

*City of Sioux City, Iowa
Comprehensive Annual
Financial Report
Year Ended June 30, 2015*

www.sioux-city.org



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE

CITY OF SIOUX CITY, IOWA

FOR THE YEAR ENDED JUNE 30, 2015

PREPARED BY

FINANCE DEPARTMENT

CITY OF SIOUX CITY, IOWA

INTRODUCTORY SECTION

**CITY OF SIOUX CITY, IOWA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2015**

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THE COVER

This year's cover displays the snow blanketed *Anderson Dance Pavilion*. As one of the primary features of Sioux City's riverfront, the Anderson Dance Pavilion is open to the public and is reserved throughout the spring, summer, and fall for weddings, graduation receptions and photos, concerts and other private events. With a number of benches and walkways, the pavilion can easily hold 500 people. Surrounding the pavilion are a Grecian colonnade, a circular walkway, a motor circle, grassed terraces, formal gardens, wooden benches, antique lights and a large mosaic compass. Although the pavilion is enjoyed by many people all year long, it is especially appealing in the summer months when the many flowers used in the landscaping are in full bloom and the area is filled with color.

The pavilion, built in the early 1990's, is the result of a dream by the late Mildred Anderson of converting Sioux City's riverfront from a forgotten area into a place which people can enjoy. Modeled after the dance pavilion in Antelope Park in Lincoln, Neb., where Mildred met her husband Bob, the pavilion was made possible when Mildred willed \$300,000 to the city of Sioux City to construct the project.

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.”

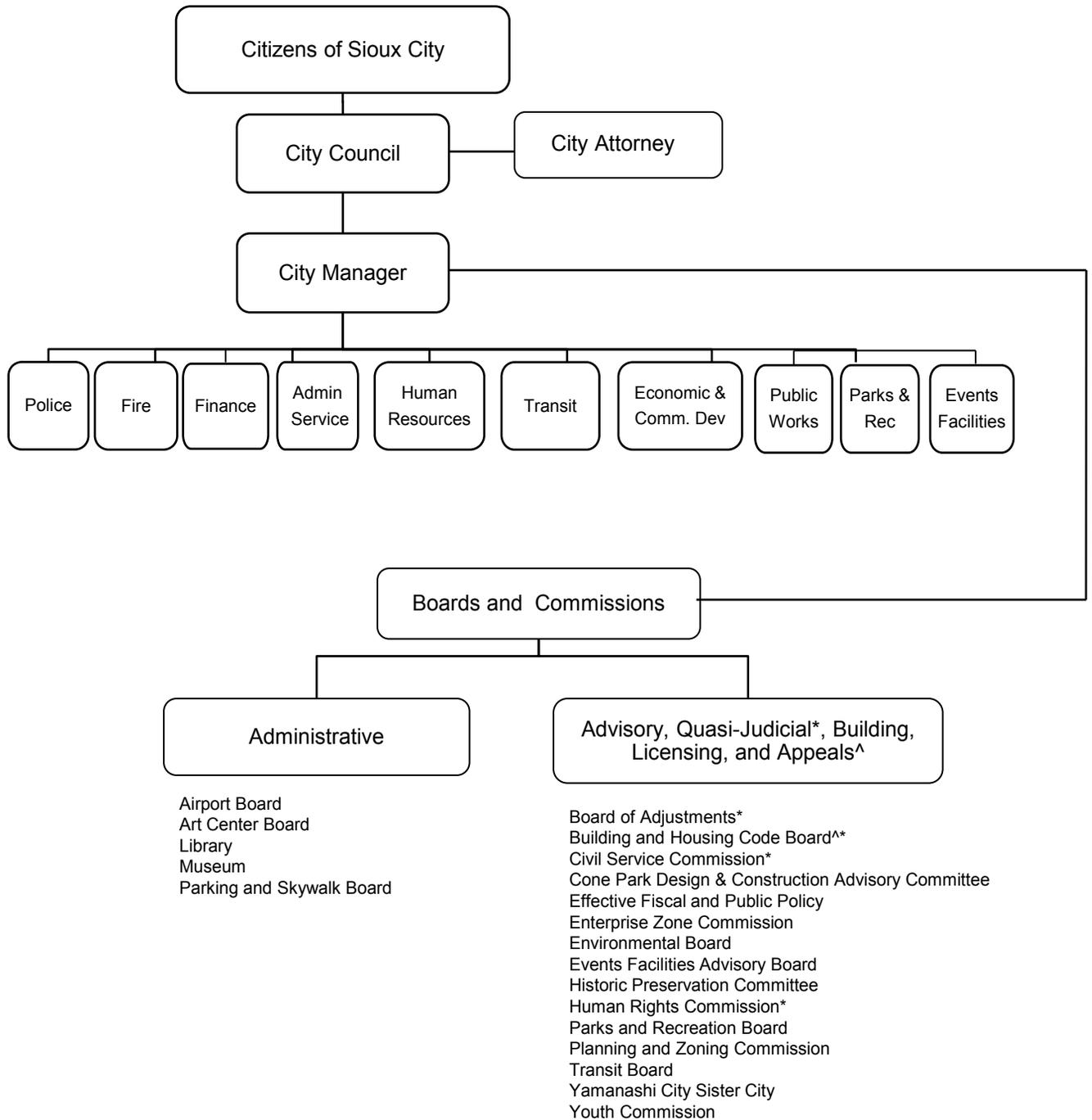
Founded in 1854, Sioux City’s roots go back to the days of the early fur traders. In the late 1800’s, the City was a major transportation and marketing center in the Midwest, only behind St. Louis and Chicago. On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. 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. Again in 2013, 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 fourth time in seven years and that the Siouxland region has been recognized with this distinction. Most recently in 2015, the Sioux City metropolitan statistical area ranked #1 in the nation for income growth, according to data from the Bureau of Economic Analysis and 24/7 Wall St.

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, 2015

Elected Officials

		Term Expires
Mayor	Robert Scott	January 1, 2016
Mayor Pro Tem	Rhonda Capron	January 1, 2016
Council Member	Pete Groetken	January 1, 2018
Council Member	Dan Moore	January 1, 2018
Council Member	Keith Radig	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 Treasurer	Amy Walker	September 26, 2011
City Clerk	Lisa McCardle	June 24, 2006

City Manager and Board Appointed Officials

		Date of Appointment
Art Center Director	Albert Harris	March 25, 2002
Assistant City Manager- 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

SILOUXTM
CITY



Offices of the City Manager & Finance Director
City of Sioux City, Iowa
P O Box 447
Sioux City, IA 51102-0447
October 30, 2015

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, 2015 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 2015 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, 2015, 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 82,517.

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

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

With numerous commercial and industrial development projects recently completed, currently underway, or in the planning stages, Sioux City's economy appears set for continued growth. The City had another strong year for value of commercial building permits issued. While the \$133.5 million amount was significantly lower than the record prior year of \$256.9 million, it was 36% higher than fiscal year 2012, and 37% higher than fiscal year 2013. Two notable projects constructed during the year included a \$16.8 million project that expanded and improved Mercy Medical Center's critical care and imaging services, and an \$8 million shopping center at Sunnybrook Village which brought a number of national retailers. These property values along with recently completed projects and other projects currently underway will be hitting the City's tax roll in the coming years and will provide increased revenue capacity.

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. Funding road maintenance projects continues to be a challenge importance due to significant increases in construction costs but inadequate growth in State Road Use Tax funding. 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:

- The largest economic development project in Sioux City history was announced in fiscal year 2015. A joint venture between Seaboard Foods and Triumph Foods will invest \$264 million in a new pork processing plant that will initially employ 1,100 workers, and could eventually employ up to 2,000 workers. An estimated 1,200 temporary construction workers will be deployed to build the 600,000-square-foot state-of-the-art plant located on 250 acres with an anticipated opening date in the summer of 2017. The facility will have a \$100 million minimum assessment.
- Other major commercial development underway is an expansion of Sunnybrook Plaza and Northern Valley Crossing. In Sunnybrook Plaza, a 91-room Hampton Inn & Suites is almost complete, and a recently announced \$30 million retail shopping center and \$20 million residential development will begin construction in fiscal year 2016. The \$30 million retail shopping center will feature more than 20 stores and the \$20 million residential development will bring a high-end 225-unit apartment complex. At Northern Valley Crossing, a 10,800-square-foot multi-tenant commercial center is currently under construction and will have a minimum assessment of at least \$1 million.
- As a result of current development and growth in Sioux City, a 229-acre subdivision on the edge of Sioux City is currently under construction. The housing development, known as Eagle Ridge, is expected to 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 almost complete and housing construction is anticipated to begin soon.
- Other development currently underway that is benefiting the City and Siouxland area includes a \$2 billion expansion of CF Industries' Port Neal fertilizer complex just south of Sioux City. The project has brought 2,500 temporary construction workers to the Siouxland area is expected to result in 100 permanent positions and 700 indirect jobs. Interstate 29 is under reconstruction 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 major multi-year reconstruction project will increase the interstate from two lanes to three which will improve the traffic flow through the area.

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 8, 2015 totaling \$28,110,000. These funds will be used for the fiscal year 2016 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 60.55% 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 2015 the City spent about \$25 million on capital improvement projects. The largest projects were: Southbridge Rail \$5.6 million, Annual Infrastructure \$3.0 million, Annual Resurfacing \$1.8 million, Washington Elementary Infrastructure \$1.8 million, and Southeast Morningside Area Improvements \$1.4 million.

The City has several significant capital improvements planned for fiscal year 2016. The City has planned for over \$13.8 million in street maintenance projects which includes \$7.0 million for annual infrastructure, \$2.6 million for annual bridge repairs, \$2.3 million for Cunningham Drive and \$1.9 million for annual resurfacing. Additionally, the City plans to spend \$2.8 million on additional Southbridge Rail Improvements and \$2.6 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 Crossing area on Floyd Boulevard will continue to grow with prospectively interested businesses and Sunnybrook Plaza continues to expand. The Southbridge and Bridgeport Business Parks continues to grow and are premier locations 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, 2014.

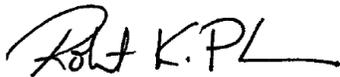
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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.

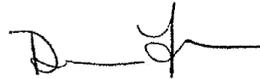
Acknowledgment - The preparation and completion of the 2015 Comprehensive Annual Financial Report was made possible by the dedicated service of the Finance Department employees. Each member of the Department has our sincere appreciation for the contributions they made toward this report. Sioux City is 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, 2014



Jeffrey R. Enser

Executive Director/CEO

CITY OF SIOUX CITY, IOWA

FINANCIAL SECTION



705 Douglas Street, Suite 214
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA (the City), as of and for the year ended June 30, 2015, 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, 2015, 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, Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions 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 expenditures 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, 2015, 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, 2015

SILOUXTM
CITY



Management Discussion and Analysis

June 30, 2015

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, 2015. 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 and deferred outflows of resources of the City of Sioux City exceeded its liabilities and deferred inflows of resources at June 30, 2015, by \$436,866,102.
- The City's net position increased by \$18,023,745 during the year. Of this amount, the net position of Governmental Activities increased \$14,148,865 and the net position of Business-Type Activities increased \$3,874,880.
- The largest factors contributing to the increase in net position were; amount by which capital outlays exceeded depreciation, \$8,655,829, excess of Comprehensive Insurance fund revenues and transfers in over expenses in the amount of \$5,218,878, and excess of Sewer Fund revenues over expenses and transfers out in the amount of \$2,946,695.
- The City's long term debt increased \$2,909,298 (1.1%). General obligation bonds outstanding increased \$9,620,000 (8.4%) to \$123,510,000 and notes payable outstanding decreased \$6,710,702 (4.6%) to \$140,580,807.

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, 2015, and 2014:

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$157,870,163	\$154,567,212
Capital Assets	<u>368,980,681</u>	<u>358,232,304</u>
Total Assets	526,850,844	512,799,516
Pension Related Deferred Outflows	<u>9,172,902</u>	<u>6,692,798</u>
Total Deferred Outflows of Resources	9,172,902	6,692,798
Other Liabilities	10,378,642	11,134,172
Long-Term Liabilities Outstanding	<u>173,464,571</u>	<u>185,525,549</u>
Total Liabilities	183,843,213	196,659,721
Unavailable Revenue – Property Taxes	51,527,358	52,488,777
Unavailable Revenue – Pension Related	<u>16,160,494</u>	<u>---</u>
Total Deferred Inflows of Resources	67,687,852	52,488,777
Net Position:		
Net Investment in Capital Assets	272,782,703	262,337,178
Restricted	52,798,398	57,793,525
Unrestricted	<u>(41,088,420)</u>	<u>(49,786,887)</u>
Total Net Position	<u>\$284,492,681</u>	<u>\$270,343,816</u>

This summary reflects an increase in total net position of 5.23% for the governmental activities and an increase of 2.61% in the business-type activities.

The restricted portion of net position (12.1%) is subject to external restrictions on how these resources may be used.

Before applicable prior period adjustments, the government's total net position increased by \$18,023,745 during the current fiscal year which can be attributed to revenues outpacing expenses and capital outlays exceeding depreciation.

Business-Type Activities		Totals	
2015	2014	2015	2014
\$44,878,551	\$42,216,230	\$202,748,714	\$196,783,442
<u>268,500,465</u>	<u>271,553,357</u>	<u>637,481,146</u>	<u>629,785,661</u>
313,379,016	313,769,587	840,229,860	826,569,103
<u>624,848</u>	<u>450,214</u>	<u>9,797,750</u>	<u>7,143,012</u>
624,848	450,214	9,797,750	7,143,012
3,893,203	4,492,209	14,271,845	15,626,381
<u>156,430,010</u>	<u>161,229,051</u>	<u>329,894,581</u>	<u>346,754,600</u>
160,323,213	165,721,260	344,166,426	362,380,981
---	---	51,527,358	52,488,777
<u>1,307,230</u>	<u>---</u>	<u>17,467,724</u>	<u>---</u>
1,307,230	---	68,995,082	52,488,777
121,683,303	118,515,774	394,466,006	380,852,952
---	---	52,798,398	57,793,525
<u>30,690,118</u>	<u>29,982,767</u>	<u>(10,398,302)</u>	<u>(19,804,120)</u>
<u>\$152,373,421</u>	<u>\$148,498,541</u>	<u>\$436,866,102</u>	<u>\$418,842,357</u>

Governmental activities increased 5.23% while Business-Type Activities increased 2.61%. Details of the changes in net position are shown as follows:

Revenue Source	Governmental Activities	
	2015	2014
Program Revenues:		
Charges for Services	\$ 16,295,197	\$ 18,668,835
Operating Grants and Contributions	21,981,811	19,774,495
Capital Grants and Contributions	6,842,315	2,525,860
Total Program Revenues	45,119,323	40,969,190
General Revenues :		
Property Taxes	52,006,707	51,422,485
Franchise Taxes	4,840,456	2,681,383
Hotel-Motel Taxes	1,809,271	1,594,073
Local Option Sales Taxes	12,870,868	12,680,781
Interest	744,163	1,076,366
Revenue from the Sale of Uncapitalized Property	1,107,349	805,868
Miscellaneous	1,739,780	1,432,604
Net Gain on Sale of Capital Assets	503,923	209,574
Total General Revenues	75,622,517	71,903,134
Total Revenues	120,741,840	112,872,324
Expenses:		
Public Safety	34,386,270	36,482,386
Public Works	19,930,848	20,050,690
Culture and Recreation	19,382,608	18,423,101
Community and Economic Development	16,007,475	31,236,262
General Government	9,011,536	8,830,441
Debt Service	5,586,537	5,858,236
Airport	---	---
Water	---	---
Sewer	---	---
Solid Waste	---	---
Parking	---	---
Skyway System	---	---
Total Expenses	104,305,274	120,881,116
(Decrease) Increase in Net Position Before Transfers	16,436,566	(8,008,792)
Transfers	(2,287,701)	(1,451,922)
(Decrease) Increase in Net Position	14,148,865	(9,460,714)
Net Position - Beginning of Year Before Prior Period Adjustments	316,556,220	326,497,871
Prior Period Adjustment	(46,212,404)	(480,937)
Net Position - Beginning of Year as Restated	270,343,816	326,016,934
Net Position	\$284,492,681	\$316,556,220

Business-Type Activities		Totals	
2015	2014	2015	2014
\$ 40,280,069	\$ 40,797,221	\$56,575,266	\$59,466,056
83,394	107,960	22,065,205	19,882,455
298,319	1,365,936	7,140,634	3,891,796
40,661,782	42,271,117	85,781,105	83,240,307
---	---	52,006,707	51,422,485
---	---	4,840,456	2,681,383
---	---	1,809,271	1,594,073
---	---	12,870,868	12,680,781
482,338	537,065	1,226,501	1,613,431
---	---	1,107,349	805,868
1,722,375	1,741,486	3,462,155	3,174,090
---	928,389	503,923	1,137,963
2,204,713	3,206,940	77,827,230	75,110,074
42,866,495	45,478,057	163,608,335	158,350,381
---	---	34,386,270	36,482,386
---	---	19,930,848	20,050,690
---	---	19,382,608	18,423,101
---	---	16,007,475	31,236,262
---	---	9,011,536	8,830,441
---	---	5,586,537	5,858,236
4,858,212	4,425,095	4,858,212	4,425,095
14,917,467	12,746,754	14,917,467	12,746,754
14,435,262	13,381,173	14,435,262	13,381,173
5,198,453	4,670,923	5,198,453	4,670,923
1,509,232	1,414,570	1,509,232	1,414,570
360,690	359,782	360,690	359,782
41,279,316	36,998,297	145,584,590	157,879,413
1,587,179	8,479,760	18,023,745	470,968
2,287,701	1,451,922	---	---
3,874,880	9,931,682	18,023,745	470,968
152,497,756	143,937,229	469,053,976	470,435,100
(3,999,215)	(1,371,155)	(50,211,619)	(1,852,092)
148,498,541	142,566,074	418,842,357	468,583,008
\$152,373,421	\$152,497,756	\$436,866,102	\$469,053,976

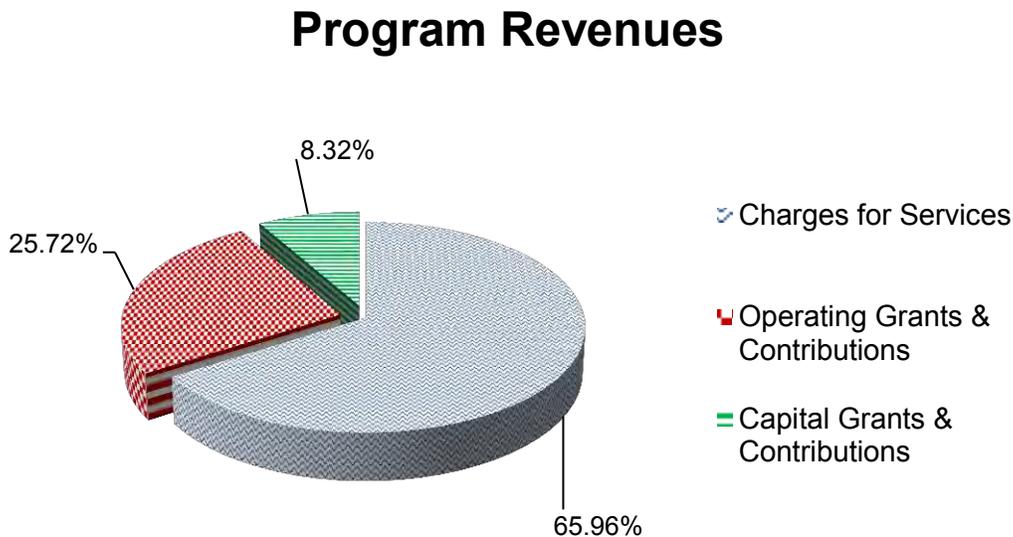
Program revenues totaled \$85,781,105 for fiscal year 2015. Governmental Activities provided \$45,119,323 and Business-Type Activities provided \$40,661,782. Revenue collected for Charges for Services during fiscal year 2015 was \$56,575,266 accounting for approximately 66% of the total program revenues.

Governmental charges for services decreased about \$2.4 million. At the government-wide level, decreased speed camera tickets of \$2.1 million in the General Fund contributed to the decrease.

Governmental operating grants and contributions increased almost \$2.2 million. Public Safety operating grants decreased \$300,000 primarily due to decreased receipts in the General Fund for Fair Housing because of a large grant received in fiscal year 2014. Public Works operating grants and contributions increased \$1.4 million primarily due to increased Road Use Tax funding of \$554,000, increased Federal Emergency Management Agency (FEMA) and Iowa Homeland Security and Emergency Management funding of \$178,000, and increased Federal Transit Administration funding of \$125,000. General government operating grants increased \$812,000 and debt service operating grants increased \$278,000, both due to commercial and industrial property tax replacement payments received from the State of Iowa.

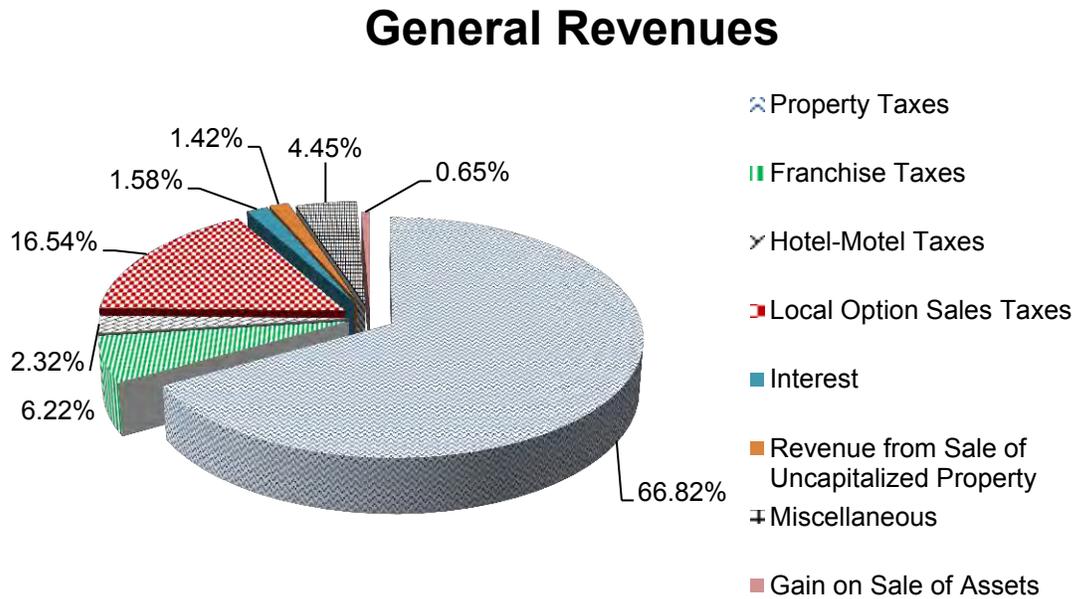
Governmental capital grants and contributions increased \$4.3 million. Public Works capital grants and contributions increased \$1.4 million due to an infrastructure contribution of \$685,000 from the Sioux City Community School District for public improvements associated with new elementary schools and due to increased grant receipts from the Iowa Department of Transportation (IDOT) for road projects. Community and Economic Development capital grants increased \$3.2 million due to increased grant receipts of \$2.3 million from Iowa Department of Transportation (IDOT) and \$1.0 million for a Federal Railroad Association (FRA) grant, both for rail improvements in the Southbridge business park. Debt Service capital contributions decreased \$181,000 due to decreased special assessments collections and miscellaneous contributions. In the Business-Type funds, operating grants increased in the Water fund \$8,600 and the Sewer fund \$9,700, due to increased FEMA reimbursements. Airport capital grants decreased \$1.1 million due to decreased receipts from the Federal Aviation Administration (FAA) for airport capital improvements.

The following chart breaks down program revenues by source:



General Revenues for fiscal year 2015 totaled \$77,827,230, which is \$2,717,156 more than fiscal year 2014. Governmental Activities provided \$75,622,517 and Business-Type Activities provided \$2,204,713. Property tax revenues for fiscal year 2015 totaled \$52,006,707, accounting for 67% of General Revenues, \$584,222 higher than fiscal year 2014 due to increased property tax rates and an increase in the lowa property tax rollback provision. Franchise taxes increased \$2.2 million due to an increase in the utility franchise tax rate from 2% to 5%. Total interest income decreased \$387,000 due to lower rates of return.

The following chart breaks down General Revenues by source:

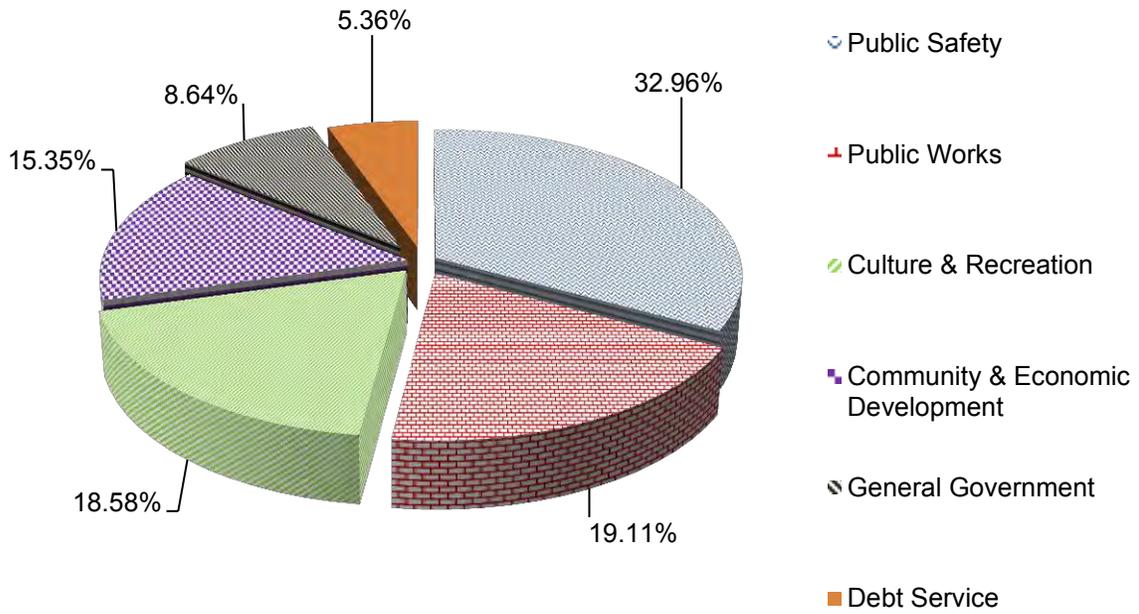


Expenses for fiscal year 2015 totaled \$145,584,590, a decrease of \$12.3 million from fiscal year 2014. Expenses for Governmental Activities totaled \$104,305,274 accounting for 72% of total expenses. Business-Type Activity expenses totaled \$41,279,316 for 28% of the total.

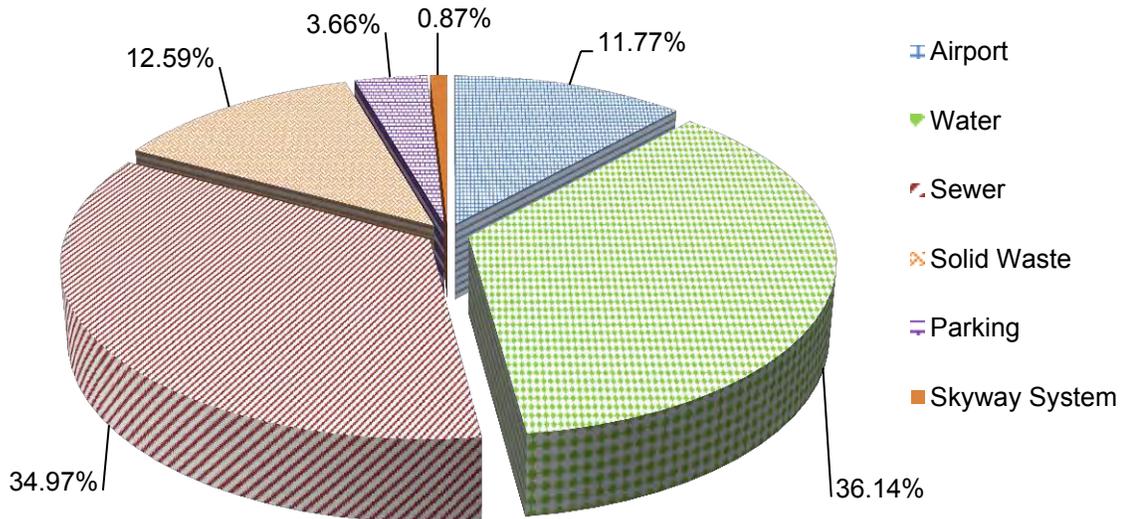
Public Safety expenses decreased \$2.1 million and Public Works expenses decreased \$120,000, both due primarily to a deferral of current year pension contribution expense required by the new GASB pension reporting standards. Culture and Recreation expenses increased \$960,000 due to increased repair and improvement expense of \$460,000, significant worker's compensation claims and the addition of a Parks and Recreation Director. Community and Economic Development expenses decreased \$15.2 million, mostly due to \$16.5 million contributed towards the construction of a new downtown casino in fiscal year 2014. General Government expenses increased \$181,000 due to contractual obligations related to employee wages. Airport expenses increased \$433,000, Solid Waste expenses increased \$528,000, Parking expenses increased \$95,000, and Skyway expenses increased \$1,000, all due to increased costs for personnel, services and supplies. Water expenses increased \$2.2 million due primarily to increased repair and improvement costs for the City's water meter radio read system. Sewer expenses increased \$1.1 million due to major underground utility repair expenses in fiscal year 2015.

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 \$34,386,270 and received \$2,677,962 in revenue thus leaving a cost to the taxpayer of \$31,708,308 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 \$104,305,274. Of these costs, \$16,295,197 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 \$28,824,126, leaving a Net Expense of \$59,185,951 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>FY15</u>	<u>FY14</u>
<u>Governmental Activities</u>		
Public Safety	\$ (31,708,308)	\$ (33,452,845)
Public Works	(2,497,529)	(5,639,864)
Culture & Recreation	(12,792,205)	(11,760,078)
Community & Economic Development	(2,856,299)	(21,352,684)
General Government	(4,048,425)	(2,029,858)
Debt Service	(5,283,185)	(5,676,597)
Total Net (Expense) Revenue		
Government Activities	(59,185,951)	(79,911,926)
General Revenues & Transfers	73,334,816	70,451,212
Change in Net Position	<u>\$ 14,148,865</u>	<u>\$ 9,460,714</u>

Total resources available during the year to finance governmental operations were \$388,797,955, consisting of Net Position after applicable prior period adjustments at July 1, 2014, of \$270,343,816, Program Revenues of \$45,119,323, General Revenues of \$75,622,517 and Transfers of \$(2,287,701). Total Governmental Activities during the year expended \$104,305,274; thus, Net Position was increased by \$14,148,865 to \$284,492,681.

Business-Type Activities

Business-type activities increased the City's net position by \$3,874,880.

The cost of all Proprietary activities this year was \$41,279,316. As shown in the Statement of Activities, the amounts paid by users of the systems was \$40,280,069, and \$381,713 was funded from grants and contributions, resulting in total net expense for business-type activities of \$617,534. As discussed in the revenue section, operating grants increased in the Water fund \$8,600 and the Sewer fund \$9,700, due to increased FEMA reimbursements. Airport capital grants decreased \$1.1 million due to decreased receipts from the Federal Aviation Administration (FAA) for airport capital improvements.

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>FY15</u>	<u>FY14</u>
Airport System	\$(2,628,133)	\$(1,191,682)
Water System	(792,961)	1,706,997
Sewer System	2,922,371	4,395,170
Solid Waste System	(47,344)	416,599
Parking	(29,046)	28,936
Skyway System	(42,421)	(83,200)
Total Net (Expense) Revenue Business-Type Activities	(617,534)	5,272,820
General Revenues & Transfers	4,492,414	4,658,862
Change in Net Position	\$3,874,880	\$9,931,682

Total resources available during the year to finance Proprietary Fund activities were \$193,652,737, consisting of Net Position after applicable prior period adjustments at July 1, 2014 of \$148,498,541, program revenues of \$40,661,782, General Revenues of \$2,204,713, and transfers of \$2,287,701. Total Proprietary Fund Activities during the year expended \$41,279,316, thus Net Position was increased by \$3,874,880 to \$152,373,421.

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 \$83,653,422, a total increase of \$995,285 from the prior year.

The General Fund is the primary operating fund of the City. The fund balance of \$9,237,979 is approximately 19% 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 and transfers in exceeded expenditures and transfers out in the general fund by \$306,429, an increase of \$84,680 from fiscal year 2014. Tax revenues increased \$1.9 million primarily due to increased utility franchise fee collections due to an increase in the rate from 2% to 5%. Regulatory fees decreased \$2.0 million due to decreased ticket revenue from the Redflex Speed cameras located along Interstate 29.

The Debt Service Fund is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of general long-term debt principal, interest and related costs. The fiscal year 2015 fund balance increased \$1,389,028. The increase in the fund balance is the result of increased transfers in to the fund from capital projects that came in under budget. 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 increased \$4.0 million due to increased grant receipts of \$2.3 million from Iowa Department of Transportation (IDOT) and \$1.0 million from Federal Railroad Association (FRA), both for rail transportation improvements. Capital expenditures remained fairly constant while debt proceeds increased \$16.9 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 \$3,874,880 in fiscal year 2015. The funds with the largest net position increases were the Water Fund and the Sewer Fund. Water Fund and Sewer Fund charges for service decreased due to no increase in rates combined with decreased usage. Water and Sewer fund operating expenses increased due to significant repair and improvement expenses, primarily related to underground utilities. Airport intergovernmental revenue, including capital grants, decreased \$1.4 million due to a decrease in receipts from the Federal Aviation Administration (FAA) for airport capital improvements. Airport other non-operating revenues increased due to a \$1.5 million insurance claim payment for wind damage sustained to several buildings. Interest income decreased in the Water, Sewer, and Solid Waste fund due to lower investment returns. Solid Waste Fund supplies and services increased \$505,000 primarily due to an increase in the Gill Hauling waste removal contract.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the fiscal year 2015 original (adopted) General Fund amount of \$57,600,802 to the final budget amount of \$80,373,281, shows a net increase of \$22,772,479.

<u>Original Budget</u>	<u>Encumbrances</u>	<u>Beginning Balance</u>	<u>Supplemental Changes</u>	<u>Final Budget</u>
\$57,600,802	\$366,176	\$57,966,978	\$22,406,303	\$80,373,281

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	\$42,129,268	\$35,013,803	\$(7,115,465)
Public Works	2,108,188	1,519,848	(588,340)
Culture & Recreation	17,593,765	8,433,111	(9,160,654)
Community & Economic Development	1,015,937	872,128	(143,809)
General Government	<u>12,736,037</u>	<u>2,795,536</u>	<u>(9,940,501)</u>
	75,583,195	48,634,426	(26,948,769)
Transfers Out	<u>4,790,086</u>	<u>4,450,081</u>	<u>(340,005)</u>
Total Expenditures	<u>\$80,373,281</u>	<u>\$53,084,507</u>	<u>\$(27,288,774)</u>

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

In fiscal year 2015, appropriations increased \$22.4 million between the original budget and the final amended budget. Public Safety increased \$7.7 million, Culture and Recreation increased \$8.8 million, and General Government increased \$6.0 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, 2015 was \$394,466,006 (net of accumulated depreciation and outstanding financings). This is an increase of \$13,613,054 (3.6%) from fiscal year 2014. The gross additions to capital assets for fiscal years 2015 and 2014 are as follows:

	General Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Land	\$ 1,822,775	\$ 260,342	\$ 17,511	\$ ---
Infrastructure	12,233,015	15,087,928	---	---
Buildings	226,892	95,494	7,685,927	31,767,213
Improvements-Other than Buildings	2,008,818	744,492	9,570,779	18,966,052
Equipment	4,695,762	2,208,173	---	1,070,981
Construction in Progress	<u>16,107,189</u>	<u>7,440,901</u>	<u>6,413,714</u>	<u>16,075,156</u>
Total Gross Additions	<u>\$ 37,094,451</u>	<u>\$ 25,837,330</u>	<u>\$ 23,687,931</u>	<u>\$ 67,879,402</u>

	Totals	
	2015	2014
Land	\$ 1,840,286	\$ 260,342
Infrastructure	12,233,015	15,087,928
Buildings	7,912,819	31,862,707
Improvements-Other than Buildings	11,579,597	19,710,544
Equipment	4,695,762	3,279,154
Construction in Progress	<u>22,520,903</u>	<u>23,516,057</u>
Total Gross Additions	<u>\$ 60,782,382</u>	<u>\$ 93,716,732</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 2015 and included: King's Highway Bridge Relocation, improvements for Washington Elementary School, reconstruction of South Lafayette Street and Annual Resurfacing. The major expenditures related to buildings included the remodel of the recycle center and renovation of the Martin Building. New equipment included plotting software for the cemeteries, transit bush wash equipment, and a new Zamboni at the IBP Ice Center. Major construction in progress included Harbor Drive Connector, Wesley Parkway, and Southbridge Rail.

For Business-Type Activities, construction in progress included the 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 \$264,090,807 of debt outstanding. This is an increase of \$2,909,298 from the prior year. Of this amount \$112,285,115 is to be paid from tax sources (primarily local option sales tax, general taxes and Tax Increment Funds) and \$151,805,692 is to be repaid from the City's Municipal Enterprises. The fiscal year 2016 bonds were borrowed in fiscal year 2015 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 2016 include: infrastructure improvements for the reconstruction and widening of Interstate 29, annual infrastructure reconstruction, annual bridge repairs, and annual resurfacing.

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 \$193,629,706. With outstanding general obligation debt applicable to this limit of \$117,240,026, the City is utilizing 60.55% 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 2015, 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 the \$2.0 billion expansion of CF Industries' Port Neal fertilizer plant, an \$8 million shopping center at Sunnybrook Village, and the expansion of I-29 through Sioux City from two lanes to three. 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 2015, the amount collected was \$12.9 million. This is a \$190,000 increase over fiscal year 2014, or 1.5%.

The property value of residential and commercial building permits issued is another good sign of economic stimulation in Sioux City. While property value of permits decreased in fiscal year 2015 to \$178.3 million from the record value of \$289.4 million in fiscal year 2014, the value still exceeded values in eight of the prior ten fiscal years. These continued high values are attributed to the steady economic growth in the Sioux City area.

Assessed 2015 property values increased slightly to \$3.87 billion, or less than 1%, from \$3.86 billion in 2014. Per capita income increased to \$22,143 in 2015, an increase of 2% from \$21,742 in 2014.

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, 2015

EXHIBIT 1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 82,196,874	\$ 36,924,546	\$ 119,121,420
Accounts Receivable	3,083,110	7,695,620	10,778,730
Accrued Interest Receivable	1,542,630	69,517	1,612,147
Notes Receivable	7,636,279	1,000	7,637,279
Special Assessments, net of allowance	98,127	24,730	122,857
Due from Other Governments	60,559,090	320,951	60,880,041
Internal Balances	100,145	(100,145)	---
Inventories, at Cost	389,195	8,459	397,654
Prepaid Items	243,225	58,484	301,709
Internal Balances - Note Receivable	124,611	(124,611)	---
Land Held for Resale	1,896,877	---	1,896,877
Capital Assets not being depreciated:			
Land	48,365,378	3,394,403	51,759,781
Construction in Progress	33,127,809	115,607,743	148,735,552
Capital Assets net of accumulated depreciation:			
Infrastructure	167,540,579	---	167,540,579
Buildings	73,646,203	53,892,784	127,538,987
Buildings under Capital Lease	2,302,375	---	2,302,375
Improvements other than buildings	30,140,232	93,474,633	123,614,865
Equipment	13,858,105	2,130,902	15,989,007
Total Assets	<u>526,850,844</u>	<u>313,379,016</u>	<u>840,229,860</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Related Deferred Outflows	9,172,902	624,848	9,797,750
<u>LIABILITIES</u>			
Accounts Payable	3,829,634	1,171,048	5,000,682
Accrued Wages	2,466,301	275,910	2,742,211
Accrued Interest Payable	287,611	350,489	638,100
Contracts and Retainers Payable	3,713,381	1,546,368	5,259,749
Due to Other Governments	81,715	304,388	386,103
Unearned Revenue	---	245,000	245,000
Noncurrent Liabilities:			
Due within one year			
General Obligation Bonds Payable	16,877,927	1,699,470	18,577,397
Notes Payable	300,000	8,412,000	8,712,000
Compensated Absences	2,403,151	289,751	2,692,902
Estimated Liability for Damage Claims	1,314,892	---	1,314,892
Estimated Liability for Landfill Closure	---	51,504	51,504
Due in more than one year			
General Obligation Bonds Payable	97,456,521	10,425,415	107,881,936
Notes Payable	600,000	131,268,807	131,868,807
Estimated Post Retirement Benefit Obligation	16,281,000	---	16,281,000
Compensated Absences	874,190	86,986	961,176
Estimated Liability for Damage Claims	2,257,717	---	2,257,717
Estimated Liability for Landfill Closure	---	1,140,488	1,140,488
Net Pension Liability	35,099,173	3,055,589	38,154,762
Total Liabilities	<u>183,843,213</u>	<u>160,323,213</u>	<u>344,166,426</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue - Property Taxes	51,527,358	---	51,527,358
Unavailable Revenue - Pension Related	16,160,494	1,307,230	17,467,724
Total Deferred Inflows of Resources	<u>67,687,852</u>	<u>1,307,230</u>	<u>68,995,082</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	272,782,703	121,683,303	394,466,006
Restricted for:			
Capital Improvements	32,839,527	---	32,839,527
Debt Service	6,882,363	---	6,882,363
Road Use	1,601,417	---	1,601,417
Community Programs & Services	10,254,845	---	10,254,845
Other Purposes	57,395	---	57,395
Endowment, non-expendable	1,162,851	---	1,162,851
Total Restricted	<u>52,798,398</u>	<u>---</u>	<u>52,798,398</u>
Unrestricted	(41,088,420)	30,690,118	(10,398,302)
Total Net Position	<u>\$ 284,492,681</u>	<u>\$ 152,373,421</u>	<u>\$ 436,866,102</u>

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, 2015**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Public Safety	\$ 34,386,270	\$ 1,374,669	\$ 1,229,812	\$ 73,481
Public Works	19,930,848	4,541,044	11,038,540	1,853,735
Culture and Recreation	19,382,608	6,137,962	377,593	74,848
Community and Economic Development	16,007,475	202,127	8,134,450	4,814,599
General Government	9,011,536	4,039,395	923,716	---
Debt Service	5,586,537	---	277,700	25,652
Total Governmental Activities	<u>104,305,274</u>	<u>16,295,197</u>	<u>21,981,811</u>	<u>6,842,315</u>
Business-Type Activities:				
Airport	4,858,212	1,866,695	65,065	298,319
Water	14,917,467	14,115,916	8,590	---
Sewer	14,435,262	17,347,894	9,739	---
Solid Waste	5,198,453	5,151,109	---	---
Parking	1,509,232	1,480,186	---	---
Skyway System	360,690	318,269	---	---
Total Business-Type Activities	<u>41,279,316</u>	<u>40,280,069</u>	<u>83,394</u>	<u>298,319</u>
Total Functions/Programs	<u>\$ 145,584,590</u>	<u>\$ 56,575,266</u>	<u>\$ 22,065,205</u>	<u>\$ 7,140,634</u>

General Revenues:

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

Transfers

Total General Revenues and Transfers
Changes in Net Position

Net Position - Beginning of Year 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
\$ (31,708,308)	\$ ---	\$ (31,708,308)
(2,497,529)	---	(2,497,529)
(12,792,205)	---	(12,792,205)
(2,856,299)	---	(2,856,299)
(4,048,425)	---	(4,048,425)
(5,283,185)	---	(5,283,185)
(59,185,951)	---	(59,185,951)
---	(2,628,133)	(2,628,133)
---	(792,961)	(792,961)
---	2,922,371	2,922,371
---	(47,344)	(47,344)
---	(29,046)	(29,046)
---	(42,421)	(42,421)
---	(617,534)	(617,534)
<u>\$ (59,185,951)</u>	<u>\$ (617,534)</u>	<u>\$ (59,803,485)</u>
52,006,707	---	52,006,707
4,840,456	---	4,840,456
1,809,271	---	1,809,271
12,870,868	---	12,870,868
744,163	482,338	1,226,501
1,107,349	---	1,107,349
1,739,780	1,722,375	3,462,155
503,923	---	503,923
(2,287,701)	2,287,701	---
<u>73,334,816</u>	<u>4,492,414</u>	<u>77,827,230</u>
14,148,865	3,874,880	18,023,745
316,556,220	152,497,756	469,053,976
<u>(46,212,404)</u>	<u>(3,999,215)</u>	<u>(50,211,619)</u>
<u>270,343,816</u>	<u>148,498,541</u>	<u>418,842,357</u>
<u>\$ 284,492,681</u>	<u>\$ 152,373,421</u>	<u>\$ 436,866,102</u>

**CITY OF SIOUX CITY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS	General	Other Employee Benefits	Local Option Sales Tax
Cash and Cash Equivalents	\$ 8,945,927	\$ ---	\$ 544,830
Accounts Receivable	1,911,002	---	---
Accrued Interest Receivable	146,754	---	---
Notes Receivable	---	---	35,000
Special Assessments, net of allowance	77,974	---	---
Due from Other Governments	23,296,716	7,204,725	2,403,625
Due from Other Funds	1,103	---	---
Inventories	4,379	---	---
Prepaid Items	15,643	---	---
Land Held for Resale	---	---	---
Total Assets	34,399,498	7,204,725	2,983,455
LIABILITIES			
Accounts Payable	513,906	15,172	18,042
Accrued Wages	1,968,792	1,096	---
Contracts and Retainers Payable	21,408	---	14,150
Due to Other Governments	7,191	---	---
Due to Other Funds	11,242	137,975	---
Total Liabilities	2,522,539	154,243	32,192
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	22,638,980	7,114,195	---
Unavailable Revenue - Special Assessments	---	---	---
Unavailable Revenue - Loans	---	---	---
Total Deferred Inflows of Resources	22,638,980	7,114,195	---
FUND BALANCES			
Non-Spendable:			
Inventory	4,379	---	---
Prepaid Items	15,643	---	---
Long-Term Notes Receivable	---	---	35,000
Land Held for Resale	---	---	---
Endowment, non-expendable	---	---	---
Restricted	---	---	---
Committed	273,195	---	14,816
Assigned	---	---	2,901,447
Unassigned	8,944,762	(63,713)	---
Total Fund Balances	9,237,979	(63,713)	2,951,263
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,399,498	\$ 7,204,725	\$ 2,983,455

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 7,025,353	\$ 48,470,703	\$ 5,173,880	\$ 70,160,693
---	620,962	316,032	2,847,996
---	2,823	1,383,380	1,532,957
244,080	126,084	7,170,545	7,575,709
12,776	---	7,377	98,127
22,201,352	2,295,206	3,157,466	60,559,090
---	1,808,018	534	1,809,655
---	---	135,457	139,836
---	---	34,738	50,381
---	1,896,877	---	1,896,877
<u>29,483,561</u>	<u>55,220,673</u>	<u>17,379,409</u>	<u>146,671,321</u>
85,827	925,774	1,564,444	3,123,165
---	16,164	378,527	2,364,579
---	3,264,775	275,474	3,575,807
---	37,863	36,661	81,715
---	100	1,587,014	1,736,331
<u>85,827</u>	<u>4,244,676</u>	<u>3,842,120</u>	<u>10,881,597</u>
22,023,742	---	98,563	51,875,480
9,023	---	---	9,023
193,750	---	58,049	251,799
<u>22,226,515</u>	<u>---</u>	<u>156,612</u>	<u>52,136,302</u>
---	---	135,457	139,836
---	---	34,738	50,381
---	126,084	---	161,084
---	1,896,877	---	1,896,877
---	---	1,162,851	1,162,851
7,169,974	48,953,036	11,908,374	68,031,384
1,245	---	561,285	850,541
---	---	---	2,901,447
---	---	(422,028)	8,459,021
<u>7,171,219</u>	<u>50,975,997</u>	<u>13,380,677</u>	<u>83,653,422</u>
<u>\$ 29,483,561</u>	<u>\$ 55,220,673</u>	<u>\$ 17,379,409</u>	<u>\$ 146,671,321</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2015

EXHIBIT 3A

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

Total Fund Balances - Governmental Funds (Exhibit 3)		\$ 83,653,422
<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	48,365,378	
Construction in Progress	33,127,809	
Infrastructure, net of \$69,024,314 accumulated depreciation	167,540,579	
Buildings, net of \$35,738,560 accumulated depreciation	73,646,203	
Buildings under Capital Lease, net of \$5,372,625 accumulated depreciation	2,302,375	
Improvements other than Buildings, net of \$28,994,429 accumulated depreciation	29,976,563	
Equipment, net of \$15,053,060 accumulated depreciation	3,138,961	
Total Capital Assets		358,097,868
<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>		
		735,625
<p>Unavailable Revenues that provide current financial resources for governmental activities.</p>		
		608,944
<p>Pension related deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, are not due and payable in the current year and, therefore, are not reported in the governmental funds.</p>		
		(6,744,652)
<p>Accrued interest expense from the balance sheet that requires current financial resources for governmental activities.</p>		
		(286,219)
<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	147,991	
Bond Premium	(3,097,324)	
Total Bond Discounts and Premiums (See Note 6)		(2,949,333)
<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	(110,697,115)	
Notes Payable	(900,000)	
Compensated Absences	(3,014,513)	
Net Pension Liability	(34,011,346)	
Total Long-term Liabilities (See Note 6)		(148,622,974)
Total Net Position - Governmental Activities (Exhibit 1)		\$ 284,492,681

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, 2015**

<u>REVENUES</u>	<u>General</u>	<u>Other Employee Benefits</u>	<u>Local Option Sales Tax</u>
Taxes	\$ 27,508,292	\$ 7,739,457	\$ 12,870,868
Special Assessments	151,740	---	---
Regulatory Fees	2,387,205	---	---
Intergovernmental Revenue	1,957,800	232,401	7,850
Revenue from Use of Property	449,699	---	---
Charges for Services	5,062,588	---	---
Interest	308,312	---	484
Contributions	338,173	---	---
Miscellaneous	391,048	---	16,024
Total Revenue	<u>38,554,857</u>	<u>7,971,858</u>	<u>12,895,226</u>
<u>EXPENDITURES</u>			
Current:			
Public Safety	35,013,803	1,290,226	---
Public Works	1,519,848	---	---
Culture and Recreation	8,433,111	372,931	---
Community and Economic Development	872,128	3,699	259,974
General Government	2,795,536	85,600	---
Debt Service	---	---	---
Capital Projects	---	---	---
Total Expenditures	<u>48,634,426</u>	<u>1,752,456</u>	<u>259,974</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,079,569)	6,219,402	12,635,252
<u>OTHER FINANCING SOURCES (USES)</u>			
Issuance of Debt	---	---	---
Premiums on Bonds Issued	---	---	---
Proceeds on Sale of Uncapitalized Assets	---	---	---
Proceeds on Sale of Capitalized Assets	---	---	---
Transfers In	14,836,079	---	---
Transfers Out	(4,450,081)	(6,195,214)	(13,189,317)
Total Other Financing Sources (Uses)	<u>10,385,998</u>	<u>(6,195,214)</u>	<u>(13,189,317)</u>
Net Change in Fund Balance	306,429	24,188	(554,065)
Fund Balance - Beginning of Year	<u>8,931,550</u>	<u>(87,901)</u>	<u>3,505,328</u>
Fund Balance - End of Year	<u>\$ 9,237,979</u>	<u>\$ (63,713)</u>	<u>\$ 2,951,263</u>

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

Debt Service	Capital Improvements	Other Governmental Funds	Total Governmental Funds
\$ 23,242,700	\$ ---	\$ 112,195	\$ 71,473,512
5,672	---	375	157,787
---	---	2,600	2,389,805
277,700	6,120,562	19,167,888	27,764,201
87,410	597,253	4,512,349	5,646,711
---	---	3,437,129	8,499,717
10,524	40,068	360,641	720,029
25,000	698,710	---	1,061,883
8,817	9,391	900,214	1,325,494
<u>23,657,823</u>	<u>7,465,984</u>	<u>28,493,391</u>	<u>119,039,139</u>
---	---	---	36,304,029
---	---	12,980,583	14,500,431
---	---	7,140,062	15,946,104
---	---	8,240,333	9,376,134
---	---	---	2,881,136
23,071,304	---	---	23,071,304
---	29,731,101	811,870	30,542,971
<u>23,071,304</u>	<u>29,731,101</u>	<u>29,172,848</u>	<u>132,622,109</u>
586,519	(22,265,117)	(679,457)	(13,582,970)
---	22,996,382	---	22,996,382
650,484	---	---	650,484
22,017	264,037	---	286,054
---	32,500	---	32,500
4,239,686	8,474,108	3,025,830	30,575,703
<u>(4,109,678)</u>	<u>(10,607,298)</u>	<u>(1,411,280)</u>	<u>(39,962,868)</u>
<u>802,509</u>	<u>21,159,729</u>	<u>1,614,550</u>	<u>14,578,255</u>
1,389,028	(1,105,388)	935,093	995,285
<u>5,782,191</u>	<u>52,081,385</u>	<u>12,445,584</u>	<u>82,658,137</u>
<u>\$ 7,171,219</u>	<u>\$ 50,975,997</u>	<u>\$ 13,380,677</u>	<u>\$ 83,653,422</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, 2015

EXHIBIT 4A

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

Net Change in Fund Balances - Governmental Funds (Exhibit 4)	\$	995,285
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$21,302,129) exceeded depreciation (\$12,646,300) in the current period.</p>		
		8,655,829
<p>Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain or (loss) on the disposal of capital assets. This is the effect on the change in net position on the statement of activities.</p>		
		(225,672)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		13,453
<p>Accrued interest expense that does not require current financial resources.</p>		
		(5,634)
<p>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:</p>		
		90,319
<p>Pension expenses reported in the Statement of Activities do not require the use of current financial resources.</p>		
		(2,603,569)
<p>The current year City employer share of IPERS and MFPRSI contributions are reported as expenditures in the governmental funds, but reported as a deferred outflow of resources in the Statement of Net Position</p>		
		6,636,203
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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.</p>		
<p>Debt Issued:</p>		
General Obligation Bonds	(22,996,382)	
Bond Premium	(650,484)	
<p>Repayments:</p>		
General Obligation Bonds	17,134,443	
Bond Charges	357,349	
Notes Payable	300,000	
Net Adjustment (See Note 6)		(5,855,074)
<p>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.</p>		
		6,447,725
Changes in Net Position - Governmental Activities (Exhibit 2)	\$	14,148,865

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

SI^oUXTM
CITY

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015**

	<u>Business-Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 2,814,847	\$ 15,701,076
Accounts Receivable	55,074	2,670,344
Accrued Interest Receivable	5,302	29,242
Notes Receivable - Current	1,000	---
Special Assessments, net of allowance	---	16,070
Due from Other Governments	317,594	1,007
Due from Other Funds	---	363
Inventories, at Cost	8,459	---
Prepaid Items	657	---
Total Current Assets	<u>3,202,933</u>	<u>18,418,102</u>
<u>Non-Current Assets</u>		
Advances to Other Funds	---	---
Capital Assets, Net of Accumulated Depreciation	<u>26,892,277</u>	<u>103,292,272</u>
Total Non-Current Assets	<u>26,892,277</u>	<u>103,292,272</u>
Total Assets	<u>30,095,210</u>	<u>121,710,374</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Related	<u>75,309</u>	<u>257,246</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	89,604	693,940
Accrued Wages and Compensated Absences	72,118	283,371
Accrued Interest Payable	5,309	158,134
Contracts and Retainers Payable	149,466	564,036
Due to Other Governments	---	142,981
Due to Other Funds	26,821	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Current Portion of G.O. Bonds	283,476	846,817
Current Portion of Notes Payable	---	3,769,000
Unearned Revenue	---	---
Total Current Liabilities	<u>626,794</u>	<u>6,458,279</u>
<u>Non-Current Liabilities</u>		
Post Employment Benefit Obligation	---	---
Estimated Liability for Damage Claims	---	---
Estimated Liability for Landfill Closure	---	---
Advances from Other Funds	124,611	---
General Obligation Bonds, Net of Current Portion	1,706,953	6,609,681
Notes Payable, Net of Current Portion	---	58,081,807
Net Pension Liability	<u>368,271</u>	<u>1,257,970</u>
Total Non-Current Liabilities	<u>2,199,835</u>	<u>65,949,458</u>
Total Liabilities	<u>2,826,629</u>	<u>72,407,737</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Related	<u>157,552</u>	<u>538,180</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	25,131,848	38,539,747
Unrestricted	<u>2,054,490</u>	<u>10,481,956</u>
Total Net Position	<u>\$ 27,186,338</u>	<u>\$ 49,021,703</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
\$ 14,460,339	\$ 3,053,398	\$ 894,886	\$ 36,924,546	\$ 12,036,181
3,745,399	871,279	353,524	7,695,620	235,114
27,550	5,731	1,692	69,517	9,673
---	---	---	1,000	60,570
5,132	3,528	---	24,730	---
1,146	---	1,204	320,951	---
---	---	11,974	12,337	26,821
---	---	---	8,459	249,359
57,827	---	---	58,484	192,844
<u>18,297,393</u>	<u>3,933,936</u>	<u>1,263,280</u>	<u>45,115,644</u>	<u>12,810,562</u>
---	---	---	---	124,611
<u>129,913,693</u>	<u>843,961</u>	<u>7,558,262</u>	<u>268,500,465</u>	<u>10,882,813</u>
<u>129,913,693</u>	<u>843,961</u>	<u>7,558,262</u>	<u>268,500,465</u>	<u>11,007,424</u>
<u>148,211,086</u>	<u>4,777,897</u>	<u>8,821,542</u>	<u>313,616,109</u>	<u>23,817,986</u>
<u>258,053</u>	<u>2,681</u>	<u>31,559</u>	<u>624,848</u>	<u>222,452</u>
309,749	10,501	67,254	1,171,048	706,469
230,464	3,288	63,406	652,647	364,550
182,944	---	4,102	350,489	1,392
369,990	418,422	44,454	1,546,368	137,574
125,311	36,096	---	304,388	---
70	363	85,228	112,482	---
---	---	---	---	1,314,892
---	51,504	---	51,504	---
131,954	---	437,223	1,699,470	61,445
4,643,000	---	---	8,412,000	---
---	---	245,000	245,000	---
<u>5,993,482</u>	<u>520,174</u>	<u>946,667</u>	<u>14,545,396</u>	<u>2,586,322</u>
---	---	---	---	16,281,000
---	---	---	---	2,257,717
---	1,140,488	---	1,140,488	---
---	---	---	124,611	---
953,295	---	1,155,486	10,425,415	626,555
73,187,000	---	---	131,268,807	---
1,261,916	13,108	154,324	3,055,589	1,087,827
<u>75,402,211</u>	<u>1,153,596</u>	<u>1,309,810</u>	<u>146,014,910</u>	<u>20,253,099</u>
<u>81,395,693</u>	<u>1,673,770</u>	<u>2,256,477</u>	<u>160,560,306</u>	<u>22,839,421</u>
<u>539,868</u>	<u>5,608</u>	<u>66,022</u>	<u>1,307,230</u>	<u>465,392</u>
50,998,444	843,961	6,169,303	121,683,303	10,882,813
15,535,134	2,257,239	361,299	30,690,118	(10,147,188)
<u>\$ 66,533,578</u>	<u>\$ 3,101,200</u>	<u>\$ 6,530,602</u>	<u>\$ 152,373,421</u>	<u>\$ 735,625</u>

**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities	
	Airport	Water System
<u>OPERATING REVENUES</u>		
Revenue from Use of Property	\$ 1,547,432	\$ 148,666
Charges for Service	319,263	13,967,250
Total Operating Revenues	<u>1,866,695</u>	<u>14,115,916</u>
<u>OPERATING EXPENSES</u>		
Employee Services	952,121	4,674,081
Supplies and Services	545,246	1,092,750
Repairs and Improvements	848,657	2,348,405
Utilities	149,450	630,427
Depreciation	2,297,849	4,289,864
Damage Settlement	---	---
Total Operating Expenses	<u>4,793,323</u>	<u>13,035,527</u>
Operating Income (Loss)	(2,926,628)	1,080,389
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental Revenue	65,065	8,590
Interest Income	13,248	204,437
Gain on Sale of Capital Assets	---	---
Other Non-Operating Revenues	1,655,362	39,252
Interest Expense	(64,889)	(1,718,493)
Other Non-Operating Expenses	---	(163,447)
Total Non-Operating Revenues (Expenses)	<u>1,668,786</u>	<u>(1,629,661)</u>
Income (Loss) before Capital Grants, Contributions, and Transfers	(1,257,842)	(549,272)
Capital Grants and Contributions	298,319	---
Transfers In	517,077	2,285,059
Transfers Out	---	(469,667)
Changes in Net Position	(442,446)	1,266,120
Net Position - Beginning of the Year before Prior Period Adjustments	28,110,784	49,402,039
Prior Period Adjustments	(482,000)	(1,646,456)
Net Position - Beginning of the Year as Restated	<u>27,628,784</u>	<u>47,755,583</u>
Net Position - End of Year	<u>\$ 27,186,338</u>	<u>\$ 49,021,703</u>

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

Business-Type Activities				Governmental
	Solid Waste	Nonmajor		Internal
Sewer System	System	Enterprise Funds	Totals	Service Funds
\$ 15,012	\$ 598,862	\$ ---	\$ 2,309,972	\$ 16,231
17,332,882	4,552,247	1,798,455	37,970,097	23,977,617
17,347,894	5,151,109	1,798,455	40,280,069	23,993,848
4,625,731	159,102	444,295	10,855,330	17,274,768
1,351,283	4,858,446	569,120	8,416,845	2,282,113
2,696,736	69,423	330,577	6,293,798	4,476,597
875,272	129	67,774	1,723,052	27,869
2,384,244	111,353	400,807	9,484,117	1,689,631
---	---	---	---	(164,233)
11,933,266	5,198,453	1,812,573	36,773,142	25,586,745
5,414,628	(47,344)	(14,118)	3,506,927	(1,592,897)
9,739	---	---	83,394	---
188,507	73,561	2,585	482,338	24,134
---	---	---	---	471,423
24,777	2,984	---	1,722,375	446,993
(2,298,144)	---	(57,349)	(4,138,875)	(1,392)
(203,852)	---	---	(367,299)	---
(2,278,973)	76,545	(54,764)	(2,218,067)	941,158
3,135,655	29,201	(68,882)	1,288,860	(651,739)
---	---	---	298,319	---
---	---	144,192	2,946,328	7,099,464
(188,960)	---	---	(658,627)	---
2,946,695	29,201	75,310	3,874,880	6,447,725
65,238,504	3,089,155	6,657,274	152,497,756	(4,288,328)
(1,651,621)	(17,156)	(201,982)	(3,999,215)	(1,423,772)
63,586,883	3,071,999	6,455,292	148,498,541	(5,712,100)
\$ 66,533,578	\$ 3,101,200	\$ 6,530,602	\$ 152,373,421	\$ 735,625

**CITY OF SIOUX CITY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities	
	Airport	Water System
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 1,940,268	\$ 13,977,016
Cash Paid for Personal Services	(1,002,788)	(4,342,255)
Cash Paid to Suppliers	(1,418,831)	(4,758,687)
Other Non-Operating Revenues	1,655,362	39,252
Net Cash Provided (Used) by Operating Activities	1,174,011	4,915,326
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and Construction of Capital Assets	(575,683)	(2,131,163)
Capital Grants and Contributions	298,319	---
Proceeds from Sale of Assets	---	---
Proceeds from Bond Sales	230,000	3,940,201
Bond Issuance Costs	---	(163,447)
Proceeds from Notes Payable	---	655,654
Principal Paid on Notes and Bonds	(259,458)	(4,141,397)
Interest Paid on Notes and Bonds	(64,996)	(1,718,938)
Net Cash (Used) by Capital and Related Financing Activities	(371,818)	(3,559,090)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Intergovernmental Revenue	65,065	7,583
Transfers In	517,077	2,285,059
Transfers Out	---	(469,667)
Net Cash Provided (Used) by Non-Capital Financing Activities	582,142	1,822,975
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends on Investments	10,344	195,737
Payments Received on Notes Receivable	---	---
Net Cash Provided By Investing Activities	10,344	195,737
Net Increase (Decrease) in Cash and Cash Equivalents	1,394,679	3,374,948
Cash and Cash Equivalents at Beginning of Year	1,420,168	12,326,128
Cash and Cash Equivalents at End of Year	\$ 2,814,847	\$ 15,701,076
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (2,926,628)	\$ 1,080,389
<i>Adjustments to Reconcile Net Operating Income (Loss)</i>		
<i>to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation	2,297,849	4,289,864
Other Non-Operating Revenues	1,655,362	39,252
Pension Expense	(31,486)	(107,552)
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	28,520	(132,855)
Special Assessments	---	(5,682)
Due from Other Governments	45,053	---
Due from Other Funds	---	(363)
Inventories	(184)	---
Advances to Other Funds	---	---
Prepaid Items	173	---
Accounts Payable	(98,284)	(226,434)
Accrued Wages and Compensated Absences	(19,181)	(15,392)
Contracts and Retainers Payable	119,865	4,456
Due to Other Governments	(909)	(10,257)
Due to Other Funds	103,861	(100)
Unearned Revenue	---	---
Post Retirement Benefit Obligation	---	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Total Adjustments	4,100,639	3,834,937
Net Cash Provided (Used) by Operating Activities	\$ 1,174,011	\$ 4,915,326

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
\$ 17,075,757	\$ 5,157,262	\$ 1,798,073	\$ 39,948,376	\$ 24,151,773
(4,720,453)	(161,486)	(452,368)	(10,679,350)	(17,003,385)
(5,155,343)	(4,949,133)	(1,167,509)	(17,449,503)	(14,207,691)
24,777	2,984	---	1,722,375	446,993
<u>7,224,738</u>	<u>49,627</u>	<u>178,196</u>	<u>13,541,898</u>	<u>(6,612,310)</u>
(3,449,887)	---	(274,492)	(6,431,225)	(4,021,624)
---	---	---	298,319	---
---	---	---	---	471,424
51,667	---	203,750	4,425,618	688,000
(203,852)	---	---	(367,299)	---
1,208,004	---	---	1,863,658	---
(4,793,689)	---	(418,166)	(9,612,710)	---
<u>(2,314,215)</u>	<u>---</u>	<u>(58,088)</u>	<u>(4,156,237)</u>	<u>---</u>
(9,501,972)	---	(546,996)	(13,979,876)	(2,862,200)
9,739	---	---	82,387	---
---	---	144,192	2,946,328	7,099,464
<u>(188,960)</u>	<u>---</u>	<u>---</u>	<u>(658,627)</u>	<u>---</u>
(179,221)	---	144,192	2,370,088	7,099,464
189,966	72,773	2,749	471,569	25,386
---	---	---	---	7,030
<u>189,966</u>	<u>72,773</u>	<u>2,749</u>	<u>471,569</u>	<u>32,416</u>
(2,266,489)	122,400	(221,859)	2,403,679	(2,342,630)
<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>
<u>\$ 14,460,339</u>	<u>\$ 3,053,398</u>	<u>\$ 894,886</u>	<u>\$ 36,924,546</u>	<u>\$ 12,036,181</u>
\$ 5,414,628	\$ (47,344)	\$ (14,118)	\$ 3,506,927	\$ (1,592,897)
2,384,244	111,353	400,807	9,484,117	1,689,631
24,777	2,984	---	1,722,375	446,993
<u>(107,890)</u>	<u>(1,121)</u>	<u>(13,195)</u>	<u>(261,244)</u>	<u>(93,005)</u>
(273,596)	7,102	(981)	(371,810)	125,402
2,605	(949)	---	(4,026)	---
(1,146)	---	2,382	46,289	---
---	---	(1,783)	(2,146)	32,523
---	---	---	(184)	(5,474)
---	---	---	---	(89,097)
4,607	---	---	4,780	(561)
25,913	5,406	51,397	(242,002)	(89,779)
13,168	(1,263)	5,122	(17,546)	32,978
<u>(269,844)</u>	<u>8,854</u>	<u>(105,266)</u>	<u>(241,935)</u>	<u>133,884</u>
7,202	(526)	---	(4,490)	---
70	363	(41,169)	63,025	(6,475,000)
---	---	(105,000)	(105,000)	---
---	---	---	---	331,410
---	(35,232)	---	(35,232)	---
---	---	---	---	(1,059,318)
<u>1,810,110</u>	<u>96,971</u>	<u>192,314</u>	<u>10,034,971</u>	<u>(5,019,413)</u>
<u>\$ 7,224,738</u>	<u>\$ 49,627</u>	<u>\$ 178,196</u>	<u>\$ 13,541,898</u>	<u>\$ (6,612,310)</u>

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

EXHIBIT 8

ASSETS

Cash and Cash Equivalents	\$	652,179
Accounts Receivable		253,979
Due from Other Governments		<u>157,074</u>
Total Assets		<u>1,063,232</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Related		<u>334,801</u>
-----------------	--	----------------

LIABILITIES

Accounts Payable		524,355
Due to Other Governments		(1,464,002)
Net Pension Liability		<u>1,637,241</u>
Total Liabilities		697,594

DEFERRED INFLOWS OF RESOURCES

Pension Related		<u>700,439</u>
-----------------	--	----------------

NET POSITION

Unrestricted		<u>---</u>
Total Net Position	\$	<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, 2015

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.

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.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 - (Continued)

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.

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.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - (Continued)

Capital Projects Fund - Capital Improvements 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 Improvements 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.

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.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - (Continued)

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.

Utility Service Line Fund – This fund accounts for the activity related to utility line service protection plan payments collected from City customers on behalf of an outside service plan provider, currently, HomeServe USA.

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.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - (Continued)

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.

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 \$1,481,498 in the General Fund, \$7,377 in the Storm Water Drainage Fund, \$16,070 in the Water Fund, \$5,132 in the Sewer Fund and \$3,528 in the Solid Waste Fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 - (Continued)

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, 2015, 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 Receivables/Payables From Other Funds

Noncurrent portions of long-term interfund loans are reported as notes receivable/payable in the government-wide financial statements and as "advances from other funds" and "advances to other funds" in the fund level financial statements.

J. Inventories

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 - (Continued)

N. Deferred Outflows of Resources

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 then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and pension contributions from the City after the measurement date but before the end of the City's reporting period.

O. 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.

P. 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.

Q. Pensions

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

R. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 - (Continued)

the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax, special assessments, and loan receivables. These amounts are considered unavailable and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earning on pension plan investments.

S. 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 position 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.

T. 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.

U. 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.

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.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1 - (Continued)

V. 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.

W. 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.

X. 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, 2015**

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, 2015, 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, 2015, were \$77,804,162. These deposits have a book balance of \$76,370,400.

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, 2015.

Investments	Carrying Amount	Moody's Rating 6/30/15
U.S. Treasury Strips	\$ 147,963	N/A
Commercial Paper	4,993,750	P-1
U.S. Agencies	38,249,514	N/A
	\$43,391,227	

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, 2015**

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, 2015, 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, 2015, consisted of the following:

Reconciliation to Exhibit 1:	Carrying Amount
Investments	\$ 43,391,227
Bank Deposits	76,370,400
Cash on hand, petty cash and other cash items	11,972
Total Cash and Cash Equivalents	<u>\$ 119,773,599</u>
Cash and Cash Equivalents – Exhibit 1	\$119,121,420
Cash and Cash Equivalents – Exhibit 8	652,179
Total Cash and Cash Equivalents	<u>\$ 119,773,599</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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	\$ 22,882,780	\$ 413,936	\$ 1,911,002
Special Revenues			
Storm Water Drainage	---	---	72,357
Road Use	---	871,068	4,395
Community Development	---	613,061	---
Housing	---	76,922	657
Main Street	99,646	---	---
Local Option Sales Tax	---	2,403,625	---
Events Facilities	---	12,500	216,799
Transit System	---	1,484,269	21,432
Employee Benefits	7,204,725	---	---
TOTAL SPECIAL REVENUES	7,304,371	5,461,445	315,640
DEBT SERVICE	22,201,352	---	---
CAPITAL PROJECTS	---	2,295,206	620,962
Enterprises			
Airport System	---	317,594	55,074
Water System	---	1,007	2,670,344
Sewer System	---	1,146	3,745,399
Solid Waste System	---	---	871,279
Parking Facility	---	1,204	200,499
Skyway System	---	---	153,025
TOTAL ENTERPRISE	---	320,951	7,695,620
Internal Service Funds			
Central Maintenance Garage	---	---	63,003
Comprehensive Insurance	---	---	172,111
TOTAL INTERNAL SERVICE	---	---	235,114
Permanent Fund			
Cemetery Trust	---	---	392
TOTAL PERMANENT	---	---	392
TOTAL RECEIVABLES	\$ 52,388,503	\$ 8,491,538	\$ 10,778,730

<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
\$ ---	\$ 77,974	\$ 25,285,692
---	7,377	79,734
---	---	875,463
7,146,156	---	7,759,217
24,389	---	101,968
---	---	99,646
35,000	---	2,438,625
---	---	229,299
---	---	1,505,701
---	---	7,204,725
<u>7,205,545</u>	<u>7,377</u>	<u>20,294,378</u>
 244,080	 12,776	 22,458,208
 126,084	 ---	 3,042,252
 1,000	 ---	 373,668
---	16,070	2,687,421
---	5,132	3,751,677
---	3,528	874,807
---	---	201,703
---	---	153,025
<u>1,000</u>	<u>24,730</u>	<u>8,042,301</u>
 60,570	 ---	 123,573
---	---	172,111
<u>60,570</u>	<u>---</u>	<u>295,684</u>
 ---	 ---	 392
---	---	392
 <u>\$ 7,637,279</u>	 <u>\$ 122,857</u>	 <u>\$ 79,418,907</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 three 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-five years.

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, a loan to Call Terminal, L.P. was still outstanding at the beginning of the year, but was paid in full prior to June 30, 2015. 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, 2015, was \$2,227,901.

The City also has other notes receivable totaling \$215,151 at June 30, 2015, 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 \$4,703,104 from twenty-one local businesses.

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, 2015, was \$25,330. 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, 2015 was \$218,750.

The City has one loan 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, 2015, of \$126,084.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 3 - (Continued)

The City has one note receivable outstanding from economic development incentive packages with local businesses in the amount of \$35,000. This note receivable is reported in the Local Option Sales Tax fund.

The Housing Fund has a note receivable of \$58,049 for housing loan repayments. The amount due by June 30, 2016 is \$18,099 while \$6,290 of the balance is due after June 30, 2016. The balance of \$33,659 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, 2015 was \$6,433.

The City has four notes receivables from Siouxland District Health for vehicles purchased in 2013 and 2015. The June 30, 2015 balances total \$54,137. The amounts are reported in the Central Maintenance Garage fund.

At June 30, 2015, special assessments receivables totaled \$122,857. This amount is reported net of an allowance for doubtful accounts of \$1,513,605.

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, 2015, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$1,517,527, \$1,611,937 and \$502,343, respectively.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 4 - Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2015, is as follows:

Governmental Activities (including Internal Service Funds):

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 46,768,275	\$ 1,822,775	\$ (225,672)	\$ 48,365,378
Construction in Progress	28,791,321	16,107,189	(11,770,701)	33,127,809
Total capital assets, not being depreciated	75,559,596	17,929,964	(11,996,373)	81,493,187
Capital assets, being depreciated:				
Buildings	109,842,055	226,892	---	110,068,947
Buildings under capital lease	7,675,000	---	---	7,675,000
Improvements other than buildings	57,517,015	2,008,818	---	59,525,833
Equipment	49,904,094	4,695,762	(1,979,433)	52,620,423
Infrastructure	224,331,878	12,233,015	---	236,564,893
Total capital assets, being depreciated	449,270,042	19,164,487	(1,979,433)	466,455,096
Less accumulated depreciation for:				
Buildings	(33,203,825)	(3,218,919)	---	(36,422,744)
Buildings under capital lease	(5,180,750)	(191,875)	---	(5,372,625)
Improvements other than buildings	(26,967,012)	(2,418,589)	---	(29,385,601)
Equipment	(38,736,887)	(1,991,094)	1,965,663	(38,762,318)
Infrastructure	(62,508,860)	(6,515,454)	---	(69,024,314)
Total accumulated depreciation	(166,597,334)	(14,335,931)	1,965,663	(178,967,602)
Total capital assets, being depreciated, net	282,672,708	4,828,556	(13,770)	287,487,494
Governmental Activities capital assets, net	\$ 358,232,304	\$ 22,758,520	\$(12,010,143)	\$ 368,980,681

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, 2015**

Note 4 - (Continued)

Business-Type Activities:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 3,376,892	\$ 17,511	\$ ---	\$ 3,394,403
Construction in progress	126,450,735	6,413,714	(17,256,706)	115,607,743
Total capital assets, not being depreciated	<u>129,827,627</u>	<u>6,431,225</u>	<u>(17,256,706)</u>	<u>119,002,146</u>
Capital assets, being depreciated:				
Buildings	106,871,759	7,685,927	---	114,557,686
Improvements other than buildings	167,960,587	9,570,779	---	177,531,366
Equipment	8,209,234	---	(239,946)	7,969,288
Total capital assets, being depreciated	<u>283,041,580</u>	<u>17,256,706</u>	<u>(239,946)</u>	<u>300,058,340</u>
Less accumulated depreciation for:				
Buildings	(58,836,480)	(1,828,422)	---	(60,664,902)
Improvements other than buildings	(76,719,997)	(7,336,736)	---	(84,056,733)
Equipment	(5,759,373)	(318,959)	239,946	(5,838,386)
Total accumulated depreciation	<u>(141,315,850)</u>	<u>(9,484,117)</u>	<u>239,946</u>	<u>(150,560,021)</u>
Total capital assets, being depreciated, net	<u>141,725,730</u>	<u>7,772,589</u>	<u>---</u>	<u>149,498,319</u>
Business-Type Activities capital assets, net	<u>\$ 271,553,357</u>	<u>\$ 14,203,814</u>	<u>\$ (17,256,706)</u>	<u>\$ 268,500,465</u>

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

Governmental Activities

Public Safety	\$ 956,124
Public Works	5,274,736
Culture and Recreation	2,854,227
Community and Economic Development	351,257
General Government	3,209,956
Internal Service	1,689,631
Total	<u>\$ 14,335,931</u>

Business-Type Activities

Airport	\$ 2,297,849
Water	4,289,864
Sewer	2,384,244
Solid Waste	111,353
Parking	400,807
Total	<u>\$ 9,484,117</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 4 – (Continued)

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business- Type Activities
	<u> </u>	<u> </u>
Capital Assets (net of accumulated depreciation)	\$ 368,980,681	\$ 268,500,465
Unspent Bond Proceeds	18,136,470	4,988,530
Less: General Obligation Bonds Payable	114,334,448	12,124,885
Notes Payable	- - -	139,680,807
	<u> </u>	<u> </u>
Net Investment in Capital Assets	<u>\$ 272,782,703</u>	<u>\$ 121,683,303</u>

Note 5 – Capital Leases

In 1986, the City entered into an agreement with the Siouxland Chamber Foundation to construct the Sioux City Convention Center and lease it back to the City. This original lease expired June 1, 2007, and the title to the facility passed back to the City according to the terms of the lease. On June 1, 2007, another agreement was formed which sold the facility back to the Siouxland Chamber Foundation for \$1 and subsequently leased the facility back to the City again. The new lease terms call for a rental payment of \$1 per year for a term of 5 years. The lease also provides for two 5 year renewal options. 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 \$5,372,625 for a net book value at June 30, 2015, of \$2,302,375.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 had an interest rate of 3.0% and was paid off during the fiscal year. This loan was 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, 2015, of \$101,000 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, 2015, were \$12,377,000 in the Water fund and \$3,775,000 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, 2015, was \$20,743,000 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, 2015, was \$3,721,000 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, 2015, was \$11,390,000 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, 2015, was \$31,550,000 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 was fully drawn as of June 30, 2015. The balance outstanding in the Water Fund at June 30, 2015 was \$27,160,000.

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, 2015, was \$9,160,000 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, 2015, of \$7,792,000 in the Water fund.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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%. The City did not draw the full loan amount authorized. The outstanding balance at June 30, 2015 was \$1,227,000, \$3,522,000 and \$5,522,000 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, 2015 was \$900,000.

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 \$1,726,807. The outstanding balance at June 30, 2015 was \$1,640,807 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>
2016	\$ 300,000	\$ ---	\$ 8,412,000	\$ 3,844,895
2017	300,000	---	8,561,000	3,622,235
2018	300,000	---	8,822,000	3,394,630
2019	---	---	9,090,000	3,159,995
2020	---	---	9,367,000	2,918,157
2021-2025	---	---	47,576,000	10,719,368
2026-2030	---	---	37,481,000	4,495,627
2031-2034	---	---	10,371,807	409,720
Total	<u>\$ 900,000</u>	<u>\$ ---</u>	<u>\$ 139,680,807</u>	<u>\$ 32,564,627</u>

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 2015 as follows:

On June 8, 2015, the City sold general obligation bonds in two series. Series A was issued for \$23,030,000. The bonds were sold to Robert W. Baird & Co., Inc. for \$23,583,438.92. The bonds have a true interest rate of 2.366% with principal payments due June 1 of the years 2016 through 2025. Series B was issued for \$5,080,000. The bonds were sold to Robert W. Baird & Co., Inc. for \$5,177,044.66. The bonds have a true interest rate of 2.6384% with principal payments due June 1 of the years 2016 through 2025.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6 – (Continued)

General obligation bonds outstanding as of June 30, 2015, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.00 – 5.00%	\$111,385,115
Business-Type Activities	2.00 – 5.00%	12,124,885

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>
2016	\$ 16,455,530	\$ 3,451,330	\$ 1,699,470	\$ 360,558
2017	14,864,121	3,020,974	1,450,879	325,868
2018	14,042,415	2,590,178	1,452,585	290,645
2019	11,646,009	2,170,154	1,428,991	252,003
2020	11,674,912	1,849,428	1,435,088	212,965
2021-2025	33,347,128	4,500,496	4,657,872	406,756
2026-2030	5,850,000	1,411,712	---	---
2031-2033	3,505,000	294,788	---	---
Total	\$ 111,385,115	\$ 19,289,060	\$ 12,124,885	\$ 1,848,795

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2015, 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	\$ 104,835,176	\$ 23,684,382	\$ 17,134,443	\$ 111,385,115	\$ 16,455,530
Unamortized Bond Charges	2,656,200	650,484	357,351	2,949,333	422,397
Notes Payable	1,200,000	---	300,000	900,000	300,000
Compensated Absences	3,347,454	3,510,973	3,581,085	3,277,342	2,403,151
Governmental Activities Long-term Liabilities	<u>\$112,038,830</u>	<u>\$ 27,845,839</u>	<u>\$ 21,372,879</u>	<u>\$ 118,511,790</u>	<u>\$ 19,581,078</u>
Business-Type Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 9,054,824	\$ 4,425,618	\$ 1,355,557	\$ 12,124,885	\$ 1,699,470
Notes Payable	146,091,509	1,846,452	8,257,154	139,680,807	8,412,000
Compensated Absences	406,065	328,101	357,429	376,737	289,751
Est. Liability for Landfill Closure	1,227,224	---	35,232	1,191,992	51,504
Business-type Activities Long-term Liabilities	<u>\$156,779,622</u>	<u>\$ 6,600,171</u>	<u>\$ 10,005,372</u>	<u>\$ 153,374,421</u>	<u>\$ 10,452,725</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6 – (Continued)

The Governmental General Obligation Bonds are shown net of the unamortized premiums and discounts of \$2,949,333 on the Statement of Net Position.

		Exhibit 1- Statement of Net Position	
General Obligation Bonds	\$ 111,385,115	General Obligation Bonds Payable-current	\$ 16,877,927
Unamortized Bond Charges	2,949,333	General Obligation Bonds Payable-long term	97,456,521
	<u>\$ 114,334,448</u>		<u>\$ 114,334,448</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, 2015, \$688,000 of internal service fund general obligation debt carried by the central maintenance garage and \$262,828 of internal service fund compensated absences are included in the above amounts. 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, 2015, approximately 71% will be liquidated by the general fund, 20% by the special revenue funds, 1% by the capital projects fund and 8% 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, 2015, of \$215,264. 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, 2015, of \$63,713. This is due to an increase in fire workers' compensation medical payments.

The Comprehensive Insurance Fund showed a deficit balance at June 30, 2015, of \$14,265,886. 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 \$16,281,000 as of June 30, 2015. City management will be analyzing this situation to determine future action, if any, that will be taken to fund the deficit balance. 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, 2015**

Note 8 – Internal Balances

The following is a summary of Interfund Receivables/Payables as of June 30, 2015:

Fund	Interfund Receivable	Interfund Payable
General	\$ 1,103	\$ 11,242
Other Employee Benefits	---	137,975
Capital Improvements	1,808,018	100
Nonmajor Governmental	534	1,587,014
Internal Service	26,821	---
Airport	---	26,821
Water	363	---
Sewer	---	70
Solid Waste	---	363
Nonmajor Enterprise	11,974	85,228
Totals	<u>\$ 1,848,813</u>	<u>\$ 1,848,813</u>

Interfund Balances represent amounts due to/from other funds including amounts to cover deficit cash balances at June 30, 2015.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 - Internal Balances (Continued)

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types			
	General	Debt Service	Capital Improv	Nonmajor Govt
General	\$ ---	\$ 465,183	\$ 2,879,390	\$ 1,105,508
Employee Benefits	5,775,576	---	---	419,638
Local Opt Sales Tax	9,060,503	---	3,203,500	925,314
Debt Service	---	---	1,722,226	525,370
Capital Improvements	---	2,373,588	---	50,000
Nonmajor Govt	---	1,276,280	135,000	---
Water	---	---	469,667	---
Sewer	---	124,635	64,325	---
TOTAL TRANSFERS-IN	<u>\$ 14,836,079</u>	<u>\$ 4,239,686</u>	<u>\$ 8,474,108</u>	<u>\$ 3,025,830</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
\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,450,081
---	---	---	---	6,195,214
---	---	---	---	13,189,317
517,077	1,200,813	144,192	---	4,109,678
---	1,084,246	---	7,099,464	10,607,298
---	---	---	---	1,411,280
---	---	---	---	469,667
---	---	---	---	188,960
<u>\$ 517,077</u>	<u>\$ 2,285,059</u>	<u>\$ 144,192</u>	<u>\$ 7,099,464</u>	<u>\$ 40,621,495</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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	\$ 4,379	\$ ---	\$ ---
Prepaid Items	15,643	---	---
Long-Term Notes Receivable	---	---	35,000
Endowment, non-expendable	---	---	---
Land Held for Resale	---	---	---
Restricted for:			
Public Works	---	---	---
Comm & Econ Develop	---	---	---
Employee Benefits	---	---	---
Debt Service Reserve	---	---	---
Capital Projects	---	---	---
Other Purposes	---	---	---
Committed to:			
Public Safety	116,637	---	---
Public Works	22,740	---	---
Culture & Recreation	68,958	---	---
Comm & Econ Develop	---	---	14,816
General Governmental	64,860	---	---
Assigned to:			
Other Purposes	---	---	2,901,447
Unassigned:	8,944,762	(63,713)	---
Total Fund Balances	<u>\$ 9,237,979</u>	<u>\$ (63,713)</u>	<u>\$ 2,951,263</u>

Major Debt Service Fund	Major Capital Improvements Fund	Other Funds	Total
\$ ---	\$ ---	\$ 135,457	\$ 139,836
---	---	34,738	50,381
---	126,084	---	161,084
---	---	1,162,851	1,162,851
---	1,896,877	---	1,896,877
---	---	1,601,417	1,601,417
---	---	10,249,562	10,249,562
---	---	---	---
7,169,974	---	---	7,169,974
---	48,953,036	---	48,953,036
---	---	57,395	57,395
---	---	---	116,637
---	---	534,949	557,689
---	---	26,336	95,294
---	---	---	14,816
1,245	---	---	66,105
---	---	---	2,901,447
---	---	(422,028)	8,459,021
<u>\$ 7,171,219</u>	<u>\$ 50,975,997</u>	<u>\$ 13,380,677</u>	<u>\$ 83,653,422</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 \$1,605,379 has been established in the accompanying financial statements as of June 30, 2015. A provision for health claims incurred but unpaid as of June 30, 2015, of \$1,967,230 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 2015. 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
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
2015	\$4,631,927	\$13,050,118	\$14,109,436	\$ 3,572,609

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 11 - Commitments

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2015. The following summary presents the amount of contracts outstanding at June 30, 2015 for both Governmental and Enterprise Funds combined:

Construction	\$ 8,849,595
Design & Engineering Services	5,784,309
Other	5,681,797
Less: Due, but unpaid at June 30, 2015	<u>(5,010,187)</u>
Construction Contract Commitments	<u>\$ 15,305,514</u>

Governmental contracts and encumbrances outstanding at June 30, 2015 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	\$ 116,637	\$ ---	\$ ---	\$ ---	\$ 116,637
Public Works	22,740	29,904	---	---	52,644
Culture & Recreation	68,958	26,336	---	---	95,294
Community & Economic Development	---	---	---	14,816	14,816
General Government	64,860	---	1,245	---	66,105
Totals	<u>\$ 273,195</u>	<u>\$ 56,240</u>	<u>\$ 1,245</u>	<u>\$ 14,816</u>	<u>\$ 345,497</u>

As of June 30, 2015 the City had \$2,544,031 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 on April 13, 2009. The City's share of the costs is currently expected to be \$46,970,595. The amount is payable upon completion of the project in three equal annual installments with the first installment projected to be due January 1, 2017.

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.

The City Council approved a development agreement with The Miracle League of Sioux City on May 4, 2015. The agreement is for the development of a Miracle Field and inclusive playground in a portion of Riverside Recreational Sports Complex. The City has committed a grant of \$330,000 payable as expenses are incurred.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015, is presented as follows:

Capital Assets	\$ 16,302
Other Assets	1,081,080
Total Assets	<u>1,097,382</u>
Total Liabilities	2,567,175
Fund Equity	<u>(1,469,793)</u>
Total Liabilities and Fund Equity	<u>1,097,382</u>
Total Revenue	2,853,007
Total Expenditures	<u>(4,262,056)</u>
Net Increase (Decrease) in Fund Balance	<u>\$ (1,409,049)</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, 2015**

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, 2015 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	\$ 845,000
Interest on net OPEB obligation	678,000
Adjustment to annual required contribution	<u>(589,000)</u>
Annual OPEB cost (expense)	934,000
Contributions made	<u>(602,590)</u>
Increase in net OPEB obligation	331,410
Net OPEB obligation – beginning of year	<u>15,949,590</u>
Net OPEB obligation – end of year	<u>\$ 16,281,000</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 2015 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
2015	\$ 934,000	64.5%	\$ 16,281,000

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 9,527,000
Actuarial value of plan assets	---
Unfunded actuarial accrued liability (UAAL)	<u>\$ 9,527,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 44,218,224
UAAL as a percentage of covered payroll	21.5%

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 331 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, 2014, 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 4.25% interest discount rate and an annual medical healthcare cost trend rate of 8% 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 3.5% 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, 2014 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2014.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015, 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 \$104,639 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, 2015.

Compensated absences consist of the following amounts as of June 30, 2015:

Accrued Vacation	\$ 2,383,506
Accrued Severance Pay	1,019,178
Accrued Transit Sick Leave	146,755
Accrued Termination Benefits	104,639
Total	\$ 3,654,078

Compensated absences have been recorded as follows:

	CURRENT	LONG-TERM	TOTAL
Enterprise Funds	\$ 289,751	\$ 86,986	\$ 376,737
Internal Service Funds	252,423	10,405	262,828
Government-Wide Statement	2,150,728	863,785	3,014,513
	\$ 2,692,902	\$ 961,176	\$ 3,654,078

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 15 - Pension Plans

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description. IPERS membership is mandatory for covered City employees. Employees of the City of Sioux City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

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

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

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

Contributions. Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 15 – (Continued)

The City's contributions to IPERS for the year ended June 30, 2015 were \$2,441,604.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the City reported a liability of \$16,332,624 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's proportion was 0.411826 percent, which was a decrease of 0.002390 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized IPERS pension expense of \$1,045,218. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 177,504	\$ -
Changes of assumptions	720,796	-
Net difference between projected and actual earnings on pension plan investments	-	6,228,793
Changes in proportion and differences between City contributions and proportionate share of contributions	-	758,574
City contributions subsequent to the measurement date	2,441,604	-
Total	\$ 3,339,904	\$ 6,987,367

An amount of \$2,441,604 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	\$ (1,524,552)
2017	(1,524,552)
2018	(1,524,552)
2019	(1,524,552)
2020	9,141
Total	\$ (6,089,067)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 15 – (Continued)

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Salary Increases (effective June 30, 2010)	4.00 to 17.00 percent, including inflation. Rates vary by membership group
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31%
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the current contribution rate and that City contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 15 – (Continued)

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 30,860,035	\$ 16,332,624	\$ 4,069,985

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

Payables to the Pension Plan. At June 30, 2015, the City reported payables to the defined benefit pension plan of \$93,338 for legally required employer contributions.

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

Plan Description. MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City of Sioux City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite #201, West Des Moines, Iowa 50266 or at www.mfprsi.org.

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

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

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

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

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 15 – (Continued)

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

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

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

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

Contributions. Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2015.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 30.41% for the year ended June 30, 2015.

The City's contributions to MFPRSI for the year ended June 30, 2015 was \$5,058,763.

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

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2014.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the City reported a liability of \$23,459,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2014, the City's proportion was 6.471584% which was a decrease of .019075% from its proportions measured as of June 30, 2013.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 15 – (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$1,928,289. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 66,393
Changes of assumptions	1,733,884	-
Net difference between projected and actual earnings on pension plan investments	-	11,027,606
Changes in proportion and differences between City contributions and proportionate share of contributions	-	86,797
City contributions subsequent to the measurement date	5,058,763	-
Total	\$ 6,792,647	\$ 11,180,796

An amount of \$5,058,763 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	\$ (2,413,273)
2017	(2,413,273)
2018	(2,413,273)
2019	(2,413,273)
2020	206,180
Total	\$ (9,446,912)

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	3.00 percent
Salary Increases	4.50 to 15.11 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 15 – (Continued)

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2002 to June 30, 2012.

Mortality rates were based weighting equal to 2/12 of the 1971 GAM table and 10/12 of the 1994 GAM table with no projection of future mortality improvement.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	7.0%	3.8%
Emerging Markets Debt	3.0	6.5
Domestic Equities	12.5	6.0
Master Limited Partnerships (MLP)	5.0	8.5
International Equities	<u>12.5</u>	7.0
Core Investments	40.0%	
Tactical Asset Allocation	35.0	6.0
Private Equity	15.0	9.8
Private Non-Core Real Estate	5.0	9.3
Private Core Real Estate	<u>5.0</u>	6.8
Real Estate	<u>10.0</u>	
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40 percent of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent lower (6.50 percent) or 1-percent higher (8.5 percent) than the current rate.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 15 – (Continued)

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 44,981,479	\$ 23,459,379	\$ 5,576,450

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

Payables to the Pension Plan. At June 30, 2015, City of Sioux City reported payables to the defined benefit pension plan of \$176,383 for legally required employer contributions.

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 March 4, 2015 was \$1,191,992. This full amount has been accrued by the City as of June 30, 2015. Of this amount, it was estimated that \$51,504 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, 2015**

Note 17 – Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27 was implemented during fiscal year 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, GASB No. 68 requires a state or local government employer to recognize a net pension liability and for changes in the net pension liability, deferred outflows of resources and deferred inflows of resources that arise from other types of events related to pensions. During the transition year, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business type Activities
Net position, June 30, 2014, as previously reported:	\$ 316,556,220	\$ 152,497,756
Net pension liability at June 30, 2014	(52,905,202)	(4,449,429)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	6,692,798	450,214
Net position, June 30, 2014, as restated	<u>\$ 270,343,816</u>	<u>\$ 148,498,541</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.

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27, No. 34 and No. 68, 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, 2015

	Governmental Fund Types Actual	Internal Service Funds Actual	Proprietary Funds Actual
<u>REVENUES</u>			
Taxes	\$ 71,473,512	\$ ---	\$ ---
Special Assessments	157,787	---	---
Regulatory Fees	2,389,805	---	---
Intergovernmental Revenue ²	27,764,201	---	381,713
Revenue from Use of Property	6,366,740	40,365	2,792,310
Charges for Service	8,499,717	23,977,617	37,970,097
Miscellaneous	2,387,377	918,416	1,722,375
Total Revenues	<u>119,039,139</u>	<u>24,936,398</u>	<u>42,866,495</u>
<u>EXPENDITURES</u>			
Public Safety	36,304,029	---	---
Public Works	14,500,431	---	---
Culture and Recreation	15,946,104	---	---
Community and Economic Development	9,376,134	---	---
General Government	2,881,136	---	---
Debt Service	23,071,304	---	4,138,875
Capital Projects ²	30,542,971	---	---
Business-Type/Enterprises ²	---	25,588,137	37,140,441
Total Expenditures	<u>132,622,109</u>	<u>25,588,137</u>	<u>41,279,316</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,582,970)	(651,739)	1,587,179
<u>OTHER FINANCING SOURCES (USES)</u>			
Other Financing Sources	54,541,123	7,099,464	2,946,328
Other Financing Uses	(39,962,868)	---	(658,627)
Total Other Financing Sources	<u>14,578,255</u>	<u>7,099,464</u>	<u>2,287,701</u>
Net Change in Fund Balance (Deficit)	995,285	6,447,725	3,874,880
Fund Balance - Beg. of Year before Prior Period Adjustments	82,658,137	(4,288,328)	152,497,756
Prior Period Adjustments	---	(1,423,772)	(3,999,215)
Fund Balance - Beg. of Year after Prior Period Adjustments	<u>82,658,137</u>	<u>(5,712,100)</u>	<u>148,498,541</u>
Fund Balance (Deficit)- End of Year	<u>\$ 83,653,422</u>	<u>\$ 735,625</u>	<u>\$ 152,373,421</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	
\$ 71,473,512	\$ 75,032,784	\$ 77,997,784	\$ (6,524,272)
157,787	164,554	1,816,554	(1,658,767)
2,389,805	1,899,275	5,084,101	(2,694,296)
28,145,914	29,177,963	94,419,274	(66,273,360)
9,199,415	7,850,670	16,571,621	(7,372,206)
70,447,431	73,330,347	88,184,992	(17,737,561)
5,028,168	20,618,149	44,277,313	(39,249,145)
<u>186,842,032</u>	<u>208,073,742</u>	<u>328,351,639</u>	<u>(141,509,607)</u>
36,304,029	35,675,291	43,153,846	(6,849,817)
14,500,431	16,138,206	21,971,739	(7,471,308)
15,946,104	17,109,624	26,224,094	(10,277,990)
9,376,134	13,609,935	19,824,302	(10,448,168)
2,881,136	6,908,310	12,821,637	(9,940,501)
27,210,179	26,418,597	40,249,997	(13,039,818)
30,542,971	133,881,434	173,626,958	(143,083,987)
62,728,578	79,278,924	162,954,820	(100,226,242)
<u>199,489,562</u>	<u>329,020,321</u>	<u>500,827,393</u>	<u>(301,337,831)</u>
(12,647,530)	(120,946,579)	(172,475,754)	159,828,224
64,586,915	62,015,695	94,775,448	(30,188,533)
<u>(40,621,495)</u>	<u>(53,427,918)</u>	<u>(59,427,918)</u>	<u>(18,806,423)</u>
23,965,420	8,587,777	35,347,530	(11,382,110)
<u>\$ 11,317,890</u>	<u>(112,358,802)</u>	<u>(137,128,224)</u>	<u>\$ 148,446,114</u>
	256,050,616	256,050,616	
	---	---	
	<u>256,050,616</u>	<u>256,050,616</u>	
	<u>\$ 143,691,814</u>	<u>\$ 118,922,392</u>	

**CITY OF SIOUX CITY, IOWA
POST EMPLOYMENT HEALTHCARE BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

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
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%
2015	6/30/2014	\$ ---	\$9,527,000	\$9,527,000	0.00%	\$44,218,224	21.5%

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
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT 11

<u>IOWA PUBLIC EMPLOYEES'</u> <u>RETIREMENT SYSTEM (IPERS)</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	0.403565%
City's Proportionate Share of the Net Pension Liability	\$ 16,332,624
City's Covered-Employee Payroll	\$ 27,403,485
City's Proportionate Share of the Net Pension Liability as a Percentage of it's covered-employee payroll	59.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.61%

<u>MUNICIPAL FIRE AND POLICE</u> <u>RETIREMENT SYSTEM OF IOWA (MFPRS)</u>	<u>2015</u>
City's Proportion of the Net Pension Liability	6.471584%
City's Proportionate Share of the Net Pension Liability	\$ 23,459,379
City's Covered-Employee Payroll	\$ 16,613,941
City's Proportionate Share of the Net Pension Liability as a Percentage of it's covered-employee payroll	141.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.27%

Notes:

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying independent auditor's reports.

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

<u>IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Statutorily Required Contribution	\$ 1,401,433	\$ 1,359,664	\$ 1,500,123	\$ 1,623,512
Contributions in Relation to the Statutorily Required Contribution	<u>(1,401,433)</u>	<u>(1,359,664)</u>	<u>(1,500,123)</u>	<u>(1,623,512)</u>
Contribution Deficiency (Excess)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
City's Covered-Employee Payroll	24,372,748	23,646,330	24,795,398	25,567,777
Contributions as a Percentage of Covered-Employee Payroll	5.75%	5.75%	6.05%	6.35%
<u>MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA (MFPRSI)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Statutorily Required Contribution	\$ 3,752,271	\$ 3,743,761	\$ 3,608,080	\$ 2,774,173
Contributions in Relation to the Statutorily Required Contribution	<u>(3,752,271)</u>	<u>(3,743,761)</u>	<u>(3,608,080)</u>	<u>(2,774,173)</u>
Contribution Deficiency (Excess)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
City's Covered-Employee Payroll	13,301,209	13,491,031	14,160,446	14,795,577
Contributions as a Percentage of Covered-Employee Payroll	28.21%	27.75%	25.48%	18.75%

Notes:
See accompanying independent auditor's report.

2010	2011	2012	2013	2014	2015
\$ 1,719,833	\$ 1,864,429	\$ 2,192,127	\$ 2,355,909	\$ 2,406,454	\$ 2,447,101
<u>(1,719,833)</u>	<u>(1,864,429)</u>	<u>(2,192,127)</u>	<u>(2,355,909)</u>	<u>(2,406,454)</u>	<u>(2,447,101)</u>
---	---	---	---	---	---
<u>25,862,150</u>	<u>26,826,317</u>	<u>27,197,605</u>	<u>27,173,116</u>	<u>26,947,979</u>	<u>27,403,485</u>
6.65%	6.95%	8.06%	8.67%	8.93%	8.93%

2010	2011	2012	2013	2014	2015
\$ 2,623,941	\$ 3,100,839	\$ 3,922,797	\$ 4,213,126	\$ 4,955,833	\$ 5,052,299
<u>(2,623,941)</u>	<u>(3,100,839)</u>	<u>(3,922,797)</u>	<u>(4,213,126)</u>	<u>(4,955,833)</u>	<u>(5,052,299)</u>
---	---	---	---	---	---
<u>15,434,940</u>	<u>15,582,106</u>	<u>15,843,284</u>	<u>16,129,888</u>	<u>16,453,631</u>	<u>16,613,941</u>
17.00%	19.90%	24.76%	26.12%	30.12%	30.41%

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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, 2015**

Special Revenue Funds

<u>ASSETS</u>	Storm Water Drainage	Road Use	Community Development	Housing
Cash and Cash Equivalents	\$ 436,501	\$ 1,226,967	\$ 890,585	\$ 569,164
Accounts Receivable	72,357	4,395	---	657
Accrued Interest Receivable	---	---	1,383,380	---
Notes Receivable	---	---	7,146,156	24,389
Special Assessments, net of allowance	7,377	---	---	---
Due from Other Governments	---	871,068	613,061	76,922
Due from Other Funds	---	---	---	---
Inventories	---	---	---	---
Prepaid Items	---	---	5,283	---
Total Assets	<u>516,235</u>	<u>2,102,430</u>	<u>10,038,465</u>	<u>671,132</u>
<u>LIABILITIES</u>				
Accounts Payable	13	336,404	19,463	80,935
Accrued Wages	---	163,759	26,116	30,658
Contracts & Retainers Payable	---	800	235,132	308
Due to Other Governments	11,177	---	3,871	---
Due to Other Funds	---	50	220	---
Total Liabilities	<u>11,190</u>	<u>501,013</u>	<u>284,802</u>	<u>111,901</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable Revenue - Property Taxes	---	---	---	---
Unavailable Revenue - Loans	---	---	---	58,049
Total Deferred Inflows or Resources	<u>---</u>	<u>---</u>	<u>---</u>	<u>58,049</u>
<u>FUND BALANCES</u>				
Non-Spendable:				
Inventory	---	---	---	---
Prepaid Items	---	---	5,283	---
Endowment, non-expendable	---	---	---	---
Restricted	---	1,601,417	9,748,380	501,182
Committed	505,045	---	---	---
Unassigned	---	---	---	---
Total Fund Balances (Deficit)	<u>505,045</u>	<u>1,601,417</u>	<u>9,753,663</u>	<u>501,182</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 516,235</u>	<u>\$ 2,102,430</u>	<u>\$ 10,038,465</u>	<u>\$ 671,132</u>

			Permanent Fund	
Main Street	Events Facilities	Transit Operations	Cemetery Trust	Total Governmental Nonmajor Funds
\$ 56,312	\$ 831,892	\$ ---	\$ 1,162,459	\$ 5,173,880
---	216,799	21,432	392	316,032
---	---	---	---	1,383,380
---	---	---	---	7,170,545
---	---	---	---	7,377
99,646	12,500	1,484,269	---	3,157,466
---	---	534	---	534
---	135,457	---	---	135,457
---	29,455	---	---	34,738
<u>155,958</u>	<u>1,226,103</u>	<u>1,506,235</u>	<u>1,162,851</u>	<u>17,379,409</u>
---	1,102,583	25,046	---	1,564,444
---	83,316	74,678	---	378,527
---	---	39,234	---	275,474
---	21,613	---	---	36,661
---	4,203	1,582,541	---	1,587,014
---	1,211,715	1,721,499	---	3,842,120
98,563	---	---	---	98,563
---	---	---	---	58,049
<u>98,563</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>156,612</u>
---	135,457	---	---	135,457
---	29,455	---	---	34,738
---	---	---	1,162,851	1,162,851
57,395	---	---	---	11,908,374
---	26,336	29,904	---	561,285
---	(176,860)	(245,168)	---	(422,028)
<u>57,395</u>	<u>14,388</u>	<u>(215,264)</u>	<u>1,162,851</u>	<u>13,380,677</u>
<u>\$ 155,958</u>	<u>\$ 1,226,103</u>	<u>\$ 1,506,235</u>	<u>\$ 1,162,851</u>	<u>\$ 17,379,409</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, 2015**

	Special Revenue Funds			
REVENUES	Storm Water Drainage	Road Use	Community Development	Housing
Taxes	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	375	---	---	---
Regulatory Fees	---	---	---	2,600
Intergovernmental Revenue	---	8,987,902	3,357,997	4,768,603
Revenue from Use of Property	---	10,386	---	---
Charges for Services	1,351,293	---	460	---
Interest	8,974	---	350,954	713
Miscellaneous	---	89,751	57,001	104,701
Total Revenue	1,360,642	9,088,039	3,766,412	4,876,617
 EXPENDITURES				
Current:				
Public Works	227,387	8,468,404	---	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	2,884,228	5,094,105
Capital Projects	---	---	811,870	---
Total Expenditures	227,387	8,468,404	3,696,098	5,094,105
Excess (Deficiency) of Revenues Over Expenditures	1,133,255	619,635	70,314	(217,488)
 OTHER FINANCING SOURCES (USES)				
Transfers In	---	419,638	372,822	---
Transfers Out	(1,189,388)	(50,000)	---	---
Total Other Financing Sources (Uses)	(1,189,388)	369,638	372,822	---
Net Change in Fund Balance	(56,133)	989,273	443,136	(217,488)
Fund Balance (Deficit) - Beginning of Year	561,178	612,144	9,310,527	718,670
Fund Balance (Deficit) - End of Year	\$ 505,045	\$ 1,601,417	\$ 9,753,663	\$ 501,182

Special Revenue Funds			Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Events Facilities	Transit Operations	Cemetery Trust	
\$ 112,195	\$ ---	\$ ---	\$ ---	\$ 112,195
---	---	---	---	375
---	---	---	---	2,600
---	50,000	2,003,386	---	19,167,888
---	4,391,257	65,803	44,903	4,512,349
---	708,841	1,376,535	---	3,437,129
---	---	---	---	360,641
---	636,949	11,812	---	900,214
112,195	5,787,047	3,457,536	44,903	28,493,391
---	---	4,284,792	---	12,980,583
---	7,140,062	---	---	7,140,062
262,000	---	---	---	8,240,333
---	---	---	---	811,870
262,000	7,140,062	4,284,792	---	29,172,848
(149,805)	(1,353,015)	(827,256)	44,903	(679,457)
158,648	1,089,656	985,066	---	3,025,830
---	---	(171,892)	---	(1,411,280)
158,648	1,089,656	813,174	---	1,614,550
8,843	(263,359)	(14,082)	44,903	935,093
48,552	277,747	(201,182)	1,117,948	12,445,584
<u>\$ 57,395</u>	<u>\$ 14,388</u>	<u>\$ (215,264)</u>	<u>\$ 1,162,851</u>	<u>\$ 13,380,677</u>

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**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, 2015**

EXHIBIT B-1

ASSETS	Parking Facilities	Skyway System	Totals
Current Assets			
Cash and Cash Equivalents	\$ 894,886	\$ ---	\$ 894,886
Accounts Receivable	200,499	153,025	353,524
Accrued Interest Receivable	1,692	---	1,692
Due from Other Governments	1,204	---	1,204
Due from Other Funds	555	11,419	11,974
Total Current Assets	1,098,836	164,444	1,263,280
Non-Current Assets			
Capital Assets, Net of Accumulated Depreciation	7,558,262	---	7,558,262
Total Non-Current Assets	7,558,262	---	7,558,262
Total Assets	8,657,098	164,444	8,821,542
 DEFERRED OUTFLOWS OF RESOURCES			
Pension Related	25,345	6,214	31,559
 LIABILITIES			
Current Liabilities			
Accounts Payable	42,236	25,018	67,254
Accrued Wages and Compensated Absences	44,718	18,688	63,406
Accrued Interest Payable	4,102	---	4,102
Contracts and Retainers Payable	44,454	---	44,454
Due to Other Funds	1,663	83,565	85,228
Current Portion of G.O. Bonds	437,223	---	437,223
Unearned Revenue	245,000	---	245,000
Total Current Liabilities	819,396	127,271	946,667
Non-Current Liabilities			
General Obligation Bonds, Net of Current Portion	1,155,486	---	1,155,486
Net Pension Liability	123,937	30,387	154,324
Total Non-current Liabilities	1,279,423	30,387	1,309,810
Total Liabilities	2,098,819	157,658	2,256,477
 DEFERRED INFLOWS OF RESOURCES			
Pension Related	53,022	13,000	66,022
 NET POSITION			
Net Investment in Capital Assets	6,169,303	---	6,169,303
Unrestricted	361,299	---	361,299
Total Net Position	\$ 6,530,602	\$ ---	\$ 6,530,602

**CITY OF SIOUX CITY, IOWA
 COMBINING STATEMENT OF REVENUES,
 EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015**

EXHIBIT B-2

<u>OPERATING REVENUES</u>	<u>Parking Facilities</u>	<u>Skyway System</u>	<u>Totals</u>
Charges for Services	\$ 1,480,186	\$ 318,269	\$ 1,798,455
Total Operating Revenues	1,480,186	318,269	1,798,455
<u>OPERATING EXPENSES</u>			
Employee Services	370,914	73,381	444,295
Supplies and Services	400,845	168,275	569,120
Repairs and Improvements	273,781	56,796	330,577
Utilities	5,536	62,238	67,774
Depreciation	400,807	---	400,807
Total Operating Expenses	1,451,883	360,690	1,812,573
Operating Income (Loss)	28,303	(42,421)	(14,118)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	2,585	---	2,585
Interest Expense	(57,349)	---	(57,349)
Total Non-Operating (Expenses)	(54,764)	---	(54,764)
(Loss) Before Transfers	(26,461)	(42,421)	(68,882)
Transfers In	62,000	82,192	144,192
Changes in Net Position	35,539	39,771	75,310
Net Position - Beginning of Year before Prior Period Adjustments	6,657,274	---	6,657,274
Prior Period Adjustments	(162,211)	(39,771)	(201,982)
Net Position - Beginning of Year as Restated	6,495,063	(39,771)	6,455,292
Net Position - End of Year	<u>\$ 6,530,602</u>	<u>\$ ---</u>	<u>\$ 6,530,602</u>

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

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	\$ 1,477,575	\$ 320,498	\$ 1,798,073
Cash Paid for Personal Services	(379,110)	(73,258)	(452,368)
Cash Paid to Suppliers	(838,077)	(329,432)	(1,167,509)
Net Cash Provided (Used) by Operating Activities	<u>260,388</u>	<u>(82,192)</u>	<u>178,196</u>
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from Bond Sales	203,750	---	203,750
Acquisition and Construction of Capital Assets	(274,492)	---	(274,492)
Principal Paid on Notes and Bonds	(418,166)	---	(418,166)
Interest Paid on Notes and Bonds	(58,088)	---	(58,088)
Net Cash (Used) by Capital and Related Financing Activities	<u>(546,996)</u>	<u>---</u>	<u>(546,996)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	<u>62,000</u>	<u>82,192</u>	<u>144,192</u>
Net Cash Provided by Non-Capital Financing Activities	62,000	82,192	144,192
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	<u>2,749</u>	<u>---</u>	<u>2,749</u>
Net Cash Provided by Investing Activities	<u>2,749</u>	<u>---</u>	<u>2,749</u>
Net (Decrease) in Cash and Cash Equivalents	(221,859)	---	(221,859)
Cash and Cash Equivalents at Beginning of Year	<u>1,116,745</u>	<u>---</u>	<u>1,116,745</u>
Cash and Cash Equivalents at End of Year	<u>\$ 894,886</u>	<u>\$ ---</u>	<u>\$ 894,886</u>
<u>RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ 28,303	\$ (42,421)	\$ (14,118)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
Depreciation	400,807	---	400,807
Pension Expense	(10,597)	(2,598)	(13,195)
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	(5,688)	4,707	(981)
Due from Other Governments	2,382	---	2,382
Due from Other Funds	695	(2,478)	(1,783)
Accounts Payable	32,284	19,113	51,397
Accrued Wages and Compensated Absences	2,401	2,721	5,122
Contracts and Retainers Payable	(85,297)	(19,969)	(105,266)
Due to Other Funds	98	(41,267)	(41,169)
Unearned Revenues	(105,000)	---	(105,000)
Total Adjustments	<u>232,085</u>	<u>(39,771)</u>	<u>192,314</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 260,388</u>	<u>\$ (82,192)</u>	<u>\$ 178,196</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, 2015**

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	\$ 5,823,293	\$ 6,212,888	\$ 12,036,181
Accounts Receivable	63,003	172,111	235,114
Accrued Interest Receivable	377	9,296	9,673
Notes Receivable	60,570	---	60,570
Due from Other Funds	26,821	---	26,821
Inventories, at Cost	249,359	---	249,359
Prepaid Items	240	192,604	192,844
Total Current Assets	6,223,663	6,586,899	12,810,562
<u>Non-Current Assets</u>			
Advances to Other Funds	124,611	---	124,611
Capital Assets, Net of Accumulated Depreciation	10,882,813	---	10,882,813
Total Non-Current Assets	11,007,424	---	11,007,424
Total Assets	17,231,087	6,586,899	23,817,986
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Related	153,066	69,386	222,452
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts Payable	350,710	355,759	706,469
Accrued Wages and Compensated Absences	188,449	176,101	364,550
Accrued Interest Payable	1,392	---	1,392
Contracts and Retainers Payable	85,347	52,227	137,574
Estimated Liability for Damage Claims	---	1,314,892	1,314,892
Current Portion of G.O. Bonds	61,445	---	61,445
Total Current Liabilities	687,343	1,898,979	2,586,322
<u>Non-Current Liabilities</u>			
Post Employment Benefit Obligation	---	16,281,000	16,281,000
Estimated Liability for Damage Claims	---	2,257,717	2,257,717
General Obligation Bonds, Net of Current Portion	626,555	---	626,555
Net Pension Liability - IPERS	748,516	339,311	1,087,827
Total Non-Current Liabilities	1,375,071	18,878,028	20,253,099
Total Liabilities	2,062,414	20,777,007	22,839,421
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Related	320,228	145,164	465,392
<u>NET POSITION</u>			
Net Investment in Capital Assets	10,882,813	---	10,882,813
Unrestricted	4,118,698	(14,265,886)	(10,147,188)
Total Net Position	\$ 15,001,511	\$ (14,265,886)	\$ 735,625

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

EXHIBIT C-2

	<u>Central Maintenance</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>OPERATING REVENUE</u>			
Revenue from Use of Property	\$ 16,231	\$ - - -	\$ 16,231
Charges for Services	9,177,849	14,799,768	23,977,617
Total Operating Revenues	9,194,080	14,799,768	23,993,848
<u>OPERATING EXPENSES</u>			
Employee Services	1,981,567	15,293,201	17,274,768
Supplies and Services	711,500	1,570,613	2,282,113
Repairs and Improvements	4,476,597	- - -	4,476,597
Utilities	27,375	494	27,869
Depreciation	1,689,631	- - -	1,689,631
Damage Settlement	- - -	(164,233)	(164,233)
Total Operating Expenses	8,886,670	16,700,075	25,586,745
Net Operating Income (Loss)	307,410	(1,900,307)	(1,592,897)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	4,413	19,721	24,134
Gain on Sale of Capital Assets	471,423	- - -	471,423
Other Non-Operating Revenues	446,993	- - -	446,993
Interest Expense	(1,392)	- - -	(1,392)
Total Non-Operating Revenues (Expenses)	921,437	19,721	941,158
Income (Loss) Before Transfers	1,228,847	(1,880,586)	(651,739)
Transfers In	- - -	7,099,464	7,099,464
Changes in Net Position	1,228,847	5,218,878	6,447,725
Net Position - Beginning of the Year before Prior Period Adjustments	14,752,338	(19,040,666)	(4,288,328)
Prior Period Adjustments	(979,674)	(444,098)	(1,423,772)
Net Position - Beginning of the Year as Restated	13,772,664	(19,484,764)	(5,712,100)
Net Position - End of Year	\$ 15,001,511	\$ (14,265,886)	\$ 735,625

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

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	\$ 9,320,122	\$ 14,831,651	\$ 24,151,773
Cash Paid for Personal Services	(2,023,682)	(14,979,703)	(17,003,385)
Cash Paid to Suppliers	(5,231,341)	(8,976,350)	(14,207,691)
Other Non-Operating Revenue	446,993	---	446,993
Net Cash Provided (Used) by Operating Activities	<u>2,512,092</u>	<u>(9,124,402)</u>	<u>(6,612,310)</u>
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Proceeds from Bond Sales	688,000	---	688,000
Acquisition and Construction of Capital Assets	(4,021,624)	---	(4,021,624)
Proceeds from Sale of Assets	471,424	---	471,424
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,862,200)</u>	<u>---</u>	<u>(2,862,200)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	---	7,099,464	7,099,464
Net Cash Provided by Non-Capital Financing Activities	<u>---</u>	<u>7,099,464</u>	<u>7,099,464</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	4,179	21,207	25,386
Payments Received on Notes Receivable	7,030	---	7,030
Net Cash Provided by Investing Activities	<u>11,209</u>	<u>21,207</u>	<u>32,416</u>
Net (Decrease) in Cash and Cash Equivalents	(338,899)	(2,003,731)	(2,342,630)
Cash and Cash Equivalents at Beginning of Year	6,162,192	8,216,619	14,378,811
Cash and Cash Equivalents at End of Year	<u>\$ 5,823,293</u>	<u>\$ 6,212,888</u>	<u>\$ 12,036,181</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ 307,410	\$ (1,900,307)	\$ (1,592,897)
<i>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i>			
Depreciation	1,689,631	---	1,689,631
Other Non-Operating Revenues	446,993	---	446,993
Pension Expense	(63,996)	(29,009)	(93,005)
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	93,519	31,883	125,402
Due from Other Funds	32,523	---	32,523
Inventories	(5,474)	---	(5,474)
Advances to Other Funds	(89,097)	---	(89,097)
Prepaid Items	---	(561)	(561)
Accounts Payable	(6,645)	(83,134)	(89,779)
Accrued Wages and Compensated Absences	21,881	11,097	32,978
Contracts and Retainers Payable	85,347	48,537	133,884
Due to Other Funds	---	(6,475,000)	(6,475,000)
Post Employment Benefit Obligation	---	331,410	331,410
Estimated Liability for Damage Claims	---	(1,059,318)	(1,059,318)
Total Adjustments	<u>2,204,682</u>	<u>(7,224,095)</u>	<u>(5,019,413)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,512,092</u>	<u>\$ (9,124,402)</u>	<u>\$ (6,612,310)</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.

Utility Line Service Provider Fund – To account for the activity related to utility line service protection plan payments collected from City customers on behalf of an outside service plan provider, currently, HomeServe USA.

**CITY OF SIOUX CITY, IOWA
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015**

	<u>Sioux City Housing Trust Fund</u>	<u>Revolving</u>	<u>Woodbury County Information Communication Commission</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ ---	\$ 6,053	\$ 505,968
Accounts Receivable	---	82,503	117,132
Due from Other Governments	<u>155,370</u>	<u>---</u>	<u>1,704</u>
Total Assets	<u>155,370</u>	<u>88,556</u>	<u>624,804</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Related	<u>657</u>	<u>68,949</u>	<u>265,195</u>
<u>LIABILITIES</u>			
Accounts Payable	156,004	304,362	---
Due to Other Governments	(4,560)	(628,275)	(961,680)
Net Pension Liability	<u>3,210</u>	<u>337,171</u>	<u>1,296,860</u>
Total Liabilities	154,654	13,258	335,180
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension Related	<u>1,373</u>	<u>144,247</u>	<u>554,819</u>
<u>NET POSITION</u>			
Unrestricted	<u>---</u>	<u>---</u>	<u>---</u>
Total Net Position	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

<u>Museum Building Property Inc.</u>	<u>Sioux City Sports Commission</u>	<u>Utility Line Service Provider Fund</u>	<u>Totals</u>
\$ 120,233	\$ 11,373	\$ 8,552	\$ 652,179
---	25,944	28,400	253,979
---	---	---	157,074
<u>120,233</u>	<u>37,317</u>	<u>36,952</u>	<u>1,063,232</u>
---	---	---	334,801
93	26,944	36,952	524,355
120,140	10,373	---	(1,464,002)
---	---	---	1,637,241
<u>120,233</u>	<u>37,317</u>	<u>36,952</u>	<u>697,594</u>
---	---	---	700,439
---	---	---	---
<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, 2015**

**EXHIBIT D-2
(Continued)**

SIOUX CITY HOUSING TRUST FUND	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ ---	\$ 430,440	\$ 430,440	\$ ---
Due from Other Governments	30,792	155,370	30,792	155,370
Total Assets	<u>30,792</u>	<u>585,810</u>	<u>461,232</u>	<u>155,370</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Related	---	657	---	657
Total Assets & Deferred Outflows of Resources	<u>30,792</u>	<u>586,467</u>	<u>461,232</u>	<u>156,027</u>
<u>LIABILITIES</u>				
Accounts Payable	31,822	163,920	39,738	156,004
Due to Other Governments	(1,030)	416,500	420,030	(4,560)
Net Pension Liability	---	4,674	1,464	3,210
Total Liabilities	<u>30,792</u>	<u>585,094</u>	<u>461,232</u>	<u>154,654</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension Related	---	1,373	---	1,373
Total Liabilities & Deferred Inflows of Resources	<u>\$ 30,792</u>	<u>\$ 586,467</u>	<u>\$ 461,232</u>	<u>\$ 156,027</u>
REVOLVING				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 6,457,215	\$ 1,274,101	\$ 7,725,263	\$ 6,053
Accounts Receivable	64,506	1,182,574	1,164,577	82,503
Total Assets	<u>6,521,721</u>	<u>2,456,675</u>	<u>8,889,840</u>	<u>88,556</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Related	---	68,949	---	68,949
Total Assets & Deferred Outflows of Resources	<u>6,521,721</u>	<u>2,525,624</u>	<u>8,889,840</u>	<u>157,505</u>
<u>LIABILITIES</u>				
Accounts Payable	6,521,721	681,412	6,898,771	304,362
Due to Other Governments	---	1,208,989	1,837,264	(628,275)
Net Pension Liability	---	490,976	153,805	337,171
Total Liabilities	<u>6,521,721</u>	<u>2,381,377</u>	<u>8,889,840</u>	<u>13,258</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension Related	---	144,247	---	144,247
Total Liabilities & Deferred Inflows of Resources	<u>\$ 6,521,721</u>	<u>\$ 2,525,624</u>	<u>\$ 8,889,840</u>	<u>\$ 157,505</u>

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

**EXHIBIT D-2
(Continued)**

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

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 166,581	\$ 4,827,584	\$ 4,488,197	\$ 505,968
Accounts Receivable	139,890	1,954,551	1,977,309	117,132
Due from Other Governments	75,096	1,383,179	1,456,571	1,704
Total Assets	<u>381,567</u>	<u>8,165,314</u>	<u>7,922,077</u>	<u>624,804</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Related	---	265,195	---	265,195
Total Assets & Deferred Outflows of Resources	<u>381,567</u>	<u>8,430,509</u>	<u>7,922,077</u>	<u>889,999</u>
<u>LIABILITIES</u>				
Due to Other Governments	381,567	5,987,252	7,330,499	(961,680)
Net Pension Liability	---	1,888,438	591,578	1,296,860
Total Liabilities	<u>381,567</u>	<u>7,875,690</u>	<u>7,922,077</u>	<u>335,180</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension Related	---	554,819	---	554,819
Total Liabilities & Deferred Inflows of Resources	<u>\$ 381,567</u>	<u>\$ 8,430,509</u>	<u>\$ 7,922,077</u>	<u>\$ 889,999</u>

**MUSEUM BUILDING
PROPERTY INC.**

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 23,496	\$ 269,003	\$ 172,266	\$ 120,233
Accounts Receivable	---	208,000	208,000	---
Total Assets	<u>23,496</u>	<u>477,003</u>	<u>380,266</u>	<u>120,233</u>
<u>LIABILITIES</u>				
Accounts Payable	---	52,495	52,402	93
Due to Other Governments	23,496	424,508	327,864	120,140
Total Liabilities	<u>\$ 23,496</u>	<u>\$ 477,003</u>	<u>\$ 380,266</u>	<u>\$ 120,233</u>

**CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

**EXHIBIT D-2
(Continued)**

SIOUX CITY SPORTS COMMISSION	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 12,471	\$ 144,556	\$ 145,654	\$ 11,373
Accounts Receivable	---	25,944	---	25,944
Total Assets	12,471	170,500	145,654	37,317
<u>LIABILITIES</u>				
Accounts Payable	---	36,819	9,875	26,944
Due to Other Governments	12,471	133,681	135,779	10,373
Total Liabilities	\$ 12,471	\$ 170,500	\$ 145,654	\$ 37,317
UTILITY LINE SERVICE				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ ---	\$ 13,371	\$ 4,819	\$ 8,552
Accounts Receivable	---	42,008	13,608	28,400
Total Assets	---	55,379	18,427	36,952
<u>LIABILITIES</u>				
Accounts Payable	---	55,379	18,427	36,952
Total Liabilities	\$ ---	\$ 55,379	\$ 18,427	\$ 36,952
TOTAL - ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 6,659,763	\$ 6,959,055	\$ 12,966,639	\$ 652,179
Accounts Receivable	204,396	3,413,077	3,363,494	253,979
Due from Other Governments	105,888	1,538,549	1,487,363	157,074
Total Assets	6,970,047	11,910,681	17,817,496	1,063,232
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension Related	---	334,801	---	334,801
Total Assets & Deferred Outflows of Resources	6,970,047	12,245,482	17,817,496	1,398,033
<u>LIABILITIES</u>				
Accounts Payable	6,553,543	990,025	7,019,213	524,355
Due to Other Governments	416,504	8,170,930	10,051,436	(1,464,002)
Net Pension Liability	---	2,384,088	746,847	1,637,241
Total Liabilities	6,970,047	11,545,043	17,817,496	697,594
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension Related	---	700,439	---	700,439
Total Liabilities & Deferred Inflows of Resources	\$ 6,970,047	\$ 12,245,482	\$ 17,817,496	\$ 1,398,033

CITY OF SIOUX CITY, IOWA
STATISTICAL SECTION

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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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities				
Net Investment in Capital Assets	\$ 178,531,068	\$ 202,244,071	\$ 201,725,694	\$ 215,118,921
Restricted for:				
Capital Improvements	15,772,571	15,827,272	17,324,318	4,854,761
Debt Service	1,438,126	1,438,831	3,203,515	4,889,636
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	838,105	927,910	971,321	980,767
Unrestricted	56,134,972	48,896,046	46,553,214	41,580,680
Total Governmental Activities Net Position	<u>252,714,842</u>	<u>269,334,130</u>	<u>269,778,062</u>	<u>267,424,765</u>
Business-Type Activities				
Net Investment in Capital Assets	59,757,382	70,041,912	81,233,654	89,062,832
Restricted for:				
Debt Service	---	496,000	486,158	---
Unrestricted	21,081,482	21,021,615	13,286,975	15,063,269
Total Business-Type Activities Net Position	<u>80,838,864</u>	<u>91,559,527</u>	<u>95,006,787</u>	<u>104,126,101</u>
Primary Government				
Net Investment in Capital Assets	238,288,450	272,285,983	282,959,348	304,181,753
Restricted for:				
Capital Improvements	15,772,571	15,827,272	17,324,318	4,854,761
Debt Service	1,438,126	1,934,831	3,689,673	4,889,636
Road Use	---	---	---	---
Other Employee Benefits	---	---	---	---
Community Programs & Services	---	---	---	---
Other Purposes	---	---	---	---
Endowment, non-expendable	838,105	927,910	971,321	980,767
Unrestricted	77,216,454	69,917,661	59,840,189	56,643,949
Total Primary Government Net Position	<u>\$ 333,553,706</u>	<u>\$ 360,893,657</u>	<u>\$ 364,784,849</u>	<u>\$ 371,550,866</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

2010	2011	2012	2013	2014	2015
\$ 227,946,599	\$ 240,923,862	\$ 259,727,010	\$ 265,299,824	\$ 262,337,178	\$ 272,782,703
19,204,876	45,429,483	39,237,581	46,211,716	40,485,135	32,839,527
8,262,859	9,984,352	10,954,271	6,499,138	5,500,549	6,882,363
---	316,770	391,564	1,082,738	612,144	1,601,417
---	234,952	151,928	96,087	---	---
---	11,223,309	10,180,086	10,111,743	10,029,197	10,254,845
---	41,801	41,688	41,691	48,552	57,395
1,001,069	1,019,455	1,058,731	1,093,001	1,117,948	1,162,851
29,719,252	(8,425,953)	(12,342,248)	(3,938,067)	(3,574,483)	(41,088,420)
<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>	<u>284,492,681</u>
97,806,290	111,463,154	106,357,863	109,940,268	118,515,774	121,683,303
---	---	---	---	---	---
16,550,721	16,507,829	29,267,015	33,996,961	33,981,982	30,690,118
<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>	<u>152,373,421</u>
325,752,889	352,387,016	366,084,873	375,240,092	380,852,952	394,466,006
19,204,876	45,429,483	39,237,581	46,211,716	40,485,135	32,839,527
8,262,859	9,984,352	10,954,271	6,499,138	5,500,549	6,882,363
---	316,770	391,564	1,082,738	612,144	1,601,417
---	234,952	151,928	96,087	---	---
---	11,223,309	10,180,086	10,111,743	10,029,197	10,254,845
---	41,801	41,688	41,691	48,552	57,395
1,001,069	1,019,455	1,058,731	1,093,001	1,117,948	1,162,851
46,269,973	8,081,876	16,924,767	30,058,894	30,407,499	(10,398,302)
<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>	<u>\$ 436,866,102</u>

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

	FISCAL YEAR			
	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Public Safety	\$ 27,117,017	\$ 28,854,253	\$ 30,260,933	\$ 31,565,111
Public Works	13,640,878	15,506,549	19,638,707	17,695,921
Culture and Recreation	14,727,651	16,080,955	17,340,040	18,427,540
Community and Economic Development	10,965,458	10,787,387	25,630,391	10,847,635
General Government	5,791,061	10,471,162	13,073,878	12,097,651
Investment in Joint Venture	---	---	---	---
Debt Service	5,992,311	5,980,529	6,490,067	6,309,941
Capital Projects ¹	8,948,563	1,203,328	---	---
Total Governmental Activities Expenses	87,182,939	88,884,163	112,434,016	96,943,799
Business-Type Activities:				
Airport	4,825,894	3,614,198	3,613,044	3,624,184
Water	7,465,007	7,594,727	8,878,234	9,046,687
Sewer	11,414,499	11,306,475	12,815,794	12,493,265
Solid Waste	3,980,655	4,108,577	4,721,183	4,242,223
Parking	1,220,276	1,475,538	1,425,352	1,671,573
Skyway System	254,683	322,577	303,892	318,624
Total Business-Type Activities Expenses	29,161,014	28,422,092	31,757,499	31,396,556
Total Primary Government Expenses	116,343,953	117,306,255	144,191,515	128,340,355
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	280,292	283,845	351,518	1,034,208
Public Works	3,384,769	3,670,886	3,911,984	4,245,184
Culture and Recreation	4,547,640	4,855,063	5,251,614	5,295,764
Community and Economic Development	871,956	891,801	1,030,980	212,204
General Government	3,445,465	2,695,053	9,436,829	5,356,830
Capital Projects	22,597	---	---	---
Operating Grants and Contributions	20,355,850	19,595,863	19,163,094	18,059,563
Capital Grants and Contributions	9,081,256	6,656,241	4,714,416	6,050,466
Total Governmental Activities Program Revenues	\$ 41,989,825	\$ 38,648,752	\$ 43,860,435	\$ 40,254,219

Notes:

¹ In fiscal year 2008, capital projects began to be allocated to their respective program functions.

TABLE II

2010	2011	2012	2013	2014	2015
\$ 32,815,671	\$ 33,066,562	\$ 35,153,307	\$ 35,578,147	\$ 36,482,386	\$ 34,386,270
18,703,073	18,462,437	18,146,262	18,148,457	20,050,690	19,930,848
18,748,901	18,629,284	19,105,473	19,056,629	18,423,101	19,382,608
14,585,952	13,195,482	14,093,979	11,888,737	31,236,262	16,007,475
11,884,328	10,164,915	10,023,938	9,464,502	8,830,441	9,011,536
---	---	297,372	297,372	---	---
5,908,003	6,008,221	5,784,156	5,643,693	5,858,236	5,586,537
---	---	---	---	---	---
<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>	<u>104,305,274</u>
3,683,947	4,083,451	4,489,545	4,328,864	4,425,095	4,858,212
9,462,914	10,354,948	11,690,391	12,257,979	12,746,754	14,917,467
13,573,929	14,488,052	13,213,218	13,082,732	13,381,173	14,435,262
4,469,177	4,630,860	4,758,852	5,075,557	4,670,923	5,198,453
1,412,106	1,549,100	1,570,589	1,724,424	1,414,570	1,509,232
378,203	312,635	382,081	372,045	359,782	360,690
<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>41,279,316</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>	<u>145,584,590</u>
1,051,542	1,224,249	1,080,541	964,489	1,503,474	1,374,669
4,257,041	4,462,029	4,680,854	4,586,684	4,310,705	4,541,044
5,898,699	6,131,602	6,042,193	6,154,581	5,936,331	6,137,962
208,647	209,815	206,055	194,676	233,563	202,127
6,377,269	7,387,758	4,168,644	17,421,199	6,684,762	4,039,395
---	---	---	---	---	---
20,164,596	21,909,868	21,777,329	18,601,593	19,774,495	21,981,811
15,344,878	8,711,966	8,856,243	3,260,591	2,525,860	6,842,315
<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>	<u>\$ 45,119,323</u>

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

	2006	2007	2008	2009
Business-Type Activities:				
Charges for Services:				
Airport	\$ 1,591,496	\$ 1,407,558	\$ 1,707,199	\$ 1,582,967
Water	9,842,528	10,590,423	10,308,555	10,990,717
Sewer	10,735,055	11,848,359	14,206,172	16,372,370
Solid Waste	4,397,189	4,911,254	4,754,467	4,631,072
Parking	1,069,120	1,004,738	1,158,055	1,219,013
Skyway System	254,683	322,577	303,892	318,624
Operating Grants and Contributions	2,813,675	3,940,017	1,062,111	2,329,283
Capital Grants and Contributions	---	---	---	---
Total Business-Type Activities Program Revenues	<u>30,703,746</u>	<u>34,024,926</u>	<u>33,500,451</u>	<u>37,444,046</u>
Total Primary Government Program Revenues	<u>72,693,571</u>	<u>72,673,678</u>	<u>77,360,886</u>	<u>77,698,265</u>
Net (Expense)/Revenue ¹				
Governmental Activities	(45,193,114)	(50,235,411)	(68,573,581)	(56,689,580)
Business-Type Activities	<u>1,542,732</u>	<u>5,602,834</u>	<u>1,742,952</u>	<u>6,047,490</u>
Total Primary Government Net Expense	<u>(43,650,382)</u>	<u>(44,632,577)</u>	<u>(66,830,629)</u>	<u>(50,642,090)</u>
General Revenues				
Governmental Activities:				
Property Taxes	44,670,160	45,743,901	47,592,848	50,788,744
Franchise Taxes	2,609,122	2,810,233	2,793,497	2,586,811
Hotel-Motel Taxes	890,533	873,749	951,260	1,061,104
Local Option Sales Taxes	9,116,344	10,876,276	10,521,527	10,992,806
Interest	3,691,733	3,959,731	3,296,165	1,457,756
Revenue from Sale of Uncapitalized Property	715,093	859,249	230,112	539,534
Miscellaneous	2,503,184	2,110,285	2,355,707	1,751,700
Net Gain on Sale of Capital Assets	44,155	180,088	2,035,150	87,064
Extraordinary Items	---	---	---	(14,034,170)
Transfers	<u>(3,269,450)</u>	<u>(558,814)</u>	<u>(758,753)</u>	<u>(895,066)</u>
Total Governmental Activities	<u>60,970,874</u>	<u>66,854,698</u>	<u>69,017,513</u>	<u>54,336,283</u>
Business-Type Activities:				
Interest	825,506	1,198,245	735,839	497,295
Revenue from the Sale of Uncapitalized Property	433,482	---	---	---
Miscellaneous	2,126,499	484,370	250,220	1,670,839
Net Gain on Sale of Capital Assets	7,403	3,128	65,356	8,624
Transfers	<u>3,269,450</u>	<u>558,814</u>	<u>758,753</u>	<u>895,066</u>
Total Business-Type Activities	<u>6,662,340</u>	<u>2,244,557</u>	<u>1,810,168</u>	<u>3,071,824</u>
Total Primary Government	<u>67,633,214</u>	<u>69,099,255</u>	<u>70,827,681</u>	<u>57,408,107</u>
Change in Net Position				
Governmental Activities	15,777,760	16,619,287	443,932	(2,353,297)
Business-Type Activities	<u>8,205,072</u>	<u>7,847,391</u>	<u>3,553,120</u>	<u>9,119,314</u>
Total Primary Government	<u>\$ 23,982,832</u>	<u>\$ 24,466,678</u>	<u>\$ 3,997,052</u>	<u>\$ 6,766,017</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)

2010	2011	2012	2013	2014	2015
\$ 1,559,765	\$ 1,568,331	\$ 1,664,593	\$ 1,692,593	\$ 1,759,517	\$ 1,866,695
11,365,825	11,834,682	14,029,681	14,258,996	14,453,751	14,115,916
17,370,461	17,127,635	19,171,819	17,863,593	17,776,343	17,347,894
4,607,291	4,473,164	4,584,655	4,859,491	5,087,522	5,151,109
1,261,195	1,294,498	1,423,385	1,362,709	1,443,506	1,480,186
378,203	312,635	449,611	372,045	276,582	318,269
131,069	598,268	435,479	255,474	107,960	83,394
5,454,015	9,067,435	941,572	2,534,064	1,365,936	298,319
<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>40,661,782</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>	<u>85,781,105</u>
(49,343,256)	(49,489,614)	(55,792,628)	(48,893,724)	(79,911,926)	(59,185,951)
9,147,548	10,857,602	6,596,119	6,357,364	5,272,820	(617,534)
<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>	<u>(59,803,485)</u>
50,213,734	48,720,069	47,856,978	48,661,701	51,422,485	52,006,707
2,426,557	2,363,862	2,174,884	2,379,273	2,681,383	4,840,456
1,098,913	1,245,787	1,263,522	1,375,769	1,594,073	1,809,271
11,132,267	11,138,684	11,147,414	11,820,387	12,680,781	12,870,868
1,070,516	669,439	588,020	453,317	1,076,366	744,163
644,883	694,982	376,449	709,868	805,868	1,107,349
2,002,806	1,541,054	1,467,847	1,789,176	1,432,604	1,739,780
---	9,165	90,008	324,974	209,574	503,923
---	---	---	---	---	---
(536,530)	(2,280,052)	(519,914)	(1,523,481)	(1,451,922)	(2,287,701)
<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>	<u>73,334,816</u>
299,164	360,359	387,506	306,810	537,065	482,338
---	---	---	---	---	---
247,668	114,930	150,356	124,696	1,741,486	1,722,375
---	1,029	---	---	928,389	---
536,530	2,280,052	519,914	1,523,481	1,451,922	2,287,701
<u>1,083,362</u>	<u>2,756,370</u>	<u>1,057,776</u>	<u>1,954,987</u>	<u>4,658,862</u>	<u>4,492,414</u>
<u>69,136,508</u>	<u>66,859,360</u>	<u>65,502,984</u>	<u>67,945,971</u>	<u>75,110,074</u>	<u>77,827,230</u>
18,709,890	14,613,376	8,652,580	17,097,260	(9,460,714)	14,148,865
10,230,910	13,613,972	7,653,895	8,312,351	9,931,682	3,874,880
<u>\$ 28,940,800</u>	<u>\$ 28,227,348</u>	<u>\$ 16,306,475</u>	<u>\$ 25,409,611</u>	<u>\$ 470,968</u>	<u>\$ 18,023,745</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	UTILITY FRANCHISE TAXES¹	CABLE TV FRANCHISE TAX	HOTEL-MOTEL TAXES	TOTAL TAXES
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
2015	\$ 52,006,707	\$ 12,870,868	\$ 4,427,062	\$ 413,394	\$ 1,809,271	\$ 71,527,302
Percentage Change						
In Dollars Over						
10 Years	16.88%	44.17%	95.96%	18.13%	103.17%	25.65%

Notes:

¹ In fiscal year 2015, the City passed an increase in the utility franchise taxes.

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CITY

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

	2006	2007	2008	2009
General Fund				
Reserved ¹	\$ 333,970	\$ 330,765	\$ 368,976	\$ 574,335
Non-Spendable	---	---	---	---
Committed	---	---	---	---
Unreserved	6,425,351	7,226,338	7,696,996	7,578,177
Unassigned	---	---	---	---
Total General Fund	<u>6,759,321</u>	<u>7,557,103</u>	<u>8,065,972</u>	<u>8,152,512</u>
All Other Governmental Funds				
Reserved ¹	55,314,255	51,112,529	54,238,966	56,777,930
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	7,542,829	9,534,586	8,825,958	6,656,344
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total All Other Governmental Funds ²	<u>62,857,084</u>	<u>60,647,115</u>	<u>63,064,924</u>	<u>63,434,274</u>
Total Governmental Funds				
Reserved	55,648,225	51,443,294	54,607,942	57,352,265
Non-Spendable	---	---	---	---
Restricted	---	---	---	---
Committed	---	---	---	---
Unreserved	13,968,180	16,760,924	16,522,954	14,234,521
Assigned	---	---	---	---
Unassigned	---	---	---	---
Total Governmental Funds	<u>\$ 69,616,405</u>	<u>\$ 68,204,218</u>	<u>\$ 71,130,896</u>	<u>\$ 71,586,786</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

2010	2011	2012	2013	2014	2015
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
22,000	314,972	13,578	8,800	17,166	20,022
446,436	418,019	479,418	343,224	366,176	273,195
---	---	---	---	---	---
7,737,493	7,559,420	7,868,807	8,357,777	8,548,208	8,944,762
<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>	<u>9,237,979</u>
---	---	---	---	---	---
18,282,888	10,880,323	1,653,675	1,516,903	1,479,669	3,391,007
10,330,941	56,094,282	58,674,582	86,115,972	68,420,998	68,031,384
18,833,986	956,895	594,137	750,135	899,555	577,346
---	---	---	---	---	---
23,372,058	2,209,013	2,379,614	3,055,795	3,402,318	2,901,447
(2,082,783)	(1,324,552)	(1,211,015)	(1,391,285)	(475,953)	(485,741)
<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>	<u>74,415,443</u>
---	---	---	---	---	---
18,304,888	11,195,295	1,667,253	1,525,703	1,496,835	3,411,029
10,330,941	56,094,282	58,674,582	86,115,972	68,420,998	68,031,384
19,280,422	1,374,914	1,073,555	1,093,359	1,265,731	850,541
---	---	---	---	---	---
23,372,058	2,209,013	2,379,614	3,055,795	3,402,318	2,901,447
5,654,710	6,234,868	6,657,792	6,966,492	8,072,255	8,459,021
<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>	<u>\$ 83,653,422</u>

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

	FISCAL YEAR			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 57,223,300	\$ 60,501,050	\$ 61,867,015	\$ 65,343,777
Special Assessments	297,536	251,812	260,969	180,335
Regulatory Fees	1,174,657	1,253,658	1,347,989	1,318,657
Intergovernmental Revenue	26,989,896	26,156,355	23,773,756	23,609,689
Revenue from the Use of Property	4,431,425	4,254,653	4,173,576	4,319,645
Charges for Services	7,067,902	7,817,733	7,833,868	8,095,902
Interest	3,560,311	3,797,191	3,151,839	1,390,580
Contributions	2,410,834	247,534	257,645	220,392
Miscellaneous	2,178,484	1,978,346	1,918,522	1,622,361
Total Revenues	<u>105,334,345</u>	<u>106,258,332</u>	<u>104,585,179</u>	<u>106,101,338</u>
Expenditures¹				
Public Safety	27,135,419	27,927,945	28,364,591	30,633,912
Public Works	11,985,865	13,199,362	13,791,226	13,857,068
Culture and Recreation	13,233,666	13,612,396	14,711,438	15,830,037
Community and Economic Development	11,279,598	10,719,564	10,836,744	9,150,589
General Government	2,891,590	2,821,790	3,234,848	2,756,647
Debt Service				
Principal	16,829,547	17,531,767	15,880,284	16,477,867
Interest and Fiscal Charges	6,009,331	6,004,815	6,507,761	6,971,753
Capital Projects	28,442,887	23,638,330	34,288,621	25,298,862
Total Expenditures	<u>117,807,903</u>	<u>115,455,969</u>	<u>127,615,513</u>	<u>120,976,735</u>
Excess (Deficiency) of Revenues over Expenditures	(12,473,558)	(9,197,637)	(23,030,334)	(14,875,397)
Other Financing Sources (Uses)				
Proceeds from Issuance of Bonds and Notes	16,562,021	8,688,000	24,579,000	16,239,718
Proceeds from Refunding Bonds Issued	---	---	11,710,323	6,768,104
Payment to Refunded Bond Escrow Agent	---	---	(11,840,323)	(6,703,104)
Premiums on Bonds Issued	25,137	94,586	414,731	370,275
Discounts on Bonds Issued	(29,993)	---	---	(35,229)
Sale of Uncapitalized Property	---	---	---	263,314
Sale of Capitalized Property	---	---	2,280,333	6,062
Transfers In	37,227,859	39,003,460	45,028,357	38,607,508
Transfers Out	(40,979,400)	(40,000,596)	(46,215,409)	(40,185,361)
Total Other Financing Sources	<u>12,805,624</u>	<u>7,785,450</u>	<u>25,957,012</u>	<u>15,331,287</u>
Net Change in Fund Balances	<u>\$ 332,066</u>	<u>\$ (1,412,187)</u>	<u>\$ 2,926,678</u>	<u>\$ 455,890</u>
Debt Service as a percentage of non-capital expenditures	23.44%	25.44%	20.60%	23.71%

TABLE V

2010	2011	2012	2013	2014	2015
\$ 64,952,946	\$ 63,424,277	\$ 62,436,249	\$ 64,190,855	\$ 68,331,626	\$ 71,473,512
220,916	427,836	206,362	72,625	465,315	157,787
1,809,309	2,798,758	3,933,570	6,292,635	4,373,879	2,389,805
33,242,384	27,458,471	29,624,144	22,638,176	21,680,579	27,764,201
5,133,199	5,363,839	4,884,517	5,363,291	5,334,070	5,646,711
8,124,607	8,506,318	9,026,606	8,557,046	8,158,094	8,499,717
1,048,889	645,339	561,595	447,227	1,032,621	720,029
2,006,582	2,970,138	681,232	701,622	471,284	1,061,883
1,096,745	1,008,826	957,905	1,435,012	977,468	1,325,494
<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>	<u>119,039,139</u>
32,033,725	32,704,574	33,480,041	34,066,744	35,277,067	36,304,029
14,409,099	14,426,940	14,549,841	14,254,052	14,318,832	14,500,431
15,591,587	16,021,673	16,057,731	15,735,629	15,162,080	15,946,104
10,325,583	10,323,564	9,641,691	8,576,328	9,328,272	9,376,134
3,574,549	3,558,628	3,477,530	3,245,037	2,730,952	2,881,136
14,997,906	15,845,275	16,427,630	17,775,542	17,843,490	17,134,443
6,047,885	6,142,542	6,020,730	5,868,579	6,152,993	5,936,861
<u>34,037,802</u>	<u>31,445,093</u>	<u>31,835,793</u>	<u>14,708,996</u>	<u>31,455,759</u>	<u>30,542,971</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>	<u>132,622,109</u>
(13,382,559)	(17,864,487)	(19,178,807)	(4,532,418)	(21,444,509)	(13,582,970)
18,837,640	20,745,486	13,050,826	34,020,304	6,096,250	22,996,382
4,580,000	---	---	---	---	---
(4,725,000)	---	---	---	---	---
672,987	544,257	173,017	824,052	828,720	650,484
(12,480)	---	(27,517)	(133,290)	---	---
39,508	77,145	12,401	113,161	121,123	286,054
62,667	---	---	---	---	32,500
30,327,098	35,811,281	32,079,660	27,831,966	30,533,315	30,575,703
<u>(31,043,628)</u>	<u>(39,148,329)</u>	<u>(32,765,156)</u>	<u>(29,819,250)</u>	<u>(32,234,083)</u>	<u>(39,962,868)</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>14,578,255</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>	<u>\$ 995,285</u>
20.36%	21.40%	21.33%	22.64%	19.44%	18.64%

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
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
2015	\$ 3,748,172,795	\$ 2,147,833,729	\$ 124,421,315	\$ 124,421,315

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		
\$ 3,224,114,339	\$ 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	15.989	59%
\$ 3,872,594,110	\$ 2,272,255,044	\$ 16.364	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
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
2015	\$ 8.335	\$ 4.336	\$ 3.693	\$ 16.364	\$ 16.523	\$ 7.764

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		
\$ 0.699	\$ 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		
\$ 0.780	\$ 0.459	\$ 0.134	\$ 0.003	\$ 25.662	\$ 42.026		

**CITY OF SIOUX CITY, IOWA
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS
JUNE 30, 2015**

TABLE VIII

TAXPAYER	2015			2006		
	ASSESSED ¹ VALUE	RANK	% OF TOTAL ASSESSED VALUE	ASSESSED ² VALUE	RANK	% OF TOTAL ASSESSED VALUE
SOUTHERN HILLS MALL	\$ 59,270,900	1	1.531%	\$ 68,985,100	1	2.140%
MB SIOUX CITY LAKEPORT, LLC	35,515,600	2	0.917%	28,555,400	3	0.886%
WAL-MART	26,921,700	3	0.695%	33,933,700	2	1.052%
KLINGER / MARKETPLACE	23,169,100	4	0.598%	21,965,800	4	0.681%
CURLY'S FOODS, INC.	22,596,200	5	0.583%	---	---	0.000%
CARGILL INC	17,940,700	6	0.463%	---	---	0.000%
DAVIES IOWA LOGISTICS	14,733,400	7	0.380%	11,853,600	10	0.368%
LOWES HOME CENTERS, INC	11,670,600	8	0.301%	---	---	0.000%
SCI SIOUX CITY LLC	11,311,100	9	0.292%	---	---	0.000%
MENARDS, INC	11,131,900	10	0.00287	---	---	0.000%
CLOVERLEAF COLD STORAGE	---	---	0.000%	21,535,400	5	0.668%
DAVENPORT ET AL	---	---	0.000%	21,483,680	6	0.666%
LARRY BOOK	---	---	0.000%	15,778,700	7	0.489%
HANDY LC	---	---	0.000%	15,038,400	8	0.466%
ST. LUKE'S MEDICAL	---	---	0.000%	12,173,200	9	0.378%
TOTAL PRINCIPAL TAXPAYERS	\$ 234,261,200		6.047%	\$ 251,302,980		7.794%
ALL OTHER TAXPAYERS	<u>3,638,332,910</u>		<u>93.953%</u>	<u>2,972,811,359</u>		<u>92.206%</u>
TOTAL ASSESSED VALUATION	<u>\$ 3,872,594,110</u>		<u>100.000%</u>	<u>\$ 3,224,114,339</u>		<u>100.000%</u>

Source: City Assessor, Sioux City, Iowa

Note:

¹ Assessed values as of January 1, 2013.

² Assessed values as of January 1, 2004.

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
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%
2015	\$ 39,417,402	\$ 39,305,029	99.71%	N/A	\$ 39,305,029	99.71%	\$ 112,373	0.29%

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
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
2015	\$ 196,455	\$ 151,646	77%	\$ 1,636,462

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
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	---
2015	\$ 900,000	\$ 110,697,115	\$ ---	\$ 139,680,807	\$ 12,812,885	\$ ---

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
\$	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	14.29%	3,165
\$	264,090,807	14.45%	3,200

**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
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
2015	\$ 123,510,000	\$ 7,169,974	\$ 116,340,026	5.12%	\$ 1,410

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, 2015

TABLE XIII

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE⁷ TO THIS GOVERNMENTAL UNIT</u>	<u>AMOUNT APPLICABLE TO CITY OF SIOUX CITY</u>
Direct:			
City of Sioux City	\$ 111,597,115	100.00%	\$ 111,597,115
Overlapping:			
Woodbury County ¹	3,144,200	65.87%	2,071,085
Sioux City Community School District ²	1,182,784	98.77%	1,168,236
Western Iowa Tech Community College ³	26,445,000	37.70%	9,969,765
Lawton-Bronson School District ⁴	5,380,000	5.45%	293,210
Sergeant Bluff-Luton Comm School District ⁵	<u>1,380,000</u>	24.81%	<u>342,378</u>
Total Overlapping	37,531,984		13,844,674
 TOTAL	 <u>\$ 149,129,099</u>		 <u>\$ 125,441,789</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 161,205,717	\$ 170,183,839	\$ 172,515,895	\$ 179,442,994
Total net debt applicable to limit	<u>102,542,645</u>	<u>92,686,169</u>	<u>98,601,902</u>	<u>96,043,190</u>
Legal Debt Margin	<u>\$ 58,663,072</u>	<u>\$ 77,497,670</u>	<u>\$ 73,913,993</u>	<u>\$ 83,399,804</u>
Total net debt applicable to limit as a percentage of debt limit	63.61%	54.46%	57.16%	53.52%

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

2010	2011	2012	2013	2014	2015
\$ 182,006,722	\$ 185,287,457	\$ 186,844,264	\$ 192,613,415	\$ 192,769,882	\$ 193,629,706
98,103,294	103,719,175	99,576,761	118,379,958	109,308,866	117,240,026
<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>	<u>\$ 76,389,680</u>
53.90%	55.98%	53.29%	61.46%	56.70%	60.55%

**CITY OF SIOUX CITY, IOWA
LEGAL DEBT MARGIN CALCULATION
JUNE 30, 2015**

TABLE XV

ASSESSED VALUE

Real and Personal Property Within the City		\$ 3,872,594,110
TOTAL ESTIMATED VALUATION		3,872,594,110
DEBT LIMIT - 5% OF ESTIMATED VALUATION		193,629,706

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable		264,090,807
Less:		
Notes Payable		
Sewer Revolving Notes Payable	77,830,000	
Water Revolving Notes Payable	61,850,807	
		139,680,807
Amount Available for Repayment of General Obligation Debt		7,169,974

DEBT APPLICABLE TO DEBT LIMIT		117,240,026
LEGAL DEBT MARGIN		\$ 76,389,680

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
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
2015	82,517	\$ 1,827,173,931	\$ 22,143

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
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	15,895	3.80%
19%	34.0	16,098	3.70%

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

TABLE XVII

EMPLOYER	2015			2006		
	# OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	# OF EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Tyson Fresh Meats	4,906	1	11.74%	3,850	1	9.08%
Sioux City Community School District	1,580	2	3.78%	1,500	4	3.54%
Unity Point Health-St. Luke's	1,420	3	3.40%	1,300	5	3.07%
Mercy Medical Center	1,292	4	3.09%	2,000	2	4.72%
City of Sioux City ¹	1,139	5	2.72%	787	7	1.86%
Hy-Vee	1,098	6	2.63%			
185th Iowa Air National Guard	950	7	2.27%	690	9	1.63%
Curly's Foods	701	8	1.68%			
Western Iowa Tech Community College	650	9	1.56%	706	8	1.67%
Tur Pak Foods Inc.	647	10	1.55%			
Gateway				1,800	3	4.25%
John Morrell				1,300	6	3.07%
MidAmerican Energy Company				659	10	1.55%
Total Principal Employers	14,383		34.42%	14,592		34.44%
Other Employers	27,417		65.58%	27,808		65.56%
Total Employers	41,800		100.00%	42,400		100.00%

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

Notes:

Total employees represent full and part-time. Part-time employees began to be included in FY2014.

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

Function	2006	2007	2008	2009
Public Safety				
Fire	117.00	117.00	116.00	116.00
Police	153.65	152.65	153.65	151.65
Public Works				
Central Maintenance Garage ¹	-	-	-	-
Engineering	20.00	20.00	20.00	20.00
Field Services ²	137.81	139.81	137.11	138.95
Transit ³	52.02	51.02	53.02	53.02
Culture and Recreation				
Art Center	9.99	9.99	9.49	10.49
Convention Center/Auditorium/Tourism ^{4, 10}	58.71	58.59	58.59	54.82
Library	36.27	36.27	36.47	36.47
Museum	9.61	9.52	9.72	9.37
Parks and Recreation ²	-	-	-	-
Community and Economic Development ⁵				
Community Development	42.38	41.38	45.88	45.88
Economic Development	8.00	8.00	4.75	4.75
General Government				
Administrative Services ⁶	39.55	49.00	49.55	49.00
City Council	5.00	5.00	5.00	5.00
City Manager	3.88	3.75	3.75	3.75
Finance ⁶	11.58	-	-	-
Human Resources ⁷	4.00	4.63	4.63	4.63
Human Rights	2.00	2.60	2.80	2.80
Legal	7.00	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	17.83	16.95	16.95	17.53
Water	34.00	30.80	33.50	32.50
Sewer ⁸	15.00	13.00	13.00	13.00
Solid Waste ⁹	2.00	1.50	-	-
	<u>825.68</u>	<u>816.86</u>	<u>819.26</u>	<u>815.01</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.

¹⁰ In 2015, the Convention Center operations was contracted out to Centerplate.

TABLE XVIII

2010	2011	2012	2013	2014	2015
116.00	116.00	115.00	115.00	114.00	114.00
151.65	151.65	149.65	149.65	148.65	147.65
-	-	-	-	25.00	25.00
19.00	19.00	18.00	18.00	20.00	19.00
139.28	138.90	136.48	135.48	72.10	68.10
56.02	56.02	56.02	55.15	32.65	32.65
10.36	9.89	8.72	8.50	8.50	8.50
54.82	54.82	54.14	53.82	46.36	32.77
35.47	34.47	32.47	31.48	33.48	32.98
9.25	10.25	10.25	10.05	10.05	10.05
-	-	-	-	66.50	66.89
44.88	42.88	40.88	40.38	40.38	40.01
5.00	5.00	5.00	5.00	5.00	5.00
48.75	49.05	48.90	49.10	37.00	37.00
5.00	5.00	5.00	5.00	5.00	5.00
3.75	3.75	2.75	2.00	2.00	2.00
-	-	-	-	14.58	13.49
4.63	4.63	4.53	4.53	4.53	4.53
2.80	2.80	2.60	2.60	2.80	2.80
7.00	7.00	7.00	7.00	7.00	8.00
24.40	24.40	24.40	24.40	24.40	24.40
14.00	13.00	13.00	13.00	14.00	14.00
16.03	15.03	15.03	15.03	15.03	14.28
32.50	31.50	34.50	34.50	34.38	38.38
13.00	13.00	37.00	38.00	39.00	39.00
-	-	-	-	-	-
<u>813.59</u>	<u>808.04</u>	<u>821.32</u>	<u>817.67</u>	<u>822.39</u>	<u>805.48</u>

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

Fiscal Year Function	Fiscal Year			
	2006	2007	2008	2009
Police				
Average physical arrests per day - adult	14.9	15.7	14.6	15.2
Average physical arrests per day - juvenile	4.5	5.0	4.0	4.5
Traffic citations issued	13,117	13,190	9,705	14,892
Fire				
Number of suppression calls	1,704	1,550	1,576	1,679
Number of emergency medical calls	3,931	4,399	4,524	4,758
% of responses where EMS on scene in 4 min	50%	62%	86%	87%
Number of hazardous materials incidents in city	6	3	9	3
Public Works				
Streets cleaned per year (miles)	19,620	15,281	13,301	11,846
Asphalt placed (tons)	889	991	1,854	1,849
Potholes repaired	19,833	22,447	28,404	27,533
Dirt miles bladed and shaped	5,607	4,837	8,039	17,568
Total Transit System miles	681,902	666,987	677,453	743,317
Total Transit System passengers ²	860,519	970,808	1,224,567	1,203,818
Total Transit System passengers per mile	1.26	1.46	1.81	1.62
Culture and Recreation				
Swimming pool attendance ¹	85,396	77,684	70,248	64,460
Museum visitation	50,893	50,741	47,412	50,008
Community and Economic Development				
Total residential/commercial permits issued	3,201	3,115	3,055	2,895
Property value for commercial permits issued	\$108,305,627	\$126,792,169	\$151,235,117	\$146,361,953
Property value for residential permits issued	\$24,491,184	\$26,641,760	\$27,305,791	\$24,551,180
Number of inspections made	25,026	23,324	25,012	26,153
Water				
Water production (millions of gallons) ⁴	5,081	4,844	5,024	4,775
Water main breaks per miles of pipe	0.21	0.29	0.25	0.21
Total main breaks	86	122	113	102
Length of service disruption per break (hours)	6.13	9.53	6.33	6.93
Sewer				
Sewer backups	93	95	90	78
Total hours per sewer backup	5.27	6.13	8.20	9.10
Solid Waste				
Refuse collected (tons/day) ³	121.85	n/a	n/a	n/a
Recyclables collected (tons/day) ³	8.78	n/a	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

2010	2011	2012	2013	2014	2015
14.3	14.1	12.8	13.9	13.1	13.1
3.8	4.2	3.9	3.2	3.0	2.6
12,376	10,885	10,323	10,408	11,268	9,773
1,564	1,624	1,584	1,690	1,745	1,717
4,909	5,203	5,215	5,316	5,551	6,386
83%	80%	84%	82%	82%	81%
7	7	10	9	15	17
14,068	13,982	13,156	13,365	11,684	13,502
2,401	2,651	2,266	1,821	1,662	1,469
38,181	41,841	31,782	36,936	29,889	29,967
17,713	12,215	10,982	8,319	7,965	11,073
781,697	875,120	852,875	790,196	777,667	784,011
1,202,255	1,250,294	1,204,897	1,111,830	1,113,911	1,128,535
1.54	1.43	1.41	1.41	1.43	1.44
52,132	49,336	65,256	64,991	55,216	55,018
46,828	33,903	77,281	69,497	69,674	68,305
2,943	2,858	3,038	2,837	2,920	2,869
\$101,417,640	\$82,687,755	\$98,358,399	\$97,358,414	\$256,865,890	\$133,486,250
\$24,682,987	\$18,399,761	\$23,192,263	\$28,586,954	\$32,529,880	\$44,822,435
23,250	23,568	25,468	32,348	45,501	48,161
4,654	4,365	4,044	4,763	4,720	3,586
0.24	0.25	0.28	0.39	0.32	0.28
115	119	132	184	152	133
5.67	7.96	8.61	4.35	5.59	5.24
77	44	49	51	47	42
5.03	7.23	14.40	4.28	7.12	7.27
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			
	2006	2007	2008	2009
Police				
Stations	1	1	1	1
Patrol Cars	52	46	51	57
Training Centers	1	1	1	1
Fire				
Stations	7	7	7	7
Engines	14	14	14	14
Public Works				
Transit Buses	42	38	41	42
Streets (miles)	510	510	489	489
Streetlights (City Owned)	1,379	1,457	1,461	1,476
Sidewalks (miles)	497	497	497	600
Culture and Recreation				
Parks Acres	1,403	1,600	1,700	1,700
Parks	57	57	58	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)	185	185	185	185
Water				
Fire Hydrants (City maintained)	3,543	3,535	3,524	3,524
Water Mains (miles)	415	450	450	483
Sewer				
Sanitary Sewer (miles)	320	360	360	372
Storm Sewer (miles)	200	200	200	200
Solid Waste				
Solid Waste Collection Trucks	11	14	12	12
Recycling Trucks	5	5	0	0

TABLE XX

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
53	52	59	60	48	49
1	1	1	1	1	1
7	7	7	7	7	7
15	15	14	13	14	14
43	43	40	37	36	36
489	489	489	491	491	491
1,499	1,499	1,517	1,560	1,761	1,761
600	600	600	600	600	600
1,700	1,700	1,700	1,711	1,711	1,711
58	58	57	58	58	58
5	5	5	5	5	5
22	20	20	20	20	20
13	12	12	12	12	12
34	34	34	34	34	34
10	10	10	12	12	12
2	2	2	2	2	2
29	29	29	30	30	30
225	225	225	225	225	225
185	185	185	185	185	185
3,665	3,661	3,941	4,004	4,080	3,820
475	462	466	466	474	473
360	362	363	363	364	367
228	246	256	259	265	278
12	14	14	13	15	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, 2015**

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	\$ 61,384	\$ 507,781	\$ 569,165
Accounts Receivable	101,968	---	101,968
Total Assets	<u>163,352</u>	<u>507,781</u>	<u>671,133</u>
<u>LIABILITIES</u>			
Accounts Payable	1,273	---	1,273
Security Deposits	79,971	---	79,971
Deferred Revenue	58,049	---	58,049
Accrued Liabilities-Current	30,657	---	30,657
Total Liabilities	<u>169,950</u>	<u>---</u>	<u>169,950</u>
<u>EQUITY:</u>			
Restricted Net Position	(6,598)	---	(6,598)
Unrestricted Net Position	---	507,781	507,781
Total Equity/Net Position	<u>(6,598)</u>	<u>507,781</u>	<u>501,183</u>
Total Liabilities and Equity/Net Position	<u>\$ 163,352</u>	<u>\$ 507,781</u>	<u>\$ 671,133</u>

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 2015**

EXHIBIT E-2

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

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Position	<u>\$ (6,598)</u>	<u>\$ 507,781</u>	<u>\$ 501,183</u>
Total	(6,598)	507,781	501,183

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	1,273	---	1,273
Accrued Wages	30,657	---	30,657
Deferred Revenue	58,049	---	58,049
Security Deposits	79,971	---	79,971

Income Not Received:

Accounts Receivable	<u>(101,968)</u>	<u>---</u>	<u>(101,968)</u>
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General Fund Cash Available	<u><u>\$ 61,384</u></u>	<u><u>\$ 507,781</u></u>	<u><u>\$ 569,165</u></u>
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**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SALARY, ALLOWANCES,
AND REIMBURSED EXPENSES
FOR TEN HIGHEST PAID EMPLOYEES
FOR THE YEAR ENDED JUNE 30, 2015**

EXHIBIT E-3

NAME	SALARY ¹	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Robert Padmore, City Manager	\$161,050	\$8,158	Auto/cell phone allowance, travel reimbursement
Jade Dundas, Assistant City Manager Public Works	\$131,652	\$4,613	Cell phone allowance, travel reimbursement
Nicole Jensen-Harris, City Attorney	\$129,984	\$5,869	Auto/cell phone allowance, travel reimbursement
John J. Malloy, Information Services Director	\$118,423	\$819	Travel reimbursement, cell phone allowance
Thomas Everett, Fire Chief	\$117,241	\$5,027	Travel/clothing reimbursement
James Clark, Jr, Assistant Fire Chief	\$115,423	\$11,012	Clothing/cell phone allowance, travel reimbursement
Douglas A. Young, Police Chief	\$114,759	\$2,610	Travel/clothing reimbursement
Donna Forker, Finance Director	\$110,834	\$3,236	Cell phone allowance, travel reimbursement
Glenn Ellis, City Engineer	\$110,640	\$6,293	Cell phone allowance, travel reimbursement
Melvin Williams, Police Captain	\$104,718	\$2,057	Clothing/cell phone allowance

Notes:

¹ Salary includes allowances/reimbursed expenses.

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$4,330,000			
City Project #911-147			
Matures:	2016	4.13%	430,000
			\$ 430,000
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$12,990,000			
City Project # 911-149			
Matures:	2016	4.00%	1,295,000
			\$1,295,000
Type: Corporate Purpose			
Issued: 12/1/05			
Amount Issued: \$1,830,000			
City Project # 911-150			
Matures:	2016	4.13%	180,000
			\$ 180,000
Type: Corporate Purpose			
Issued: 12/1/06			
Amount Issued: \$8,755,000			
City Project # 911-151			
Matures:	2016	4.00%	875,000
	2017	4.00%	875,000
			\$1,750,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$9,385,000			
City Project # 911-152			
Matures:	2016	4.00%	935,000
	2017	4.00%	935,000
	2018	4.00%	935,000
			\$2,805,000
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$4,525,000			
City Project # 911-153			
Matures:	2016	4.00%	450,000
	2017	4.00%	450,000
	2018	4.00%	450,000
			\$1,350,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 12/1/07			
Amount Issued: \$10,990,000			
City Project # 911-154			
Matures:	2016	5.00%	1,100,000
	2017	5.00%	1,095,000
	2018	5.00%	<u>1,095,000</u>
			\$3,290,000
Amount Issued \$9,435,000			
City Project # 911-158			
Matures:	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%	<u>855,000</u>
			\$5,130,000
Type: Corporate Purpose			
Issued: 4/1/09			
Amount Issued: \$5,550,000			
City Project # 911-159			
Matures:	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%	<u>500,000</u>
			\$3,000,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$13,750,000			
City Project # 911-162			
Matures:	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%	<u>1,145,000</u>
			\$8,015,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

	<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:	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
			\$3,275,000
Type: Corporate Purpose			
Issued: 3/1/10			
Amount Issued: \$2,080,000			
City Project # 911-164			
Matures:	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
			\$1,030,000
Type: Corporate Purpose			
Issued: 5/1/11			
Amount Issued: \$23,425,000			
City Project # 911-166			
Matures:	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
			\$14,610,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$9,635,000			
City Project # 911-167			
Matures:	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
			\$6,740,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

	<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>			
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$8,820,000			
City Project # 911-168			
Matures:			
	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
		<hr/>	\$7,060,000
Type: Corporate Purpose			
Issued: 6/20/12			
Amount Issued: \$4,840,000			
City Project # 911-169			
Matures:			
	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
		<hr/>	\$3,385,000
Type: Corporate Purpose			
Issued: 6/28/13			
Amount Issued: \$4,480,000			
City Project # 911-170			
Matures:			
	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
		<hr/>	\$3,580,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

	<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:			
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	
			\$21,050,000

GENERAL OBLIGATION BONDS

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

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	
			\$6,030,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

	<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:	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
			\$1,395,000
Type: Corporate Purpose			
Issued: 6/8/15			
Amount Issued: \$23,030,000			
City Project # 911-174			
Matures:	2016	2.00%	2,055,000
	2017	2.00%	2,115,000
	2018	2.00%	2,155,000
	2019	2.00%	2,200,000
	2020	3.00%	2,240,000
	2021	3.00%	2,310,000
	2022	3.00%	2,380,000
	2023	3.00%	2,450,000
	2024	3.00%	2,525,000
	2025	3.00%	2,600,000
			\$23,030,000

**CITY OF SIOUX CITY
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2015**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 6/8/15				
Amount Issued: \$5,080,000				
City Project # 911-175				
Matures:	2016	3.00%	440,000	
	2017	3.00%	455,000	
	2018	3.00%	470,000	
	2019	3.00%	485,000	
	2020	3.00%	500,000	
	2021	3.00%	515,000	
	2022	3.00%	530,000	
	2023	3.00%	545,000	
	2024	3.00%	560,000	
	2025	3.00%	580,000	
			580,000	\$5,080,000
 <u>GENERAL OBLIGATION BONDS</u>				
Total General Obligation Bonds				\$123,510,000

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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, 2015**

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	05-79-05402	\$ 1,182,561	\$ 123,878	\$ 740,628
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Community Development Block Grant Entitlement	14.218	B-12-MC-19-0006	1,507,259	458,498	463,672
	14.218	B-13-MC-19-0006	1,534,726	1,441,865	1,494,005
Emergency Solutions Grant Program	14.231	E-12-MC-19-0002	150,637	25,533	13,737
	14.231	E-13-MC-19-0002	109,959	34,525	29,061
Home Investment Partnerships Program	14.239	M-11-DC-19-0207	484,857	186,040	164,308
	14.239	M-12-DC-19-0207	376,184	99,820	138,755
Fair Housing Assistance Program	14.401	FF207K107018	47,160	-	24,522
	14.401	FF207K137018	159,591	-	91,257
	14.401	FF207K147018	30,642	30,642	-
Section 8 Voucher Program	14.871	IA018VO0167	4,604,804	4,604,804	4,976,734
Section 8 Voucher Program-FSS	14.871	IA018FSH187A014	136,263	136,263	156,823
Lead-Based Paint Hazard Control	14.900	IALHB0542-12	2,480,000	953,102	985,374
Passed through Iowa Department of Economic Development					
Community Development Block Grant/State Program and Non-Entitlement Grants	14.228	08-NSP-021	1,158,426	14,146	14,938
	14.228	11-NSP-021	1,000,000	128,613	-
Passed through Iowa Finance Authority					
Emergency Solutions Grant Program	14.231	1-ES-15	79,762	-	66,488
U.S. DEPARTMENT OF JUSTICE					
Passed through Woodbury County					
Byrne-Justice Assistance Grant (JAG) Program	16.738	11-JAG-58524	169,075	8,466	-
	16.738	12-JAG-76548	115,080	115,080	115,080
	16.738	2011-DJ-BX-3015	28,546	-	276
	16.738	2012-DJ-BX-0969	21,945	-	16,391
	16.738	2013-DJ-BX-0979	21,705	21,705	4,341
	16.738	2014-DJ-BX-0206	21,705	21,705	21,705
U.S. DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program	16.607	2012BUBX12062572	11,764	1,544	443
	16.607	2013BUBX13067548	\$ 5,177	\$ 2,003	\$ 2,175

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2015

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	\$ 39,506	\$ 43,176
Federal Aviation Administration					
Airport Improvement Project	20.106	AIP319008546-2012	1,130,195	221,487	-
	20.106	AIP319008547-2013	433,801	-	143,888
	20.106	AIP319008549-2015	2,250,000	-	145,159
Passed through Iowa Department of Transportation					
Highway Planning and Construction	20.205	BHM7057(674)8K97	654,853	47,446	20,258
	20.205	BHM7057(687)8K97	1,000,000	-	2,345
	20.205	BRM7057(650)8N97	1,000,000	20,732	-
	20.205	HDP7057(685)7I97	300,000	300,000	215,653
	20.205	STPA7057(676)8697	546,000	474,328	546,000
Transportation Enhancement Program	20.205	STPESE7057(665)8I97	477,142	1,018	-
	20.205	STPESE7057(679)8I97	55,352	55,352	55,352
Surface Transportation Program	20.205	STPU7057(644)7097	5,252,692	9,158	-
	20.205	STPU7057(689)7097	1,753,700	116,860	125,212
National Scenic Byways Program	20.205	SBIA7057(664)2T97	138,880	85,768	48,598
Rail Line Relocation-Federal Rail Administration	20.320	FRLRI0056130100	2,000,000	1,065,260	879,530
Transit JPA Transportation for Elderly/Disabled	20.513	IA-16-X005-705-15	78,175	78,175	78,175
Transit JPA Job Access/Reverse Commute	20.516	IA-37-X022-705-14 16240	6,560	2,447	3,266
Transit JPA New Freedom Operating Assistance	20.521	IA-57-X009-705-14 14904	1,109	709	598
	20.521	IA-57-X009-705-14 16239	17,469	310	638
FEDERAL TRANSIT ADMINISTRATION					
Transit Operating Assistance	20.507	IA90X441	1,355,937	1,355,937	-
Transit Capital Assistance	20.507	IA90X507	1,482,513	-	1,482,513
DEPARTMENT OF PUBLIC SAFETY					
Passed through Governor's Traffic Safety Bureau					
Alcohol Incentive Grant	20.601	PAP 14-405dM6OT Task49	33,810	20,034	12,501
	20.601	PAP 15-405dM6OT Task52	\$ 43,400	\$ 16,101	\$ 25,803

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2015**

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
DEPARTMENT OF EDUCATION					
Passed through IPTV Board					
Ready to Learn Television	84.295	18191	\$ 1,200	\$ 798	\$ 798
OFFICE OF NATIONAL DRUG CONTROL POLICY					
High Intensity Drug Trafficking Area/HIDTA	95.001	G13MW0002A	138,242	12,760	9,495
	95.001	G14MW0002A	151,206	87,239	70,037
	95.001	G15MW0002A	148,006	37,457	77,050
U.S. DEPARTMENT OF HOMELAND SECURITY					
Public Assistance Grant Program	97.036	DR-1998	2,639,734	119,841	136,166
	97.036	DR-4184	297,807	297,807	143,607
Urban Search & Rescue Task Force	97.067	2011-SS-00071-S01-12	199,437	199,437	-
	97.067	2013-SS-0004-S01	185,000	61,592	117,056
	97.067	2014-SS-00021	\$ 169,800	-	57,652
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 13,135,791	\$ 13,961,239

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2015**

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		15-RSAD-10	\$ 50,000	\$ 37,500	\$ 50,000
Economic Regions Development Initiatives Grant		15-RMG-11	15,700	7,850	2,559
IOWA DEPARTMENT OF TRANSPORTATION					
Public Transit Infrastructure Grant		STA-IG-705-FY14	416,000	235,932	96,502
		STA-IG-705-FY15	208,800	140,000	140,424
STA Joint Participation Agreement		STA-FORM-705-FY15	345,335	345,335	345,335
		STA-SPEC-705-FY14	4,000	2,580	2,580
		STA-SPEC-705-FY15	2,000	1,468	2,000
Commercial Air Service Vertical Infrastructure		91130SUX200	103,848	30,423	57,966
		91140SUX200	105,151	-	54,344
		91150SUX200	103,884	9,379	9,379
Air Service Development Program		91140SUX135	28,000	11,846	15,057
		91150SUX135	28,000	-	3,400
Air Improvement Program		91130SUX100	230,004	21,787	3,739
		15264 91140SUX100	60,000	35,550	52,761
		15265 91140SUX100	161,000	30,164	25,947
Immediate Safety Enhancement Grant		91150SUX140	8,295	8,295	8,295
Revitalize Iowa's Sound Economy Program		RM7057(673)9D97	4,791,519	-	2,326
		RM7057(675)9D97	665,677	37,193	-
		RM7057(684)9D97	1,640,500	-	422,734
		RM7057(690)9D97	710,381	-	39,342
Railroad Revolving Loan/Grant Program		RRLGST11(06)9T97	3,000,000	2,244,715	2,493,071
IOWA HOMELAND SECURITY					
Public Assistance Grant Program		DR-4184	39,451	-	19,148
STATE LIBRARY OF IOWA					
Enrich Iowa		FY2014 Direct Aid	16,687	-	394
		FY2015 Direct Aid	16,982	16,982	6,871
IOWA DEPARTMENT OF NATURAL RESOURCES					
Resource Enhancement & Protection (REAP)		09-R4-VC	\$ 124,010	124,010	-
TOTAL STATE FINANCIAL ASSISTANCE				<u>3,341,009</u>	<u>3,854,174</u>
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				<u>\$ 16,476,800</u>	<u>\$ 17,815,413</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

- (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, 2015, are:

	<u>Balance</u>
CDBG loans	\$215,150
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, 2015

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	CFDA #14.218
Section 8 Voucher Program	CFDA #14.871
Highway Planning and Construction	CFDA #20.205
Rail Line Relocation and Improvement	CFDA #20.320
Federal Transit - Capital Investment Grants	CFDA #20.507

- h. Dollar threshold used to distinguish between Type A and Type B programs:
\$418,837.
- 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, 2015

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

15-IV-A – Certified Budget – City expenditures during the year ended June 30, 2015 did not exceed the amounts budgeted.

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

15-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.

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

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

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

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

15-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.

15-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
07/01/14 - 06/30/15

	FY-14 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-15 Total	FY-15 Program Total
Revenue:							
Collections	\$ 3,684,670	\$ 49,606	\$ 35,514	\$ 20,767	\$ 28,483	\$ 134,370	\$ 3,819,040
Interest	1,676	-	-	-	-	-	1,676
Total Revenue	3,686,346	49,606	35,514	20,767	28,483	134,370	3,820,716
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)	252,139	-	-	-	-	-	252,139
Financing & Interest	65,556	-	-	-	-	-	65,556
Acquire Replacement Snow Blower	20,000	-	-	-	-	-	20,000
Financing & Interest	5,200	-	-	-	-	-	5,200
Total Application #5	711,255	-	-	-	-	-	711,255

PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
07/01/14 - 06/30/15

	FY-14 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-15 Total	FY-15 Program Total
Application #6							
Snow Removal Equipment Building	6,971	49,606	6,096			55,702	62,673
Rehabilitate Apron (Design)	-					-	-
Rehabilitate Apron (Construction)	-		8,279			8,279	8,279
Acquire Snow Removal Equip-Deicer	-					-	-
Rehabilitate Terminal Building	-		21,139	20,767	28,483	70,389	70,389
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	<u>6,971</u>	<u>49,606</u>	<u>35,514</u>	<u>20,767</u>	<u>28,483</u>	<u>134,370</u>	<u>141,341</u>
Total Disbursements	<u>3,686,346</u>	<u>49,606</u>	<u>35,514</u>	<u>20,767</u>	<u>28,483</u>	<u>134,370</u>	<u>3,820,716</u>
Net PFC Revenue (rev. - disb.)							
PFC Account Balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Notes:

- Schedule is presented on the cash basis of accounting.

CITY OF SIOUX CITY, IOWA

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. 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, 2015.

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, 2015

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, 2015 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, 2015.

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, 2015
Sioux City, Iowa