	\$9,931,682	\$8,312,351

Total resources available during the year to finance Proprietary Fund activities were \$189,496,053, consisting of Net Position at July 1, 2013 of \$142,566,074, program revenues of \$42,271,117, General Revenues of \$3,206,940, and transfers of \$1,451,922. Total Proprietary Fund Activities during the year expended \$36,998,297, thus Net Position was increased by \$9,931,682 to \$152,497,756.

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 \$82,658,137, a total decrease of \$16,099,184 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$8,931,550 is approximately 19.1% 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 \$221,749, a decrease of \$126,249 from fiscal year 2013. Regulatory fees decreased \$1.92 million due to decreased ticket revenue from the Redflex Speed cameras located along Interstate 29. As referenced at the government-wide level, intergovernmental revenue increased due to increased Fair Housing grants of \$225,000 and increased Federal Emergency Management Agency (FEMA) reimbursements for the Missouri River Flood of 2011 of \$1.1 million.

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 2014 fund balance decreased \$716,947. 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 \$2.1 million due to lower receipts from the IDOT for Public Works road projects. Capital expenditures increased \$17 million while debt proceeds decreased \$27.7 million, both due to the timing of construction and development 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 \$9,931,682 in fiscal year 2014. 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, decreased \$270,000 due to a decrease in receipts from the Federal Aviation Administration (FAA) for airport capital improvements. The Sewer Fund intergovernmental revenues and capital grants decreased \$934,000 due to the large receipts during fiscal year 2013 for an EDA grant and reimbursements from FEMA for the 2011 Missouri River Flood. Water Fund other non-operating revenues increased \$1.6 million due to funding from the State of Iowa for the closure of the Cook Park well field. Interest income increased in the Water, Sewer, and Solid Waste fund due to favorable investment returns. Solid Waste Fund supplies and services increased \$337,000 primarily due to an increase in the Gill Hauling waste removal contract.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2014 original (adopted) General Fund amount of \$56,735,190 to the final budget amount of \$81,649,704, shows a net increase of \$24,914,514.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$56,735,190	\$343,224	\$57,078,414	\$24,571,290	\$81,649,704

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>
<u>EXPENDITURES</u>			
Public Safety	\$39,446,346	\$33,991,997	\$(5,454,349)
Public Works	2,069,098	1,450,423	(618,675)
Culture & Recreation	19,204,424	7,950,640	(11,253,784)
Community & Economic Development	2,069,643	784,561	(1,285,082)
General Government	13,191,382	2,681,210	(10,510,172)
	75,980,893	46,858,831	(29,122,062)
Transfers Out	5,668,811	5,803,970	135,159
Total Expenditures	<u>\$81,649,704</u>	<u>\$52,662,801</u>	<u>\$(28,986,903)</u>

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

In fiscal year 2014, appropriations increased \$24.6 million between the original budget and the final amended budget. Public Safety increased \$7.5 million, Culture and Recreation increased \$10.8 million, and General Government increased \$6.3 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, 2014 was \$380,852,952 (net of accumulated depreciation and outstanding financings). This is an increase of \$5,612,860 (1.5%) from fiscal year 2013. The gross additions to capital assets for fiscal years 2014 and 2013 are as follows:

	General Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Land	\$ 260,342	\$ 1,326,995	\$ - -	\$ - -
Infrastructure	15,087,928	47,858,241	- - -	- - -
Buildings	95,494	2,771,161	31,767,213	- - -
Improvements-Other than Buildings	744,492	350,493	18,966,052	4,236,251
Equipment	2,208,173	4,336,713	1,070,981	32,878
Construction in Progress	7,440,901	7,634,851	16,075,156	15,622,810
Total Gross Additions	<u>\$ 25,837,330</u>	<u>\$ 64,278,454</u>	<u>\$67,879,402</u>	<u>\$19,891,939</u>

	Totals	
	2014	2013
Land	\$ 260,342	\$ 1,326,995
Infrastructure	15,087,928	47,858,241
Buildings	31,862,707	2,771,161
Improvements-Other than Buildings	19,710,544	4,586,744
Equipment	3,279,154	4,369,591
Construction in Progress	23,516,057	23,257,661
Total Gross Additions	<u>\$ 93,716,732</u>	<u>\$ 84,170,393</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 2014 and included: Northern Valley Crossing, Riverside and War Eagle Intersection, South Lafayette Street, Outer Drive Shoulder, improvements for Westside Elementary School and the Hamilton/Perry Creek Bridge. The major expenditures related to buildings included roof, air handler and boiler improvements at the Long Lines Family Recreational Center. New equipment included licensed vehicles and other rolling equipment acquired by the City's Central Maintenance Garage fund which is an Internal Service Fund. Equipment purchased in the Capital Improvement Fund included a Fire Search and Rescue vehicle. Major construction in progress included I-29 Yards Business Park, Bridgeport New Development, Southbridge Infrastructure and Wesley Parkway.

For Business-Type Activities, construction in progress included the Water Treatment Plant Pre-Treatment Addition, Water Well Replacement Program, and the renovation of the Waste Water Treatment Plant. Improvements included Water and Sewer Infrastructure Reconstruction.

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

DEBT ADMINISTRATION

At year end, the City had \$261,181,509 of debt outstanding. This is a decrease of \$8,036,151 from the prior year. Of this amount \$106,035,176 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds) and \$155,146,333 is to be repaid from the City's Municipal Enterprises. The fiscal year 2015 bonds were borrowed in fiscal year 2014 due to favorable markets.

Debt administration is conservative since all City general obligation debt is to be repaid within the next 10 years. This rapid repayment when combined with the use of Tax Increment Financing and Local Option Sales Tax Revenue has allowed the City to maintain our AA bond rating. This rating is the second highest possible rating and reflects well on our community.

Major projects for fiscal year 2015 include: infrastructure improvements for the reconstruction of Gordon Drive and Interstate 29, annual infrastructure reconstruction, annual bridge repairs, annual resurfacing and the improvement of the rail yard 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 \$192,769,882. With outstanding general obligation debt applicable to this limit of \$109,308,866, the City is utilizing 56.70% 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 had a positive impact on the Siouxland economy in fiscal year 2014, 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 a \$128.5 million downtown Hard Rock Hotel and Casino, a \$1.7 billion expansion of CF Industries' Port Neal fertilizer plant, and a \$26.7 million Unity Point Health-St. Luke's Sunnybrook Medical Plaza. 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 2014, the amount collected was \$12.6 million. This is an \$800,000 increase over fiscal year 2013, or 6.8%.

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 2014 to \$289.4 million, an increase of \$163.5 million from fiscal year 2013, or 229.9%. This significant increase is attributed to the commercial building developments mentioned previously.

Assessed 2014 property values increased slightly to \$3.86 billion, or less than 1%, from \$3.85 billion in 2013. Per capita income increased to \$21,742 in 2014, up less than 1% from \$21,573 in 2013.

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 Department at 712-279-6207.

CITY OF SIOUX CITY, IOWA
BASIC FINANCIAL STATEMENTS

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**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2014**

EXHIBIT 1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 82,521,751	\$ 34,520,867	\$ 117,042,618
Accounts Receivable	2,030,194	7,323,810	9,354,004
Accrued Interest Receivable	1,401,928	58,748	1,460,676
Notes Receivable	8,101,085	1,000	8,102,085
Special Assessments, net of allowance	192,404	20,704	213,108
Due from Other Governments	59,568,807	383,439	59,952,246
Internal Balances	128,363	(128,363)	---
Inventories, at Cost	348,561	8,275	356,836
Prepaid Items	238,605	63,264	301,869
Internal Balances - Note Receivable	35,514	(35,514)	---
Capital Assets not being depreciated:			
Land	46,768,275	3,376,892	50,145,167
Construction in Progress	28,791,321	126,450,735	155,242,056
Capital Assets net of accumulated depreciation:			
Infrastructure	163,491,501	---	163,491,501
Buildings	77,197,618	48,035,279	125,232,897
Buildings under Capital Lease	2,494,250	---	2,494,250
Improvements other than buildings	30,586,039	91,240,590	121,826,629
Equipment	8,903,300	2,449,861	11,353,161
Total Assets	512,799,516	313,769,587	826,569,103
LIABILITIES			
Accounts Payable	6,219,964	1,413,049	7,633,013
Accrued Wages	2,157,667	264,128	2,421,795
Accrued Interest Payable	280,585	367,851	648,436
Contracts and Retainers Payable	2,243,203	1,788,303	4,031,506
Due to Other Governments	232,753	308,878	541,631
Unearned Revenue	---	350,000	350,000
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	17,488,039	1,355,557	18,843,596
Notes Payable	300,000	8,408,000	8,708,000
Compensated Absences	2,381,283	302,877	2,684,160
Estimated Liability for Damage Claims	1,370,413	---	1,370,413
Estimated Liability for Landfill Closure	---	50,827	50,827
Due in more than one year			
General Obligation Bonds Payable	90,003,337	7,699,267	97,702,604
Notes Payable	900,000	137,683,509	138,583,509
Estimated Post Retirement Benefit Obligation	15,949,590	---	15,949,590
Compensated Absences	966,171	103,188	1,069,359
Estimated Liability for Damage Claims	3,261,514	---	3,261,514
Estimated Liability for Landfill Closure	---	1,176,397	1,176,397
Total Liabilities	143,754,519	161,271,831	305,026,350
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property Taxes	52,488,777	---	52,488,777
NET POSITION			
Net Investment in Capital Assets	262,337,178	118,515,774	380,852,952
Restricted for:			
Capital Improvements	40,485,135	---	40,485,135
Debt Service	5,500,549	---	5,500,549
Road Use	612,144	---	612,144
Community Programs & Services	10,029,197	---	10,029,197
Other Purposes	48,552	---	48,552
Endowment, non-expendable	1,117,948	---	1,117,948
Total Restricted	57,793,525	---	57,793,525
Unrestricted	(3,574,483)	33,981,982	30,407,499
Total Net Position	\$ 316,556,220	\$ 152,497,756	\$ 469,053,976

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, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Public Safety	\$ 36,482,386	\$ 1,503,474	\$ 1,522,556	\$ 3,511
Public Works	20,050,690	4,310,705	9,666,528	433,593
Culture and Recreation	18,423,101	5,936,331	426,190	300,502
Community and Economic Development	31,236,262	233,563	8,047,068	1,602,947
General Government	8,830,441	6,684,762	112,153	3,668
Debt Service	5,858,236	---	---	181,639
Total Governmental Activities	120,881,116	18,668,835	19,774,495	2,525,860
Business-Type Activities:				
Airport	4,425,095	1,759,517	107,960	1,365,936
Water	12,746,754	14,453,751	---	---
Sewer	13,381,173	17,776,343	---	---
Solid Waste	4,670,923	5,087,522	---	---
Parking	1,414,570	1,443,506	---	---
Skyway System	359,782	276,582	---	---
Total Business-Type Activities	36,998,297	40,797,221	107,960	1,365,936
Total Functions/Programs	\$ 157,879,413	\$ 59,466,056	\$ 19,882,455	\$ 3,891,796

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 Before Prior Period Adjustments

Prior Period Adjustment

Net Position - Beginning of Year as Restated

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**

Governmental Activities	Business-Type Activities	Total
\$ (33,452,845)	\$ ---	\$ (33,452,845)
(5,639,864)	---	(5,639,864)
(11,760,078)	---	(11,760,078)
(21,352,684)	---	(21,352,684)
(2,029,858)	---	(2,029,858)
(5,676,597)	---	(5,676,597)
<u>(79,911,926)</u>	<u>---</u>	<u>(79,911,926)</u>
---	(1,191,682)	(1,191,682)
---	1,706,997	1,706,997
---	4,395,170	4,395,170
---	416,599	416,599
---	28,936	28,936
---	(83,200)	(83,200)
<u>---</u>	<u>5,272,820</u>	<u>5,272,820</u>
<u>\$ (79,911,926)</u>	<u>\$ 5,272,820</u>	<u>\$ (74,639,106)</u>
51,422,485	---	51,422,485
2,681,383	---	2,681,383
1,594,073	---	1,594,073
12,680,781	---	12,680,781
1,076,366	537,065	1,613,431
805,868	---	805,868
1,432,604	1,741,486	3,174,090
209,574	928,389	1,137,963
<u>(1,451,922)</u>	<u>1,451,922</u>	<u>---</u>
<u>70,451,212</u>	<u>4,658,862</u>	<u>75,110,074</u>
(9,460,714)	9,931,682	470,968
326,497,871	143,937,229	470,435,100
<u>(480,937)</u>	<u>(1,371,155)</u>	<u>(1,852,092)</u>
<u>326,016,934</u>	<u>142,566,074</u>	<u>468,583,008</u>
<u>\$ 316,556,220</u>	<u>\$ 152,497,756</u>	<u>\$ 469,053,976</u>

**CITY OF SIOUX CITY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

ASSETS	General	Other Employee Benefits	Local Option Sales Tax
Cash and Cash Equivalents	\$ 9,303,871	\$ ---	\$ 1,437,677
Accounts Receivable	842,793	---	2,500
Accrued Interest Receivable	138,932	---	4,067
Notes Receivable	4,400	---	97,510
Special Assessments, net of allowance	159,300	---	---
Due from Other Governments	21,876,678	7,930,968	1,966,296
Due from Other Funds	2,950	---	---
Inventories	---	---	---
Prepaid Items	12,766	---	---
Total Assets	32,341,690	7,930,968	3,508,050
LIABILITIES			
Accounts Payable	440,477	54,666	2,672
Accrued Wages	1,687,524	1,422	---
Contracts and Retainers Payable	1,742	---	---
Due to Other Governments	98,871	---	---
Due to Other Funds	9,111	114,647	50
Total Liabilities	2,237,725	170,735	2,722
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	21,172,415	7,848,134	---
Unavailable Revenue - Special Assessments	---	---	---
Unavailable Revenue - Loans	---	---	---
Total Deferred Inflows of Resources	21,172,415	7,848,134	---
FUND BALANCES			
Non-Spendable:			
Inventory	---	---	---
Prepaid Items	12,766	---	---
Long-Term Notes Receivable	4,400	---	97,510
Endowment, non-expendable	---	---	---
Restricted			
Committed	366,176	---	5,500
Assigned	---	---	3,402,318
Unassigned	8,548,208	(87,901)	---
Total Fund Balances	8,931,550	(87,901)	3,505,328
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 32,341,690	\$ 7,930,968	\$ 3,508,050

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 5,597,799	\$ 47,371,302	\$ 4,432,291	\$ 68,142,940
---	612,626	211,759	1,669,678
---	2,494	1,245,510	1,391,003
298,264	125,979	7,521,102	8,047,255
21,499	---	11,605	192,404
23,794,600	1,256,293	2,743,972	59,568,807
---	8,125,364	4,042	8,132,356
---	---	104,676	104,676
---	152	33,404	46,322
<u>29,712,162</u>	<u>57,494,210</u>	<u>16,308,361</u>	<u>147,295,441</u>
35,872	3,365,099	1,524,930	5,423,716
---	15,036	364,735	2,068,717
---	2,032,248	205,523	2,239,513
---	442	133,440	232,753
---	---	1,464,529	1,588,337
<u>35,872</u>	<u>5,412,825</u>	<u>3,693,157</u>	<u>11,553,036</u>
23,658,696	---	103,864	52,783,109
16,653	---	---	16,653
218,750	---	65,756	284,506
<u>23,894,099</u>	<u>---</u>	<u>169,620</u>	<u>53,084,268</u>
---	---	104,676	104,676
---	152	33,404	46,322
---	125,979	---	227,889
---	---	1,117,948	1,117,948
5,781,134	51,955,254	10,684,610	68,420,998
1,057	---	892,998	1,265,731
---	---	---	3,402,318
---	---	(388,052)	8,072,255
<u>5,782,191</u>	<u>52,081,385</u>	<u>12,445,584</u>	<u>82,658,137</u>
<u>\$ 29,712,162</u>	<u>\$ 57,494,210</u>	<u>\$ 16,308,361</u>	<u>\$ 147,295,441</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2014

EXHIBIT 3A

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

Total Fund Balances - Governmental Funds (Exhibit 3)		\$ 82,658,137
<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	46,768,275	
Construction in Progress	28,791,321	
Infrastructure, net of \$60,840,377 accumulated depreciation	163,491,501	
Buildings, net of \$31,960,255 accumulated depreciation	77,197,618	
Buildings under Capital Lease, net of \$5,180,750 accumulated depreciation	2,494,250	
Improvements other than Buildings, net of \$26,546,626 accumulated depreciation	30,415,548	
Equipment, net of \$17,262,842 accumulated depreciation	509,200	
Total Capital Assets		349,667,713
<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>		
		(4,288,328)
<p>Unavailable Revenues (\$595,491) that provide current financial resources for governmental activities.</p>		
		595,491
<p>Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.</p>		
		(280,585)
<p>Bond discounts and premiums are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.</p>		
Bond Discount	169,793	
Bond Premium	(2,825,993)	
Total Bond Discounts and Premiums (See Note 6)		(2,656,200)
<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	(104,835,176)	
Notes Payable	(1,200,000)	
Compensated Absences	(3,104,832)	
Total Long-term Liabilities (See Note 6)		(109,140,008)
Total Net Position - Governmental Activities (Exhibit 1)		\$ 316,556,220

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

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**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

<u>REVENUES</u>	General	Other Employee Benefits	Local Option Sales Tax
Taxes	\$ 25,603,723	\$ 6,495,455	\$ 12,680,781
Special Assessments	297,627	---	---
Regulatory Fees	4,371,779	---	---
Intergovernmental Revenue	1,821,815	---	---
Revenue from Use of Property	420,768	---	---
Charges for Services	4,642,294	---	---
Interest	551,782	---	217
Contributions	255,762	---	---
Miscellaneous	455,999	---	---
Total Revenue	38,421,549	6,495,455	12,680,998
<u>EXPENDITURES</u>			
Current:			
Public Safety	33,991,997	1,285,070	---
Public Works	1,450,423	---	---
Culture and Recreation	7,950,640	216,100	---
Community and Economic Development	784,561	12,702	106,221
General Government	2,681,210	49,742	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	46,858,831	1,563,614	106,221
Excess (Deficiency) of Revenues Over Expenditures	(8,437,282)	4,931,841	12,574,777
<u>OTHER FINANCING SOURCES (USES)</u>			
Issuance of Debt	---	---	---
Premiums on Bonds Issued	---	---	---
Proceeds on Sale of Uncapitalized Assets	---	---	---
Transfers In	14,463,001	---	7,093
Transfers Out	(5,803,970)	(5,115,829)	(12,268,188)
Total Other Financing Sources (Uses)	8,659,031	(5,115,829)	(12,261,095)
Net Change in Fund Balance	221,749	(183,988)	313,682
Fund Balance - Beginning of Year	8,709,801	96,087	3,191,646
Fund Balance - End of Year	<u>\$ 8,931,550</u>	<u>\$ (87,901)</u>	<u>\$ 3,505,328</u>

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 23,422,751	\$ ---	\$ 128,916	\$ 68,331,626
156,639	---	11,049	465,315
---	---	2,100	4,373,879
---	2,161,846	17,696,918	21,680,579
106,350	416,611	4,390,341	5,334,070
---	---	3,515,800	8,158,094
52,631	87,891	340,100	1,032,621
25,000	190,522	---	471,284
30,209	7,001	484,259	977,468
<u>23,793,580</u>	<u>2,863,871</u>	<u>26,569,483</u>	<u>110,824,936</u>
---	---	---	35,277,067
---	---	12,868,409	14,318,832
---	---	6,995,340	15,162,080
---	---	8,424,788	9,328,272
---	---	---	2,730,952
23,996,483	---	---	23,996,483
---	31,059,471	396,288	31,455,759
<u>23,996,483</u>	<u>31,059,471</u>	<u>28,684,825</u>	<u>132,269,445</u>
(202,903)	(28,195,600)	(2,115,342)	(21,444,509)
21,772	6,074,478	---	6,096,250
828,720	---	---	828,720
17,598	103,525	---	121,123
2,271,533	9,044,327	4,747,361	30,533,315
<u>(3,653,667)</u>	<u>(3,372,061)</u>	<u>(2,020,368)</u>	<u>(32,234,083)</u>
<u>(514,044)</u>	<u>11,850,269</u>	<u>2,726,993</u>	<u>5,345,325</u>
(716,947)	(16,345,331)	611,651	(16,099,184)
<u>6,499,138</u>	<u>68,426,716</u>	<u>11,833,933</u>	<u>98,757,321</u>
<u>\$ 5,782,191</u>	<u>\$ 52,081,385</u>	<u>\$ 12,445,584</u>	<u>\$ 82,658,137</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT 4A

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

Net Change in Fund Balances - Governmental Funds (Exhibit 4) \$ (16,099,184)

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 (\$12,415,668) exceeded capital outlays (\$8,825,475) in the current period. (3,590,193)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 34,521

Accrued interest expense that does not require current financial resources. 24,032

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: 72,537

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 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	(6,096,250)		
Bond Premium	(828,720)		
Notes Payable	(1,500,000)		
Repayments:			
General Obligation Bonds	17,843,490		
Bond Charges	270,724		
Notes Payable	300,000		
Net Adjustment (See Note 6)	9,989,244		9,989,244

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. 108,329

Changes in Net Position - Governmental Activities (Exhibit 2) \$ (9,460,714)

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

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CITY

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 1,420,168	\$ 12,326,128
Accounts Receivable	83,594	2,537,489
Accrued Interest Receivable	2,398	20,542
Notes Receivable - Current	1,000	---
Special Assessments, net of allowance	---	10,388
Due from Other Governments	362,647	---
Due from Other Funds	---	---
Inventories, at Cost	8,275	---
Prepaid Items	830	---
Total Current Assets	<u>1,878,912</u>	<u>14,894,547</u>
<u>Non-Current Assets</u>		
Advances to Other Funds	---	---
Capital Assets, Net of Accumulated Depreciation	28,614,443	105,450,973
Total Non-Current Assets	<u>28,614,443</u>	<u>105,450,973</u>
Total Assets	<u>30,493,355</u>	<u>120,345,520</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	187,888	920,373
Accrued Wages and Compensated Absences	91,299	298,763
Accrued Interest Payable	5,416	158,579
Contracts and Retainers Payable	29,601	559,580
Due to Other Governments	909	153,238
Due to Other Funds	12,057	100
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Current Portion of G.O. Bonds	259,458	486,981
Current Portion of Notes Payable	---	3,655,000
Unearned Revenue	---	---
Total Current Liabilities	<u>586,628</u>	<u>6,232,614</u>
<u>Non-Current Liabilities</u>		
Post Employment Benefit Obligation	---	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Advances from Other Funds	35,514	---
General Obligation Bonds, Net of Current Portion	1,760,429	3,516,298
Notes Payable, Net of Current Portion	---	61,194,569
Total Non-Current Liabilities	<u>1,795,943</u>	<u>64,710,867</u>
Total Liabilities	<u>2,382,571</u>	<u>70,943,481</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	27,044,556	37,803,125
Unrestricted	1,066,228	11,598,914
Total Net Position	<u>\$ 28,110,784</u>	<u>\$ 49,402,039</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
\$ 16,726,828	\$ 2,930,998	\$ 1,116,745	\$ 34,520,867	\$ 14,378,811
3,471,803	878,381	352,543	7,323,810	360,516
29,009	4,943	1,856	58,748	10,925
---	---	---	1,000	53,830
7,737	2,579	---	20,704	---
17,206	---	3,586	383,439	---
---	---	10,191	10,191	59,344
---	---	---	8,275	243,885
62,434	---	---	63,264	192,283
<u>20,315,017</u>	<u>3,816,901</u>	<u>1,484,921</u>	<u>42,390,298</u>	<u>15,299,594</u>
---	---	---	---	35,514
<u>128,848,049</u>	<u>955,314</u>	<u>7,684,578</u>	<u>271,553,357</u>	<u>8,564,591</u>
<u>128,848,049</u>	<u>955,314</u>	<u>7,684,578</u>	<u>271,553,357</u>	<u>8,600,105</u>
<u>149,163,066</u>	<u>4,772,215</u>	<u>9,169,499</u>	<u>313,943,655</u>	<u>23,899,699</u>
283,836	5,095	15,857	1,413,049	796,248
217,296	4,551	58,284	670,193	331,572
199,015	---	4,841	367,851	---
639,834	409,568	149,720	1,788,303	3,690
118,109	36,622	---	308,878	---
---	---	126,397	138,554	6,475,000
---	---	---	---	1,370,413
---	50,827	---	50,827	---
190,950	---	418,168	1,355,557	---
4,753,000	---	---	8,408,000	---
---	---	350,000	350,000	---
<u>6,402,040</u>	<u>506,663</u>	<u>1,123,267</u>	<u>14,851,212</u>	<u>8,976,923</u>
---	---	---	---	15,949,590
---	---	---	---	3,261,514
---	1,176,397	---	1,176,397	---
---	---	---	35,514	---
1,033,582	---	1,388,958	7,699,267	---
<u>76,488,940</u>	<u>---</u>	<u>---</u>	<u>137,683,509</u>	<u>---</u>
<u>77,522,522</u>	<u>1,176,397</u>	<u>1,388,958</u>	<u>146,594,687</u>	<u>19,211,104</u>
<u>83,924,562</u>	<u>1,683,060</u>	<u>2,512,225</u>	<u>161,445,899</u>	<u>28,188,027</u>
46,731,577	955,314	5,981,202	118,515,774	8,564,591
<u>18,506,927</u>	<u>2,133,841</u>	<u>676,072</u>	<u>33,981,982</u>	<u>(12,852,919)</u>
<u>\$ 65,238,504</u>	<u>\$ 3,089,155</u>	<u>\$ 6,657,274</u>	<u>\$ 152,497,756</u>	<u>\$ (4,288,328)</u>

**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>OPERATING REVENUES</u>		
Revenue from Use of Property	\$ 1,446,016	\$ 171,959
Charges for Service	313,501	14,281,792
Total Operating Revenues	<u>1,759,517</u>	<u>14,453,751</u>
<u>OPERATING EXPENSES</u>		
Employee Services	1,048,198	4,557,422
Supplies and Services	555,311	1,483,124
Repairs and Improvements	458,801	849,681
Utilities	162,643	683,129
Depreciation	2,142,844	3,182,181
Damage Settlement	---	---
Total Operating Expenses	<u>4,367,797</u>	<u>10,755,537</u>
Operating Income (Loss)	(2,608,280)	3,698,214
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental Revenue	107,960	---
Interest Income	6,865	209,269
Gain on Sale of Capital Assets	928,389	---
Other Non-Operating Revenues	105,213	1,625,370
Interest Expense	(57,298)	(1,809,439)
Other Non-Operating Expenses	---	(181,778)
Total Non-Operating Revenues (Expenses)	<u>1,091,129</u>	<u>(156,578)</u>
Income (Loss) before Capital Grants, Contributions, and Transfers	(1,517,151)	3,541,636
Capital Grants and Contributions	1,365,936	---
Transfers In	521,844	904,713
Transfers Out	<u>(7,093)</u>	<u>---</u>
Changes in Net Position	363,536	4,446,349
Net Position - Beginning of the Year before Prior Period Adjustments	27,747,248	45,587,538
Prior Period Adjustments	---	<u>(631,848)</u>
Net Position - Beginning of the Year as Restated	<u>27,747,248</u>	<u>44,955,690</u>
Net Position - End of Year	<u>\$ 28,110,784</u>	<u>\$ 49,402,039</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
\$ 24,741	\$ 580,972	\$ ---	\$ 2,223,688	\$ 46,214
17,751,602	4,506,550	1,720,088	38,573,533	23,913,596
17,776,343	5,087,522	1,720,088	40,797,221	23,959,810
4,444,608	143,883	421,706	10,615,817	15,719,033
1,510,525	4,352,959	556,582	8,458,501	1,859,289
1,813,535	62,560	186,902	3,371,479	5,165,272
867,200	47	62,907	1,775,926	30,317
2,217,698	111,353	479,604	8,133,680	1,784,671
---	---	---	---	254,628
10,853,566	4,670,802	1,707,701	32,355,403	24,813,210
6,922,777	416,720	12,387	8,441,818	(853,400)
---	---	---	107,960	---
236,359	78,483	6,089	537,065	43,745
---	---	---	928,389	209,574
8,825	2,078	---	1,741,486	459,564
(2,326,968)	(121)	(66,651)	(4,260,477)	---
(200,639)	---	---	(382,417)	---
(2,282,423)	80,440	(60,562)	(1,327,994)	712,883
4,640,354	497,160	(48,175)	7,113,824	(140,517)
---	---	---	1,365,936	---
---	---	145,200	1,571,757	248,846
(112,742)	---	---	(119,835)	---
4,527,612	497,160	97,025	9,931,682	108,329
61,450,199	2,591,995	6,560,249	143,937,229	(4,396,657)
(739,307)	---	---	(1,371,155)	---
60,710,892	2,591,995	6,560,249	142,566,074	(4,396,657)
\$ 65,238,504	\$ 3,089,155	\$ 6,657,274	\$ 152,497,756	\$ (4,288,328)

**CITY OF SIOUX CITY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 1,835,651	\$ 14,395,195
Cash Paid for Personal Services	(1,039,685)	(4,522,179)
Cash Paid to Suppliers	(1,461,980)	(2,873,964)
Other Non-Operating Revenues	105,213	1,625,370
Net Cash Provided (Used) by Operating Activities	<u>(560,801)</u>	<u>8,624,422</u>
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and Construction of Capital Assets	(1,937,575)	(4,334,110)
Capital Grants and Contributions	1,365,936	---
Proceeds from Sale of Assets	963,000	---
Proceeds from Bond Sales	450,000	1,205,000
Bond Issuance Costs	---	(181,778)
Proceeds from Notes Payable	---	1,516,652
Principal Paid on Notes and Bonds	(279,324)	(3,850,012)
Matured Bonds and Coupons Paid	---	---
Interest Paid on Notes and Bonds	(56,598)	(1,818,299)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>505,439</u>	<u>(7,462,547)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Intergovernmental Revenue	107,960	283,799
Transfers In	514,751	904,713
Transfers Out	---	---
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>622,711</u>	<u>1,188,512</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends on Investments	5,660	202,200
Payments Received on Notes Receivable	---	---
Net Cash Provided By Investing Activities	<u>5,660</u>	<u>202,200</u>
Net Increase (Decrease) in Cash and Cash Equivalents	573,009	2,552,587
Cash and Cash Equivalents at Beginning of Year	847,159	9,773,541
Cash and Cash Equivalents at End of Year	<u>\$ 1,420,168</u>	<u>\$ 12,326,128</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (2,608,280)	\$ 3,698,214
<i>Adjustments to Reconcile Net Operating Income (Loss)</i>		
<i>to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	2,142,844	3,182,181
Other Non-Operating Revenues	105,213	1,625,370
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	(41,592)	(55,788)
Special Assessments	---	(2,768)
Due from Other Governments	117,726	---
Due from Other Funds	---	---
Inventories	13	---
Advances to Other Funds	---	---
Prepaid Items	(243)	---
Accounts Payable	15,580	(13,347)
Accrued Wages and Compensated Absences	8,513	35,243
Contracts and Retainers Payable	(289,078)	135,586
Due to Other Governments	909	19,631
Due to Other Funds	(12,406)	100
Unearned Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	<u>2,047,479</u>	<u>4,926,208</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (560,801)</u>	<u>\$ 8,624,422</u>

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

Business-Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 17,902,840	\$ 5,014,265	\$ 1,757,441	\$ 40,905,392	\$ 23,941,889
(4,416,701)	(144,015)	(423,852)	(10,546,432)	(15,444,929)
(4,348,344)	(4,828,901)	(891,014)	(14,404,203)	(7,526,411)
8,825	2,078	---	1,741,486	459,564
<u>9,146,620</u>	<u>43,427</u>	<u>442,575</u>	<u>17,696,243</u>	<u>1,430,113</u>
(10,481,742)	---	(392,711)	(17,146,138)	(1,843,053)
---	---	---	1,365,936	---
---	---	---	963,000	210,904
350,000	---	103,750	2,108,750	---
(200,639)	---	---	(382,417)	---
9,037,914	---	---	10,554,566	---
(4,417,608)	(12,165)	(409,460)	(8,968,569)	---
---	---	(7,613)	(7,613)	---
<u>(2,322,743)</u>	<u>(132)</u>	<u>(67,429)</u>	<u>(4,265,201)</u>	<u>---</u>
(8,034,818)	(12,297)	(773,463)	(15,777,686)	(1,632,149)
---	---	---	391,759	---
---	---	145,200	1,564,664	248,846
(112,742)	---	---	(112,742)	---
<u>(112,742)</u>	<u>---</u>	<u>145,200</u>	<u>1,843,681</u>	<u>248,846</u>
228,771	77,487	6,050	520,168	43,049
---	---	---	---	23,435
<u>228,771</u>	<u>77,487</u>	<u>6,050</u>	<u>520,168</u>	<u>66,484</u>
1,227,831	108,617	(179,638)	4,282,406	113,294
15,498,997	2,822,381	1,296,383	30,238,461	14,265,517
<u>\$ 16,726,828</u>	<u>\$ 2,930,998</u>	<u>\$ 1,116,745</u>	<u>\$ 34,520,867</u>	<u>\$ 14,378,811</u>
\$ 6,922,777	\$ 416,720	\$ 12,387	\$ 8,441,818	\$ (853,400)
2,217,698	111,353	479,604	8,133,680	1,784,671
8,825	2,078	---	1,741,486	459,564
130,417	(73,010)	45,761	5,788	9,379
(3,920)	(247)	---	(6,935)	---
---	---	(2,431)	115,295	18,939
---	---	(5,977)	(5,977)	(46,239)
---	---	---	13	(24,421)
---	---	---	---	11,358
(2,422)	---	---	(2,665)	(1,436)
36,464	(13,091)	(62,779)	(37,173)	43,040
27,907	(132)	(2,146)	69,385	26,514
(189,895)	11,506	144,549	(187,332)	(2,507)
(1,231)	4,953	---	24,262	---
---	---	(61,393)	(73,699)	6,475,000
---	---	(105,000)	(105,000)	---
---	---	---	---	247,590
---	(416,703)	---	(416,703)	---
---	---	---	---	(6,717,939)
<u>2,223,843</u>	<u>(373,293)</u>	<u>430,188</u>	<u>9,254,425</u>	<u>2,283,513</u>
<u>\$ 9,146,620</u>	<u>\$ 43,427</u>	<u>\$ 442,575</u>	<u>\$ 17,696,243</u>	<u>\$ 1,430,113</u>

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

EXHIBIT 8

ASSETS

Cash and Cash Equivalents	\$ 6,659,763
Accounts Receivable	204,396
Due from Other Governments	<u>105,888</u>
Total Assets	<u>6,970,047</u>

LIABILITIES

Accounts Payable	6,553,603
Due to Other Governments	<u>416,444</u>
Total Liabilities	<u>6,970,047</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, 2014

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, 2014

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 adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* during fiscal year 2013, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. The adoption of these Statements changed the presentation of the basic financial statements to a statement of net position format, reclassified certain assets and liabilities to deferred outflows/inflows of resources and expensed bond issuance costs that had previously been capitalized.

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, 2014

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, 2014

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.

Sioux City Sports Commission – This fund accounts for the activity of the Sioux City Sports Commission.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, regardless of the timing of related cash flows.

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 typically used for revenue recognition for all other governmental fund revenues. One exception is reimbursement driven grants, which are periodically recognized beyond 60 days after year-end to match revenues with expenditures.

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, 2014

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 \$1,610,702 in the General Fund, \$9,495 in the Storm Water Drainage Fund, \$8,500 in the Water Fund, \$6,330 in the Sewer Fund and \$2,110 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, 2014, 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, 2014**

Note 1 - (Continued)

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, 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.

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, 2014**

Note 1 - (Continued)

P. Deferred Inflows/Outflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report deferred inflows of resources (unavailable revenue) from three sources: property taxes, special assessments, and loans. These amounts are considered unavailable and recognized as an inflow of resources in the period that the amounts become available.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Q. 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.

R. 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.

S. 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, 2014**

Note 1 - (Continued)

Assigned Fund Balance – Amounts that are constrained by the City's intent to use them for a specific purpose. It is the City's policy that the authority to assign fund balance 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.

T. 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.

U. 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.

V. 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, 2014**

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, 2014, 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, 2014, were \$84,068,643. These deposits have a book balance of \$82,766,886.

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, 2014.

Investments	Carrying Amount	Moody's Rating 6/30/13
U.S. Treasury Strips	\$ 195,846	N/A
Commercial Paper	2,496,538	P-1
U.S. Agencies	<u>38,231,828</u>	N/A
	<u>\$40,924,212</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, 2014**

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, 2014, 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, 2014, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 40,924,212
Bank Deposits	82,766,886
Cash on hand, petty cash and other cash items	11,283
Total Cash and Cash Equivalents	<u>\$ 123,702,381</u>

Cash and Cash Equivalents – Exhibit 1	\$117,042,618
Cash and Cash Equivalents – Exhibit 8	6,659,763
Total Cash and Cash Equivalents	<u>\$ 123,702,381</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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>
GENERAL	\$ 21,444,858	\$ 431,820	\$ 842,793
Special Revenues			
Storm Water Drainage	---	---	68,285
Road Use	---	638,154	---
Community Development	---	597,894	456
Housing	---	46,197	838
Main Street	104,719	---	---
Local Option Sales Tax	---	1,966,296	2,500
Events Facilities	---	300	117,447
Transit System	---	1,356,708	24,289
Employee Benefits	7,930,968	---	---
TOTAL SPECIAL REVENUES	8,035,687	4,605,549	213,815
DEBT SERVICE	23,794,600	---	---
CAPITAL PROJECTS	---	1,256,293	612,626
Enterprises			
Airport System	---	362,647	83,594
Water System	---	---	2,537,489
Sewer System	---	17,206	3,471,803
Solid Waste System	---	---	878,381
Parking Facility	---	3,586	194,811
Skyway System	---	---	157,732
TOTAL ENTERPRISE	---	383,439	7,323,810
Internal Service Funds			
Central Maintenance Garage	---	---	156,522
Comprehensive Insurance	---	---	203,994
TOTAL INTERNAL SERVICE	---	---	360,516
Permanent Fund			
Cemetery Trust	---	---	444
TOTAL PERMANENT	---	---	444
TOTAL RECEIVABLES	\$ 53,275,145	\$ 6,677,101	\$ 9,354,004

<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
\$ 4,400	\$ 159,300	\$ 22,883,171
---	11,605	79,890
---	---	638,154
7,485,810	---	8,084,160
35,292	---	82,327
---	---	104,719
97,510	---	2,066,306
---	---	117,747
---	---	1,380,997
---	---	7,930,968
7,618,612	11,605	20,485,268
298,264	21,499	24,114,363
125,979	---	1,994,898
1,000	---	447,241
---	10,388	2,547,877
---	7,737	3,496,746
---	2,579	880,960
---	---	198,397
---	---	157,732
1,000	20,704	7,728,953
53,830	---	210,352
---	---	203,994
53,830	---	414,346
---	---	444
---	---	444
\$ 8,102,085	\$ 213,108	\$ 77,621,443

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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-four 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 \$4,400 as of June 30, 2014.

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, 2014, of \$288,624. 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, 2014, was \$2,208,796.

The City also has other notes receivable totaling \$304,767 at June 30, 2014, 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 \$4,683,623 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, 2014, was \$54,514. The note carries an interest rate of 4.45% and calls for monthly payments of \$2,585 through April 2016. 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 3rd & 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, 2014 was \$243,750.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014, of \$125,979.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$97,510. These notes receivables are reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$65,763 for housing loan repayments. The amount due by June 30, 2015 is \$23,079 while \$12,213 of the balance is due after June 30, 2015. The balance of \$30,471 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, 2014 was \$24,979.

The City has two notes receivables from Siouxland District Health for vehicles purchased in 2013. The June 30, 2014 balances are \$13,625 and \$15,226, respectively. The amounts are reported in the Central Maintenance Garage fund.

At June 30, 2014, special assessments receivables totaled \$213,108. This amount is reported net of an allowance for doubtful accounts of \$1,637,137.

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, 2014, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,448,079, \$1,530,197 and \$509,534, respectively.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2014, is as follows:

Governmental Activities (including Internal Service Funds):

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 46,754,539	\$ 260,342	\$ (246,606)	\$ 46,768,275
Construction in Progress	36,272,612	7,440,901	(14,922,192)	28,791,321
Total capital assets, not being depreciated	83,027,151	7,701,243	(15,168,798)	75,559,596
Capital assets, being depreciated:				
Buildings	109,746,561	95,494	---	109,842,055
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	56,772,523	744,492	---	57,517,015
Equipment	49,540,809	2,208,173	(1,844,888)	49,904,094
Infrastructure	209,243,950	15,087,928	---	224,331,878
Total capital assets, being depreciated	432,978,843	18,136,087	(1,844,888)	449,270,042
Less accumulated depreciation for:				
Buildings	(29,742,868)	(2,901,569)	---	(32,644,437)
Buildings under capital lease	(4,988,875)	(191,875)	---	(5,180,750)
Improvements other than buildings	(24,365,851)	(2,565,125)	---	(26,930,976)
Equipment	(38,966,689)	(3,877,660)	1,843,555	(41,000,794)
Infrastructure	(56,176,267)	(4,664,110)	---	(60,840,377)
Total accumulated depreciation	(154,240,550)	(14,200,339)	1,843,555	(166,597,334)
Total capital assets, being depreciated, net	278,738,293	3,935,748	(1,333)	282,672,708
Governmental Activities capital assets, net	\$ 361,765,444	\$ 11,636,991	\$(15,170,131)	\$ 358,232,304

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, 2014**

Note 4 - (Continued)

Business-Type Activities:

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 3,403,534	\$ ---	\$ (26,642)	\$ 3,376,892
Construction in progress	161,108,845	16,075,156	(50,733,266)	126,450,735
Total capital assets, not being depreciated	164,512,379	16,075,156	(50,759,908)	129,827,627
Capital assets, being depreciated:				
Buildings	75,104,546	31,767,213	---	106,871,759
Improvements other than buildings	148,994,535	18,966,052	---	167,960,587
Equipment	7,191,378	1,070,981	(53,125)	8,209,234
Total capital assets, being depreciated	231,290,459	51,804,246	(53,125)	283,041,580
Less accumulated depreciation for:				
Buildings	(57,802,227)	(1,034,253)	---	(58,836,480)
Improvements other than buildings	(69,964,302)	(6,755,695)	---	(76,719,997)
Equipment	(5,460,797)	(343,732)	45,156	(5,759,373)
Total accumulated depreciation	(133,227,326)	(8,133,680)	45,156	(141,315,850)
Total capital assets, being depreciated, net	98,063,133	43,670,566	(7,969)	141,725,730
Business-Type Activities capital assets, net	\$ 262,575,512	\$ 59,745,722	\$ (50,767,877)	\$ 271,553,357

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

Governmental Activities

Public Safety	\$ 936,896
Public Works	5,280,568
Culture and Recreation	2,937,249
Community and Economic Development	252,853
General Government	3,008,102
Internal Service	1,784,671
Total	\$ 14,200,339

Business-Type Activities

Airport	\$ 2,142,844
Water	3,182,181
Sewer	2,217,698
Solid Waste	111,353
Parking	479,604
Total	\$ 8,133,680

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 4 – (Continued)

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business- Type Activities
Capital Assets (net of accumulated depreciation)	\$ 358,232,304	\$ 271,553,357
Unspent Bond Proceeds	11,596,250	2,108,750
Less: General Obligation Bonds Payable	107,491,376	9,054,824
Notes Payable	---	146,091,509
Net Investment in Capital Assets	\$ 262,337,178	\$ 118,515,774

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. The lease was renewed for an additional five years commencing on June 2, 2012 and ending on June 1, 2017. 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 \$5,180,750 for a net book value at June 30, 2014, of \$2,494,250.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 6 – Long-Term Debt

NOTES PAYABLE

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, 2014, of \$99,000 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, 2014, of \$197,000 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, 2014, were \$13,648,000 in the Water fund and \$4,187,000 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, 2014, was \$22,162,000 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, 2014, was \$4,036,000 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, 2014, was \$12,037,000 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 outstanding balance of the note as of June 30, 2014, was \$33,036,000 in the Sewer fund. 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, 2014, and had a remaining balance to be drawn of \$423,785. The balance outstanding in the Water Fund at June 30, 2014 was \$27,936,215.

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, 2014, was \$9,592,000 in the Water fund.

During fiscal 2011, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$9,193,000 with an interest rate of 3%. The loan 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, 2014, of \$8,159,000 in the Water fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 6 – (Continued)

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, 2014 totaled \$1,410,657, \$3,191,344 and \$5,049,939, respectively. The outstanding balance at June 30, 2014 was \$1,282,657, \$3,191,344 and \$5,049,939 in the Sewer Fund.

During fiscal 2014, a judgment was granted against the City in favor of First National Bank to repay a loan in the amount of \$1,500,000 on behalf of Civic Partners, L.L.C. as part of an economic development incentive. The interest rate is 0% and is scheduled to be repaid over five years. The balance at June 30, 2014 was \$1,200,000.

During fiscal 2014, the City obtained a note with the State of Iowa Clean Drinking Water State Revolving Fund in the amount of \$2,100,000 for the Ultraviolet Disinfection Project with an interest rate of 1.75%. Loan funds drawn through June 30, 2014 totaled \$1,478,354. The outstanding balance at June 30, 2014 was \$1,478,354 in the Water Fund.

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

Year Ending <u>June 30</u>	Governmental Activities		Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 300,000	\$ ---	\$ 8,408,000	\$ 4,124,738
2016	300,000	---	8,567,000	3,904,998
2017	300,000	---	8,718,000	3,679,613
2018	300,000	---	8,982,000	3,449,260
2019	---	---	9,254,000	3,211,825
2020-2024	---	---	49,049,656	12,204,784
2025-2029	---	---	39,904,294	5,628,151
2030-2034	---	---	13,208,559	689,707
Total	\$ 1,200,000	\$ ---	\$ 146,091,509	\$ 36,893,076

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 2014 as follows:

On June 24, 2014, the City sold general obligation bonds in two series. Series A was issued for \$6,655,000. The bonds were sold to Piper Jaffray for \$7,474,929.62. The bonds have a true interest rate of 1.8163% with principal payments due June 1 of the years 2015 through 2024. Series B was issued for \$1,550,000. The bonds were sold to BMO Capital Markets GKST Inc. for \$1,558,790.05. The bonds have a true interest rate of 2.4253% with principal payments due June 1 of the years 2015 through 2024.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 6 – (Continued)

General obligation bonds outstanding as of June 30, 2014, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.25%	\$104,835,176
Business-Type Activities	2.00 – 5.25%	9,054,824

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

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 17,134,443	\$ 3,367,017	\$ 1,355,557	\$ 289,547
2016	14,355,296	2,859,268	1,304,704	253,262
2017	12,700,412	2,425,386	1,044,588	217,417
2018	11,831,391	2,042,412	1,038,609	190,321
2019	9,383,629	1,671,310	1,006,371	159,957
2020-2024	28,905,005	4,329,597	3,304,995	321,455
2025-2029	5,850,000	1,626,992	---	---
2030-2033	4,675,000	488,210	---	---
Total	<u>\$ 104,835,176</u>	<u>\$ 18,810,192</u>	<u>\$ 9,054,824</u>	<u>\$ 1,431,959</u>

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 116,582,416	\$ 6,096,250	\$ 17,843,490	\$ 104,835,176	\$ 17,134,443
Unamortized Bond Charges	2,098,204	828,720	270,724	2,656,200	353,596
Notes Payable	---	1,500,000	300,000	1,200,000	300,000
Compensated Absences	3,401,699	3,452,946	3,507,191	3,347,454	2,381,283
Governmental Activities Long-term Liabilities	<u>\$122,082,319</u>	<u>\$ 11,877,916</u>	<u>\$ 21,921,405</u>	<u>\$ 112,038,830</u>	<u>\$ 20,169,322</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 8,292,584	\$ 2,108,750	\$ 1,346,510	\$ 9,054,824	\$ 1,355,557
Notes Payable	144,342,660	9,370,908	7,622,059	146,091,509	8,408,000
Compensated Absences	369,721	329,648	293,304	406,065	302,877
Est. Liability for Landfill Closure	1,643,927	---	416,703	1,227,224	50,827
Business-type Activities Long-term Liabilities	<u>\$154,648,892</u>	<u>\$ 11,809,306</u>	<u>\$ 9,678,576</u>	<u>\$ 156,779,622</u>	<u>\$ 10,117,261</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 6 – (Continued)

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$2,656,200 on the Statement of Net Position.

		Exhibit 1- Statement of Net Position	
General Obligation Bonds	\$104,835,176	General Obligation Bonds Payable-current	\$ 17,488,039
Unamortized Bond Charges	<u>2,656,200</u>	General Obligation Bonds Payable-long term	<u>90,003,337</u>
	<u>\$107,491,376</u>		<u>\$107,491,376</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, 2014, \$217,300 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, 2014, approximately 73% will be liquidated by the general fund, 19% 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 Transit Fund showed a deficit balance at June 30, 2014, of \$201,182. 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.

Other Employee Benefits showed a deficit balance at June 30, 2014, of \$87,901. This is due to an increase in fire workers' compensation medical payments.

The Comprehensive Insurance Fund showed a deficit balance at June 30, 2014, of \$19,040,666. The primary 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 \$15,949,590 as of June 30, 2014. 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 damage claims estimated at \$4,631,927. 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, 2014**

Note 8 – Internal Balances

The following is a summary of Interfund Receivables/Payables as of June 30, 2014:

Fund	Interfund Receivable	Interfund Payable
General	\$ 2,950	\$ 9,111
Other Employee Benefits	---	114,647
Local Option Sales Tax	---	50
Capital Improvements	8,125,364	---
Nonmajor Governmental	4,042	1,464,529
Internal Service	59,344	6,475,000
Airport	---	12,057
Water	---	100
Nonmajor Enterprise	10,191	126,397
Totals	<u>\$ 8,201,891</u>	<u>\$ 8,201,891</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2014.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 8 - Internal Balances (Continued)

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types				
	General	Sales Tax	Debt Service	Capital Improv	Nonmajor Govt
General	\$ ---	\$ ---	\$ 438,711	\$ 3,463,461	\$ 1,901,798
Employee Benefits	4,597,444	---	---	---	518,385
Local Opt Sales Tax	8,174,621	---	---	3,413,700	679,867
Debt Service	---	---	---	1,943,058	145,945
Capital Improvements	1,040,936	---	573,820	---	1,501,366
Nonmajor Govt	650,000	---	1,259,002	111,366	---
Airport	---	7,093	---	---	---
Sewer	---	---	---	112,742	---
TOTAL TRANSFERS-IN	<u>\$ 14,463,001</u>	<u>\$ 7,093</u>	<u>\$ 2,271,533</u>	<u>\$ 9,044,327</u>	<u>\$ 4,747,361</u>

Transfers are used to:

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

Proprietary Fund Types				Total
Airport	Water	Nonmajor Prop	Internal Service	Transfers Out
\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,803,970
---	---	---	---	5,115,829
---	---	---	---	12,268,188
514,751	904,713	145,200	---	3,653,667
7,093	---	---	248,846	3,372,061
---	---	---	---	2,020,368
---	---	---	---	7,093
---	---	---	---	112,742
<u>\$ 521,844</u>	<u>\$ 904,713</u>	<u>\$ 145,200</u>	<u>\$ 248,846</u>	<u>\$ 32,353,918</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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>
Fund Balances:			
Nonspendable:			
Inventory	\$ ---	\$ ---	\$ ---
Prepaid Items	12,766	---	---
Long-Term Notes Receivable	4,400	---	97,510
Endowment, non-expendable	---	---	---
Restricted for:			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	---	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
Committed to:			
Public Safety	144,521	---	---
Public Works	86,881	---	---
Culture & Recreation	88,258	---	---
Comm & Econ Develop	25,779	---	5,500
General Governmental	20,737	---	---
Assigned to:			
Other Purposes	---	---	3,402,318
Unassigned:	8,548,208	(87,901)	---
Total Fund Balances	<u>\$ 8,931,550</u>	<u>\$ (87,901)</u>	<u>\$ 3,505,328</u>

Major Debt Service Fund	Major Capital Improvements Fund	Other Funds	Total
\$ ---	\$ ---	\$ 104,676	\$ 104,676
---	152	33,404	46,322
---	125,979	---	227,889
---	---	1,117,948	1,117,948
---	---	612,144	612,144
---	---	10,023,914	10,023,914
---	---	---	---
5,781,134	---	---	5,781,134
---	51,955,254	---	51,955,254
---	---	48,552	48,552
---	---	---	144,521
---	---	853,421	940,302
---	---	39,577	127,835
---	---	---	31,279
1,057	---	---	21,794
---	---	---	3,402,318
---	---	(388,052)	8,072,255
<u>\$ 5,782,191</u>	<u>\$ 52,081,385</u>	<u>\$ 12,445,584</u>	<u>\$ 82,658,137</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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. The City Attorney estimates that an unfavorable outcome on certain lawsuits is likely and, accordingly, a provision for losses of \$2,785,200 has been established in the accompanying financial statements as of June 30, 2014. A provision for health claims incurred but unpaid as of June 30, 2014, of \$1,846,727 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 2014. 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 ten 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
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
2014	\$11,349,866	\$ 6,052,645	\$12,770,584	\$ 4,631,927

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 11 - Commitments

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2014. The following summary presents the amount of contracts outstanding at June 30, 2014 for both Governmental and Enterprise Funds combined:

Construction	\$ 9,484,992
Design & Engineering Services	3,384,050
Other	5,335,188
Less: Due, but unpaid at June 30, 2014	<u>(3,421,608)</u>
Construction Contract Commitments	<u>\$ 14,782,622</u>

Governmental contracts and encumbrances outstanding at June 30, 2014 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	\$ 144,521	\$ ---	\$ ---	\$ ---	\$ 144,521
Public Works	86,881	294,470	---	---	381,351
Culture & Recreation	88,258	39,577	---	---	127,835
Community & Economic Development	25,779	---	---	5,500	31,279
General Government	20,737	---	1,057	---	21,794
Totals	<u>\$ 366,176</u>	<u>\$ 334,047</u>	<u>\$ 1,057</u>	<u>\$ 5,500</u>	<u>\$ 706,780</u>

As of June 30, 2014 the City had \$2,237,994 outstanding purchase orders of the total encumbrances carried over listed above.

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 currently expected to be \$1,530,160. The amount is payable upon completion of the project in three equal annual installments with the first installment projected to be due January 1, 2018.

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 currently expected to be \$42,795,419. The amount is payable upon completion of the project in three equal annual installments with the first installment projected to be due January 1, 2016.

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 Loess Hills School. As of June 30, 2014 the City has paid \$453,048 for Loess Hills School infrastructure improvements.

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.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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. As of June 30, 2014, the City had paid \$16,500,000 towards this agreement.

The City approved a 28E Agreement for developmental services with the Sioux City Community School District. The City is responsible for fifty percent of infrastructure improvements at the site of the proposed Bryant School.

Note 12 - 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. Summary financial information as of, and for the fiscal year ended June 30, 2014, is presented as follows:

Capital Assets	\$ 40,696
Other Assets	381,567
Total Assets	<u>422,263</u>
Total Liabilities	458,613
Fund Equity	(36,350)
Total Liabilities and Fund Equity	<u>422,263</u>
Total Revenue	2,684,010
Total Expenditures	(2,609,281)
Net Increase (Decrease) in Fund Balance	<u>\$ 74,729</u>

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%

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 13 - 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, 2014 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	706,590
Adjustment to annual required contribution	<u>(586,000)</u>
Annual OPEB cost (expense)	1,003,590
Contributions made	<u>(756,000)</u>
Increase in net OPEB obligation	247,590
Net OPEB obligation – beginning of year	<u>15,702,000</u>
Net OPEB obligation – end of year	<u>\$ 15,949,590</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 13 – (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 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ 4,032,002	16.2%	\$ 3,379,801
2008	4,233,602	13.7%	7,031,563
2009	4,462,521	19.1%	10,641,835
2010	3,227,568	32.2%	12,831,000
2011	2,024,000	35.9%	14,130,000
2012	2,082,850	41.2%	15,355,850
2013	988,000	64.9%	15,702,000
2014	\$ 1,003,590	75.3%	\$ 15,949,590

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2014, 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)	\$ 43,052,427
UAAL as a percentage of covered payroll	23.01%

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, 2014**

Note 14 - 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 240 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, 2014, one employment agreement involving termination benefits was in effect. These termination benefits include severance, health, life and long term disability benefits. The long-term portion of \$99,338 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, 2014.

Compensated absences consist of the following amounts as of June 30, 2014:

Accrued Vacation	\$ 2,460,467
Accrued Severance Pay	1,055,901
Accrued Transit Sick Leave	137,813
Accrued Termination Benefits	99,338
Total	\$ 3,753,519

Compensated absences have been recorded as follows:

	CURRENT	LONG-TERM	TOTAL
Enterprise Funds	\$ 302,877	\$ 103,188	\$ 406,065
Internal Service Funds	217,300	25,322	242,622
Government-Wide Statement	2,163,983	940,849	3,104,832
	\$ 2,684,160	\$ 1,069,359	\$ 3,753,519

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

Note 15 - 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 5.95% of their annual covered salary and the City is required to contribute 8.93% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$2,406,454, \$2,355,909, and \$2,192,127 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 30.12% of earnable compensation. Contribution rates are established by State statute. The City's contributions to MFPRSI for the years ended June 30, 2014, 2013 and 2012 were \$4,955,833, (30.12%) \$4,213,126 (26.12%), and \$3,922,797 (24.76%), respectively, which met the required minimum contribution for each year.

Note 16 - 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, 2014 was \$1,227,224. This full amount has been accrued by the City as of June 30, 2014. Of this amount, it was estimated that \$50,827 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.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 17 – Prior Period Restatements

For fiscal year 2014, the City made prior period adjustments due to the adoption of GASB Statement No. 65 which required the City to expense bond issuance costs that had previously been capitalized. This required the restatement of the June 30, 2013 net position for those funds affected. This change is in accordance with generally accepted accounting principles.

	<u>Exhibit 2</u>
Net position, June 30, 2013, as previously reported:	\$ 470,435,100
Reclassification of Bond Issuance Costs	(1,852,092)
Net position, June 30, 2013, as restated	<u>\$ 468,583,008</u>

Note 18 – 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 19 – Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

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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.

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CITY OF SIOUX CITY, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL - ALL GOVERNMENTAL AND PROPRIETARY FUNDS¹
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Governmental Fund Types Actual</u>	<u>Internal Service Funds Actual</u>	<u>Proprietary Funds Actual</u>
<u>REVENUES</u>			
Taxes	\$ 68,331,626	\$ ---	\$ ---
Special Assessments	465,315	---	---
Regulatory Fees	4,373,879	---	---
Intergovernmental Revenue ²	21,680,579	---	1,473,896
Revenue from Use of Property	6,366,691	89,959	3,689,142
Charges for Service	8,158,094	23,913,596	38,573,533
Miscellaneous	1,448,752	669,138	1,741,486
Total Revenues	<u>110,824,936</u>	<u>24,672,693</u>	<u>45,478,057</u>
<u>EXPENDITURES</u>			
Public Safety	35,277,067	---	---
Public Works	14,318,832	---	---
Culture and Recreation	15,162,080	---	---
Community and Economic Development	9,328,272	---	---
General Government	2,730,952	---	---
Debt Service	23,996,483	---	4,260,477
Capital Projects ²	31,455,759	---	---
Business-Type/Enterprises ²	---	24,813,210	32,737,820
Total Expenditures	<u>132,269,445</u>	<u>24,813,210</u>	<u>36,998,297</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,444,509)	(140,517)	8,479,760
<u>OTHER FINANCING SOURCES (USES)</u>			
Other Financing Sources	37,579,408	248,846	1,571,757
Other Financing Uses	(32,234,083)	---	(119,835)
Total Other Financing Sources	<u>5,345,325</u>	<u>248,846</u>	<u>1,451,922</u>
Net Change in Fund Balance (Deficit)	(16,099,184)	108,329	9,931,682
Fund Balance - Beg. of Year before Prior Period Adjustments	98,757,321	(4,396,657)	143,937,229
Prior Period Adjustments	---	---	(1,371,155)
Fund Balance - Beg. of Year after Prior Period Adjustments	<u>98,757,321</u>	<u>(4,396,657)</u>	<u>142,566,074</u>
Fund Balance (Deficit)- End of Year	<u>\$ 82,658,137</u>	<u>\$ (4,288,328)</u>	<u>\$ 152,497,756</u>

Notes:

¹ 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.

² 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	
\$ 68,331,626	\$ 70,874,192	\$ 73,524,192	\$ (5,192,566)
465,315	183,124	478,124	(12,809)
4,373,879	6,163,545	9,163,545	(4,789,666)
23,154,475	32,635,182	119,763,747	(96,609,272)
10,145,792	7,724,759	14,864,759	(4,718,967)
70,645,223	72,118,459	87,210,559	(16,565,336)
3,859,376	9,097,324	39,839,574	(35,980,198)
<u>180,975,686</u>	<u>198,796,585</u>	<u>344,844,500</u>	<u>(163,868,814)</u>
35,277,067	34,263,218	41,474,066	(6,196,999)
14,318,832	15,796,793	27,521,972	(13,203,140)
15,162,080	17,208,123	27,678,224	(12,516,144)
9,328,272	14,384,034	23,518,591	(14,190,319)
2,730,952	7,180,089	12,122,937	(9,391,985)
28,256,960	26,543,118	49,343,508	(21,086,548)
31,455,759	163,879,964	190,942,189	(159,486,430)
<u>57,551,030</u>	<u>86,912,620</u>	<u>162,677,830</u>	<u>(105,126,800)</u>
<u>194,080,952</u>	<u>366,167,959</u>	<u>535,279,317</u>	<u>(341,198,365)</u>
(13,105,266)	(167,371,374)	(190,434,817)	177,329,551
39,400,011	96,853,146	102,241,472	(62,841,461)
<u>(32,353,918)</u>	<u>(55,468,917)</u>	<u>(58,877,246)</u>	<u>(26,523,328)</u>
<u>7,046,093</u>	<u>41,384,229</u>	<u>43,364,226</u>	<u>(36,318,133)</u>
<u>\$ (6,059,173)</u>	<u>(125,987,145)</u>	<u>(147,070,591)</u>	<u>\$ 141,011,418</u>
	193,489,634	193,489,634	
	---	---	
	<u>164,531,740</u>	<u>164,531,740</u>	
	<u>\$ 38,544,595</u>	<u>\$ 17,461,149</u>	

**CITY OF SIOUX CITY, IOWA
POST EMPLOYMENT HEALTHCARE BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2014**

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 ¹	N/A	N/A	N/A	N/A	N/A	N/A
2006	6/30/2006 ¹	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 ²	\$ ---	\$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%
2014	6/30/2013 ³	\$ ---	\$9,905,000	\$9,905,000	0.00%	\$43,052,427	23.0%

Notes:

¹ Fiscal 2007 was the first year for calculating the Post Employment Benefit Obligation so information from previous years is not available.

² The actuarial report dated 6/30/11 was also used for Fiscal 2012.

³ The actuarial report dated 6/30/13 was also used for Fiscal 2014.

CITY OF SIOUX CITY, IOWA
OTHER SUPPLEMENTARY INFORMATION

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**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, 2014**

Special Revenue Funds

<u>ASSETS</u>	<u>Storm Water Drainage</u>	<u>Road Use</u>	<u>Community Development</u>	<u>Housing</u>
Cash and Cash Equivalents	\$ 494,148	\$ 363,712	\$ 226,442	\$ 915,237
Accounts Receivable	68,285	---	456	838
Accrued Interest Receivable	---	---	1,245,510	---
Notes Receivable	---	---	7,485,810	35,292
Special Assessments, net of allowance	11,605	---	---	---
Due from Other Governments	---	638,154	597,894	46,197
Due from Other Funds	---	---	---	---
Inventories	---	---	---	---
Prepaid Items	---	---	5,283	---
Total Assets	<u>574,038</u>	<u>1,001,866</u>	<u>9,561,395</u>	<u>997,564</u>
<u>LIABILITIES</u>				
Accounts Payable	---	235,556	46,540	74,356
Accrued Wages	---	154,166	24,455	28,315
Contracts & Retainers Payable	---	---	176,536	394
Due to Other Governments	12,860	---	387	110,048
Due to Other Funds	---	---	2,950	25
Total Liabilities	<u>12,860</u>	<u>389,722</u>	<u>250,868</u>	<u>213,138</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	---	---	---	---
Unavailable Revenue - Loans	---	---	---	65,756
Total Deferred Inflows or Resources	<u>---</u>	<u>---</u>	<u>---</u>	<u>65,756</u>
<u>FUND BALANCES</u>				
Non-Spendable:				
Inventory	---	---	---	---
Prepaid Items	---	---	5,283	---
Endowment, non-expendable	---	---	---	---
Restricted	---	612,144	9,305,244	718,670
Committed	561,178	---	---	---
Unassigned	---	---	---	---
Total Fund Balances (Deficit)	<u>561,178</u>	<u>612,144</u>	<u>9,310,527</u>	<u>718,670</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 574,038</u>	<u>\$ 1,001,866</u>	<u>\$ 9,561,395</u>	<u>\$ 997,564</u>

			Permanent Fund		
<u>Main Street</u>	<u>Events Facilities</u>	<u>Transit Operations</u>	<u>Cemetery Trust</u>	<u>Total Governmental Nonmajor Funds</u>	
\$ 47,697	\$ 1,267,551	\$ ---	\$ 1,117,504	\$	4,432,291
---	117,447	24,289	444		211,759
---	---	---	---		1,245,510
---	---	---	---		7,521,102
---	---	---	---		11,605
104,719	300	1,356,708	---		2,743,972
---	250	3,792	---		4,042
---	104,676	---	---		104,676
---	28,121	---	---		33,404
<u>152,416</u>	<u>1,518,345</u>	<u>1,384,789</u>	<u>1,117,948</u>		<u>16,308,361</u>
---	1,152,704	15,774	---		1,524,930
---	74,217	83,582	---		364,735
---	---	28,593	---		205,523
---	8,641	1,504	---		133,440
---	5,036	1,456,518	---		1,464,529
---	1,240,598	1,585,971	---		3,693,157
103,864	---	---	---		103,864
---	---	---	---		65,756
<u>103,864</u>	<u>---</u>	<u>---</u>	<u>---</u>		<u>169,620</u>
---	104,676	---	---		104,676
---	28,121	---	---		33,404
---	---	---	1,117,948		1,117,948
48,552	---	---	---		10,684,610
---	39,577	292,243	---		892,998
---	105,373	(493,425)	---		(388,052)
<u>48,552</u>	<u>277,747</u>	<u>(201,182)</u>	<u>1,117,948</u>		<u>12,445,584</u>
<u>\$ 152,416</u>	<u>\$ 1,518,345</u>	<u>\$ 1,384,789</u>	<u>\$ 1,117,948</u>	<u>\$</u>	<u>16,308,361</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, 2014**

Special Revenue Funds

<u>REVENUES</u>	<u>Storm Water Drainage</u>	<u>Road Use</u>	<u>Community Development</u>	<u>Housing</u>
Taxes	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	11,049	---	---	---
Regulatory Fees	---	---	---	2,100
Intergovernmental Revenue	---	7,767,961	3,304,525	4,739,835
Revenue from Use of Property	---	3,665	---	---
Charges for Services	1,332,592	---	1,147	---
Interest	9,363	---	329,830	907
Miscellaneous	---	47,357	16,391	75,795
Total Revenue	1,353,004	7,818,983	3,651,893	4,818,637
<u>EXPENDITURES</u>				
Current:				
Public Works	225,055	8,439,223	---	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	2,985,628	5,171,160
Capital Projects	---	---	396,288	---
Total Expenditures	225,055	8,439,223	3,381,916	5,171,160
Excess (Deficiency) of Revenues Over Expenditures	1,127,949	(620,240)	269,977	(352,523)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	---	849,646	---	---
Transfers Out	(1,144,268)	(700,000)	---	---
Total Other Financing Sources (Uses)	(1,144,268)	149,646	---	---
Net Change in Fund Balance	(16,319)	(470,594)	269,977	(352,523)
Fund Balance (Deficit) - Beginning of Year	577,497	1,082,738	9,040,550	1,071,193
Fund Balance (Deficit) - End of Year	\$ 561,178	\$ 612,144	\$ 9,310,527	\$ 718,670

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 128,916	\$ ---	\$ ---	\$ ---	\$ 128,916
---	---	---	---	11,049
---	---	---	---	2,100
---	6,030	1,878,567	---	17,696,918
---	4,299,349	62,380	24,947	4,390,341
---	861,548	1,320,513	---	3,515,800
---	---	---	---	340,100
---	259,034	85,682	---	484,259
<u>128,916</u>	<u>5,425,961</u>	<u>3,347,142</u>	<u>24,947</u>	<u>26,569,483</u>
---	---	4,204,131	---	12,868,409
---	6,995,340	---	---	6,995,340
268,000	---	---	---	8,424,788
---	---	---	---	396,288
<u>268,000</u>	<u>6,995,340</u>	<u>4,204,131</u>	<u>---</u>	<u>28,684,825</u>
(139,084)	(1,569,379)	(856,989)	24,947	(2,115,342)
145,945	2,876,487	875,283	---	4,747,361
---	---	(176,100)	---	(2,020,368)
<u>145,945</u>	<u>2,876,487</u>	<u>699,183</u>	<u>---</u>	<u>2,726,993</u>
6,861	1,307,108	(157,806)	24,947	611,651
<u>41,691</u>	<u>(1,029,361)</u>	<u>(43,376)</u>	<u>1,093,001</u>	<u>11,833,933</u>
<u>\$ 48,552</u>	<u>\$ 277,747</u>	<u>\$ (201,182)</u>	<u>\$ 1,117,948</u>	<u>\$ 12,445,584</u>

SILOUXTM
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, 2014**

EXHIBIT B-1

<u>ASSETS</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 1,116,745	\$ ---	\$ 1,116,745
Accounts Receivable	194,811	157,732	352,543
Accrued Interest Receivable	1,856	---	1,856
Due from Other Governments	3,586	---	3,586
Due from Other Funds	1,250	8,941	10,191
Total Current Assets	1,318,248	166,673	1,484,921
<u>Non-Current Assets</u>			
Capital Assets, Net of Accumulated Depreciation	7,684,578	---	7,684,578
Total Non-Current Assets	7,684,578	---	7,684,578
Total Assets	9,002,826	166,673	9,169,499
 <u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	9,952	5,905	15,857
Accrued Wages and Compensated Absences	42,317	15,967	58,284
Accrued Interest Payable	4,841	---	4,841
Contracts and Retainers Payable	129,751	19,969	149,720
Due to Other Funds	1,565	124,832	126,397
Current Portion of G.O. Bonds	418,168	---	418,168
Unearned Revenue	350,000	---	350,000
Total Current Liabilities	956,594	166,673	1,123,267
<u>Non-Current Liabilities</u>			
General Obligation Bonds, Net of Current Portion	1,388,958	---	1,388,958
Total Non-current Liabilities	1,388,958	---	1,388,958
Total Liabilities	2,345,552	166,673	2,512,225
 <u>NET POSITION</u>			
Net Investment in Capital Assets	5,981,202	---	5,981,202
Unrestricted	676,072	---	676,072
Total Net Position	\$ 6,657,274	\$ ---	\$ 6,657,274

**CITY OF SIOUX CITY, IOWA
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

EXHIBIT B-2

<u>OPERATING REVENUES</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
Charges for Services	\$ 1,443,506	\$ 276,582	\$ 1,720,088
Total Operating Revenues	1,443,506	276,582	1,720,088
<u>OPERATING EXPENSES</u>			
Employee Services	357,205	64,501	421,706
Supplies and Services	384,688	171,894	556,582
Repairs and Improvements	121,274	65,628	186,902
Utilities	5,148	57,759	62,907
Depreciation	479,604	---	479,604
Total Operating Expenses	1,347,919	359,782	1,707,701
Operating Income (Loss)	95,587	(83,200)	12,387
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	6,089	---	6,089
Interest Expense	(66,651)	---	(66,651)
Total Non-Operating (Expenses)	(60,562)	---	(60,562)
Income (Loss) Before Transfers	35,025	(83,200)	(48,175)
Transfers In	62,000	83,200	145,200
Changes in Net Position	97,025	---	97,025
Net Position - Beginning of Year	6,560,249	---	6,560,249
Net Position - End of Year	\$ 6,657,274	\$ ---	\$ 6,657,274

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

EXHIBIT B-3

	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 1,421,081	\$ 336,360	\$ 1,757,441
Cash Paid for Personal Services	(358,051)	(65,801)	(423,852)
Cash Paid to Suppliers	<u>(537,255)</u>	<u>(353,759)</u>	<u>(891,014)</u>
Net Cash Provided (Used) by Operating Activities	525,775	(83,200)	442,575
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from Bond Sales	103,750	---	103,750
Acquisition and Construction of Capital Assets	(392,711)	---	(392,711)
Principal Paid on Notes and Bonds	(409,460)	---	(409,460)
Matured Bonds and Coupons Paid	(7,613)	---	(7,613)
Interest Paid on Notes and Bonds	<u>(67,429)</u>	<u>---</u>	<u>(67,429)</u>
Net Cash (Used) by Capital and Related Financing Activities	(773,463)	---	(773,463)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	<u>62,000</u>	<u>83,200</u>	<u>145,200</u>
Net Cash Provided by Non-Capital Financing Activities	62,000	83,200	145,200
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	<u>6,050</u>	<u>---</u>	<u>6,050</u>
Net Cash Provided by Investing Activities	6,050	---	6,050
Net (Decrease) in Cash and Cash Equivalents	(179,638)	---	(179,638)
Cash and Cash Equivalents at Beginning of Year	<u>1,296,383</u>	<u>---</u>	<u>1,296,383</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,116,745</u>	<u>\$ ---</u>	<u>\$ 1,116,745</u>
<u>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ 95,587	\$ (83,200)	\$ 12,387
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
Depreciation	479,604	---	479,604
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(18,744)	64,505	45,761
Due from Other Governments	(2,431)	---	(2,431)
Due from Other Funds	(1,250)	(4,727)	(5,977)
Accounts Payable	(46,646)	(16,133)	(62,779)
Accrued Wages and Compensated Absences	(846)	(1,300)	(2,146)
Contracts and Retainers Payable	124,580	19,969	144,549
Due to Other Funds	921	(62,314)	(61,393)
Unearned Revenues	<u>(105,000)</u>	<u>---</u>	<u>(105,000)</u>
Total Adjustments	430,188	---	430,188
Net Cash Provided (Used) by Operating Activities	<u>\$ 525,775</u>	<u>\$ (83,200)</u>	<u>\$ 442,575</u>

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

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

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

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

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

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2014**

EXHIBIT C-1

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 6,162,192	\$ 8,216,619	\$ 14,378,811
Accounts Receivable	156,522	203,994	360,516
Accrued Interest Receivable	143	10,782	10,925
Notes Receivable	53,830	---	53,830
Due from Other Funds	59,344	---	59,344
Inventories, at Cost	243,885	---	243,885
Prepaid Items	240	192,043	192,283
Total Current Assets	6,676,156	8,623,438	15,299,594
<u>Non-Current Assets</u>			
Advances to Other Funds	35,514	---	35,514
Capital Assets, Net of Accumulated Depreciation	8,564,591	---	8,564,591
Total Non-Current Assets	8,600,105	---	8,600,105
Total Assets	15,276,261	8,623,438	23,899,699
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	357,355	438,893	796,248
Accrued Wages and Compensated Absences	166,568	165,004	331,572
Contracts and Retainers Payable	---	3,690	3,690
Due to Other Funds	---	6,475,000	6,475,000
Estimated Liability for Damage Claims	---	1,370,413	1,370,413
Total Current Liabilities	523,923	8,453,000	8,976,923
<u>Non-Current Liabilities</u>			
Post Employment Benefit Obligation	---	15,949,590	15,949,590
Estimated Liability for Damage Claims	---	3,261,514	3,261,514
Total Non-Current Liabilities	---	19,211,104	19,211,104
Total Liabilities	523,923	27,664,104	28,188,027
<u>NET POSITION</u>			
Net Investment in Capital Assets	8,564,591	---	8,564,591
Unrestricted	6,187,747	(19,040,666)	(12,852,919)
Total Net Position	\$ 14,752,338	\$ (19,040,666)	\$ (4,288,328)

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

EXHIBIT C-2

	Central Maintenance	Comprehensive Insurance	Totals
<u>OPERATING REVENUE</u>			
Revenue from Use of Property	\$ 46,214	\$ ---	\$ 46,214
Charges for Services	9,654,244	14,259,352	23,913,596
Total Operating Revenues	9,700,458	14,259,352	23,959,810
<u>OPERATING EXPENSES</u>			
Employee Services	1,932,680	13,786,353	15,719,033
Supplies and Services	677,257	1,182,032	1,859,289
Repairs and Improvements	5,161,066	4,206	5,165,272
Utilities	29,828	489	30,317
Depreciation	1,784,671	---	1,784,671
Damage Settlement	---	254,628	254,628
Total Operating Expenses	9,585,502	15,227,708	24,813,210
Net Operating Income (Loss)	114,956	(968,356)	(853,400)
<u>NON-OPERATING REVENUES</u>			
Interest Income	5,896	37,849	43,745
Gain on Sale of Capital Assets	209,574	---	209,574
Other Non-Operating Revenues	459,564	---	459,564
Total Non-Operating Revenues	675,034	37,849	712,883
Income (Loss) Before Transfers	789,990	(930,507)	(140,517)
Transfers In	248,846	---	248,846
Changes in Net Position	1,038,836	(930,507)	108,329
Net Position - Beginning of Year	13,713,502	(18,110,159)	(4,396,657)
Net Position - End of Year	\$ 14,752,338	\$ (19,040,666)	\$ (4,288,328)

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

EXHIBIT C-3

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 9,644,654	\$ 14,297,235	\$ 23,941,889
Cash Paid for Personal Services	(1,939,043)	(13,505,886)	(15,444,929)
Cash Paid to Suppliers	(5,949,875)	(1,576,536)	(7,526,411)
Other Non-Operating Revenue	459,564	---	459,564
Net Cash Provided (Used) by Operating Activities	2,215,300	(785,187)	1,430,113
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	(1,843,053)	---	(1,843,053)
Proceeds from Sale of Assets	210,904	---	210,904
Net Cash (Used) by Capital and Related Financing Activities	(1,632,149)	---	(1,632,149)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	248,846	---	248,846
Net Cash Provided by Non-Capital Financing Activities	248,846	---	248,846
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	6,125	36,924	43,049
Payments Received on Notes Receivable	23,435	---	23,435
Net Cash Provided by Investing Activities	29,560	36,924	66,484
Net Increase (Decrease) in Cash and Cash Equivalents	861,557	(748,263)	113,294
Cash and Cash Equivalents at Beginning of Year	5,300,635	8,964,882	14,265,517
Cash and Cash Equivalents at End of Year	<u>\$ 6,162,192</u>	<u>\$ 8,216,619</u>	<u>\$ 14,378,811</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>			
<u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ 114,956	\$ (968,356)	\$ (853,400)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
Depreciation	1,784,671	---	1,784,671
Other Non-Operating Revenues	459,564	---	459,564
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(28,504)	37,883	9,379
Due from Other Governments	18,939	---	18,939
Due from Other Funds	(46,239)	---	(46,239)
Inventories	(24,421)	---	(24,421)
Advances to Other Funds	11,358	---	11,358
Prepaid Items	---	(1,436)	(1,436)
Accounts Payable	(68,661)	111,701	43,040
Accrued Wages and Compensated Absences	(6,363)	32,877	26,514
Contracts and Retainers Payable	---	(2,507)	(2,507)
Due to Other Funds	---	6,475,000	6,475,000
Post Employment Benefit Obligation	---	247,590	247,590
Estimated Liability for Damage Claims	---	(6,717,939)	(6,717,939)
Total Adjustments	2,100,344	183,169	2,283,513
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,215,300</u>	<u>\$ (785,187)</u>	<u>\$ 1,430,113</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.

Sioux City Sports Commission – To account for the activity of Sioux City Sports Commission.

**CITY OF SIOUX CITY, IOWA
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014**

	<u>Sioux City Housing Trust Fund</u>	<u>Revolving</u>	<u>Woodbury County Information Communication Commission</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ ---	\$ 6,457,215	\$ 166,581
Accounts Receivable	---	64,506	139,890
Due from Other Governments	<u>30,792</u>	<u>---</u>	<u>75,096</u>
Total Assets	<u>30,792</u>	<u>6,521,721</u>	<u>381,567</u>
<u>LIABILITIES</u>			
Accounts Payable	31,822	6,521,721	---
Due to Other Governments	<u>(1,030)</u>	<u>---</u>	<u>381,567</u>
Total Liabilities	<u>30,792</u>	<u>6,521,721</u>	<u>381,567</u>
Total Net Position	<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>	<u><u>\$ ---</u></u>

<u>Museum Building Property Inc.</u>	<u>Sioux City Sports Commission</u>	<u>Totals</u>
\$ 23,496	\$ 12,471	\$ 6,659,763
---	---	204,396
---	---	105,888
<u>23,496</u>	<u>12,471</u>	<u>6,970,047</u>
60	---	6,553,603
<u>23,436</u>	<u>12,471</u>	<u>416,444</u>
<u>23,496</u>	<u>12,471</u>	<u>6,970,047</u>
<u><u>\$ ---</u></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, 2014**

EXHIBIT D-2

SIOUX CITY HOUSING TRUST FUND	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ ---	\$ 262,634	\$ 262,634	\$ ---
Due from Other Governments	<u>13,136</u>	<u>30,792</u>	<u>13,136</u>	<u>30,792</u>
Total Assets	<u><u>13,136</u></u>	<u><u>293,426</u></u>	<u><u>275,770</u></u>	<u><u>30,792</u></u>
<u>LIABILITIES</u>				
Accounts Payable	13,689	75,750	57,617	31,822
Due to Other Governments	<u>(553)</u>	<u>217,676</u>	<u>218,153</u>	<u>(1,030)</u>
Total Liabilities	<u><u>\$ 13,136</u></u>	<u><u>\$ 293,426</u></u>	<u><u>\$ 275,770</u></u>	<u><u>\$ 30,792</u></u>

REVOLVING

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 6,979	\$ 7,690,676	\$ 1,240,440	\$ 6,457,215
Accounts Receivable	<u>52,746</u>	<u>1,053,902</u>	<u>1,042,142</u>	<u>64,506</u>
Total Assets	<u><u>59,725</u></u>	<u><u>8,744,578</u></u>	<u><u>2,282,582</u></u>	<u><u>6,521,721</u></u>
<u>LIABILITIES</u>				
Accounts Payable	<u>59,725</u>	<u>8,744,578</u>	<u>2,282,582</u>	<u>6,521,721</u>
Total Liabilities	<u><u>\$ 59,725</u></u>	<u><u>\$ 8,744,578</u></u>	<u><u>\$ 2,282,582</u></u>	<u><u>\$ 6,521,721</u></u>

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

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 116,006	\$ 4,181,029	\$ 4,130,454	\$ 166,581
Accounts Receivable	120,240	1,947,390	1,927,740	139,890
Due from Other Governments	<u>73,241</u>	<u>964,586</u>	<u>962,731</u>	<u>75,096</u>
Total Assets	<u><u>309,487</u></u>	<u><u>7,093,005</u></u>	<u><u>7,020,925</u></u>	<u><u>381,567</u></u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>309,487</u>	<u>7,093,005</u>	<u>7,020,925</u>	<u>381,567</u>
Total Liabilities	<u><u>\$ 309,487</u></u>	<u><u>\$ 7,093,005</u></u>	<u><u>\$ 7,020,925</u></u>	<u><u>\$ 381,567</u></u>

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

**EXHIBIT D-2
(Continued)**

MUSEUM BUILDING PROPERTY INC.	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 67,770	\$ 208,063	\$ 252,337	\$ 23,496
Total Assets	<u>67,770</u>	<u>208,063</u>	<u>252,337</u>	<u>23,496</u>
<u>LIABILITIES</u>				
Due to Other Governments	67,770	208,063	252,337	23,496
Total Liabilities	<u>\$ 67,770</u>	<u>\$ 208,063</u>	<u>\$ 252,337</u>	<u>\$ 23,496</u>

**SIOUX CITY
SPORTS COMMISSION**

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ ---	\$ 21,192	\$ 8,721	\$ 12,471
Total Assets	<u>---</u>	<u>21,192</u>	<u>8,721</u>	<u>12,471</u>
<u>LIABILITIES</u>				
Due to Other Governments	---	21,192	8,721	12,471
Total Liabilities	<u>\$ ---</u>	<u>\$ 21,192</u>	<u>\$ 8,721</u>	<u>\$ 12,471</u>

TOTAL - ALL AGENCY FUNDS

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 190,755	\$ 12,363,594	\$ 5,894,586	\$ 6,659,763
Accounts Receivable	172,986	3,001,292	2,969,882	204,396
Due from Other Governments	86,377	995,378	975,867	105,888
Total Assets	<u>450,118</u>	<u>16,360,264</u>	<u>9,840,335</u>	<u>6,970,047</u>
<u>LIABILITIES</u>				
Accounts Payable	73,414	8,820,328	2,340,199	6,553,543
Due to Other Governments	376,704	7,539,936	7,500,136	416,504
Total Liabilities	<u>\$ 450,118</u>	<u>\$ 16,360,264</u>	<u>\$ 9,840,335</u>	<u>\$ 6,970,047</u>

SI^oUXTM
CITY

CITY OF SIOUX CITY, IOWA
STATISTICAL SECTION

SI^oUXTM
CITY

CITY OF SIOUX CITY, IOWA

STATISTICAL SECTION

(Unaudited)

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

<u>Contents</u>	<u>Table</u>
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	I -V
Revenue Capacity These tables contain information that may assist the reader in assessing the City's most significant local revenue source, the property tax.	VI-X
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	XI-XV
Economic & Demographic Information These tables offer economic and demographic indicators to assist the reader in understanding the environment within which the government's financial activities take place.	XVI-XVII
Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs.	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 COMPONENT¹
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 163,066,644	\$ 178,531,068	\$ 202,244,071	\$ 201,725,694
Restricted for:				
Capital Improvements	18,095,819	15,772,571	15,827,272	17,324,318
Debt Service	2,411,720	1,438,126	1,438,831	3,203,515
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	782,515	838,105	927,910	971,321
Unrestricted	<u>52,580,385</u>	<u>56,134,972</u>	<u>48,896,046</u>	<u>46,553,214</u>
Total Governmental Activities Net Position	<u><u>236,937,083</u></u>	<u><u>252,714,842</u></u>	<u><u>269,334,130</u></u>	<u><u>269,778,062</u></u>
Business-Type Activities				
Net Investment in Capital Assets	57,908,190	59,757,382	70,041,912	81,233,654
Restricted for:				
Debt Service	---	---	496,000	486,158
Unrestricted	<u>14,725,602</u>	<u>21,081,482</u>	<u>21,021,615</u>	<u>13,286,975</u>
Total Business-Type Activities Net Position	<u><u>72,633,792</u></u>	<u><u>80,838,864</u></u>	<u><u>91,559,527</u></u>	<u><u>95,006,787</u></u>
Primary Government				
Net Investment in Capital Assets	220,974,834	238,288,450	272,285,983	282,959,348
Restricted for:				
Capital Improvements	18,095,819	15,772,571	15,827,272	17,324,318
Debt Service	2,411,720	1,438,126	1,934,831	3,689,673
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	782,515	838,105	927,910	971,321
Unrestricted	<u>67,305,987</u>	<u>77,216,454</u>	<u>69,917,661</u>	<u>59,840,189</u>
Total Primary Government Net Position	<u><u>\$ 309,570,875</u></u>	<u><u>\$ 333,553,706</u></u>	<u><u>\$ 360,893,657</u></u>	<u><u>\$ 364,784,849</u></u>

Notes:

¹ 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

2009	2010	2011	2012	2013	2014
\$ 215,118,921	\$ 227,946,599	\$ 240,923,862	\$ 259,727,010	\$ 265,299,824	\$ 262,337,178
4,854,761	19,204,876	45,429,483	39,237,581	46,211,716	40,485,135
4,889,636	8,262,859	9,984,352	10,954,271	6,499,138	5,500,549
---	---	316,770	391,564	1,082,738	612,144
---	---	234,952	151,928	96,087	---
---	---	11,223,309	10,180,086	10,111,743	10,029,197
---	---	41,801	41,688	41,691	48,552
980,767	1,001,069	1,019,455	1,058,731	1,093,001	1,117,948
41,580,680	29,719,252	(8,425,953)	(12,342,248)	(3,938,067)	(3,574,483)
<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>	<u>316,556,220</u>
89,062,832	97,806,290	111,463,154	106,357,863	109,940,268	118,515,774
---	---	---	---	---	---
15,063,269	16,550,721	16,507,829	29,267,015	33,996,961	33,981,982
<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>	<u>152,497,756</u>
304,181,753	325,752,889	352,387,016	366,084,873	375,240,092	380,852,952
4,854,761	19,204,876	45,429,483	39,237,581	46,211,716	40,485,135
4,889,636	8,262,859	9,984,352	10,954,271	6,499,138	5,500,549
---	---	316,770	391,564	1,082,738	612,144
---	---	234,952	151,928	96,087	---
---	---	11,223,309	10,180,086	10,111,743	10,029,197
---	---	41,801	41,688	41,691	48,552
980,767	1,001,069	1,019,455	1,058,731	1,093,001	1,117,948
56,643,949	46,269,973	8,081,876	16,924,767	30,058,894	30,407,499
<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>	<u>\$ 469,053,976</u>

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

	FISCAL YEAR			
	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Public Safety	\$ 27,628,436	\$ 27,117,017	\$ 28,854,253	\$ 30,260,933
Public Works	11,028,031	13,640,878	15,506,549	19,638,707
Culture and Recreation	13,550,054	14,727,651	16,080,955	17,340,040
Community and Economic Development	8,402,228	10,965,458	10,787,387	25,630,391
General Government	5,257,329	5,791,061	10,471,162	13,073,878
Investment in Joint Venture	---	---	---	---
Debt Service ¹	5,678,533	5,992,311	5,980,529	6,490,067
Capital Projects ²	2,874,889	8,948,563	1,203,328	---
Unallocated Depreciation Expense	4,289,476	---	---	---
Total Governmental Activities Expenses	<u>78,708,976</u>	<u>87,182,939</u>	<u>88,884,163</u>	<u>112,434,016</u>
Business-Type Activities:				
Airport	3,541,192	4,825,894	3,614,198	3,613,044
Water	9,451,225	7,465,007	7,594,727	8,878,234
Sewer	10,105,125	11,414,499	11,306,475	12,815,794
Solid Waste	4,876,127	3,980,655	4,108,577	4,721,183
Parking	1,152,837	1,220,276	1,475,538	1,425,352
Skyway System	300,431	254,683	322,577	303,892
Total Business-Type Activities Expenses	<u>29,426,937</u>	<u>29,161,014</u>	<u>28,422,092</u>	<u>31,757,499</u>
Total Primary Government Expenses	<u>108,135,913</u>	<u>116,343,953</u>	<u>117,306,255</u>	<u>144,191,515</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	288,873	280,292	283,845	351,518
Public Works	3,153,921	3,384,769	3,670,886	3,911,984
Culture and Recreation	4,502,333	4,547,640	4,855,063	5,251,614
Community and Economic Development	856,813	871,956	891,801	1,030,980
General Government	6,606,159	3,445,465	2,695,053	9,436,829
Capital Projects	24,493	22,597	---	---
Operating Grants and Contributions	20,615,010	20,355,850	19,595,863	19,163,094
Capital Grants and Contributions	5,545,934	9,081,256	6,656,241	4,714,416
Total Governmental Activities Program Revenues	<u>\$ 41,593,536</u>	<u>\$ 41,989,825</u>	<u>\$ 38,648,752</u>	<u>\$ 43,860,435</u>

Notes:

¹ In 2005, interest expense was reclassified to debt service.

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

TABLE II

2009	2010	2011	2012	2013	2014
\$ 31,565,111	\$ 32,815,671	\$ 33,066,562	\$ 35,153,307	\$ 35,578,147	\$ 36,482,386
17,695,921	18,703,073	18,462,437	18,146,262	18,148,457	20,050,690
18,427,540	18,748,901	18,629,284	19,105,473	19,056,629	18,423,101
10,847,635	14,585,952	13,195,482	14,093,979	11,888,737	31,236,262
12,097,651	11,884,328	10,164,915	10,023,938	9,464,502	8,830,441
---	---	---	297,372	297,372	---
6,309,941	5,908,003	6,008,221	5,784,156	5,643,693	5,858,236
---	---	---	---	---	---
---	---	---	---	---	---
<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>	<u>120,881,116</u>
3,624,184	3,683,947	4,083,451	4,489,545	4,328,864	4,425,095
9,046,687	9,462,914	10,354,948	11,690,391	12,257,979	12,746,754
12,493,265	13,573,929	14,488,052	13,213,218	13,082,732	13,381,173
4,242,223	4,469,177	4,630,860	4,758,852	5,075,557	4,670,923
1,671,573	1,412,106	1,549,100	1,570,589	1,724,424	1,414,570
318,624	378,203	312,635	382,081	372,045	359,782
<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>36,998,297</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>	<u>157,879,413</u>
1,034,208	1,051,542	1,224,249	1,080,541	964,489	1,503,474
4,245,184	4,257,041	4,462,029	4,680,854	4,586,684	4,310,705
5,295,764	5,898,699	6,131,602	6,042,193	6,154,581	5,936,331
212,204	208,647	209,815	206,055	194,676	233,563
5,356,830	6,377,269	7,387,758	4,168,644	17,421,199	6,684,762
---	---	---	---	---	---
18,059,563	20,164,596	21,909,868	21,777,329	18,601,593	19,774,495
6,050,466	15,344,878	8,711,966	8,856,243	3,260,591	2,525,860
<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>	<u>\$ 40,969,190</u>

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

	2005	2006	2007	2008
Business-Type Activities:				
Charges for Services:				
Airport	\$ 1,556,390	\$ 1,591,496	\$ 1,407,558	\$ 1,707,199
Water	8,458,775	9,842,528	10,590,423	10,308,555
Sewer	10,881,489	10,735,055	11,848,359	14,206,172
Solid Waste	4,357,118	4,397,189	4,911,254	4,754,467
Parking	1,067,911	1,069,120	1,004,738	1,158,055
Skyway System	300,431	254,683	322,577	303,892
Operating Grants and Contributions	3,725,102	2,813,675	3,940,017	1,062,111
Capital Grants and Contributions	---	---	---	---
Total Business-Type Activities Program Revenues	<u>30,347,216</u>	<u>30,703,746</u>	<u>34,024,926</u>	<u>33,500,451</u>
Total Primary Government Program Revenues	<u>71,940,752</u>	<u>72,693,571</u>	<u>72,673,678</u>	<u>77,360,886</u>
Net (Expense)/Revenue ¹				
Governmental Activities	(37,115,440)	(45,193,114)	(50,235,411)	(68,573,581)
Business-Type Activities	920,279	1,542,732	5,602,834	1,742,952
Total Primary Government Net Expense	<u>(36,195,161)</u>	<u>(43,650,382)</u>	<u>(44,632,577)</u>	<u>(66,830,629)</u>
General Revenues				
Governmental Activities:				
Property Taxes	44,032,023	44,670,160	45,743,901	47,592,848
Franchise Taxes	2,819,425	2,609,122	2,810,233	2,793,497
Hotel-Motel Taxes	819,901	890,533	873,749	951,260
Local Option Sales Taxes	9,039,490	9,116,344	10,876,276	10,521,527
Interest	1,631,250	3,691,733	3,959,731	3,296,165
Revenue from Sale of Uncapitalized Property	185,424	715,093	859,249	230,112
Miscellaneous	2,720,836	2,503,184	2,110,285	2,355,707
Net Gain on Sale of Capital Assets	460,091	44,155	180,088	2,035,150
Extraordinary Items	---	---	---	---
Transfers	383,333	(3,269,450)	(558,814)	(758,753)
Total Governmental Activities	<u>62,091,773</u>	<u>60,970,874</u>	<u>66,854,698</u>	<u>69,017,513</u>
Business-Type Activities:				
Interest	438,552	825,506	1,198,245	735,839
Revenue from the Sale of Uncapitalized Property	---	433,482	---	---
Miscellaneous	225,128	2,126,499	484,370	250,220
Net Gain on Sale of Capital Assets	1,265,105	7,403	3,128	65,356
Transfers	(383,333)	3,269,450	558,814	758,753
Total Business-Type Activities	<u>1,545,452</u>	<u>6,662,340</u>	<u>2,244,557</u>	<u>1,810,168</u>
Total Primary Government	<u>63,637,225</u>	<u>67,633,214</u>	<u>69,099,255</u>	<u>70,827,681</u>
Change in Net Position				
Governmental Activities	24,976,333	15,777,760	16,619,287	443,932
Business-Type Activities	2,465,731	8,205,072	7,847,391	3,553,120
Total Primary Government	<u>\$ 27,442,064</u>	<u>\$ 23,982,832</u>	<u>\$ 24,466,678</u>	<u>\$ 3,997,052</u>

Notes:

¹ 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)

2009	2010	2011	2012	2013	2014
\$ 1,582,967	\$ 1,559,765	\$ 1,568,331	\$ 1,664,593	\$ 1,692,593	\$ 1,759,517
10,990,717	11,365,825	11,834,682	14,029,681	14,258,996	14,453,751
16,372,370	17,370,461	17,127,635	19,171,819	17,863,593	17,776,343
4,631,072	4,607,291	4,473,164	4,584,655	4,859,491	5,087,522
1,219,013	1,261,195	1,294,498	1,423,385	1,362,709	1,443,506
318,624	378,203	312,635	449,611	372,045	276,582
2,329,283	131,069	598,268	435,479	255,474	107,960
---	5,454,015	9,067,435	941,572	2,534,064	1,365,936
<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>42,271,117</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>	<u>83,240,307</u>
(56,689,580)	(49,343,256)	(49,489,614)	(55,792,628)	(48,893,724)	(79,911,926)
6,047,490	9,147,548	10,857,602	6,596,119	6,357,364	5,272,820
<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>	<u>(74,639,106)</u>
50,788,744	50,213,734	48,720,069	47,856,978	48,661,701	51,422,485
2,586,811	2,426,557	2,363,862	2,174,884	2,379,273	2,681,383
1,061,104	1,098,913	1,245,787	1,263,522	1,375,769	1,594,073
10,992,806	11,132,267	11,138,684	11,147,414	11,820,387	12,680,781
1,457,756	1,070,516	669,439	588,020	453,317	1,076,366
539,534	644,883	694,982	376,449	709,868	805,868
1,751,700	2,002,806	1,541,054	1,467,847	1,789,176	1,432,604
87,064	---	9,165	90,008	324,974	209,574
(14,034,170)	---	---	---	---	---
<u>(895,066)</u>	<u>(536,530)</u>	<u>(2,280,052)</u>	<u>(519,914)</u>	<u>(1,523,481)</u>	<u>(1,451,922)</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>	<u>70,451,212</u>
497,295	299,164	360,359	387,506	306,810	537,065
---	---	---	---	---	---
1,670,839	247,668	114,930	150,356	124,696	1,741,486
8,624	---	1,029	928,389	---	928,389
895,066	536,530	2,280,052	519,914	1,523,481	1,451,922
<u>3,071,824</u>	<u>1,083,362</u>	<u>2,756,370</u>	<u>1,986,165</u>	<u>1,954,987</u>	<u>4,658,862</u>
<u>57,408,107</u>	<u>69,136,508</u>	<u>66,859,360</u>	<u>66,431,373</u>	<u>67,945,971</u>	<u>75,110,074</u>
(2,353,297)	18,709,890	14,613,376	8,652,580	17,097,260	(9,460,714)
9,119,314	10,230,910	13,613,972	8,582,284	8,312,351	9,931,682
<u>\$ 6,766,017</u>	<u>\$ 28,940,800</u>	<u>\$ 28,227,348</u>	<u>\$ 17,234,864</u>	<u>\$ 25,409,611</u>	<u>\$ 470,968</u>

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

TABLE III

FISCAL YEAR	GENERAL PROPERTY TAXES	LOCAL OPTION SALES TAXES	BANK FRANCHISE TAXES¹	UTILITY FRANCHISE TAXES²	CABLE TV FRANCHISE TAX	HOTEL-MOTEL TAXES	TOTAL TAXES
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
2014	\$ 51,422,485	\$ 12,680,781	\$ ---	\$ 2,261,202	\$ 420,181	\$ 1,594,073	\$ 68,378,722
Percentage Change							
In Dollars Over							
10 Years	16.83%	38.11%	-100.00%	-5.42%	21.78%	94.42%	20.31%

Notes:

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

² 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^oUXTM
CITY

CITY OF SIOUX CITY, IOWA
FUND BALANCES OF GOVERNMENTAL FUNDS³
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved ¹	\$ 465,774	\$ 333,970	\$ 330,765	\$ 368,976
Non-Spendable	---	---	---	---
Committed	---	---	---	---
Unreserved	5,716,529	6,425,351	7,226,338	7,696,996
Unassigned	---	---	---	---
Total General Fund	<u>6,182,303</u>	<u>6,759,321</u>	<u>7,557,103</u>	<u>8,065,972</u>
All Other Governmental Funds				
Reserved ¹	57,733,852	55,314,255	51,112,529	54,238,966
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	5,368,184	7,542,829	9,534,586	8,825,958
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total All Other Governmental Funds ²	<u>63,102,036</u>	<u>62,857,084</u>	<u>60,647,115</u>	<u>63,064,924</u>
Total Governmental Funds				
Reserved	58,199,626	55,648,225	51,443,294	54,607,942
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	11,084,713	13,968,180	16,760,924	16,522,954
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Governmental Funds	<u>\$ 69,284,339</u>	<u>\$ 69,616,405</u>	<u>\$ 68,204,218</u>	<u>\$ 71,130,896</u>

Notes:

¹ The fluctuations in the General Fund reserved fund balance are due to the encumbrances at year-end.

² The fluctuations in the fund balance result from construction projects in which funds are borrowed in one year and spent in another fiscal year.

³ 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

2009	2010	2011	2012	2013	2014
\$ 574,335	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
---	22,000	314,972	13,578	8,800	17,166
---	446,436	418,019	479,418	343,224	366,176
7,578,177	---	---	---	---	---
---	7,737,493	7,559,420	7,868,807	8,357,777	8,548,208
<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>	<u>8,931,550</u>
56,777,930	---	---	---	---	---
---	18,282,888	10,880,323	1,653,675	1,516,903	1,479,669
---	10,330,941	56,094,282	58,674,582	86,115,972	68,420,998
---	18,833,986	956,895	594,137	750,135	899,555
6,656,344	---	---	---	---	---
---	23,372,058	2,209,013	2,379,614	3,055,795	3,402,318
---	(2,082,783)	(1,324,552)	(1,211,015)	(1,391,285)	(475,953)
<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>	<u>73,726,587</u>
57,352,265	---	---	---	---	---
---	18,304,888	11,195,295	1,667,253	1,525,703	1,496,835
---	10,330,941	56,094,282	58,674,582	86,115,972	68,420,998
---	19,280,422	1,374,914	1,073,555	1,093,359	1,265,731
14,234,521	---	---	---	---	---
---	23,372,058	2,209,013	2,379,614	3,055,795	3,402,318
---	5,654,710	6,234,868	6,657,792	6,966,492	8,072,255
<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>	<u>\$ 82,658,137</u>

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

	FISCAL YEAR			
	2005	2006	2007	2008
Revenues				
Taxes	\$ 56,614,493	\$ 57,223,300	\$ 60,501,050	\$ 61,867,015
Special Assessments	301,359	297,536	251,812	260,969
Regulatory Fees	1,328,107	1,174,657	1,253,658	1,347,989
Intergovernmental Revenue	25,599,234	26,989,896	26,156,355	23,773,756
Revenue from the Use of Property	4,462,980	4,431,425	4,254,653	4,173,576
Charges for Services	7,079,903	7,067,902	7,817,733	7,833,868
Interest	1,569,427	3,560,311	3,797,191	3,151,839
Contributions	260,806	2,410,834	247,534	257,645
Miscellaneous	2,366,864	2,178,484	1,978,346	1,918,522
Total Revenues	99,583,173	105,334,345	106,258,332	104,585,179
Expenditures¹				
Public Safety	27,162,912	27,135,419	27,927,945	28,364,591
Public Works	10,932,711	11,985,865	13,199,362	13,791,226
Culture and Recreation	13,153,004	13,233,666	13,612,396	14,711,438
Community and Economic Development	9,142,019	11,279,598	10,719,564	10,836,744
General Government	3,395,797	2,891,590	2,821,790	3,234,848
Debt Service				
Principal	13,783,047	16,829,547	17,531,767	15,880,284
Interest and Fiscal Charges	5,787,508	6,009,331	6,004,815	6,507,761
Capital Projects	9,193,970	28,442,887	23,638,330	34,288,621
Total Expenditures	92,550,968	117,807,903	115,455,969	127,615,513
Excess (Deficiency) of Revenues over Expenditures	7,032,205	(12,473,558)	(9,197,637)	(23,030,334)
Other Financing Sources (Uses)				
Proceeds from Issuance of Bonds and Notes	18,945,000	16,562,021	8,688,000	24,579,000
Proceeds from Refunding Bonds Issued	3,468,000	---	---	11,710,323
Payment to Refunded Bond Escrow Agent	(3,448,000)	---	---	(11,840,323)
Premiums on Bonds Issued	62,229	25,137	94,586	414,731
Discounts on Bonds Issued	(69,280)	(29,993)	---	---
Sale of Uncapitalized Property	---	---	---	---
Sale of Capitalized Property	---	---	---	2,280,333
Transfers In	35,383,804	37,227,859	39,003,460	45,028,357
Transfers Out	(37,672,513)	(40,979,400)	(40,000,596)	(46,215,409)
Total Other Financing Sources	16,669,240	12,805,624	7,785,450	25,957,012
Net Change in Fund Balances	\$ 23,701,445	\$ 332,066	\$ (1,412,187)	\$ 2,926,678
Debt Service as a percentage of non-capital expenditures	21.74%	23.44%	25.44%	20.60%

TABLE V

2009	2010	2011	2012	2013	2014
\$ 65,343,777	\$ 64,952,946	\$ 63,424,277	\$ 62,436,249	\$ 64,190,855	\$ 68,331,626
180,335	220,916	427,836	206,362	72,625	465,315
1,318,657	1,809,309	2,798,758	3,933,570	6,292,635	4,373,879
23,609,689	33,242,384	27,458,471	29,624,144	22,638,176	21,680,579
4,319,645	5,133,199	5,363,839	4,884,517	5,363,291	5,334,070
8,095,902	8,124,607	8,506,318	9,026,606	8,557,046	8,158,094
1,390,580	1,048,889	645,339	561,595	447,227	1,032,621
220,392	2,006,582	2,970,138	681,232	701,622	471,284
1,622,361	1,096,745	1,008,826	957,905	1,435,012	977,468
<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>	<u>110,824,936</u>
30,633,912	32,033,725	32,704,574	33,480,041	34,066,744	35,277,067
13,857,068	14,409,099	14,426,940	14,549,841	14,254,052	14,318,832
15,830,037	15,591,587	16,021,673	16,057,731	15,735,629	15,162,080
9,150,589	10,325,583	10,323,564	9,641,691	8,576,328	9,328,272
2,756,647	3,574,549	3,558,628	3,477,530	3,245,037	2,730,952
16,477,867	14,997,906	15,845,275	16,427,630	17,775,542	17,843,490
6,971,753	6,047,885	6,142,542	6,020,730	5,868,579	6,152,993
25,298,862	34,037,802	31,445,093	31,835,793	14,708,996	31,455,759
<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>	<u>132,269,445</u>
(14,875,397)	(13,382,559)	(17,864,487)	(19,178,807)	(4,532,418)	(21,444,509)
16,239,718	18,837,640	20,745,486	13,050,826	34,020,304	6,096,250
6,768,104	4,580,000	---	---	---	---
(6,703,104)	(4,725,000)	---	---	---	---
370,275	672,987	544,257	173,017	824,052	828,720
(35,229)	(12,480)	---	(27,517)	(133,290)	---
263,314	39,508	77,145	12,401	113,161	121,123
6,062	62,667	---	---	---	---
38,607,508	30,327,098	35,811,281	32,079,660	27,831,966	30,533,315
(40,185,361)	(31,043,628)	(39,148,329)	(32,765,156)	(29,819,250)	(32,234,083)
<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>5,345,325</u>
<u>\$ 455,890</u>	<u>\$ 5,356,233</u>	<u>\$ 165,353</u>	<u>\$ (6,655,576)</u>	<u>\$ 28,304,525</u>	<u>\$ (16,099,184)</u>
23.71%	20.36%	21.40%	21.33%	22.64%	19.44%

CITY OF SIOUX CITY, IOWA
ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY¹
LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		UTILITIES	
	ASSESSED VALUE	TAXABLE VALUE ²	ASSESSED VALUE	TAXABLE VALUE
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
2014	\$ 3,734,625,730	\$ 2,153,780,040	\$ 120,771,919	\$ 120,771,919

Source: Woodbury County, Iowa; County Auditor

Notes:

¹ Taxable Value does not include the Tax Increment Levy.

² Taxable value = (percent rollback x assessed value) - exemptions (military, homestead, elderly, etc.)

TABLE VI

TOTAL		TOTAL DIRECT TAX RATE	TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
ASSESSED VALUE	TAXABLE VALUE		
\$ 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%
\$ 3,855,397,649	\$ 2,274,551,959	\$ 16.248	59%

**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
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
2014	\$ 8.406	\$ 3.824	\$ 4.018	\$ 16.248	\$ 16.681	\$ 7.397

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		
\$ 0.572	\$ 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		
\$ 0.763	\$ 0.407	\$ 0.131	\$ 0.003	\$ 25.382	\$ 41.630		

**CITY OF SIOUX CITY, IOWA
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS
JUNE 30, 2014**

TABLE VIII

TAXPAYER	2014			2005		
	ASSESSED ¹ VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED ² VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 62,539,700	1	1.622%	\$ 70,495,700	1	2.228%
LAKEPORT COMMONS	30,753,600	2	0.798%	---	---	0.000%
WAL-MART	27,100,000	3	0.703%	36,142,200	2	1.142%
KLINGER / MARKETPLACE	26,962,100	4	0.699%	30,998,500	4	0.980%
CURLY'S FOODS, INC.	21,987,000	5	0.570%	---	---	0.000%
SABRE INDUSTRIES, INC.	18,245,800	6	0.473%	---	---	0.000%
UNITY POINT HEALTH - ST. LUKE'S	15,163,200	7	0.393%	31,864,300	3	1.007%
DAVIES IOWA LOGISTICS	14,288,500	8	0.371%	---	---	0.000%
DIAL REALTY GENEVA, LLC	12,396,400	9	0.322%	---	---	0.000%
LOWES HOME CENTERS, INC	12,134,400	10	0.315%	---	---	0.000%
CARGILL INC	---		0.000%	14,267,800	10	0.451%
DAVENPORT ET AL	---	---	0.000%	25,819,200	5	0.816%
CLOVERLEAF COLD STORAGE	---	---	0.000%	23,112,000	6	0.730%
LARRY BOOK	---	---	0.000%	20,382,000	7	0.644%
BEKINS	---	---	0.000%	14,849,300	9	0.469%
HANDY LC	---	---	0.000%	15,040,900	8	0.475%
TOTAL PRINCIPAL TAXPAYERS	\$ 241,570,700		6.266%	\$ 282,971,900		8.942%
ALL OTHER TAXPAYERS	<u>3,613,826,949</u>		<u>93.734%</u>	<u>2,880,946,715</u>		<u>91.058%</u>
TOTAL ASSESSED VALUATION	<u>\$ 3,855,397,649</u>		<u>100.000%</u>	<u>\$ 3,163,918,615</u>		<u>100.000%</u>

Source: City Assessor, Sioux City, Iowa

Note:

¹ Assessed values as of January 1, 2012.

² Assessed values as of January 1, 2003.

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS**

TABLE IX

FISCAL YEAR	TOTAL TAX LEVY²	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS IN SUBSEQUENT YEARS³	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUT-STANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
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%
2014	\$ 38,454,955	\$ 38,210,367	99.36%	N/A	\$ 38,210,367	99.36%	\$ 244,588	0.64%

Source: Woodbury County Treasurer, Woodbury County, Iowa

Notes:

¹ GAAP Basis.

² Tax Increment Levy and SID tax Levy not included.

³ 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

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING CURRENT & DELINQUENT ASSESSMENTS¹
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
2014	\$ 349,498	\$ 359,959	103%	\$ 1,850,245

Source: Woodbury County Treasurer, Woodbury County, Iowa

Note:

¹ GAAP basis.

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**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
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	---
2014	\$ 1,200,000	\$ 104,835,176	\$ ---	\$ 146,091,509	\$ 9,054,824	\$ ---

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

¹ See the Schedule of Demographic and Economic Statistics, Table XVI for personal income and population data.

TABLE XI

	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME¹	PER CAPITA¹
\$	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
\$	261,181,509	14.57%	3,167

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

TABLE XII

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE¹ OF PROPERTY	PER CAPITA²
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
2014	\$ 113,890,000	\$ 5,781,134	\$ 108,108,866	4.75%	\$ 1,311

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

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

² 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 DEBT⁶
JUNE 30, 2014**

TABLE XIII

NAME OF GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE⁷ TO THIS GOVERNMENTAL UNIT	AMOUNT APPLICABLE TO CITY OF SIOUX CITY
Direct:			
City of Sioux City	\$ 106,035,176	100.00%	\$ 106,035,176
Overlapping:			
Woodbury County ¹	3,429,000	64.17%	2,200,389
Sioux City Community School District ²	175,000	98.77%	172,848
Western Iowa Tech Community College ³	29,215,000	37.70%	11,014,055
Lawton-Bronson School District ⁴	5,685,000	5.45%	309,833
Sergeant Bluff-Luton Comm School District ⁵	<u>2,155,000</u>	24.81%	<u>534,656</u>
Total Overlapping	40,659,000		14,231,781
 TOTAL	 <u>\$ 146,694,176</u>		 <u>\$ 120,266,957</u>

Sources:

¹ County Auditor and Recorder, Woodbury County, Iowa

² Sioux City Community School District

³ Western Iowa Tech Community College

⁴ Lawton-Bronson School District

⁵ Sergeant Bluff-Luton Community School District

Notes:

⁶ Excluding General Obligation bonds reported in the Enterprise Funds.

⁷ 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 158,195,931	\$ 161,205,717	\$ 170,183,839	\$ 172,515,895
Total net debt applicable to limit	<u>100,196,613</u>	<u>102,542,645</u>	<u>92,686,169</u>	<u>98,601,902</u>
Legal Debt Margin	<u>\$ 57,999,318</u>	<u>\$ 58,663,072</u>	<u>\$ 77,497,670</u>	<u>\$ 73,913,993</u>
Total net debt applicable to limit as a percentage of debt limit	63.34%	63.61%	54.46%	57.16%

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

2009	2010	2011	2012	2013	2014
\$ 179,442,994	\$ 182,006,722	\$ 185,287,457	\$ 186,844,264	\$ 192,613,415	\$ 192,769,882
96,043,190	98,103,294	103,719,175	99,576,761	118,379,958	109,308,866
<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>	<u>\$ 83,461,016</u>
53.52%	53.90%	55.98%	53.29%	61.46%	56.70%

**CITY OF SIOUX CITY, IOWA
LEGAL DEBT MARGIN CALCULATION
JUNE 30, 2014**

TABLE XV

ASSESSED VALUE

Real and Personal Property Within the City		\$ 3,855,397,649
TOTAL ESTIMATED VALUATION		<u>3,855,397,649</u>
DEBT LIMIT - 5% OF ESTIMATED VALUATION		<u>192,769,882</u>

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable		261,181,509
Less:		
Notes Payable		
Sewer Revolving Notes Payable	81,241,940	
Water Revolving Notes Payable	<u>64,849,569</u>	
		146,091,509
Amount Available for Repayment of General Obligation Debt		<u>5,781,134</u>

DEBT APPLICABLE TO DEBT LIMIT		109,308,866
LEGAL DEBT MARGIN		<u><u>\$ 83,461,016</u></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.

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

CALENDAR YEAR	POPULATION¹	TOTAL PERSONAL INCOME²	PER CAPITA PERSONAL INCOME¹
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
2014	82,459	\$ 1,792,823,578	\$ 21,742

Sources:

¹ U.S. Census Bureau Estimates

² Computation of per capita personal income multiplied by population.

³ Sioux City Community School District, Bishop Heelan Catholic Schools and Siouxland Community Christian School

⁴ Iowa Workforce Development Website.

TABLE XVI

EDUCATIONAL ATTAINMENT BACHELOR'S DEGREE OR HIGHER¹	MEDIAN AGE¹	SCHOOL ENROLLMENT³	UNEMPLOYMENT RATE⁴
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%
20%	34.0	15,420	3.80%

**CITY OF SIOUX CITY, IOWA
PRINCIPAL EMPLOYERS
CURRENT YEAR**

TABLE XVII

EMPLOYER	2014		
	# OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Tyson Fresh Meats	4,953	1	11.85%
Sioux City Community School District	1,873	2	4.48%
Unity Point	1,434	3	3.43%
Mercy Medical Center	1,404	4	3.36%
City of Sioux City ¹	1,139	5	2.72%
Hy-Vee	1,098	6	2.63%
185th Iowa Air National Guard	950	7	2.27%
Curly's Foods	720	8	1.72%
Western Iowa Tech Community College	700	9	1.67%
Tur Pak Foods Inc.	647	10	1.55%
Total Principal Employers	14,918		35.68%
Other Employers	26,882		64.32%
Total Employers	41,800		100.00%

¹ Total employees represent full and part-time. Part-time employees began to be included in FY 2014.

Source: Sioux City Economic Development website www.locationone.com

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

Function	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public Safety				
Fire	115.63	117.00	117.00	116.00
Police	159.65	153.65	152.65	153.65
Public Works				
Central Maintenance Garage ¹	-	-	-	-
Engineering	24.40	20.00	20.00	20.00
Field Services ²	126.91	137.81	139.81	137.11
Transit ³	53.02	52.02	51.02	53.02
Culture and Recreation				
Art Center	9.99	9.99	9.99	9.49
Convention Center/Auditorium/Tourism ⁴	58.71	58.71	58.59	58.59
Library	36.27	36.27	36.27	36.47
Museum	9.61	9.61	9.52	9.72
Parks and Recreation ²	-	-	-	-
Community and Economic Development ⁵				
Community Development	42.52	42.38	41.38	45.88
Economic Development	8.00	8.00	8.00	4.75
General Government				
Administrative Services ⁶	40.05	39.55	49.00	49.55
City Council	5.00	5.00	5.00	5.00
City Manager	7.88	3.88	3.75	3.75
Finance ⁶	11.58	11.58	-	-
Human Resources ⁷	-	4.00	4.63	4.63
Human Rights	2.00	2.00	2.60	2.80
Legal	6.00	7.00	7.00	7.00
Employees under 28E Agreement				
Communications Center	24.40	24.40	24.40	24.40
Information Center	14.00	14.00	14.00	14.00
Airport	18.33	17.83	16.95	16.95
Water	36.00	34.00	30.80	33.50
Sewer ⁸	15.00	15.00	13.00	13.00
Solid Waste ⁹	29.75	2.00	1.50	-
	<u>854.70</u>	<u>825.68</u>	<u>816.86</u>	<u>819.26</u>

Source: City of Sioux City Finance Department

Notes:

- ¹ Central Maintenance Garage was separated from Transit within the Public Works function in 2014.
- ² Field Services previously included Parks and Recreation personnel who during 2014 moved to the Culture and Recreation function.
- ³ Transit previously included Central Maintenance Garage and Purchasing personnel. Central Maintenance Garage was separated within the Public Works function and Purchasing moved to Finance within the General Government function, both in 2014.
- ⁴ Convention Center contracted out a majority of its services beginning in 2014.
- ⁵ The Real Estate Division of Economic Development was moved to Community Development in 2008.
- ⁶ The Finance and Administrative Services departments were combined in 2007 and separated again in 2014.
- ⁷ The Human Resources Department was moved out of the City Manager Department into its own department within the General Government function in 2006.
- ⁸ The Sewer function added 25 waste water treatment plant employees in 2012 as a result of terminating the operations contract with American Water Services.
- ⁹ In 2006, the Solid Waste function was contracted out.

TABLE XVIII

2009	2010	2011	2012	2013	2014
116.00	116.00	116.00	115.00	115.00	114.00
151.65	151.65	151.65	149.65	149.65	148.65
-	-	-	-	-	25.00
20.00	19.00	19.00	18.00	18.00	20.00
138.95	139.28	138.90	136.48	135.48	72.10
53.02	56.02	56.02	56.02	55.15	32.65
10.49	10.36	9.89	8.72	8.50	8.50
54.82	54.82	54.82	54.14	53.82	46.36
36.47	35.47	34.47	32.47	31.48	33.48
9.37	9.25	10.25	10.25	10.05	10.05
-	-	-	-	-	66.50
45.88	44.88	42.88	40.88	40.38	40.38
4.75	5.00	5.00	5.00	5.00	5.00
49.00	48.75	49.05	48.90	49.10	37.00
5.00	5.00	5.00	5.00	5.00	5.00
3.75	3.75	3.75	2.75	2.00	2.00
-	-	-	-	-	14.58
4.63	4.63	4.63	4.53	4.53	4.53
2.80	2.80	2.80	2.60	2.60	2.80
7.00	7.00	7.00	7.00	7.00	7.00
24.40	24.40	24.40	24.40	24.40	24.40
14.00	14.00	13.00	13.00	13.00	14.00
17.53	16.03	15.03	15.03	15.03	15.03
32.50	32.50	31.50	34.50	34.50	34.38
13.00	13.00	13.00	37.00	38.00	39.00
-	-	-	-	-	-
<u>815.01</u>	<u>813.59</u>	<u>808.04</u>	<u>821.32</u>	<u>817.67</u>	<u>822.39</u>

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

Fiscal Year Function	Fiscal Year			
	2005	2006	2007	2008
Police				
Average physical arrests per day - adult	16.5	14.9	15.7	14.6
Average physical arrests per day - juvenile	4.4	4.5	5.0	4.0
Traffic citations issued	17,634	13,117	13,190	9,705
Fire				
Number of suppression calls	1,427	1,704	1,550	1,576
Number of emergency medical calls	4,158	3,931	4,399	4,524
% of responses where EMS on scene in 4 min	61%	50%	62%	86%
Number of hazardous materials incidents in city	11	6	3	9
Public Works				
Streets cleaned per year (miles)	21,505	19,620	15,281	13,301
Asphalt placed (tons)	1,167	889	991	1,854
Potholes repaired	24,537	19,833	22,447	28,404
Dirt miles bladed and shaped	5,209	5,607	4,837	8,039
Total Transit System miles	674,405	681,902	666,987	677,453
Total Transit System passengers ²	1,042,757	860,519	970,808	1,224,567
Total Transit System passengers per mile	1.55	1.26	1.46	1.81
Culture and Recreation				
Swimming pool attendance ¹	84,324	85,396	77,684	70,248
Museum visitation	64,674	50,893	50,741	47,412
Community and Economic Development				
Total residential/commercial permits issued	2,794	3,201	3,115	3,055
Property value for commercial permits issued	\$122,652,094	\$108,305,627	\$126,792,169	\$151,235,117
Property value for residential permits issued	\$20,572,504	\$24,491,184	\$26,641,760	\$27,305,791
Number of inspections made	22,594	25,026	23,324	25,012
Water				
Water production (millions of gallons) ⁴	5,457	5,081	4,844	5,024
Water main breaks per miles of pipe	0.31	0.21	0.29	0.25
Total main breaks	124	86	122	113
Length of service disruption per break (hours)	10.18	6.13	9.53	6.33
Sewer				
Sewer backups	97	93	95	90
Total hours per sewer backup	6.69	5.27	6.13	8.20
Solid Waste				
Refuse collected (tons/day) ³	127.08	121.85	n/a	n/a
Recyclables collected (tons/day) ³	8.42	8.78	n/a	n/a

Source: Various City of Sioux City departments.

Notes:

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

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

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

⁴ Water production increased in fiscal year 2013 with the addition of the Southbridge Water Plant.

TABLE XIX

2009	2010	2011	2012	2013	2014
15.2	14.3	14.1	12.8	13.9	13.1
4.5	3.8	4.2	3.9	3.2	3.0
14,892	12,376	10,885	10,323	10,408	11,268
1,679	1,564	1,624	1,584	1,690	1,745
4,758	4,909	5,203	5,215	5,316	5,551
87%	83%	80%	84%	82%	82%
3	7	7	10	9	15
11,846	14,068	13,982	13,156	13,365	11,684
1,849	2,401	2,651	2,266	1,821	1,662
27,533	38,181	41,841	31,782	36,936	29,889
17,568	17,713	12,215	10,982	8,319	7,965
743,317	781,697	875,120	852,875	790,196	777,667
1,203,818	1,202,255	1,250,294	1,204,897	1,111,830	1,113,911
1.62	1.54	1.43	1.41	1.41	1.43
64,460	52,132	49,336	65,256	64,991	55,216
50,008	46,828	33,903	77,281	69,497	69,674
2,895	2,943	2,858	3,038	2,837	2,920
\$146,361,953	\$101,417,640	\$82,687,755	\$98,358,399	\$97,358,414	\$256,865,890
\$24,551,180	\$24,682,987	\$18,399,761	\$23,192,263	\$28,586,954	\$32,529,880
26,153	23,250	23,568	25,468	32,348	45,501
4,775	4,654	4,365	4,044	4,763	4,720
0.21	0.24	0.25	0.28	0.39	0.32
102	115	119	132	184	152
6.93	5.67	7.96	8.61	4.35	5.59
78	77	44	49	51	47
9.10	5.03	7.23	14.40	4.28	7.12
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**

Function	Fiscal Year			
	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol Cars	49	52	46	51
Training Centers	1	1	1	1
Fire				
Stations	7	7	7	7
Engines	15	14	14	14
Public Works				
Transit Buses	44	42	38	41
Streets (miles)	510	510	510	489
Streetlights (City Owned)	1,384	1,379	1,457	1,461
Sidewalks (miles)	497	497	497	497
Culture and Recreation				
Parks Acres	1,425	1,403	1,600	1,700
Parks	57	57	57	58
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	185	185	185
Water				
Fire Hydrants (City maintained)	3,476	3,543	3,535	3,524
Water Mains (miles)	405	415	450	450
Sewer				
Sanitary Sewer (miles)	320	320	360	360
Storm Sewer (miles)	200	200	200	200
Solid Waste				
Solid Waste Collection Trucks	11	11	14	12
Recycling Trucks	5	5	5	0

TABLE XX

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
57	53	52	59	60	48
1	1	1	1	1	1
7	7	7	7	7	7
14	15	15	14	13	14
42	43	43	40	37	36
489	489	489	489	491	491
1,476	1,499	1,499	1,517	1,560	1,761
600	600	600	600	600	600
1,700	1,700	1,700	1,700	1,711	1,711
58	58	58	57	58	58
5	5	5	5	5	5
22	22	20	20	20	20
13	13	12	12	12	12
34	34	34	34	34	34
10	10	10	10	12	12
2	2	2	2	2	2
29	29	29	29	30	30
225	225	225	225	225	225
185	185	185	185	185	185
3,524	3,665	3,661	3,941	4,004	4,080
483	475	462	466	466	474
372	360	362	363	363	364
200	228	246	256	259	265
12	12	14	14	13	15
0	0	0	0	0	0

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CITY OF SIOUX CITY, IOWA
ADDITIONAL INFORMATION

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**CITY OF SIOUX CITY HOUSING AUTHORITY
BALANCE SHEET
JUNE 30, 2014**

EXHIBIT E-1

Performance Center Project	242	244/245	GRAND TOTAL
Project No.	IA018V0	-	(MEMORANDUM
Contract No.	<u>KC9030V</u>	-	<u>ONLY)</u>
<u>ASSETS</u>			
Cash	\$ 352,486	\$ 562,751	\$ 915,237
Accounts Receivable (net of allowance for doubtful account)	<u>82,327</u>	<u>---</u>	<u>82,327</u>
Total Assets	<u><u>434,813</u></u>	<u><u>562,751</u></u>	<u><u>997,564</u></u>
<u>LIABILITIES & DEFERRED CREDITS</u>			
Accounts Payable	116,296	---	116,296
Security Deposits	68,527	---	68,527
Deferred Revenue	65,756	---	65,756
Accrued Liabilities-Current	<u>28,315</u>	<u>---</u>	<u>28,315</u>
Total Liabilities	278,894	---	278,894
<u>EQUITY:</u>			
Restricted Net Assets	155,919	---	155,919
Unrestricted Net Assets	<u>---</u>	<u>562,751</u>	<u>562,751</u>
Total Equity/Net Assets	155,919	562,751	718,670
Total Liabilities and Equity/Net Assets	<u><u>\$ 434,813</u></u>	<u><u>\$ 562,751</u></u>	<u><u>\$ 997,564</u></u>

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 2014**

EXHIBIT E-2

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

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	\$ 155,919	\$ 562,751	\$ 718,670
Total	155,919	562,751	718,670

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	116,296	---	116,296
Accrued Wages	28,315	---	28,315
Deferred Revenue	65,756	---	65,756
Security Deposits	68,527	---	68,527

Income Not Received:

Accounts Receivable (net of allowance for doubtful accounts)	(82,327)	---	(82,327)
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General Fund Cash Available	\$ 352,486	\$ 562,751	\$ 915,237
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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, 2014**

EXHIBIT E-3

NAME	SALARY ¹	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Robert Padmore, City Manager	\$148,342	\$6,708	Auto/cell phone allowance, travel reimbursement
Jade Dundas, Assistant City Manager Public Works	\$120,352	\$4,404	Cell phone allowance, travel reimbursement
Nicole Jensen-Harris, City Attorney	\$118,314	\$7,544	Auto/cell phone allowance, travel reimbursement
John J. Malloy, Information Services Director	\$116,236	\$2,016	Travel reimbursement, cell phone allowance
Thomas Everett, Fire Chief	\$113,572	\$4,075	Travel/clothing reimbursement
Douglas A. Young, Police Chief	\$112,430	\$2,497	Travel/clothing reimbursement
James Clark, Jr, Assistant Fire Chief	\$108,137	\$7,914	Clothing/cell phone allowance, travel reimbursement
Melvin Williams, Police Captain	\$102,217	\$1,750	Clothing/cell phone allowance
Donna Forker, Finance Director	\$102,194	\$569	Cell phone allowance, travel reimbursement
Patrick Flynn, Assistant Fire Chief	\$101,772	\$1,455	Clothing/food allowance

Notes:

¹ Salary includes allowances/reimbursed expenses.

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$5,140,000				
City Project # 911-144				
Matures:	2015	4.00%	510,000	
				\$ 510,000
Type: Corporate Purpose				
Issued: 12/1/04				
Amount Issued: \$14,755,000				
City Project # 911-146				
Matures:	2015	3.63%	1,475,000	
				\$1,475,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$4,330,000				
City Project #911-147				
Matures:	2015	4.13%	430,000	
	2016	4.13%	430,000	
				\$ 860,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$12,990,000				
City Project # 911-149				
Matures:	2015	4.00%	1,295,000	
	2016	4.00%	1,295,000	
				\$2,590,000
Type: Corporate Purpose				
Issued: 12/1/05				
Amount Issued: \$1,830,000				
City Project # 911-150				
Matures:	2015	4.13%	180,000	
	2016	4.13%	180,000	
				\$ 360,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/06			
Amount Issued: \$8,755,000			
City Project # 911-151			
Matures:	2015	4.00%	875,000
	2016	4.00%	875,000
	2017	4.00%	<u>875,000</u>
			\$2,625,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$9,385,000			
City Project # 911-152			
Matures:	2015	4.00%	940,000
	2016	4.00%	935,000
	2017	4.00%	935,000
	2018	4.00%	<u>935,000</u>
			\$3,745,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$4,525,000			
City Project # 911-153			
Matures:	2015	4.00%	450,000
	2016	4.00%	450,000
	2017	4.00%	450,000
	2018	4.00%	<u>450,000</u>
			\$1,800,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$10,990,000			
City Project # 911-154			
Matures:	2015	5.00%	1,100,000
	2016	5.00%	1,100,000
	2017	5.00%	1,095,000
	2018	5.00%	<u>1,095,000</u>
			\$4,390,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Amount Issued \$9,435,000			
City Project # 911-158			
Matures:			
	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
			\$5,990,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$5,550,000			
City Project # 911-159			
Matures:			
	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
			\$3,500,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$13,750,000			
City Project # 911-162			
Matures:			
	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
			\$9,160,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<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:	2015	2.00%	470,000
	2016	2.50%	470,000
	2017	3.00%	470,000
	2018	3.00%	470,000
	2019	3.00%	470,000
	2020	4.00%	465,000
	2021	4.00%	465,000
	2022	4.00%	465,000
			\$3,745,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:	2015	3.00%	210,000
	2016	3.45%	210,000
	2017	3.75%	205,000
	2018	4.00%	205,000
	2019	4.25%	205,000
	2020	4.35%	205,000
			\$1,240,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$4,580,000			
City Project # 911-165			
Matures:	2015	3.00%	890,000
			\$890,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<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:	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
		2,435,000	\$17,045,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$9,635,000			
City Project # 911-167			
Matures:	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
		960,000	\$7,705,000
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$8,820,000			
City Project # 911-168			
Matures:	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
		880,000	\$7,940,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$4,840,000			
City Project # 911-169			
Matures:	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
		480,000	\$3,870,000
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$4,480,000			
City Project # 911-170			
Matures:	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
		445,000	\$4,030,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<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	
			\$22,215,000

GENERAL OBLIGATION BONDS

Type: Corporate Purpose
 Issued: 6/24/14
 Amount Issued: \$6,655,000
 City Project # 911-172
 Matures:

2015	3.00%	625,000	
2016	3.00%	670,000	
2017	3.00%	670,000	
2018	3.00%	670,000	
2019	3.00%	670,000	
2020	3.00%	670,000	
2021	5.00%	670,000	
2022	5.00%	670,000	
2023	5.00%	670,000	
2024	5.00%	670,000	
			\$6,655,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2014**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 6/24/14			
Amount Issued: \$1,550,000			
City Project # 911-173			
Matures:	2015	2.00%	155,000
	2016	2.00%	155,000
	2017	2.00%	155,000
	2018	2.00%	155,000
	2019	2.00%	155,000
	2020	2.15%	155,000
	2021	2.45%	155,000
	2022	2.70%	155,000
	2023	2.95%	155,000
	2024	3.20%	155,000
		<hr/>	<hr/>
			\$1,550,000
Total General Obligation Bonds			<hr/> <hr/>
			\$113,890,000

CITY OF SIOUX CITY, IOWA
SINGLE AUDIT SECTION

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**CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2014**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
FEDERAL AWARDS					
DEPARTMENT OF COMMERCE - ECONOMIC DEVELOPMENT ADMINISTRATION					
Economic Adjustment Assistance	11.307	05-79-05141	\$ 2,000,000	\$ 1,276,035	\$ 303,168
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Community Development Block Grant Entitlement	14.218	<i>B-11-MC-19-0006</i>	1,739,510	644,072	627,276
	14.218	<i>B-12-MC-19-0006</i>	1,507,259	1,048,761	1,043,587
Emergency Solutions Grant Program	14.231	<i>E-11-MC-19-0002</i>	131,520	44,490	43,505
	14.231	<i>E-12-MC-19-0002</i>	150,637	70,376	79,044
	14.231	<i>E-13-MC-19-0002</i>	109,959	75,402	80,866
Home Investment Partnerships Program	14.239	<i>M-10-DC-19-0207</i>	551,295	90,037	89,750
	14.239	<i>M-11-DC-19-0207</i>	484,857	298,817	320,549
Fair Housing Assistance Program	14.401	<i>FF207K107018</i>	47,160	-	1,235
	14.401	<i>FF207K117018</i>	47,155	39,255	-
	14.401	<i>FF207K127018</i>	27,734	27,734	-
	14.401	<i>FF207K137018</i>	159,591	159,591	4,233
Section 8 Voucher Program	14.871	<i>IA018VO0158</i>	4,602,796	4,587,070	4,915,192
Section 8 Voucher Program-FSS	14.871	<i>2013-IA018-FS</i>	137,039	137,039	158,314
Lead-Based Paint Hazard Control	14.900	<i>IALHB0542-12</i>	2,480,000	482,427	535,511
Passed through Iowa Department of Economic Development					
Community Development Block Grant/State Program and Non-Entitlement Grants	14.228	<i>08-NSP-021</i>	1,158,426	194,495	96,365
	14.228	<i>11-NSP-021</i>	1,000,000	411,671	402,964
U.S. DEPARTMENT OF JUSTICE					
Passed through Governor's Office of Drug Control Policy					
ARRA Byrne-Justice Assistance Grant (JAG) Prg	16.803	<i>10JAG/ARRA-42330</i>	193,765	46,676	-
Passed through Woodbury County					
Byrne-Justice Assistance Grant (JAG) Program	16.738	<i>11-JAG-58524</i>	169,075	160,609	169,075
	16.738	<i>2011-DJ-BX-3015</i>	28,546	-	26,624
	16.738	<i>2012-DJ-BX-0969</i>	21,945	21,945	5,554
U.S. DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program	16.607	<i>2011BUBX06133806</i>	8,249	8,249	-
	16.607	<i>2012BUBX12062572</i>	11,764	4,189	3,212
	16.607	<i>2013BUBX13067548</i>	\$ 4,645	\$ -	\$ 1,643

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2014

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Small Community Air Service Development	20.930	2612004SC	\$ 160,000	\$ 61,456	\$ 74,422
Federal Aviation Administration					
Airport Improvement Project	20.106	AIP319008544-2011	376,194	23,216	1,688
	20.106	AIP319008546-2012	1,130,195	-	78,369
	20.106	AIP319008547-2013	428,652	289,913	289,913
	20.106	AIP319008548-2013	821,529	821,529	821,529
Passed through Iowa Department of Transportation					
Highway Planning and Construction	20.205	BHM7057(674)8K97	686,040	520,699	547,271
	20.205	BRM7057(650)8N97	1,000,000	5,183	-
	20.205	BROS7057(632)8J97	1,000,000	42,314	-
	20.205	BROS7057(645)8J97	1,000,000	38,990	-
	20.205	HDP7057(685)7I97	300,000	-	84,347
	20.205	STPE7057(655)8V97	156,616	14,030	-
	20.205	STPESE7057(665)8I97	477,142	47,318	8,480
	20.205	STPU7057(644)7O97	5,252,692	141,517	-
	20.205	STPU7057(669)7O97	359,018	33,717	12,713
National Scenic Byways Program	20.205	SBIA7057(664)2T97	139,529	-	90,282
Rail Line Relocation-Federal Rail Administration	20.205	FRLRI0056130100	2,000,000	-	87,063
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X005-705-14	88,198	88,198	88,198
Transit JPA Job Access/Reverse Commute	20.516	IA-37-X022-705-12 14490	4,904	3,266	2,444
Transit JPA New Freedom Operating Assistance	20.521	IA-57-X009-705-12	1,317	745	412
	20.521	IA-57-X009-705-14	3,123	400	511
FEDERAL TRANSIT ADMINISTRATION					
Transit Operating Assistance	20.507	IA90X400	1,386,101	1,386,101	-
	20.507	IA90X410	1,355,937	-	1,355,937
Transit Capital Assistance	20.507	IA90X387	248,341	248,341	248,341
Transit JPA InterCity Bus Assistance Program	20.509	ICB CY13 Sioux City	12,000	2,450	2,450
DEPARTMENT OF PUBLIC SAFETY					
Passed through Governor's Traffic Safety Bureau					
Alcohol Incentive Grant	20.601	PAP 13-410, Task 50	36,882	23,943	20,537
	20.601	PAP 14-405dM6OT Task49	35,170	13,776	21,309
ENVIRONMENTAL PROTECTION AGENCY					
Passed through Department of Natural Resources					
Clean Water State Revolving Fund Program	66.458	CS192415 01	4,200,000	513,198	513,198
	66.458	CS192654 01	7,100,000	452,439	452,439
Drinking Water State Revolving Fund Program	66.468	FS-97-13-DWSRF-009	\$ 2,100,000	\$ 623,062	\$ 623,062

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2014**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
OFFICE OF NATIONAL DRUG CONTROL POLICY					
High Intensity Drug Trafficking Area/HIDTA	95.001	G12MW0002A	\$ 142,700	\$ 7,706	\$ 3,069
	95.001	SupplementG12MW0002A	9,763	1,385	1,305
	95.001	G13MW0002A	138,242	76,882	55,739
	95.001	G14MW0002A	151,206	51,006	76,440
U.S. DEPARTMENT OF HOMELAND SECURITY					
Public Assistance Grant Program	97.036	DR-1998	2,503,569	1,391,403	-
Urban Search & Rescue Task Force	97.067	2010-SS-T0-0031-023	268,423	137,605	-
	97.067	2011-SS-00071-S01-12	199,437	-	199,437
	97.067	2012-SS-00028-12	86,914	86,914	73,340
	97.067	2013-SS-0004-S01	185,000	-	5,713
Law Enforcement Officer Reimbursement	97.090	HSTS0213HSLR305	32,274	13,116	15,380
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 16,990,758	\$ 14,763,005

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2014**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
STATE AWARDS					
IOWA ECONOMIC DEVELOPMENT AUTHORITY					
Regional Sports Authority District Grant		13-RSA-07	\$ 50,000	\$ 12,500	\$ -
IOWA DEPARTMENT OF TRANSPORTATION					
Recreational Trails Program		SRT7057(667)9H97	128,000	-	128,000
Public Transit Infrastructure Grant		STA-IG-705-FY14	416,000	126,952	266,382
STA Joint Participation Agreement		STA-FORM-705-FY14	338,181	338,181	338,181
		STA-SPEC-705-FY14	4,000	1,420	1,420
Commercial Air Service Vertical Infrastructure		9I120SUX200	107,536	9,001	9,001
		9I130SUX200	103,848	43,901	44,285
Air Service Development Program		9I130SUX135	28,000	21,600	16,292
		9I140SUX135	28,000	-	12,943
Air Improvement Program		9I130SUX100	230,004	148,000	127,195
		15264 9I140SUX100	60,000	-	3,288
		15265 9I140SUX100	161,000	129,949	135,053
		9I140SUX145	28,050	28,050	28,050
Immediate Safety Enhancement Grant		9I130SUX140	1,890	1,890	1,890
Revitalize Iowa's Sound Economy Program		RM7057(673)9D97	4,791,519	380,033	67,625
		RM7057(675)9D97	665,677	496,057	303,414
Railroad Revolving Loan/Grant Program		RRLGST11(06)9T97	3,000,000	-	148,440
IOWA HOMELAND SECURITY					
Public Assistance Grant Program		DR-1998	455,677	272,046	-
STATE HISTORICAL SOCIETY					
REAP/HRDP		HRDP 2012-039	3,136	1,068	-
STATE LIBRARY OF IOWA					
Enrich Iowa		FY2013 Direct Aid	14,552	-	3,169
		FY2014 Direct Aid	16,687	16,687	16,293
IOWA DEPARTMENT OF NATURAL RESOURCES					
Resource Enhancement & Protection (REAP)		09-R4-VC	\$ 124,010	-	124,010
TOTAL STATE FINANCIAL ASSISTANCE				<u>2,027,335</u>	<u>1,774,931</u>
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				<u>\$ 19,018,093</u>	<u>\$ 16,537,936</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

- (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, 2014, are:

	<u>Balance</u>
CDBG loans	\$304,766
CDBG deferred loans	685,468

- (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, 2014

I. Summary of Auditor's Results

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

Community Development Block Grants/State's Program	CFDA #14.228
Home Investment Partnerships Program	CFDA #14.239
Section 8 Voucher Program	CFDA #14.871
Lead Based Paint Hazard Control in Privately Owned Housing	CFDA #14.900
Capitalization Grants for Clean Water State Revolving Funds	CFDA #66.458

- h. Dollar threshold used to distinguish between Type A and Type B programs: \$395,229.
- i. The Auditee did not qualify as a low-risk auditee under Section .530 of OMB Circular A-133.

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

Instances of Non-Compliance:

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

Internal Controls:

No matters were reported.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

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

14-IV-A – Certified Budget – City expenditures during the year ended June 30, 2014 did not exceed the amounts budgeted.

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

14-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.

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

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

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

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

14-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.

14-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.

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CITY OF SIOUX CITY, IOWA
PASSENGER FACILITY CHARGES

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PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
07/01/13 - 06/30/14

	FY-13 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-14 Total	FY-14 Program Total
Revenue:							
Collections	\$ 3,579,457	\$ 27,071	\$ 27,891	\$ 24,289	\$ 25,962	\$ 105,213	\$ 3,684,670
Interest	1,676	-	-	-	-	-	1,676
Total Revenue	3,581,133	27,071	27,891	24,289	25,962	105,213	3,686,346
Disbursements:							
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
Acquire Replace Snow Plow Truck	15,155	-	-	-	-	-	15,155
Financing & Interest	3,940	-	-	-	-	-	3,940
Extend Taxiway C (include perimeter road)	238,658	13,481	-	-	-	13,481	252,139
Financing & Interest	5,995	13,590	27,891	18,080	-	59,561	65,556
Acquire Replacement Snow Blower	-	-	-	6,209	13,791	20,000	20,000
Financing & Interest	-	-	-	-	5,200	5,200	5,200
Total Application #5	613,013	27,071	27,891	24,289	18,991	98,242	711,255

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
07/01/13 - 06/30/14

	FY-13 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-14 Total	FY-14 Program Total
Application #6							
Snow Removal Equipment Building	-				6,971	6,971	6,971
Rehabilitate Apron (Design)	-					-	-
Rehabilitate Apron (Construction)	-					-	-
Acquire Snow Removal Equip-Deicer	-					-	-
Rehabilitate Terminal Building	-					-	-
Rehabilitate Terminal Loading Bridge	-					-	-
Install Guidance Signs	-					-	-
Acquire Snow Removal Equip-Broom	-					-	-
Update Airport Master Plan Study	-					-	-
Rehabilitate Apron (Taxiways)	-					-	-
Security Enhancements	-					-	-
Acquire Snow Removal Equip-Broom	-					-	-
Total Application #6	-	-	-	-	6,971	6,971	6,971
Total Disbursements	3,581,133	27,071	27,891	24,289	25,962	105,213	3,686,346
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
							\$ ---

Notes:

- Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA

REPORT ON COMPLIANCE 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, 2014. 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, 2014.

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
October 30, 2014

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, 2014 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 30, 2014.

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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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

October 30, 2014
Sioux City, Iowa