



# City of Council Bluffs, Iowa

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019





Comprehensive Annual Financial Report

City of Council Bluffs, Iowa

For the Fiscal Year Ended June 30, 2019

Prepared by the City of Council Bluffs Finance Department



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# Introductory Section

June 30, 2019

City of Council Bluffs





December 19, 2019

To the Honorable Mayor, Members of the City Council and Citizens of the City of Council Bluffs:

State law requires cities to publish a complete set of financial statements and the financial condition and transactions be examined annually by the Auditor of State or by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Council Bluffs for the fiscal year ended June 30, 2019. The financial statements are presented in conformity with the United States of America generally accepted accounting principles (GAAP).

This report was prepared by members of the management of the City and constitutes their representations concerning the financial condition and financial activities of the City. As such, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City established a system of internal control procedures designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information from which the City's annual financial statements are prepared in conformity with GAAP. This internal control framework is designed to provide reasonable, but not absolute, assurance these objectives are met. Reasonable assurance considers the cost of an internal control should not exceed the intended benefits and the valuation of costs and benefits associated with internal controls require estimates and judgments by management. As members of management, we assert, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Eide Bailly, LLP. The objective of an independent audit is to provide reasonable assurance the basic financial statements of the City for the year ended June 30, 2019 are free of material misstatement. The independent audit involved examining evidence supporting the amounts and disclosures in the basic financial statements on a test basis. Additionally, the audit assessed the City's accounting principles, significant estimates made by management, and evaluated the overall presentation of the basic financial statements.

Based on their audit, the independent auditors concluded there was a reasonable basis to give an unmodified opinion the City's financial statements for the year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first item of the Financial Section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited governments internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the City's Single Audit for the fiscal year ended June 30, 2019 provided no instances of material weaknesses in the internal control over compliance or significant violations of applicable laws, regulations, contracts and grants. The results of the Single Audit are

reported in the Information Provided to Comply with Governmental Auditing Standards and the Uniform Guidance Section of this report.

Generally accepted accounting principles require that management provide a narrative introduction overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. The MD&A is located immediately after the Independent Auditor's Report in the Financial Section.

### Profile of the City

The City of Council Bluffs is the county seat of Pottawattamie County, situated on the Missouri River in Western Iowa, adjacent to Omaha, Nebraska and 125 miles west of the State Capital, Des Moines, Iowa. The City encompasses 40.97 square miles and serves a population of 62,421 (United States Census Bureau 2018 estimate based on 2010 census). The United States Census Bureau estimate of the Omaha-Council Bluffs Metropolitan 2018 estimated population was 944,316. The diverse business community includes gaming, railroad transportation, food processing and production, hospitality and health care.

The City is governed by a "strong-Mayor" form of government. The Mayor and five City Council members are elected on a non-partisan basis every four years. The Mayor presides at all meetings of the City Council and is responsible for the administration of the City. The City Council appoints the City Attorney and the City Clerk. The Mayor appoints the Chiefs of Staff, Police and Fire and the Directors of Community Development, Finance, Human Resources, Information Technology, Library, Parks and Public Works.

The City provides a full range of services including police and fire protection; solid waste collection; construction and maintenance of streets, sewers and bridges; sewage collection and treatment; planning and zoning; and culture and recreation which include two swimming pools, an eighteen hole golf course, 594 acres of parks, 43 miles of walking and biking trails and various historic landmarks. The City owns and leases a commercial building to the Bass Pro Shop. Council Bluffs also owns the Mid America Center, a full service convention center and a 7,000 plus seat arena facility. In addition, the City reports the Council Bluffs Airport Authority and the Council Bluffs Library Foundation as component units.

The annual budget serves as the comprehensive financial plan for each fiscal year. The budget is developed by the Department Heads as coordinated by the Chief of Staff and the Director of Finance under the direction of the Mayor. Department heads, the Mayor and the Chief of Staff identify key services the City intends to provide in the upcoming fiscal year. Additionally, the Chief of Staff coordinates an ongoing five-year capital improvement plan with Department Heads. Department Heads and the Director of Finance project revenue based on taxing information, volumes and amounts of fees for services and other revenue. The budget is presented and adopted by the City Council and then forwarded to the Iowa Department of Management prior to March 31 for the fiscal year beginning the following July 1.

In the event City administration finds it necessary to deviate from the approved budget, the Director of Finance identifies the cause of the deviation, prepares a budget amendment and presents the amendment to the City Council for approval for proper appropriation of funding.

### Factors Affecting Financial Condition

Greater understanding of the information in the financial statements may be gained when considered in the broader perspective of the environment in which the City operates.

Local Economy – Council Bluffs is the largest city in southwest Iowa and also has an alternate identity as the largest suburb in the metropolitan Omaha area. The City supports a large agricultural community in Pottawattamie County, is developing as a technology center due to favorable utility rates and ready access to utility providers, and will benefit from its strategic location at the intersection of east/west Interstate 80 and north/south Interstate 29. The City is undergoing an initiative to develop the western edge of Council Bluffs, the Missouri riverfront, to incorporate parks, housing and a corporate office center to boost the City’s tax base and to highlight the City’s front door from the West. A private development company continued the development of a neighborhood including 388 new homes on the east side of Council Bluffs. The metropolitan area has seen the unemployment rate drop to 2.9% in 2019 from 3.9% in 2010.

The City of Council Bluffs is committed to developing the riverfront into a greenspace which has enhanced the natural setting. This includes the Bob Kerry Pedestrian Bridge between Omaha and Council Bluffs and Tom Hanafan River’s Edge Park. The City has received numerous awards recognizing the park for its environmental impact and design. The City is also committed to increase its tax base by promoting economic development. River’s Edge, a major development on the riverfront, continued construction in fiscal year 2019 with the completion of a 67,000 square foot office building, a 743 space-parking garage, 6,300 sq. ft. of retail, and 32 apartments. Construction continues on the 200-unit apartment building. The City also continued the West Broadway reconstruction as well as increased investment in the entertainment district. Additionally the Police Headquarters was completed in December 2018, and came in under budget.

The tax base composition is diverse, consisting of 45.35% residential, 27.16% utilities, 21.11% commercial, 2.00% industrial and 4.38% agricultural, multi-residential, railroad and other. The largest taxpayer accounts for 4.80% of total value and the remaining nine leading taxpayers account for a combined total of 12.12% of the taxable value.

Budget Challenges – Recent year’s budget processes have faced the challenges presented by the current state and national economies. Challenges include State shared revenue reductions, increased cost of health care, and increased costs of liability and property insurance.

Long-term financial planning and major initiatives –The City has adopted a Capital Improvement Plan (CIP) to manage and direct the growth and maintenance of public infrastructure. The Plan includes provisions for streets, parks and recreational facilities, trails, property improvements, levee reconstruction, and sewer infrastructure. Projects in the CIP demonstrate the importance of developing long range financial planning strategies to facilitate the growth and prosperity of the City. The process assists with both short and long range financial planning needs by:

- Prioritizing and scheduling capital projects and acquisitions over the next five years; and
- Identifying funding sources for capital projects and acquisitions.

Key investment project areas for fiscal year 2019 were:

- West Broadway road reconstruction - \$7,917,000
- Police department headquarters - \$6,609,000
- Emergency Sewer Repairs - \$4,451,000
- East Beltway road construction - \$3,431,000
- Levee projects - \$1,105,000

## City Awards

The Government Finance Officers Association of the United States and Canada (GFOA) again awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Council Bluffs, Iowa for its Comprehensive Annual Financial Report for the year ended June 30, 2018. This was the eighth consecutive year the City has achieved this award. 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. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements. The City will submit this report to the GFOA to determine eligibility for another certificate.

The City is proud to have received several major awards during recent years which demonstrates the City's desire to promote its image as a great place to live. The following awards were received:

1. All American City – Received in 2017 for its civic engagement to help more young children from low-income families achieve grade-level reading proficiency and early school success. Council Bluffs was one of just 15 communities nationwide to receive the award from the Campaign for Grade-Level Reading and the National Civic League, which created the program 67 years ago, during Grade-Level Reading Week in Denver, Colorado at the All-America City Awards.
2. Iowa Tourism – Best Website for [www.unleashcb.com](http://www.unleashcb.com), Best Event for Loessfest 2017, and Outstanding Community
3. Iowa Great Places Designation – For the PACE Harvester II Project to promote arts
4. Money Magazine – Top 100 Places to live
5. PRSA Paper Anvil Award for the 100 Block Initiative
6. National Center for Arts Research named the Omaha-Council Bluffs metro area for medium communities recognizing Council Bluffs for our public art displays, South Main district, and the Hoff Family Art Culture Center

## Acknowledgements

Elected officials and staff take great pride in providing high quality municipal services, including transparent and clear financial reporting and budgeting. The City's recognition of reporting excellence by the GFOA and the City's AA2 bond rating is reflective of the City's competency, efficiency and attention to detail. Preparation of this report would not be possible without the contributions of many persons committed to providing our residents with quality financial information. This includes all Department Heads, City Council members, the Chief of Staff and the Mayor who support and encourage the commitment to internal controls, cooperation among departments and a complete flow of financial information to the public. Preparation of this report was accomplished through the dedicated services provided by the Finance Department staff.

Respectfully submitted,



Kathryn Knott  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Council Bluffs  
Iowa**

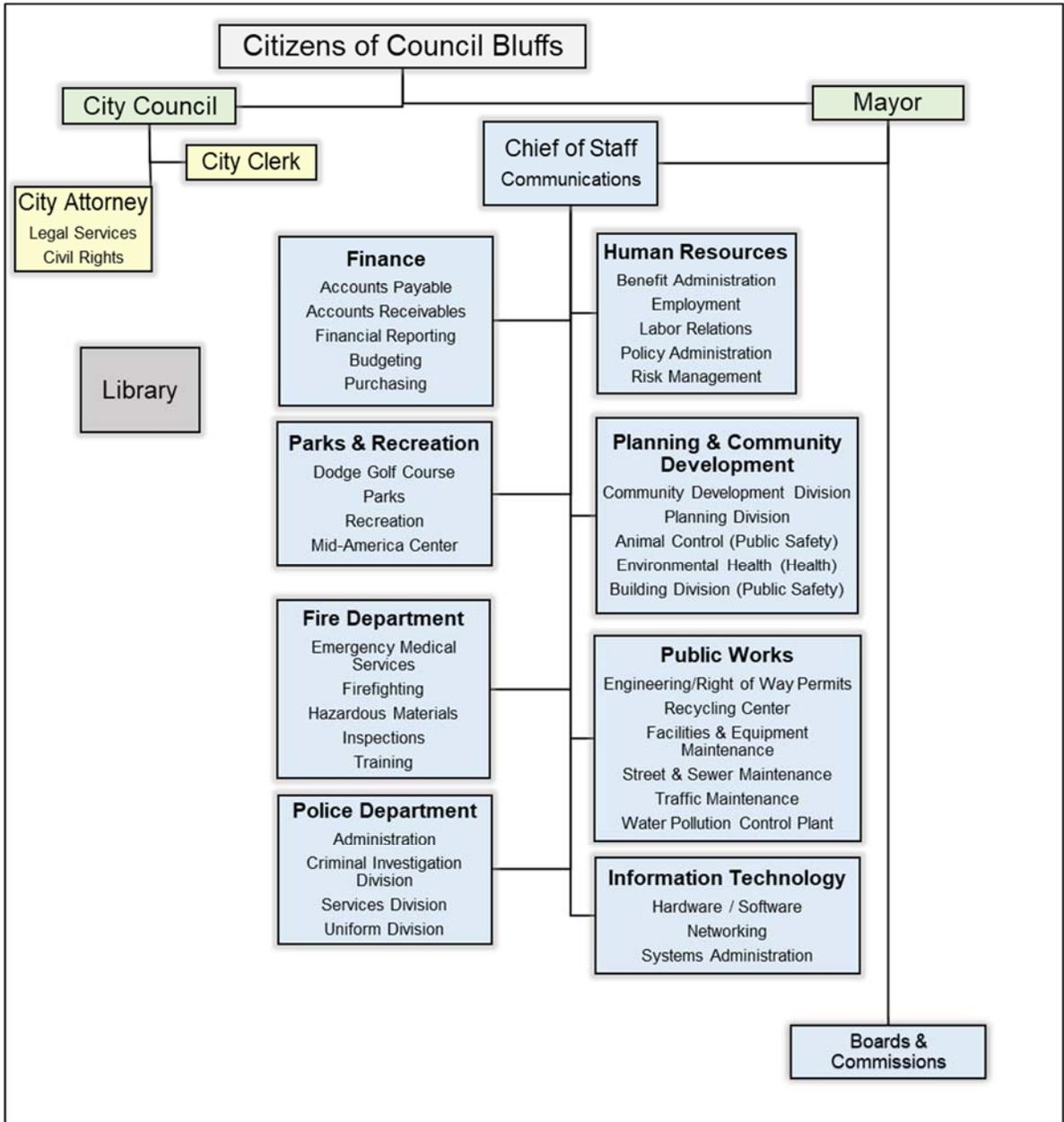
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# City of Council Bluffs Organization Chart



Elected by the Citizens of Council Bluffs

Appointed by the City Council

Appointed by the Mayor

City of Council Bluffs  
Officials  
June 30, 2019

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<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Melissa Head	City Council	December 2021
Roger Sandau	City Council	December 2019
Nate Watson	City Council	December 2019
Sharon White	City Council	December 2019
Mike Wolf	City Council	December 2021
Matt Walsh	Mayor	December 2021
<u>Council Appointed Officials</u>		
Richard Wade	City Attorney	
Jodi Quakenbush	City Clerk	

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# Financial Statements

June 30, 2019

City of Council Bluffs





## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Council Bluffs, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Council Bluffs, Iowa, as of and for the year ended June 30, 2019, 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 accounting principles generally accepted in the United States of America; 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 did not audit the financial statements of the Council Bluffs Airport Authority, which represents 68 percent, 67 percent, and 54 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included in the Council Bluffs Airport Authority, is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Council Bluffs, Iowa, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 of Council Bluffs, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, Library Foundation financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements, Library Foundation financial statements, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Library Foundation financial statements, 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 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 our report dated December 19, 2019 on our consideration of the City of Council Bluffs, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa  
December 19, 2019

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This portion of the Comprehensive Annual Financial Report (CAFR) of the City of Council Bluffs, Iowa (the City) provides administration's narrative overview and analysis of the City's financial activities based on currently known facts, decisions and conditions related to the fiscal year that ended June 30, 2019. We encourage readers to consider information in this section along with information we presented in the letter of transmittal.

## **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Council Bluffs exceeded the liabilities and deferred inflows of resources at June 30, 2019 by \$490,688,391.
- The City's net position increased \$23,176,298 during the year. The net position associated with governmental activities increased \$23,112,087 and the net position associated with business type activities increased \$64,211.
- The City's overall long-term liabilities increased to \$122,719,955, an increase of \$2,199,030 during the year.
- The governmental activities general obligation bond/note portion of indebtedness decreased \$7,231,793 during the year and the net pension liability was \$45,228,702, at June 30, 2019. The City's direct debt ratio to 100% property valuation is 1.11%, one of the lowest in the State of Iowa.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

Our discussion and analysis is intended to introduce and then lead into the City's basic financial statements – of which there are three components. They are: (1) government-wide financial statements, (2) the fund financial statements and (3) notes to financial statements. Additionally, this report presents required supplementary information and supplementary information. An explanation of each is provided below.

## **REPORTING THE CITY AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

Government-wide financial statements are intended to provide readers of the financial statements with a broad picture of the City and present a longer-term view of the City's finances. These statements are similar to those used by private sector companies.

The Statement of Net Position is similar to a balance sheet in the sense it presents information regarding all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources that can be used to evaluate the financial condition of the City. Unlike private-sector balance sheets, a Statement of Net Position presents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources as net position. Over time, changes in net position may be an indication of whether the City's financial condition is improving or deteriorating.

The Statement of Activities presents information regarding the revenues and expenses of the City for the current fiscal year on the accrual basis of accounting. This basis records revenue at the time it is earned rather than when it is received. Expenses are recorded at the time goods or services are received rather than at the time payment is made. Reporting activity in this way means many transactions will be recorded before the actual cash flow from those transactions. The Statement of Activities distinguishes governmental activities from business-type activities. Governmental activities are those that will be carried out using tax revenue, funds from other governments or user fees.

Examples of governmental activities include public safety, public works, health and social services, culture and recreation, community and economic development and general government. Business-type activities are those intended to be financed primarily by charges for goods and services and without material support from tax revenues. Council Bluffs' business-type activities for the fiscal year were (1) the operation of a sanitary sewer utility and (2) refuse removal and recycling operations.

In both the Statement of Net Position and the Statement of Activities, the City reports the financial information of two discretely presented component units – the Council Bluffs Airport Authority and the Council Bluffs Library Foundation. Component units are separate legal entities apart from the City of Council Bluffs for which the City has a degree of financial accountability.

One of the most important questions asked about the City's finances is, "Is the City of Council Bluffs as a whole better or worse off as a result of the year's activities?" 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 which helps answer this question.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position is invested in capital assets (land, street and sewer networks, buildings, improvements and equipment), less the related debt used to acquire those assets which is 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 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 analysis that follows shows the City's total net position at June 30, 2019 and 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 137,650,303	\$ 137,492,649	\$ 11,687,836	\$ 10,898,887	\$ 149,338,139	\$ 148,391,536
Capital Assets	<u>369,635,880</u>	<u>342,759,162</u>	<u>159,196,273</u>	<u>160,113,253</u>	<u>528,832,153</u>	<u>502,872,415</u>
Total Assets	<u>507,286,183</u>	<u>480,251,811</u>	<u>170,884,109</u>	<u>171,012,139</u>	<u>678,170,292</u>	<u>651,263,951</u>
Deferred Outflows of Resources	<u>13,840,027</u>	<u>13,945,098</u>	<u>901,380</u>	<u>1,000,673</u>	<u>14,741,407</u>	<u>14,945,771</u>
Long-Term Liabilities	115,476,863	112,895,331	7,243,093	7,625,594	122,719,955	120,520,925
Other Liabilities	<u>20,814,182</u>	<u>21,468,930</u>	<u>1,135,478</u>	<u>1,162,338</u>	<u>21,949,660</u>	<u>22,631,269</u>
Total Liabilities	<u>136,291,045</u>	<u>134,364,262</u>	<u>8,378,571</u>	<u>8,787,932</u>	<u>144,669,616</u>	<u>143,152,194</u>
Deferred Inflows of Resources	<u>57,318,473</u>	<u>55,428,042</u>	<u>235,219</u>	<u>117,391</u>	<u>57,553,692</u>	<u>55,545,433</u>
Net Position:						
Net investment in capital assets	304,104,852	292,236,238	155,416,270	156,034,553	459,521,122	448,270,791
Restricted	40,281,315	35,171,789	-	-	40,281,315	35,171,789
Unrestricted	<u>(16,869,477)</u>	<u>(23,003,423)</u>	<u>7,755,430</u>	<u>7,072,937</u>	<u>(9,114,047)</u>	<u>(15,930,486)</u>
Total net position	<u>\$ 327,516,691</u>	<u>\$ 304,404,604</u>	<u>\$ 163,171,700</u>	<u>\$ 163,107,489</u>	<u>\$ 490,688,391</u>	<u>\$ 467,512,093</u>

Net position of governmental activities increased approximately \$23.1 million, or 7.59%, from fiscal year 2018. Net position of business type activities increased approximately \$64 thousand, or 0.04%, over fiscal year 2018. Capital assets of governmental activities increased \$26.9 million, or 7.84%, from fiscal year 2018, primarily due to the reconstruction of West Broadway, the major street through the City of Council Bluffs and the construction of a new police headquarters. Capital assets of business type activities decreased approximately \$0.9 million, or 0.57%, over fiscal year 2018, primarily due to timing of improvements of sanitary and storm sewer infrastructure.

The largest portion of the City's net position is invested in capital assets (e.g. land, infrastructure, buildings and equipment), less the related debt. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Restricted net position increased approximately \$5.1 million, or 14.53%, from fiscal year 2018. This is primarily due to an increase in the capital projects restricted balance and the employee benefits restricted balance.

Total unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is at a deficit of approximately \$9.1 million. This is a deficit decrease of approximately \$6.8 million over the prior year unrestricted net position, which was at a deficit of approximately \$15.9 million.

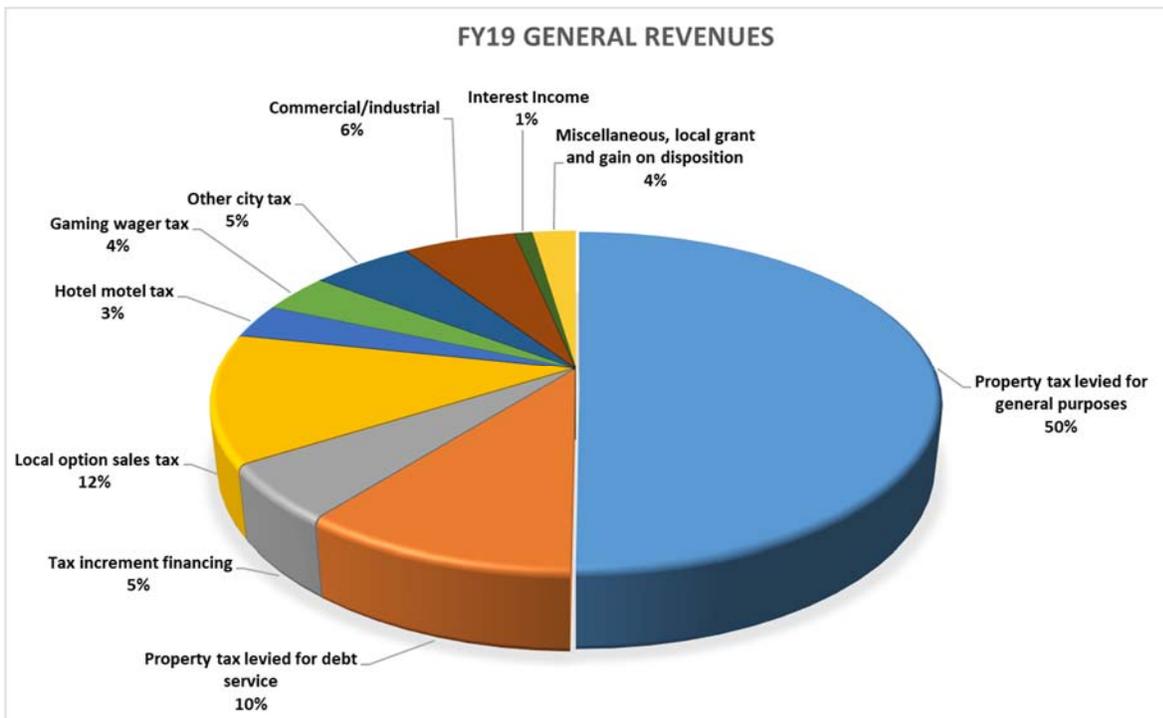
City of Council Bluffs  
Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 17,669,817	\$ 20,924,310	\$ 13,464,391	\$ 12,561,419	\$ 31,134,208	\$ 33,485,729
Operating grants, contributions, and restricted interest	11,713,929	11,199,345	-	-	11,713,929	11,199,345
Capital grants, contributions, and restricted interest	11,586,681	21,525,788	-	-	11,586,681	21,525,788
General revenues						
Property tax levied for						
General purposes	39,184,963	37,232,760	-	-	39,184,963	37,232,760
Debt service	8,194,998	5,965,762	-	-	8,194,998	5,965,762
Tax increment financing	4,183,808	4,764,496	-	-	4,183,808	4,764,496
Local option sales tax	9,666,282	9,110,364	-	-	9,666,282	9,110,364
Hotel motel tax	2,512,319	2,770,278	-	-	2,512,319	2,770,278
Gaming wager tax	2,863,975	3,032,676	-	-	2,863,975	3,032,676
Other city tax	4,228,931	3,105,127	-	-	4,228,931	3,105,127
Commercial/industrial replacement	4,719,440	1,985,426	-	-	4,719,440	1,985,426
Interest Income	737,381	-	-	-	737,381	-
Gain on disposition of capital assets	348,974	56,520	96,977	35,718	445,951	92,238
Local grant, debt service	387,685	-	-	-	387,685	-
Miscellaneous	983,555	979,373	-	-	983,555	979,373
Total revenues	<u>118,982,738</u>	<u>122,652,226</u>	<u>13,561,368</u>	<u>12,597,138</u>	<u>132,544,106</u>	<u>135,249,363</u>
Program expenses						
Public safety	37,800,201	33,774,151	-	-	37,800,201	33,774,151
Public works	13,255,971	11,087,605	-	-	13,255,971	11,087,605
Health and social services	197,495	541,850	-	-	197,495	541,850
Culture and recreation	12,730,496	13,517,440	-	-	12,730,496	13,517,440
Comm and economic dev	12,138,025	11,736,307	-	-	12,138,025	11,736,307
General government	14,689,671	14,342,124	-	-	14,689,671	14,342,124
Interest on long-term debt	2,650,037	1,874,944	-	-	2,650,037	1,874,944
Sewer	-	-	10,376,001	9,996,297	10,376,001	9,996,297
Refuse and disposal	-	-	5,529,910	5,437,869	5,529,910	5,437,869
Total expenses	<u>93,461,897</u>	<u>86,874,421</u>	<u>15,905,911</u>	<u>15,434,167</u>	<u>109,367,808</u>	<u>102,308,588</u>
Excess (deficiency) of revenues over (under) expenses	25,520,841	35,777,805	(2,344,543)	(2,837,029)	23,176,298	32,940,776
Transfers, net	(2,408,754)	(6,084,302)	2,408,754	6,084,302	-	-
Change in net position	23,112,087	29,693,503	64,211	3,247,272	23,176,298	32,940,776
Net position beginning of year	<u>304,404,604</u>	<u>274,711,101</u>	<u>163,107,489</u>	<u>159,860,216</u>	<u>467,512,093</u>	<u>434,571,317</u>
Net position end of year	<u>\$ 327,516,691</u>	<u>\$ 304,404,604</u>	<u>\$ 163,171,700</u>	<u>\$ 163,107,489</u>	<u>\$ 490,688,391</u>	<u>\$ 467,512,093</u>

Total revenues reported for the primary government for the year ended June 30, 2019 were \$132,544,106. Program revenues totaled \$54,434,818 for the year ended June 30, 2019. Governmental activities provided \$40,970,427 and business type activities provided \$13,464,391 of program revenues. Revenue from charges for services during fiscal year 2019 was \$31,134,208 accounting for 57% of total program revenues. The following charts break down program revenues by source:

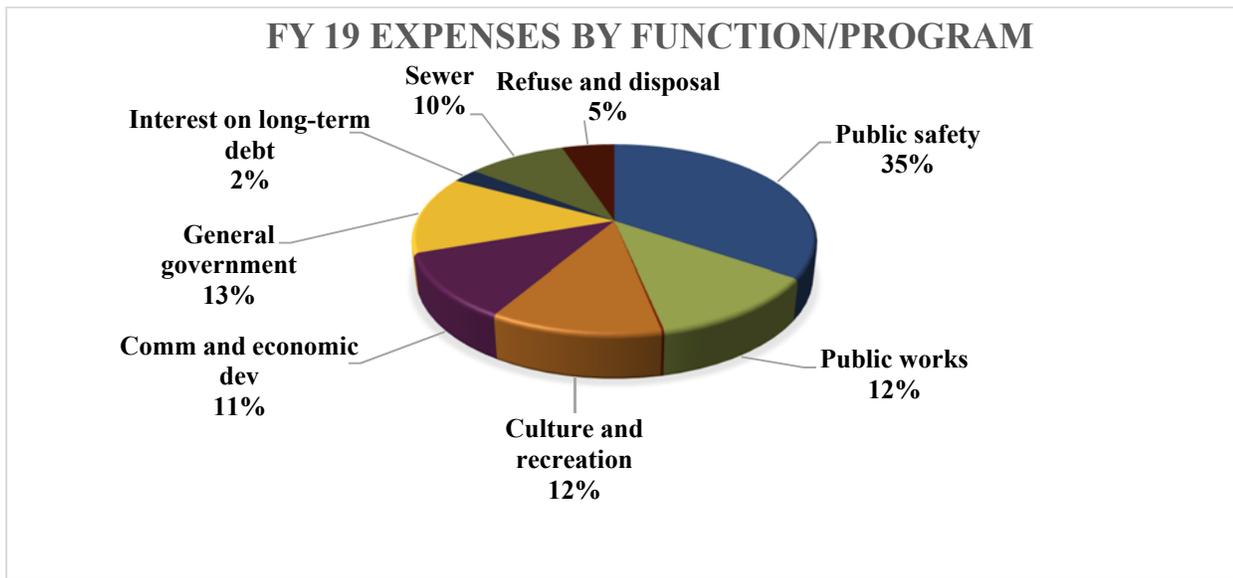


General revenues for the year ended June 30, 2019 totaled \$78,109,288. Governmental activities provided \$78,012,311 and business type activities provided \$96,977 of general revenues. Total property tax revenue for fiscal year 2019 totaled \$47,379,961 accounting for 61% of general revenues. The following chart illustrates general revenues by source:



Overall revenues decreased approximately \$2.71 million, or 2.00%, from fiscal year 2018. The year over year change was primarily driven by a decrease in capital project revenue partially offset by an increase in property taxes and franchise fees.

Overall expenses for the year ended June 30, 2019 totaled \$109.4 million. This is an increase of \$7.1 million or 6.9% from the prior year total of \$102.3 million. The increase was driven by higher building inspection costs and employee related costs. Expenses for governmental activities totaled \$93.5 million, accounting for 85.5% of total expenses. Business type activities expenses totaled \$15.9 million, or 14.5% of the total. The following chart breaks down expenses by function/program:



The following table shows the activities included within each function/program:

<u>Function/Program</u>	<u>Activity</u>
Public safety	Individual and community protection, and physical health
Public works	Public service, utilities and transportation
Health and social services	Health regulation and inspection
Culture and recreation	Education and recreation
Community and economic development	Environmental preservation, housing and community development
General government	Policy and administration, including in-house services provided to City departments

**Governmental Activities**

To aid in understanding the Statement of Activities, some additional explanation is given. Of particular interest is the format which is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balances. Please note 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 each of the functions place on the taxpayers. Public Works revenue exceeded expenditures by \$7.2 million due to the timing of capital projects. This format identifies how much each function draws from general revenues or is self-sustaining through fees or grants.

Some of the individual line item revenues reported for each function are:

<u>Function</u>	<u>Program Revenues</u>
Public safety	Fines, fees and federal and state grants
Community and economic development	HUD, CDBG and nongovernmental grants
General government	Internal charges for service

The total cost of governmental activities this year was \$93,461,897. Of these costs, \$17,669,817 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations which subsidized certain programs with operating and capital grants and contributions were \$23,300,609 leaving a net expense of \$52,491,470 for governmental activities. These expenses were primarily financed by tax revenues and other general revenues. The Statement of Activities provides further detail. The net (expense) revenue for governmental activities is as follows:

Governmental Activities	Net (Expense) Revenue and Changes in Net Position	
Function/Program	2019	2018
Public safety	\$ (26,382,115)	\$ (24,727,212)
Public works	7,222,603	11,902,663
Health and social services	(40,253)	(316,770)
Culture and recreation	(6,597,682)	(6,191,594)
Community and economic development	(10,963,317)	(4,983,583)
General government	(13,080,669)	(7,033,538)
Interest on long-term debt	(2,650,037)	(1,874,944)
Net (expense) revenue of governmental activities	(52,491,470)	(33,224,978)
General revenues and transfers	75,603,557	62,918,481
Change in net position	<u>\$ 23,112,087</u>	<u>\$ 29,693,503</u>

Resources available during the year to finance governmental activities totaled \$420,978,588, consisting of net position at July 1, 2018 of \$304,404,604, program revenues of \$40,970,427 and general revenues and transfers of \$75,603,557. During the year, governmental activities expenses totaled \$93,461,897. Governmental activities net position increased \$23,112,087 to \$327,516,691.

**Business-Type Activities**

The cost of all business type activities for the year was \$15,905,911 as shown in the Statement of Activities. The amount charged to users of the systems was \$13,464,390. Net expense for business type activities was \$2,441,520. The net (expense) revenue by business type activity for the years ended June 30, 2019 and 2018 is as follows:

Business-Type Activities	Net (Expense) Revenue and Changes in Net Position	
	2019	2018
Sewer	\$ (2,508,453)	\$ (3,062,708)
Refuse and disposal	66,933	189,960
Total net (expense) revenue	(2,441,520)	(2,872,748)
General revenues and transfers	2,505,731	6,120,020
Change in net position	\$ 64,211	\$ 3,247,272

Resources available during the year to finance business-type activities totaled \$179,077,610, consisting of net position at July 1, 2018 of \$163,107,488 program revenues of \$13,464,390, and general revenues and transfers of \$2,505,731. During the year, business-type activities expenses totaled \$15,905,911 and business-type activities net position increased \$64,211 to \$163,171,700.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**GOVERNMENTAL FUND HIGHLIGHTS**

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. Unassigned fund balances may serve as a useful measure of net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$69,346,561. The combined governmental fund balances decreased by \$728,447 from the prior year.

The following are the major reasons for the changes in fund balances of the major governmental funds from the prior year:

The General fund balance increased \$9,065,883 or 39.1%, from the prior year. Revenues increased \$2,120,001, or 3.0%. Expenditures increased \$1,446,293 or 2.3%, from the prior year. The fund balance increase is primarily due to building permit revenue growth associated with a large technology complex built in the city.

The Special Revenue, Bass Pro fund balance increased \$200,594 or 24.0% from the prior year. The fund balance increased to provide reserves for the property tax payment payable in the upcoming fiscal year.

The Special Revenue, Tax Increment Financing Fund Balance decreased \$91,098 due to timing of expenditures.

The Special Revenue, Local Option Sales Tax (LOST) fund balance increased \$4,017,165 or 35.9% from the prior year. The increase is due to timing of the completion of capital projects. The Debt Service fund balance decreased \$62,493 or 5.4% from the prior year. Timing difference of the collection of delinquent taxes affect the fund balance.

The Capital Project fund balance decreased \$10,027,164 or 51.7% from the prior year due to timing of expenditures and no issuance of general obligation bonds during fiscal year 2019.

The Non-major Governmental Fund balance decreased \$3,831,331 or 28.9% from the prior year, primarily due to a transfer of funds for capital projects.

### **PROPRIETARY FUND HIGHLIGHTS**

The Enterprise, Sewer Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal year 2019 with a \$156,693,596 net position compared to the prior year ending net position of \$156,722,977, a decrease of \$29,381.

The Enterprise, Refuse and Disposal Fund ended fiscal year 2019 with a \$6,478,104 net position compared to the prior year ending net position of \$6,384,512 an increase of \$93,592, or 1.5%.

### **BUDGETARY HIGHLIGHTS**

The City adopted one budget amendment in the fiscal year ended June 30, 2019. In May 2019, City officials reviewed year to date operations, projected activity to the end of the year and determined total net adjustments of \$850,300 in excess revenue over expenditures, including transfers. Revenues, net interfund transfers, increased \$3,833,300, due to increased permit fees for large projects of \$3,000,000, increased road use revenue of \$1,200,000, higher trending franchise fees of \$750,000, higher interest income of \$400,000 and miscellaneous other sources of \$283,300 reduced by a property tax shortfall of \$1,800,000 driven by property valuations. Expenses were increased \$2,983,000 due to higher health insurance costs for public safety of \$370,000, increased public works expense of \$1,269,000 primarily due to road repair and maintenance, increased general government expenses of \$3,344,000, reduced by a decline in capital projects of \$2,000,000.

In the fiscal year, ended June 30, 2019, actual revenues of \$131,120,997 fell short of the amended budget revenue of \$133,791,524 by \$2,670,527. This variance was primarily driven by the delay in the timing and reimbursement of projects partially offset by an increase in permit inspection revenue.

Overall, total expenditures were \$4,368,089 lower than budgeted amounts. Expenditures during the year ended June 30, 2019 totaled \$144,361,369. The amended expenditure budget was \$148,729,458. Actual expenditures were lower than budget primarily due to the delay in timing of projects.

The City is currently in the process of developing an operating budget for the fiscal year ending June 30, 2021 that will plan to have revenues approximate expenditures for all funds, including the General Fund.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets, including land, buildings 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. Capital assets at June 30, 2019 were \$528,832,152 (net of accumulated depreciation). See Note 3 to the financial statements for more information about the City's capital assets.

During the fiscal year ending June 30, 2019, the City's investment in capital assets included the completion of the new Police Station Headquarters and River's Edge Pavilion. Additional investments included public safety vehicles and equipment, as well as parks, roads and building updates. Land was acquired for the River's Edge development and for the East Beltway construction. Infrastructure additions included the ongoing construction for East Beltway, and completion of West Broadway and River's Edge developments. Additional increases in capital assets were due to repairs and improvements to storm sewers, pump stations and levees.

Capital improvements in business type activities included ongoing repairs and improvements of infrastructure for sanitary sewers and pump stations, new pumps and equipment.

### **Long-term Debt**

At June 30, 2019, the City had approximately \$57.24 million of general obligation bonds and notes outstanding versus approximately \$64.48 million last year. The decrease is a result of principal payments and premium amortization on existing bonds of \$7.23 million. The City continues to operate well under the State debt capacity limitation. The State limits the amount of general obligation debt outstanding to 5% of the assessed value of all taxable property in the City.

More detailed information about the City's long-term debt is presented in Note 4 to the financial statements.

## **ECONOMIC FACTORS**

The City's operating plan for fiscal year 2020 calls for revenue and other financing activity of \$135,887,547 and expenditures of \$142,954,968. Actual revenue and expenses are being analyzed to formulate the amended budget. Major expansion of Interstate Highways 80 and 29 is generating a great deal of both construction activity and economic growth. The reconstruction of the Interstate System includes a new interchange onto Broadway, which is the main corridor into Council Bluffs from downtown Omaha. In addition, the State of Iowa transferred control of Broadway to the City of Council Bluffs, which has allowed the City to reconstruct the roadway and add storm sewer and safety enhancements. The vital interstate interchange and reconstruction of this major artery has stimulated significant development of the western edge of the City. The City has entered into a major private-public development for the area known as River's Edge, which includes a large public park along the Missouri River, an office park and residential housing. Included in the development is a 67,000 square foot office building, a 743 space-parking garage, apartments and condominiums. Total private investment is expected to exceed \$400 million for the development. The City anticipates significant property tax growth with the River's Edge development, which may offset the impact of lower retail valuations due to online sales. The City's new state of the art Police Headquarters opened in December 2018.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and operating activities. If you have questions or require additional financial information, please contact Kathryn Knott, Director of Finance at 712-890-5313.

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# Basic Financial Statements

June 30, 2019

City of Council Bluffs



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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash, cash equivalents and pooled investments	\$ 68,420,134	\$ 9,291,487	\$ 77,711,621
Receivables			
Delinquent property tax	259,753	-	259,753
Succeeding year property tax	51,620,565	-	51,620,565
Succeeding year tax increment financing	3,771,741	-	3,771,741
Accounts	2,864,262	106,322	2,970,584
Special and drainage assessments	179,390	-	179,390
Customer accounts and unbilled usage	-	1,790,249	1,790,249
Loans	1,452,032	-	1,452,032
Due from other governments	5,215,610	150,016	5,365,626
Inventories	1,521,070	349,762	1,870,832
Prepaid items	712,041	-	712,041
Total current assets	<u>136,016,599</u>	<u>11,687,836</u>	<u>147,704,435</u>
<b>Noncurrent Assets</b>			
Land held for resale	1,633,704	-	1,633,704
Capital assets-nondepreciable	93,849,089	9,080,317	102,929,406
Capital assets-depreciable (net)	<u>275,786,790</u>	<u>150,115,956</u>	<u>425,902,746</u>
Total noncurrent assets	<u>371,269,583</u>	<u>159,196,273</u>	<u>530,465,856</u>
<b>Total Assets</b>	<u>507,286,183</u>	<u>170,884,109</u>	<u>678,170,292</u>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows- IPERS	2,859,766	813,429	3,673,195
Pension related deferred outflows- MFPRSI	10,313,434	-	10,313,434
OPEB related deferred outflows	666,827	87,951	754,778
Total deferred outflows of resources	<u>13,840,027</u>	<u>901,380</u>	<u>14,741,407</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	7,924,062	490,823	8,414,885
Salaries and benefits payable	2,039,510	168,346	2,207,856
Accrued interest payable	276,977	-	276,977
Unearned revenue	730,953	-	730,953
General obligation bonds/notes-net	6,401,793	-	6,401,793
Revenue bonds/notes	-	234,000	234,000
Settlement agreement	528,571	-	528,571
Iowa Finance Authority loan	285,000	-	285,000
Capital lease	374,437	-	374,437
Notes payable	-	30,000	30,000
Termination benefit liability	21,404	2,465	23,869
Compensated absences	2,231,475	209,844	2,441,319
Total current liabilities	<u>20,814,182</u>	<u>1,135,478</u>	<u>21,949,660</u>

See Notes to Financial Statements

City of Council Bluffs  
Statement of Net Position  
June 30, 2019

Component Units	
Airport Authority	Library Foundation
\$ 1,204,280	\$ 11,196,612
-	-
-	-
-	-
3,865	99,237
-	-
-	-
-	-
121,368	-
-	-
7,521	-
<u>1,337,034</u>	<u>11,295,849</u>
-	-
2,299,629	-
<u>20,260,203</u>	-
<u>22,559,832</u>	-
<u>23,896,866</u>	<u>11,295,849</u>
39,959	-
-	-
-	-
<u>39,959</u>	-
97,627	-
8,457	-
1,689	-
12,607	-
-	-
-	-
-	-
-	-
-	-
235,000	-
-	-
-	-
<u>355,380</u>	-

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Noncurrent Liabilities</b>			
General obligation bonds/notes-net	\$ 50,842,272	\$ -	\$ 50,842,272
Revenue bonds/notes	-	3,481,000	3,481,000
Settlement agreement	728,571	-	728,571
Iowa Finance Authority loan	3,955,000	-	3,955,000
Capital lease	9,698,438	-	9,698,438
Notes payable	-	35,000	35,000
Compensated absences	969,305	160,528	1,129,833
Total OPEB liability	3,695,526	487,420	4,182,946
Termination benefit liability	359,049	65,734	424,783
Net pension liability - IPERS	10,594,230	3,013,410	13,607,640
Net pension liability - MFPRSI	34,634,472	-	34,634,472
Total noncurrent liabilities	<u>115,476,863</u>	<u>7,243,093</u>	<u>122,719,955</u>
Total Liabilities	<u>136,291,045</u>	<u>8,378,571</u>	<u>144,669,616</u>
<b>Deferred Inflows of Resources</b>			
Succeeding year property tax	51,620,565	-	51,620,565
Succeeding year tax increment financing	3,771,741	-	3,771,741
OPEB related deferred inflows	72,236	9,527	81,763
Pension related deferred inflows- IPERS	793,461	225,692	1,019,153
Pension related deferred inflows- MFPRSI	1,060,470	-	1,060,470
Total deferred inflows of resources	<u>57,318,473</u>	<u>235,219</u>	<u>57,553,692</u>
<b>Net Position</b>			
Net investment in capital assets	304,104,852	155,416,270	459,521,122
<b>Restricted for</b>			
<b>Nonexpendable</b>			
Permanent Fund	61,680	-	61,680
<b>Expendable</b>			
Debt service	2,423,447	-	2,423,447
Street and sewer maintenance and improvements	21,163,554	-	21,163,554
Community development block grant programs	1,016,664	-	1,016,664
Capital projects	8,690,632	-	8,690,632
Employee benefits and Insurance	3,240,652	-	3,240,652
Library	-	-	-
Other purposes	3,684,686	-	3,684,686
Unrestricted	<u>(16,869,477)</u>	<u>7,755,430</u>	<u>(9,114,047)</u>
Total net position	<u>\$ 327,516,691</u>	<u>\$ 163,171,700</u>	<u>\$ 490,688,391</u>

See Notes to Financial Statements

City of Council Bluffs  
Statement of Net Position  
June 30, 2019

Component Units	
Airport Authority	Library Foundation
\$ -	\$ -
-	-
-	-
-	-
980,000	-
-	-
-	-
140,727	-
-	-
<u>1,120,727</u>	<u>-</u>
1,476,107	-
-	-
-	-
-	-
32,213	-
-	-
<u>32,213</u>	<u>-</u>
21,344,832	-
-	41,635
-	-
-	-
-	-
-	-
-	11,254,214
-	-
1,083,673	-
<u>\$ 22,428,505</u>	<u>\$ 11,295,849</u>

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Governmental Activities				
Public safety	\$ 37,800,201	\$ 10,623,608	\$ 693,423	\$ 101,055
Public works	13,255,971	678,423	9,103,656	10,696,495
Health and social services	197,495	155,681	1,562	-
Culture and recreation	12,730,496	5,066,436	361,887	704,491
Community and economic development	12,138,025	41,773	1,048,295	84,639
General government	14,689,671	1,103,897	505,105	-
Interest on long-term debt	2,650,037	-	-	-
Total governmental activities	<u>93,461,897</u>	<u>17,669,817</u>	<u>11,713,929</u>	<u>11,586,681</u>
Business-Type Activities				
Sewer	10,376,001	7,867,547	-	-
Refuse and disposal	5,529,910	5,596,843	-	-
Total business type activities	<u>15,905,911</u>	<u>13,464,390</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 109,367,808</u>	<u>\$ 31,134,207</u>	<u>\$ 11,713,929</u>	<u>\$ 11,586,681</u>
Component Units				
Airport Authority	\$ 1,383,392	\$ 330,237	\$ -	\$ 158,279
Library Foundation	123,796	-	571,032	-
Total component units	<u>\$ 1,507,188</u>	<u>\$ 330,237</u>	<u>\$ 571,032</u>	<u>\$ 158,279</u>
General Revenues				
Property and other County tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Hotel/motel tax				
Gaming wager tax				
Other city tax				
Commercial/industrial replacement				
Unrestricted investment earnings				
Interest Income				
Gain (loss) on disposition of capital assets				
Local grant, debt service				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in Net Position				
Net Position Beginning of Year				
Net Position End of Year				

See Notes to Financial Statements

City of Council Bluffs  
Statement of Activities  
Year Ended June 30, 2019

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Airport Authority	Library Foundation
\$ (26,382,115)	\$ -	\$ (26,382,115)	\$ -	\$ -
7,222,603	-	7,222,603	-	-
(40,253)	-	(40,253)	-	-
(6,597,682)	-	(6,597,682)	-	-
(10,963,317)	-	(10,963,317)	-	-
(13,080,669)	-	(13,080,669)	-	-
(2,650,037)	-	(2,650,037)	-	-
<u>(52,491,470)</u>	<u>-</u>	<u>(52,491,470)</u>	<u>-</u>	<u>-</u>
-	(2,508,453)	(2,508,453)	-	-
-	66,933	66,933	-	-
<u>-</u>	<u>(2,441,520)</u>	<u>(2,441,520)</u>	<u>-</u>	<u>-</u>
<u>\$ (52,491,470)</u>	<u>\$ (2,441,520)</u>	<u>\$ (54,932,990)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (894,876)	\$ -
-	-	-	-	447,236
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (894,876)</u>	<u>\$ 447,236</u>
\$ 39,184,963	\$ -	\$ 39,184,963	\$ 702,922	\$ -
8,194,998	-	8,194,998	-	-
4,183,808	-	4,183,808	-	-
9,666,282	-	9,666,282	-	-
2,512,319	-	2,512,319	-	-
2,863,975	-	2,863,975	-	-
4,228,931	-	4,228,931	-	-
4,719,440	-	4,719,440	-	-
-	-	-	-	514,976
737,381	-	737,381	774	-
348,974	96,977	445,951	(3,949)	-
387,685	-	387,685	-	-
983,555	-	983,555	72,411	-
(2,408,754)	2,408,754	-	-	-
<u>75,603,557</u>	<u>2,505,731</u>	<u>78,109,288</u>	<u>772,158</u>	<u>514,976</u>
23,112,087	64,211	23,176,298	(122,718)	962,212
<u>304,404,604</u>	<u>163,107,489</u>	<u>467,512,093</u>	<u>22,551,223</u>	<u>10,333,637</u>
<u>\$ 327,516,691</u>	<u>\$ 163,171,700</u>	<u>\$ 490,688,391</u>	<u>\$ 22,428,505</u>	<u>\$ 11,295,849</u>

	Special Revenue			
	General	Bass Pro Shop	Tax Increment Financing	City Local Option Sales Tax
<b>Assets</b>				
Cash, Cash Equivalents and Pooled Investments	\$ 30,087,428	\$ 1,685,931	\$ 963,184	\$ 15,067,158
Receivables				
Property Tax				
Delinquent	221,062	-	-	-
Succeeding year property taxes	43,412,944	-	-	-
Succeeding year tax increment financing	-	-	3,771,741	-
Accounts (net)	1,932,115	-	-	-
Special and drainage assessments	-	-	-	-
Loans	1,215,000	-	-	-
Due From Other Governments	1,439,315	-	16,633	845,798
Inventories	454,717	-	-	-
Prepaid Items	712,041	-	-	-
Land Held for Resale	1,444,893	-	-	-
<b>Total Assets</b>	<b>\$ 80,919,514</b>	<b>\$ 1,685,931</b>	<b>\$ 4,751,558</b>	<b>\$ 15,912,956</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 2,240,267	\$ 648,186	\$ 8,258	\$ 696,923
Salaries and benefits payable	1,910,318	-	-	-
Unearned revenue	730,953	-	-	-
<b>Total Liabilities</b>	<b>4,881,538</b>	<b>648,186</b>	<b>8,258</b>	<b>696,923</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues				
Succeeding year property tax	43,412,944	-	-	-
Succeeding year tax increment financing	-	-	3,771,741	-
Other	380,935	-	-	-
<b>Total deferred inflows of resources</b>	<b>43,793,879</b>	<b>-</b>	<b>3,771,741</b>	<b>-</b>
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Cemetery perpetual care	-	-	-	-
Inventories	454,717	-	-	-
Prepaid items	712,041	-	-	-
Land held for sale	1,444,893	-	-	-
Long term loan receivable	1,215,000	-	-	-
<b>Restricted</b>				
Street and sewer maintenance and improvements	-	-	-	15,216,034
Debt service	-	-	907,847	-
Community development block grant program	-	-	-	-
Capital projects	-	-	-	-
Other purposes	4,030,921	1,037,745	63,712	-
Unassigned	24,386,526	-	-	-
<b>Total fund balances</b>	<b>32,244,098</b>	<b>1,037,745</b>	<b>971,559</b>	<b>15,216,034</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 80,919,514</b>	<b>\$ 1,685,931</b>	<b>\$ 4,751,558</b>	<b>\$ 15,912,956</b>

See Notes to Financial Statements

City of Council Bluffs  
Balance Sheet  
Governmental Funds  
June 30, 2019

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 1,007,535	\$ 11,493,944	\$ 8,114,954	\$ 68,420,134
38,691	-	-	259,753
8,207,621	-	-	51,620,565
-	-	-	3,771,741
387,685	498,078	46,385	2,864,263
-	-	179,390	179,390
-	-	237,032	1,452,032
81,689	1,932,895	899,280	5,215,610
-	-	1,066,354	1,521,070
-	-	-	712,041
-	188,811	-	1,633,704
<u>\$ 9,723,221</u>	<u>\$ 14,113,728</u>	<u>\$ 10,543,395</u>	<u>\$ 137,650,303</u>
\$ -	\$ 3,822,809	\$ 507,619	\$ 7,924,062
-	-	150,597	2,060,915
-	-	-	730,953
<u>-</u>	<u>3,822,809</u>	<u>658,216</u>	<u>10,715,929</u>
8,207,621	-	-	51,620,565
-	-	-	3,771,741
426,376	938,561	449,634	2,195,507
<u>8,633,997</u>	<u>938,561</u>	<u>449,634</u>	<u>57,587,813</u>
-	-	61,680	61,680
-	-	1,066,354	1,521,070
-	-	-	712,041
-	188,811	-	1,633,704
-	-	-	1,215,000
-	-	5,947,520	21,163,554
1,089,224	-	-	1,997,071
-	-	671,934	671,934
-	9,163,547	-	9,163,547
-	-	1,688,057	6,820,434
-	-	-	24,386,526
<u>1,089,224</u>	<u>9,352,358</u>	<u>9,435,545</u>	<u>69,346,561</u>
<u>\$ 9,723,221</u>	<u>\$ 14,113,728</u>	<u>\$ 10,543,395</u>	<u>\$ 137,650,303</u>

City of Council Bluffs  
Reconciliation of the Balance Sheet  
Governmental Funds to the Statement of Net Position  
June 30, 2019

Total Governmental Fund Balances \$ 69,346,561

Amounts Reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

These assets consist of:

Capital assets, net of accumulated depreciation 369,635,880

Other long-term assets are not available to pay current period expenditures and, therefore, are unavailable in the governmental funds.

2,195,506

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources- IPERS	\$	2,859,766
Deferred outflows of resources- MFPRSI		10,313,434
Deferred outflows of resources- OPEB		666,827
Deferred inflows of resources- IPERS		(793,461)
Deferred inflows of resources- MFPRSI		(1,060,470)
Deferred inflows of resources- OPEB		(72,236)
		11,913,860

11,913,860

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at June 30, 2019, are:

General obligation bonds/notes		(57,244,065)
Settlement agreement		(1,257,142)
Iowa Finance Authority		(4,240,000)
Capital lease		(10,072,875)
Compensated absences		(3,200,780)
Total OPEB liability		(3,695,526)
Termination benefit liability		(359,049)
Net pension liability- IPERS		(10,594,230)
Net pension liability- MFPRSI		(34,634,472)
Accrued interest payable		(276,977)
Total long-term liabilities and related current liabilities		(125,575,116)

(125,575,116)

Net Position of Governmental Activities

\$ 327,516,691

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	General	Special Revenue		
		Bass Pro Shop	Tax Increment Financing	City Local Option Sales Tax
<b>Revenues</b>				
Property tax	\$ 39,050,519	\$ -	\$ -	\$ -
Tax increment financing	-	-	4,183,808	-
Other city tax	12,519,045	-	-	10,118,557
License and permits	7,010,394	-	-	-
Use of money and property	824,454	631,165	11,001	-
Intergovernmental	3,070,067	-	-	232,961
Local grants	282,283	666,518	-	173,577
Charges for services	5,712,632	-	-	-
Special and drainage assessments	-	-	-	-
Miscellaneous	4,301,802	-	-	89,659
Total revenues	<u>72,771,197</u>	<u>1,297,684</u>	<u>4,194,810</u>	<u>10,614,755</u>
<b>Expenditures</b>				
Current				
Public safety	35,179,880	-	-	-
Public works	1,710,735	-	-	-
Health and social services	170,108	-	-	-
Culture and recreation	11,334,017	-	-	-
Community and economic development	634,572	648,187	1,888,372	-
General government	14,872,830	-	-	-
Debt service				
Principal redeemed	-	1,221,053	-	-
Interest paid	-	15,308	-	-
Miscellaneous debt expenditures	-	-	-	-
Capital projects	-	-	-	4,676,006
Total expenditures	<u>63,902,142</u>	<u>1,884,547</u>	<u>1,888,372</u>	<u>4,676,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,869,055</u>	<u>(586,864)</u>	<u>2,306,437</u>	<u>5,938,749</u>
<b>Other Financing Sources (Uses)</b>				
Capital asset sales	157,389	-	-	-
Capital lease proceeds	-	-	-	-
Transfers in	308,150	787,458	-	-
Transfers out	(268,711)	-	(2,397,535)	(1,921,584)
Total other financing sources (uses)	<u>196,828</u>	<u>787,458</u>	<u>(2,397,535)</u>	<u>(1,921,584)</u>
Net Change in Fund Balances	9,065,882	200,594	(91,098)	4,017,165
Fund Balances Beginning of Year	<u>23,178,215</u>	<u>837,151</u>	<u>1,062,657</u>	<u>11,198,869</u>
Fund Balances End of Year	<u>\$ 32,244,097</u>	<u>\$ 1,037,745</u>	<u>\$ 971,559</u>	<u>\$ 15,216,034</u>

See Notes to Financial Statements

City of Council Bluffs  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2019

Debt Service	Capital Projects	Nonmajor	Total
\$ 7,134,420	\$ -	\$ 134,444	\$ 46,319,383
-	-	-	4,183,808
510,032	-	-	23,147,634
-	-	380,590	7,390,985
-	-	500	1,467,121
313,672	7,220,409	8,905,606	19,742,715
-	3,074,301	-	4,196,680
-	-	10,139	5,722,772
-	-	166,921	166,921
-	694,719	232,408	5,318,589
<u>7,958,125</u>	<u>10,989,429</u>	<u>9,830,609</u>	<u>117,656,607</u>
-	12,783	106,312	35,298,975
-	-	8,858,777	10,569,512
-	-	-	170,108
-	-	61,720	11,395,736
-	-	847,068	4,018,198
-	-	-	14,872,830
7,135,000	-	-	8,356,053
2,435,109	-	-	2,450,418
5,600	-	-	5,600
-	36,642,021	-	41,318,028
<u>9,575,709</u>	<u>36,654,804</u>	<u>9,873,877</u>	<u>128,455,458</u>
<u>(1,617,585)</u>	<u>(25,665,375)</u>	<u>(43,268)</u>	<u>(10,798,851)</u>
-	105,668	-	263,056
-	9,807,349	-	9,807,349
1,555,091	5,831,615	106,421	8,588,735
-	(106,421)	(3,894,484)	(8,588,735)
<u>1,555,091</u>	<u>15,638,211</u>	<u>(3,788,063)</u>	<u>10,070,405</u>
(62,494)	(10,027,164)	(3,831,331)	(728,446)
<u>1,151,717</u>	<u>19,379,523</u>	<u>13,266,877</u>	<u>70,075,009</u>
<u>\$ 1,089,223</u>	<u>\$ 9,352,359</u>	<u>\$ 9,435,546</u>	<u>\$ 69,346,563</u>

City of Council Bluffs  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds to the Statement of Activities  
 Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds \$ (728,446)

Amounts Reported for Governmental Activities in the Statement of Activities are different because

Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation/amortization expense in the current year, as follows:

Expenditures for capital assets	\$ 39,606,498	
Depreciation/amortization expense	<u>(12,628,626)</u>	
		26,977,873

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the asset being disposed. (101,157)

Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred inflows of resources increased by these amounts this year:

Other (1,091,841)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repaid		9,290,244
Issued		<u>(10,043,495)</u>

The current year City's share of IPERS and MFPRSI contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.

IPERS	1,202,149	
MFPRSI	<u>4,541,407</u>	
		5,743,556

Some expenses reported in the Statement of Activities do not require use of current financial resources and therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(114,706)	
Total OPEB expense	(128,230)	
Termination benefit liability	(105,707)	
Pension expense - IPERS	(1,426,401)	
Pension expense - MFPRSI	(5,245,307)	
Interest on long-term debt	(11,089)	
Bond Premium Amortization	<u>96,793</u>	
		<u>(6,934,647)</u>

Change in Net Position of Governmental Activities \$ 23,112,087

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City of Council Bluffs  
Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Sewer	Non-major Refuse and Disposal	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash, cash equivalents and pooled investments	\$ 5,085,531	\$ 4,205,955	\$ 9,291,487
Receivables			
Accounts	68,275	38,047	106,322
Customer accounts and unbilled usage	992,580	797,670	1,790,249
Due from other governments	2,445	147,571	150,016
Inventories	319,869	29,893	349,762
Total current assets	<u>6,468,699</u>	<u>5,219,137</u>	<u>11,687,836</u>
<b>Noncurrent Assets</b>			
Capital assets-nondepreciable	8,719,695	360,622	9,080,317
Capital assets-depreciable (net)	<u>148,097,763</u>	<u>2,018,193</u>	<u>150,115,956</u>
Total noncurrent assets	<u>156,817,458</u>	<u>2,378,815</u>	<u>159,196,273</u>
Total assets	<u>163,286,157</u>	<u>7,597,952</u>	<u>170,884,109</u>
<b>Deferred Outflows of Resources</b>			
IPERS pension related deferred outflows	659,937	153,492	813,429
OPEB pension related deferred outflows	<u>70,361</u>	<u>17,590</u>	<u>87,951</u>
	<u>730,298</u>	<u>171,082</u>	<u>901,380</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	87,027	403,796	490,823
Salaries and benefits payable	135,786	32,559	168,346
Revenue notes and loans	234,000	-	234,000
Notes payable	-	30,000	30,000
Compensated absences	171,477	38,367	209,844
Termination benefit liability	<u>2,465</u>	<u>-</u>	<u>2,465</u>
Total current liabilities	<u>630,755</u>	<u>504,723</u>	<u>1,135,478</u>
<b>Noncurrent Liabilities</b>			
Revenue notes and loans	3,481,000	-	3,481,000
Notes payable	-	35,000	35,000
Compensated absences	119,920	40,608	160,528
Net OPEB liability	389,936	97,484	487,420
Termination benefit liability	65,734	-	65,734
Net IPERS pension liability	<u>2,444,787</u>	<u>568,623</u>	<u>3,013,410</u>
Total noncurrent liabilities	<u>6,501,377</u>	<u>741,715</u>	<u>7,243,092</u>
Total liabilities	<u>7,132,133</u>	<u>1,246,438</u>	<u>8,378,571</u>
<b>Deferred Inflows of Resources</b>			
IPERS pension related deferred inflows	183,104	42,588	225,692
OPEB pension related deferred inflows	<u>7,622</u>	<u>1,905</u>	<u>9,527</u>
	<u>190,726</u>	<u>44,493</u>	<u>235,219</u>
<b>Net Position</b>			
Net Investment in Capital Assets	153,102,457	2,313,813	155,416,270
Unrestricted	<u>3,591,139</u>	<u>4,164,291</u>	<u>7,755,430</u>
Total net position	<u>\$ 156,693,596</u>	<u>\$ 6,478,104</u>	<u>\$ 163,171,700</u>

City of Council Bluffs  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2019

	Sewer	Non-major Refuse and Disposal	Total
Operating Revenues			
Charges for services	\$ 7,741,061	\$ 5,591,489	\$ 13,332,550
Miscellaneous	126,486	5,354	131,840
Total operating revenues	<u>7,867,547</u>	<u>5,596,843</u>	<u>13,464,390</u>
Operating Expenses			
Sewer system and sewage disposal	6,291,860	-	6,291,860
Refuse disposal	-	5,287,223	5,287,223
Depreciation	3,956,594	242,686	4,199,280
Total operating expenses	<u>10,248,453</u>	<u>5,529,910</u>	<u>15,778,363</u>
Operating Income (Loss)	<u>(2,380,907)</u>	<u>66,933</u>	<u>(2,313,973)</u>
Non-Operating Revenues (Expenses):			
Gain on asset disposal	70,319	26,658	96,977
Interest expense	(117,693)	-	(117,693)
Miscellaneous debt expense	(9,855)	-	(9,855)
Total non-operating revenues (expenses)	<u>(57,229)</u>	<u>26,658</u>	<u>(30,570)</u>
Net Income (Loss) Before Contributions	<u>(2,438,135)</u>	<u>93,592</u>	<u>(2,344,543)</u>
Capital Contributions	<u>2,408,754</u>	<u>-</u>	<u>2,408,754</u>
Change in Net Position	(29,381)	93,592	64,211
Net Position Beginning of Year	<u>156,722,977</u>	<u>6,384,512</u>	<u>163,107,489</u>
Net Position End of Year	<u>\$ 156,693,596</u>	<u>\$ 6,478,104</u>	<u>\$ 163,171,700</u>

City of Council Bluffs  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2019

	<u>Sewer</u>	<u>Non-major Refuse and Disposal</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>			
Cash received from customers and users	\$ 7,650,014	\$ 5,625,160	\$ 13,275,174
Cash received from other sources	30,265	(2,304)	27,961
Cash paid to employees	(4,247,705)	(1,044,696)	(5,292,401)
Cash paid to suppliers	(1,907,870)	(4,292,361)	(6,200,231)
Net cash flows from operating activities	<u>1,524,704</u>	<u>285,800</u>	<u>1,810,504</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of capital assets	(566,702)	(197,669)	(764,370)
Proceeds from the sale of capital assets	60,560	25,001	85,561
Principal payments	(227,000)	(71,700)	(298,700)
Interest and fees	(127,548)	-	(127,548)
Net cash used in capital and related financing activities	<u>(860,689)</u>	<u>(244,368)</u>	<u>(1,105,057)</u>
Net Increase in Cash and Cash Equivalents	664,015	41,432	705,447
Cash and Cash Equivalents Beginning of Year	<u>4,421,516</u>	<u>4,164,523</u>	<u>8,586,040</u>
Cash and Cash Equivalents End of Year	<u>\$ 5,085,531</u>	<u>\$ 4,205,955</u>	<u>\$ 9,291,487</u>

City of Council Bluffs  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2019

	Sewer	Non-major Refuse and Disposal	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating income (loss)	\$ (2,380,907)	\$ 66,933	\$ (2,313,973)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and capital adjustment	3,858,834	242,686	4,101,520
Changes in assets, deferred outflows, liabilities, and deferred inflows			
Accounts receivable and unbilled usage	(91,047)	33,671	(57,376)
Due from other governments	1,539	(7,658)	(6,119)
Inventories	(25,458)	5,450	(20,008)
IPERS deferred outflows	44,742	54,551	99,293
Accounts payable	(5,322)	18,545	13,223
Salaries and benefits payable	(12,179)	2,285	(9,894)
Compensated absences	35,448	8,238	43,686
OPEB liability	64,443	8,125	72,568
Termination benefit liability	(13,862)	(4,663)	(18,525)
IPERS net pension liability	(51,396)	(160,324)	(211,720)
IPERS deferred inflows	99,868	17,960	117,828
Total adjustments	<u>3,905,611</u>	<u>218,866</u>	<u>4,124,477</u>
Net cash provided by operating activities	<u>\$ 1,524,704</u>	<u>\$ 285,800</u>	<u>\$ 1,810,504</u>
Noncash Capital and Related Financing Activities			
Contributions of capital assets from Governmental Activities	<u>\$ 2,408,754</u>	<u>\$ -</u>	<u>\$ 2,408,754</u>

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

The City of Council Bluffs is a political subdivision of the State of Iowa located in Pottawattamie County. It was first incorporated in 1853 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. Council Bluffs provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. It also operates an airport and provides sewer and sanitation utilities for its citizens. The financial statements of the City of Council Bluffs have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

### **Reporting Entity**

For financial reporting purposes, the City of Council Bluffs has included all funds, organizations, agencies, boards, commissions and authorities. The 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. These financial statements present the City of Council Bluffs (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

### **Discretely Presented Component Units**

The Council Bluffs Airport Authority (Authority) was established pursuant to Chapter 330A of the Code of Iowa to operate the City's airport facility. The Authority is governed by a seven member board appointed by the Mayor, with concurrence of a majority of the City Council. The board members serve at the pleasure of the City. The City annually provides significant operating subsidies to the Authority and collects and remits the tax levied by the Authority. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Authority meets the definition of a component unit which should be discretely presented. Complete financial statements of the Council Bluffs Airport Authority can be obtained from its office at 101 McCandless Lane, Council Bluffs, Iowa 51503.

The Council Bluffs Public Library Foundation (Foundation) has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate exclusively for charitable, educational and literary purposes for the enhancement and improvement of the Council Bluffs Public Library. In accordance with criteria set by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented. Based on these criteria, the economic resources received or held by the Foundation are substantially for the direct benefit of the City of Council Bluffs Library. The Foundation does not issue separate financial statements.

### **Jointly Governed Organizations**

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Pottawattamie County Assessor's Conference Board, Metropolitan Area Planning Agency, Pottawattamie County Emergency Management Commission and Pottawattamie County E911 Service Board.

### **Related Organizations and Organizations with Joint Venture Characteristics**

The City participates in several related organizations or related organizations with joint venture characteristics for which the City is not financially accountable even though the City appoints a voting majority of the organization's governing board or the organization's financial activity is reported in the City's financial statements and in another participating government's financial statements. City officials are members of or appoint representatives to the following organizations: Municipal Housing Agency, Convention and Visitors Bureau, the Pottawattamie County Communications Center Commission, the Southwest Iowa Solid Waste Management Association and the Council Bluffs Municipal Waterworks.

### **Basis of Presentation**

**Government-wide Financial Statements** – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the City's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

*Nonexpendable restricted net position* is subject to externally imposed stipulations which require them to be maintained permanently by the City, including the City's Permanent Fund.

*Restricted net position* results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements** – Separate financial statements are provided for governmental and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax revenues from general and emergency levies and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Bass Pro Shop Fund is used to account for revenues from rent and City, County and Iowa West Foundation contributions and used for the payment of interest and principal on the City's urban renewal term loan note debt and maintenance of the Bass Pro Shop.

The Tax Increment Financing Fund is used to account for the revenues from the tax authorized by ordinance in the urban renewal district and used to pay indebtedness incurred for urban renewal projects.

The City Local Option Sales Tax Fund is used to account for revenues from the tax authorized by referendum and used for maintenance and improvements to the City's sewer and street systems.

The Debt Service Fund is used to account for property tax and other revenues to be used for the payment of interest and principal on the City's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The City reports the following major proprietary fund:

Enterprise:

The Sewer Fund is used to account for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

The City also reports the Refuse and Disposal Fund as a non-major enterprise fund. This fund is used to account for the operation and maintenance of the City's solid waste collection and recycling system.

### **Measurement Focus and Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end.

Property tax, local option sales tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the programs. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the 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.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity**

The following Accounting policies are followed in preparing the financial statements:

**Cash, Cash Equivalents and Pooled Investments** – The cash balances of most City funds are pooled and invested in interest-bearing cash accounts or certificates of deposit. Interest on the pooled cash investments is recognized as revenue when earned and allocated to the funds on a systematic basis, or as provided by law. Investments are stated at fair value except for the investments in the Iowa Public Agency Investment Trust which are valued at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

**Property Tax Receivable, Including Tax Increment Financing** – Property tax, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at June 30, 2019 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified to the County in March 2018.

**Customer Accounts and Unbilled Usage** – Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

**Special and Drainage Assessments Receivable** – Special and drainage assessments receivable represents the amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other tax. Assessments receivable represent assessments which are due and payable but have not been collected.

**Due from and Due to Other Funds** – During the course of its operations, the City has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Due From Other Governments** – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

**Inventories** – Inventories are valued at cost using the first-in/first-out method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenditures when consumed rather than when purchased.

**Prepaid Items** – Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items in both government-wide and fund financial statements. In governmental funds, prepaid items are accounted for using the consumption method and a portion of fund balance equal to the prepaid items has been reported as nonspendable to indicate that it is not available for appropriation.

**Capital Assets** – Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the City) are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position and in the Proprietary Funds Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Threshold
Land, buildings, and improvements	\$ 25,000
Machinery, equipment and vehicles	5,000
Infrastructure	50,000
Intangibles	50,000

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	40-50
Land improvements	10-20
Machinery and equipment	5-30
Vehicles	5-10
Infrastructure	20-65
Intangibles	5-15

**Deferred Outflows of Resources** – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and 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 to OPEB expense, and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

**Compensated Absences** – City employees accumulate a limited amount of earned but unused vacation and sick leave benefits and compensatory time for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

**Long-Term Liabilities** – In the government-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net position. If deemed material, bonds payable are reported net of the applicable bond premium or discount which are deferred and amortized over the life of the bonds using the straight line method.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Interest is reported as an expenditure in the period in which the related payment is made.

**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. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

**Total OPEB Liability** – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

**Deferred Inflows of Resources** – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and 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 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 receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and other unrecognized items not yet credited to pension or OPEB expense.

**Fund Equity** – In the governmental fund financial statements, fund balances are classified as follows:  
Nonspendable – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications. The general fund is the only fund that reports a positive unassigned fund balance amount.

**Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2019, expenditures exceeded the amounts budgeted in the public safety, health and social services, debt service, and capital projects functions.

**Note 2 - Cash and Investments**

The City's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The following is a reconciliation of cash and investments as shown on the financial statements:

Cash Deposits and Petty Cash	\$ 53,362,136
Money Market Accounts	3,814,175
IPAIT Diversified Fund	<u>20,535,310</u>
	<u>\$ 77,711,621</u>
Governmental Funds/Governmental Activities	\$ 68,420,134
Enterprise Funds/Business Type Activities	<u>9,291,487</u>
	<u>\$ 77,711,621</u>

At June 30, 2019, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$20,535,310, which approximates fair value, pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments.

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy limits the investment of operating funds (funds reasonably expected to be expended during the current budget year or within 13 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days. However, all investments of the City shall have maturities consistent with the needs and uses of the City.

**Credit Risk** – The City’s investments in the Iowa Public Agency Investment Trust are unrated.

**Concentration of Credit Risk** – The City’s investment policy has the following limitations: no more than 10% of the investment portfolio may be invested in prime banker’s acceptances, commercial paper or other short-term corporate debt, no more than 5% of the investment portfolio may be invested in the securities of a single issuer and no more than 5% of all amounts invested in commercial paper or other short-term corporate debt shall be invested in paper and debt rated in the second highest classification. When possible, it is the City’s policy to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, specific issuer or a specific class of securities.

#### **Discretely Presented Component Unit – Library Foundation**

The City of Council Bluffs Library Foundation possesses mutual funds which mandate disclosure requirements under Governmental Accounting Standards Board Statement No.72, *Fair Value Measurement and Application*.

The Foundation uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The Council Bluffs Public Library Foundation’s investments at June 30, 2019 consist of mutual funds with a fair value of \$11,185,616. The recurring fair value measurement for these mutual funds was determined using the last reported sales price at current exchange rates (Level 1 inputs).

**Note 3 - Capital Assets**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 46,564,459	\$ 4,889,970	\$ -	\$ 51,454,429
Construction in progress	67,387,944	37,819,280	62,812,563	42,394,661
Total capital assets not being depreciated	<u>113,952,403</u>	<u>42,709,250</u>	<u>62,812,563</u>	<u>93,849,090</u>
Capital assets being depreciated				
Buildings	129,317,378	25,831,418	-	155,148,796
Improvements other than buildings	35,023,960	2,286,911	-	37,310,871
Equipment and vehicles	32,101,016	1,810,592	1,820,713	32,090,895
Infrastructure, road network	203,686,980	29,780,890	-	233,467,870
Intangibles	1,579,256	-	-	1,579,256
Total capital assets being depreciated	<u>401,708,590</u>	<u>59,709,811</u>	<u>1,820,713</u>	<u>459,597,688</u>
Less accumulated depreciation for				
Buildings	42,366,902	3,472,722	-	45,839,624
Improvements other than buildings	21,207,255	1,330,509	-	22,537,764
Equipment and vehicles	22,606,661	2,512,578	1,719,556	23,399,683
Infrastructure, road network	85,663,876	5,078,603	-	90,742,479
Intangibles	1,057,133	234,214	-	1,291,347
Total accumulated depreciation	<u>172,901,827</u>	<u>12,628,626</u>	<u>1,719,556</u>	<u>183,810,897</u>
Total capital assets, net	<u>\$ 342,759,166</u>	<u>\$ 89,790,435</u>	<u>\$ 62,913,720</u>	<u>\$ 369,635,881</u>
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 6,443,672	\$ -	\$ -	\$ 6,443,672
Construction in progress	3,926,545	4,519,683	5,809,584	2,636,644
Total capital assets not being depreciated	<u>10,370,217</u>	<u>4,519,683</u>	<u>5,809,584</u>	<u>9,080,316</u>
Capital assets being depreciated				
Buildings	22,798,184	472,162	-	23,270,346
Improvements other than buildings	6,884,135	-	-	6,884,135
Equipment and vehicles	15,438,469	957,541	284,663	16,111,347
Infrastructure, sewer network	170,579,529	3,222,177	-	173,801,706
Intangibles	60,373	-	-	60,373
Total capital assets being depreciated	<u>215,760,690</u>	<u>4,651,880</u>	<u>284,663</u>	<u>220,127,907</u>
Less accumulated depreciation for				
Buildings	12,770,785	434,197	-	13,204,982
Improvements other than buildings	2,031,055	98,879	-	2,129,934
Equipment and vehicles	11,086,236	749,165	204,984	11,630,417
Infrastructure, sewer network	40,093,359	2,904,964	-	42,998,323
Intangibles	36,224	12,075	-	48,299
Total accumulated depreciation	<u>66,017,659</u>	<u>4,199,280</u>	<u>204,984</u>	<u>70,011,955</u>
Total capital assets, net	<u>\$ 160,113,248</u>	<u>\$ 4,972,283</u>	<u>\$ 5,889,263</u>	<u>\$ 159,196,268</u>

Depreciation/amortization was charged to functions of the primary government as follows:

Governmental Activities:

Public safety	\$ 1,844,207
Public works	5,066,794
Health and social services	10,065
Culture and recreation	3,160,200
Community and economic development	2,140,906
General government	<u>406,454</u>
Total depreciation expense - governmental activities	<u><u>\$ 12,628,626</u></u>

Business-Type Activities:

Sewer	\$ 3,956,594
Refuse and disposal	<u>242,686</u>
Total depreciation expense - business-type activities	<u><u>\$ 4,199,280</u></u>

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Discretely Presented Component Unit:				
Airport Authority				
Capital assets not being depreciated:				
Land	\$ 2,192,064	\$ -	\$ -	\$ 2,192,064
Construction in progress	721,484	340,535	954,454	107,565
Total capital assets not being depreciated	<u>2,913,548</u>	<u>340,535</u>	<u>954,454</u>	<u>2,299,629</u>
Capital assets being depreciated:				
Buildings	7,604,784	6,162	8,135	7,602,811
Improvements other than buildings	21,144,114	996,878	-	22,140,992
Equipment and vehicles	388,090	8,882	41,574	355,398
Total capital assets being depreciated	<u>29,136,988</u>	<u>1,011,922</u>	<u>49,709</u>	<u>30,099,201</u>
Less accumulated depreciation for				
Buildings	2,418,319	182,914	4,186	2,597,047
Improvements other than buildings	6,355,473	684,011	-	7,039,484
Equipment and vehicles	208,690	35,351	41,574	202,467
Total accumulated depreciation	<u>8,982,482</u>	<u>902,276</u>	<u>45,760</u>	<u>9,838,998</u>
Total capital assets being depreciated, net	<u>20,154,506</u>	<u>109,646</u>	<u>3,949</u>	<u>20,260,203</u>
Discretely presented component unit capital assets, net	<u><u>\$ 23,068,054</u></u>	<u><u>\$ 450,181</u></u>	<u><u>\$ 958,403</u></u>	<u><u>\$ 22,559,832</u></u>
Total depreciation expense- discretely presented component unit				<u><u>\$ 902,276</u></u>

**Note 4 - Long-Term Liabilities**

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds/notes	\$ 62,540,000	\$ -	\$ 7,135,000	\$ 55,405,000	\$ 6,305,000
Premium	1,935,858	-	96,793	1,839,065	96,793
Total bonds payable	<u>64,475,858</u>	<u>-</u>	<u>7,231,793</u>	<u>57,244,065</u>	<u>6,401,793</u>
Term loan note	1,221,053	-	1,221,053	-	-
Iowa Finance Authority Loan	4,675,000	-	435,000	4,240,000	285,000
Capital Leases	-	10,043,495	(29,380)	10,072,876	374,437
Total direct placement debt	<u>5,896,053</u>	<u>10,043,495</u>	<u>1,626,672</u>	<u>14,312,876</u>	<u>659,437</u>
Settlement agreement*	1,785,713	-	528,571	1,257,142	528,571
Compensated absences*	3,086,074	2,372,085	2,257,379	3,200,780	2,231,475
Termination benefit liability*	253,342	105,707	-	359,049	21,404
Governmental activities total	<u>\$ 75,497,040</u>	<u>\$ 12,521,288</u>	<u>\$ 11,644,415</u>	<u>\$ 76,373,912</u>	<u>\$ 9,842,680</u>
<b>Business type activities:</b>					
Sewer revenue capital loan notes	\$ 3,942,000	\$ -	\$ 227,000	\$ 3,715,000	\$ 234,000
Recycling closed loop fund note	41,700	-	41,700	-	-
Recycling solid waste alternative	95,000	-	30,000	65,000	30,000
Compensated absences	326,686	268,732	225,046	370,372	209,844
Termination benefit liability	82,022	-	16,288	65,734	2,465
Business type activities total	<u>\$ 4,487,408</u>	<u>\$ 268,732</u>	<u>\$ 540,034</u>	<u>\$ 4,216,106</u>	<u>\$ 476,309</u>

For the governmental activities, termination benefit liabilities and compensated absences are generally liquidated by the General Fund.

\* Settlement agreement, compensated absences, and termination benefit liability are not included in the direct debt total shown in schedule 12 of the statistical section.

**General Obligation Bonds/Notes Payable**

General obligation bonds/notes have been issued for governmental activities. The portion of unmatured general obligation bonds/notes accounted for in governmental activities and serviced by the Debt Service Fund totaled \$55,405,000 at June 30, 2019. General obligation bonds/notes bear interest at rates ranging from .50% to 5.0% per annum and mature in varying annual amounts ranging from \$100,000 to \$2,000,000, with final maturities due in the year ending June 1, 2038.

City of Council Bluffs  
Notes to Financial Statements  
June 30, 2019

During the year ended June 30, 2019, principal payments of \$7,135,000 and interest payments of \$2,047,424 were made by the City on general obligation bonds/notes.

Details of general obligation bonds/notes payable at June 30, 2019 are as follows:

Obligation/Purpose	Date of Issue	Interest Rate	Final Due Date	Annual Payments	Amount Originally Issued	Principal Outstanding June 30, 2019
<b>General obligation bonds</b>						
Essential corporate purpose	Nov 28, 2012	2.000-3.000	June 1, 2027	\$825,000-\$1,945,000	\$ 14,880,000	\$ 7,845,000
Essential corporate purpose	Apr 29, 2014	2.000-3.000	June 1, 2026	270,000-1,000,000	7,630,000	4,415,000
Essential corporate purpose	Mar 24, 2015	3.0000	June 1, 2030	360,000-1,535,000	8,145,000	4,485,000
Essential corporate purpose	Mar 24, 2015	2.000-4.000	June 1, 2021	660,000-775,000	3,620,000	1,535,000
Essential Corporate purpose	Dec 13, 2016	2.000-2.500	June 1, 2026	100,000-1,060,000	6,095,000	5,895,000
Essential Corporate purpose	Dec 13, 2016	1.100-1.900	June 1, 2021	290,000-855,000	2,810,000	1,145,000
Essential Corporate purpose	Aug 03, 2017	3.000-4.000	June 1, 2037	360,000-690,000	9,540,000	8,390,000
Essential Corporate purpose	June 11, 2018	3.000-5.000	June 1, 2038	615,000-2,000,000	22,605,000	21,245,000
<b>General obligation capital loan notes:</b>						
Essential corporate purpose	May 15, 2013	2.0000	June 1, 2020	395,000-450,000	2,535,000	450,000
<b>General obligation premium</b>						
2018A Bond Premium	June 11, 2018	3.000-5.000	June 1, 2038	96,793	1,967,362	1,839,065
Total government activities						\$ 57,244,065

Years Ending June 30,	General Obligation Bonds/Notes		
	Principal	Interest	Total
2020	\$ 6,305,000	\$ 1,857,289	\$ 8,162,289
2021	5,945,000	1,657,654	7,602,654
2022	5,195,000	1,460,394	6,655,394
2023	5,390,000	1,276,719	6,666,719
2024	5,575,000	1,080,094	6,655,094
2025-2029	16,520,000	2,987,431	19,507,431
2030-2034	6,160,000	1,239,594	7,399,594
2035-2038	4,315,000	337,919	4,652,919
Total	\$ 55,405,000	\$ 11,897,093	\$ 67,302,093

### Bond Premium

The City received Bond Premium for the 2018A Bonds. The City will amortize the bond premium for the life of the 2018A Bonds.

### Term Loan Note

On March 28, 2014, the City issued a \$11,600,000 term loan note through U.S. Bank National Association, the proceeds of which were used to retire the outstanding urban renewal capital loan note. The term loan note bears interest at a variable rate, adjusted monthly. Principal and interest payments are amortized over fifty-seven (57) months and are due in monthly installments of principal in the amount of \$203,509, together with interest, beginning on April 20, 2014 and continuing on the twentieth (20th) day of each month thereafter. The Term Loan Note was paid in full December 20, 2018.

Principal and interest on this note are secured as follows:

- (1) Bass Pro Shop lease rental payments,
- (2) Mortgage and Security Agreement, in favor of the holder of the note, granting a first lien on the project improvements and land,
- (3) County annual appropriation economic development grant,
- (4) Iowa West Foundation, Inc. guaranty

During the year ended June 30, 2019, principal and interest payments were \$1,221,053 and \$15,308, respectively.

The City has pledged future Bass Pro Shop lease rental income and contributions from the City, County and Iowa West Foundation, net of specified operating expenditures, to repay the term loan note issued in March 2014. For the current year, principal and interest paid and total net revenues (operating revenues plus transfers in from the City, less operating expenditures) were \$1,236,199 and \$1,434,269, respectively.

Details of the term loan note payable at June 30, 2019 are as follows:

Obligation	Date of Issue	Interest Rate	Final Due Date	Annual Payments	Amount Originally Issued	Principal Outstanding June 30, 2019
Term loan note	March 28, 2014	4.082% *	Dec 20, 2018	1,335,526-2,442,105	\$ 11,600,000	-

\*Rate is variable with 210 basis points added to the 30-day LIBOR index, adjusted monthly

### Settlement Agreement

On October 17, 2013, a stipulation of dismissal with prejudice was brought before the United States District Court for the Southern District of Iowa, Central Division, which dismissed a suit against the City of Council Bluffs and others. The dismissal with prejudice resulted in a settlement agreement making the City liable for \$6,199,997. The settlement will be paid from the General Fund. During the year ended June 30, 2019, the City made payments totaling \$528,571 on the agreement. Final payment will be made July 1, 2020.

Details of the settlement agreement payable at June 30, 2019 are as follows:

Years Ending June 30,	Total
2020	\$ 528,571
2021	728,571
Total	<u>\$ 1,257,142</u>

**Loan from Iowa Finance Authority**

On May 5, 2015, the Iowa Finance Authority (IFA) issued \$5,950,000 in economic development revenue bonds and loaned the proceeds thereof to the City, which the City used to make an economic development grant in accordance with the Marketplace Urban Renewal plan, fund a debt service reserve for the bonds and pay the costs of issuing the bonds. The loan is payable solely from the bond proceeds, tax increment financing (TIF) receipts generated by increased property values in the designated portions of the Marketplace urban renewal area, credited to the Special Revenue, Tax Increment Financing Fund and paid to the trustee pursuant to the financing agreement and moneys in the debt reserve trust account. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. Pursuant to the financing agreement, the City established a Trust Account through the Bank of Kansas City (BOKF) as trustee. Funds in the trust account are to be used to retire the IFA bonds.

The IFA bonds bear interest at rates ranging from 4.25% to 5.25% per annum and mature in varying annual amounts ranging from \$95,000 to \$880,000, with final maturities due in the year ending June 30, 2030. Principal payments will be applied to the first \$2,750,000 of the bonds which bear interest at 4.25% and will then be applied to the remaining \$3,200,000 of the bonds which bear interest at 5.25%. During the year ended June 30, 2019, principal payments of \$435,000 and interest payments of \$225,906 were made by the City.

As set forth in the grant and development agreement, subject to annual appropriation, the City shall transfer 90% of the eligible tax increment collected by the City with respect to the property as the June 1 and December 1 TIF rebates commencing with the June 1, 2015 rebate and continuing for so long as the IFA bonds are outstanding, but in no event after the June 1, 2029 TIF rebate has been transferred to the trustee. The payment of such tax increment revenues do not constitute a continuing obligation of the City in any fiscal year beyond the fiscal year for which funds have been appropriated. Accordingly, only the appropriated amount payable in the succeeding year is subject to the constitutional debt limitation.

A summary of the City's June 30, 2019 loan from Iowa Finance Authority is as follows:

Years Ending June 30,	Principal	Interest	Total
2020	\$ 285,000	\$ 212,200	\$ 497,200
2021	305,000	200,088	505,088
2022	330,000	187,125	517,125
2023	355,000	173,100	528,100
2024	380,000	151,331	531,331
2025-2029	2,400,000	445,725	2,845,725
2030	185,000	4,856	189,856
Total	<u>\$ 4,240,000</u>	<u>\$ 1,374,425</u>	<u>\$ 5,614,425</u>

**Capital Leases**

Parking Garage Capital Lease

The City has entered into a Master Lease Purchase Agreement with River's Edge Parking, LLC (the Developer) and Iowa West Foundation (the Guarantor) to construct a parking facility located at the River's Edge development. The Developer will design, acquire and construct the parking ramp, and lease these improvements to the City. The cost of the project shall not exceed \$19,596,605 including the initial payment made in FY18 of \$4,240,296. The initial payment was funded as follows: the City received \$2 million from the Iowa West Foundation, \$2 million was funded from the City Gaming Fund and \$240,296 from the sale of property at River's Edge. Periodic lease payments will be funded by tax increment revenues. The Master Lease Agreement carries an imputed interest rate of 9%. The Guarantor will guarantee the payment of the periodic lease payments should the

revenues in the available tax increment revenues be insufficient to fund the periodic lease payments. The lease will end upon full payment of the remaining lease payments or December 31, 2039. This Master Lease Purchase Agreement does not constitute a general obligation of the City and the full faith and credit of the City is not pledged for payments under the Agreement.

As of June 30, 2019, the City had outstanding principal and interest of \$14,968,624 related to the Master Purchase Lease. The City has capitalized \$14,047,645 for the Parking Garage asset. The Certificate of Acceptance is effective July 1, 2019 and no amortization is recorded in FY19.

Details of the parking garage capital lease are as follows:

Years Ending June 30,	Principal	Interest	Total
2020	\$ 331,444	\$ 443,925	\$ 775,369
2021	346,365	429,004	775,369
2022	361,957	413,412	775,369
2023	378,252	397,117	775,369
2024	395,280	380,089	775,369
2025-2029	2,259,887	1,616,958	3,876,845
2030-2034	2,816,466	1,060,379	3,876,845
2035-2039	2,971,367	366,722	3,338,089
Total	<u>\$ 9,861,018</u>	<u>\$ 5,107,606</u>	<u>\$ 14,968,624</u>

\*Subject to adjustment based on the refinancing of the Developers Financing following initial maturity on December 31, 2027.

Golf Cart Capital Lease

On March 1, 2019, Landscapes Unlimited LLC on behalf of the City of Council Bluffs entered into a lease purchase agreement with Exchange Bank for 71 Club Car Golf Cars (2019), 4 Club Car Carryall 300 Gas (2019), 5 Club Car Carryall 500 Gas (2019) at 5% interest for 30 seasonal monthly payments of \$8,766 due the 1st day of April, May, June, July, August, & September in years 2019 through 2024.

Details of the golf cart capital lease are as follows:

Years Ending June 30,	Principal	Interest	Total
2020	\$ 42,993	\$ 9,605	\$ 52,598
2021	45,193	7,405	52,598
2022	47,505	5,093	52,598
2023	49,936	2,663	52,598
2024	26,082	218	26,299
Total	<u>\$ 211,709</u>	<u>\$ 24,984</u>	<u>\$ 236,693</u>

### Sewer Revenue Capital Loan Notes

On May 2, 2012, the City entered into an agreement with the Iowa Finance Authority (IFA) for \$5,160,000 of sewer revenue capital loan notes with interest at 3% per annum and mature in varying annual amounts ranging from \$187,000 to \$344,000, with the final maturity due June 1, 2032. The agreement also requires the City to annually pay a .25% servicing fee on the outstanding principal balance. The notes were issued pursuant to the provisions of Chapters 384.24A and 384.83 of the Code of Iowa to pay the cost of constructing improvements and extensions to the sewer utility system.

The City has pledged future sewer customer revenue, net of specified operating expenses, to repay the sewer revenue capital loan notes. The notes are payable solely from sewer customer net revenues. Annual principal and interest payments on the notes are expected to require more than 100% of net revenues. The total amount of principal and interest remaining to be paid on the notes at June 30, 2019 is \$4,544,800. For the current year, principal and interest paid and total net revenue, (operating revenues less operating expenses plus depreciation expense), were \$345,260 and \$1,575,687 respectively.

The resolution providing for the issuance of the sewer revenue capital loan notes issued under the loan agreement between the City, the Iowa Finance Authority and the Iowa Department of Natural Resources includes the following provisions:

- (1) The notes will only be redeemed from the future earnings of the enterprise activity and the note holder holds a lien on the future earnings of the funds.
- (2) User rates shall be established at a level which produces and maintains net revenues at a level not less than 110% of the amount of principal and interest on the notes falling due in the same year.

Details of the sewer revenue capital loan notes payable at June 30, 2019 are as follows:

Obligation	Date of Issue	Interest Rate *	Final Due Date	Annual Payments	Amount Originally Issued	Principal Outstanding June 30, 2019
Sewer revenue capital loan note	May 2, 2012	3.0000%	June 1, 2032	\$187,000-\$344,000	\$ 5,160,000	\$ 3,715,000

\* The agreement also requires the City to annually pay a .25% servicing fee on the outstanding principal balance.

A summary of the annual principal and interest payments to maturity is as follows:

Years Ending June 30,	Sewer Capital Loan Note		
	Principal	Interest	Total
2020	\$ 234,000	\$ 111,450	\$ 345,450
2021	242,000	104,430	346,430
2022	250,000	97,170	347,170
2023	258,000	89,670	347,670
2024	266,000	81,930	347,930
2025-2029	1,466,000	284,550	1,750,550
2030-2032	999,000	60,600	1,059,600
Total	<u>\$ 3,715,000</u>	<u>\$ 829,800</u>	<u>\$ 4,544,800</u>

**Recycling Closed Loop Fund Note**

On July 13, 2015, the City entered into an agreement with Closed Loop Fund, LP, for \$250,000 of notes payable with interest at 0% per annum and mature in annual amounts of \$41,700 - \$83,320, with the final maturity due December 31, 2018. The note was issued for the purpose of purchasing a horizontal baler. During the year ended June 30, 2019, principal payments of \$30,000 on the note were made by the City. The note was paid in full December 31, 2018.

**Recycling Solid Waste Alternative Note**

On July 13, 2015, the City entered into an agreement with Iowa Department of Natural Resources, for \$170,000 of notes payable with interest at 0% per annum and mature in annual amounts of \$15,000 - \$35,000, with the final maturity due October 15, 2020. The note was issued for the purpose of purchasing a horizontal baler. A summary of the annual payments to maturity is as follows:

Years Ending June 30,	Principal
2020	\$ 30,000
2021	35,000
Total	\$ 65,000

At June 30, 2019, the general obligation debt issued by the City did not exceed its legal debt margin, computed as follows:

Actual assessed value as of January 1, 2017 (unaudited)	\$5,259,987,480
Debt limit - 5% of total actual valuation	\$ 262,999,374
Less debt applicable to debt limit:	
General obligation debt outstanding	(55,405,000)
Tax increment indebtedness	(3,839,769)
Settlement Agreement	(1,257,142)
Plus funds on hand available to service debt:	
Debt Service Fund balance	1,089,224
Tax Increment Financing Fund balance	972,530
Legal Debt Margin	\$ 204,559,217

**Note 5 - Restricted Fund Balances**

The detail of restricted fund balances, other purposes at June 30, 2019 is as follows:

	General Funds	Bsss Pro	TIF Funds	Nonmajor	Totals
Workers Compensation	\$ 72,000	\$ -	\$ -	\$ -	\$ 72,000
Tort	675,935	-	-	-	675,935
Employee insurance	3,168,652	-	-	-	3,168,652
MACC	114,079	-	-	-	114,079
Bass Pro	-	1,037,745	-	-	1,037,745
TIF	-	-	63,712	-	63,712
Targeted Jobs	-	-	-	54,115	54,115
Library	-	-	-	27,398	27,398
Home Program	-	-	-	31,799	31,799
CD Installment Loans	-	-	-	195,104	195,104
Drainage Districts	-	-	-	1,379,640	1,379,640
Other	255	-	-	-	255
	<u>\$ 4,030,921</u>	<u>\$ 1,037,745</u>	<u>\$ 63,712</u>	<u>\$ 1,688,057</u>	<u>\$ 6,820,434</u>

**Note 6 - Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

<b>Transfer To</b>	<b>Transfer From</b>	<b>Amount</b>
General	Nonmajor Governmental Funds CD Block Grant	<u>\$ 308,150</u>
Bass Pro Shop	Tax Increment Financing	<u>787,458</u>
Debt Service	Tax Increment Financing	<u>1,555,091</u>
Capital Project	General	268,711
	Nonmajor Governmental Funds	
	Road Use	3,123,130
	CD Block Grant	463,204
	Local Option Sales Tax	1,921,584
	Tax Increment Financing	<u>54,986</u>
		<u>5,831,615</u>
Nonmajor Governmental Funds		
CD Block Grant	Capital Project	<u>106,421</u>
		<u><u>\$ 8,588,735</u></u>

Transfers are used to 1) move revenues from the fund with the collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move tax increment financing revenues from the Special Revenue, Tax Increment Financing Fund to the Special Revenue, Bass Pro Shop Fund to fulfill the City's obligation under an economic development agreement with Bass Pro Outdoor World LLC., 3) transfer funds between the Special Revenue, Tax Increment Financing Fund and the Capital Projects Fund and 4) transfer funds between the Special Revenue, Road Use fund Capital Projects fund.

**Note 7 - Interfund Assets/Liabilities**

The City did not have a negative pooled cash balance as of June 30, 2019.

## Note 8 - Pension Plan

The primary government participates in two public pension systems, Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The following sections outline the pension related disclosures for each pension. The aggregate amount of recognized pension expense for the period associated with the net pension liability for both plans is \$7,046,658. Other aggregate amounts related to pension are separately displayed in the financial statements.

### Iowa Public Employees Retirement System

**Plan Description.** IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a publicly available financial report which includes financial statements and required supplementary information. The report may be obtained by e-mail at [info@ipers.org](mailto:info@ipers.org), by phone at 515-281-0020 or 1-800-622-3849, by mail at Iowa Public Employees' Retirement System, PO Box 9117, Des Moines, IA 50306-9117, or at [www.ipers.org](http://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 informational 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, except members with service before June 30, 2012 will use the highest three year average salary as of that date 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% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives 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** – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% for a total rate of 15.73%.

The City’s total contributions to IPERS for the year ended June 30, 2019 were \$1,544,087.

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2019, the City reported a liability of \$13,607,641 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the City’s collective proportion was .215030%, which was a decrease of .001413% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$1,801,351. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to IPERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 74,609	\$ 307,555
Changes of Assumptions	1,941,214	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	373,894
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	113,284	337,704
City Contributions Subsequent to the Measurement Date	1,544,087	-
	\$ 3,673,194	\$ 1,019,153

\$1,544,087 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Total
2020	\$ 893,832
2021	441,169
2022	(164,034)
2023	(44,034)
2024	(16,979)
	\$ 1,109,954

**Actuarial Assumptions** – The total pension liability (TPL) was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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 arithmetic 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
Domestic Equity	22.0%	6.01%
International Equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core Plus Fixed Income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.4	4.14
Private credit	3.0	3.11
Total	<u>100.0%</u>	

**Discount Rate** – The discount rate used to calculate the TPL is 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employees and employers will be made at the contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. Based on those assumptions, IPERS' fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the TPL.

**Sensitivity of the 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 7.0%, as well as what the City's proportionate share of IPERS net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease <u>6.00%</u>	Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
City's Proportionate Share of the Net Pension Liability	\$ 23,094,901	\$ 13,607,641	\$ 5,649,240

**IPERS' Fiduciary Net Position** – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**Payables to IPERS'** – At June 30, 2019, the City reported no payables to the defined benefit pension plan.

### **Municipal Fire and Police Retirement System of Iowa (MFPRSI)**

**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 Council Bluffs 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](http://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% of the member's average final compensation. Members who perform more than 22 years of service receive an additional 2% of the member's average final compensation 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% 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. When electing to participate in DROP, the member signs a contract stating 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.

**Disability and Death Benefits** – Disability benefits may be either accidental or ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% 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% 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% 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% 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% 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% 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 annually in accordance with Chapter 411.6 of the Code of Iowa, which provides 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 Iowa Code Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2019.

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% 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 City’s contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 26.02% for the year ended June 30, 2019.

The City’s contributions to MFPRSI for the year ended June 30, 2019 was \$4,541,407.

If approved by the State Legislature, state appropriation may further reduce the City’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.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2019.

**Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2019, the City reported a liability of \$34,634,472 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2018, the City’s proportion was 5.816975%, which was a decrease of .000031% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$5,245,307. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to MFPRSI from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 929,767	\$ 469,834
Changes of Assumptions	2,958,137	276,771
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,694,119	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	190,004	313,865
City Contributions Subsequent to the Measurement Date	4,541,407	-
	<u>\$ 10,313,434</u>	<u>\$ 1,060,470</u>

\$4,541,407 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 ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30,</u>	<u>Total</u>
2020	\$ 3,215,006
2021	1,690,171
2022	(526,169)
2023	281,789
2024	50,760
	<u>\$ 4,711,557</u>

**Actuarial Assumptions** – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00%
Salary increases	3.75 to 15.11%, including inflation.
Investment rate of return	7.50%, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

Postretirement mortality changed to the RP-2014 Blue Collar combined Healthy Mortality Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The long-term expected rate of return on MFPRSI 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 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 best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large cap	5.5%
Small cap	5.8
International large cap	7.3
Emerging markets	9.0
Emerging markets debt	6.3
Private non-core real estate	8.0
Master limited partnerships	9.0
Private equity	9.0
Core plus fixed income	3.3
Private core real estate	6.0
Tactical asset allocation	6.4

**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 plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all 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%, 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% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
City's Proportionate Share of the Net Pension Liability	\$ 57,786,434	\$ 34,634,472	\$ 15,465,425

**MFPRSI’s Fiduciary Net Position** – Detailed information about the MFPRSI’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI’s website at [www.mfprsi.org](http://www.mfprsi.org).

**Payables to the Pension Plan** – At June 30, 2019, the City reported no payables to the defined benefit pension plan for legally required employer contributions. There were no legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

**Note 9 - Other Postemployment Benefits (OPEB)**

**Plan Description** – The City operates a single-employer health benefit plan which provides medical/prescription drug and dental benefits for employees, retirees and their dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The City does not issue a separate report that includes financial statements and required supplementary information for the OPEB plan.

**OPEB Benefits** - Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are age 55 and at least four years of service. A Covered Individual who retires from service with the City must be vested in the Municipal Fire and Police Retirement System of Iowa (MFPRSI) or in Iowa Public Employees Retirement System (IPERS). Retirees pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate of subsidy and an OPEB liability.

At July 1, 2018, plan membership consisted of the following:

Inactive employees currently receiving benefit payments	39
Active Employees	460
Total	499

**Total OPEB Liability** – The City’s total OPEB liability at June 30, 2019 is projected to be \$4,182,946 and was determined by an actuarial valuation as of July 1, 2018.

**Actuarial Assumptions** – The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	3.00% per annum
Salary increases	3.00% per annum
Discount rate	3.87% per annum
Healthcare cost trend rate	5.00% all years

**Discount rate** – The discount rate used to measure the total pension liability was 3.87% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2016 with MP 2018 generational projection of future mortality improvement.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study with the dates corresponding to those listed above.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 3,802,493
Changes for the year:	
Service cost	212,579
Interest	160,889
Benefit payments	(270,526)
Difference between expected and actual experience	367,061
Changes of assumptions	(89,550)
Net changes	<u>380,453</u>
Total OPEB liability end of year	<u><u>4,182,946</u></u>

Change of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2018 to 3.87% in fiscal year 2019.

**Sensitivity of the City’s Total OPEB Liability to Changes in the Discount Rate** – The following presents the total OPEB liability, calculated using the current discount rate of 3.87%, as well as the total OPEB liability calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB liability	\$ 4,513,599	\$ 4,182,946	\$ 3,879,092

**Sensitivity of the City’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rate** – The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.0%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1% lower (4.0%) or 1% higher (6.0%) than the current rate:

	1% Decrease 4.0%	Current Healthcare Cost Trend Rate 5.0%	1% Increase 6.0%
Total OPEB liability	\$ 3,771,472	\$ 4,182,946	\$ 4,663,929

**OPEB Expense and Deferred Outflows of Resources Related to OPEB** – For the year ended June 30, 2019, the City recognized OPEB expense of \$443,713. At June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Change of assumptions	\$ 419,635
Difference between expected and actual experience	335,143
	754,778

**Deferred Inflows of Resources Related to OPEB** – At June 30, 2019, the City reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Change of assumptions	\$ 81,763

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future years' OPEB expense as follows:

Year ending June 30,	Amount
2020	\$ 70,245
2021	70,245
2022	70,245
2023	70,245
2024	70,245
Thereafter	321,790
Total	\$ 673,015

**Note 10 - Deficit Balances**

The City did not have a deficit balance as of June 30, 2019.

**Note 11 - Employee Health Insurance Plan**

The Iowa Governmental Health Care Plan was established to account for the partial self-funding of the City's Health-Care Plan. The plan is funded by both employee and City contributions and is administered through a service agreement with Iowa Governmental Health Care Plan. The City assumes liability for claims up to the deductible of \$5,000/\$10,000 per single/family plan with a maximum out of pocket expense of \$7,350/\$14,700 per single/family plan. The deductible and maximum out of pocket expense for the City is reduced by the deductible amount paid by the employee of \$100/\$300 per single/family plan and employee maximum out of pocket expense of \$1,250/\$2,500 per single/family plan. Claims in excess of deductibles are covered by the Health-Care Plan.

Monthly payments of service fees and plan contributions to the Health-Care Plan Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees, premium fees, and claims processed are paid to Employee Benefit Systems, who administers the plan. The City records the plan assets and related liabilities of the Health-Care Plan in the General Fund. The City's contribution to the plan for the year ended June 30, 2019 was \$8,692,106.

Amounts payable from the Health-Care Plan at June 30, 2019 total \$178,000, which is for incurred but not reported (IBNR) and reported but not paid claims, which is included in accounts payable in these financial statements. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

A reconciliation of changes in the aggregate liabilities for claims for the years ended June 30, 2019 and June 30, 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Unpaid Claims as of Beginning of Year	\$ 174,000	\$ 213,000
Incurred Claims (including claims incurred but not reported as of June 30)	8,870,106	8,714,763
Payments on Claims	<u>(8,866,106)</u>	<u>(8,753,763)</u>
Unpaid Claims as of Year End	<u>\$ 178,000</u>	<u>\$ 174,000</u>

2018 numbers have been adjusted to match the 2019 accounting approach.

**Note 12 - Construction Commitments**

Construction commitments at June 30, 2019 totaling \$18,848,989 will be paid as work on the projects progresses. These projects will be funded through general obligation notes, grants, and local funds on hand.

**Note 13 - Risk Management**

The City is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance and \$500,000 self-insured retention on liability and auto coverage only and \$600,000 on worker's compensation. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks did not exceed commercial insurance coverage during the past 3 fiscal years.

**Note 14 - CDBG Grant Fund and CD Installment Loan Fund**

During the year ended June 30, 1977, the City received funding for an individual housing rehabilitation loan program from the U.S Department of Housing and Urban Development. The City also received funding from the Iowa West Foundation to provide loans to individuals for home improvements. The loans are accounted for in the Special Revenue, CDBG Grant Fund and the Special Revenue, CD Installment Loan Fund. Loans carry an interest rate from 1% to 3% per annum and have terms ranging from 10 to 20 years. At June 30, 2019, there were 33 active loans with a total outstanding principal balance of \$237,032 which is included in loans receivable in these financial statements.

### **Note 15 - Urban Renewal Development Agreements**

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$25,998,320. Certain agreements include provisions for the payment of interest.

During the year ended June 30, 2019, the City rebated \$1,212,892 of incremental property tax to developers, also \$2,877,266 for principal and \$131,429 for interest. The total cumulative principal amount rebated on the agreements is \$4,221,586. The outstanding balance on the agreements at June 30, 2019 was \$21,700,448. The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation.

### **Note 16 - Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

#### City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2019, \$1,756,401 of property tax was diverted from the City under urban renewal and economic development projects.

**Note 17 - Economic Development Agreements**

The City has various developer agreements to ensure continued economic growth for its citizens and visitors.

Council Bluffs Convention and Visitors Bureau

The City of Council Bluffs dedicates hotel/motel tax receipts to the Convention and Visitor's Bureau for the purpose of promoting the City as both a convention site, a sports venue and a visitor attraction. The City committed \$625,000 in the year ended June 30, 2019.

**Note 18 - Mid America Center**

The Mid-America Center (MAC) provides space for conventions, concerts, sporting events, meetings and other performances. The MAC was built with funding from the Southwest Iowa Foundation and, upon completion, ownership of the MAC was transferred to the City. The City has entered into a management agreement with Harrah's Iowa Arena Management, LLC (Harrah's) to manage the operations of the MAC. The City is contractually obligated to fund all liabilities and expenses of the MAC. Following is a condensed operating statement for activities of the MAC for the year ended June 30, 2019.

Operating revenues	
Event revenue	\$ 2,197,809
Food and beverage revenue	<u>1,436,769</u>
Total revenue	<u>3,634,578</u>
Operating expenses	
Event costs	341,733
Labor expenses	2,112,357
Marketing and promotions	216,825
Property operations	862,507
General operating	58,645
Administrative and general	<u>256,243</u>
Total operating expenses	<u>3,848,310</u>
Operating result (loss)	<u>(213,732)</u>
Management fee	243,135
Nonoperating costs	<u>1,719</u>
Income/(loss)	<u><u>\$ (458,586)</u></u>

The management agreement between the City and Harrah's provides for Harrah's to earn a management fee equal to 50% of the amount by which the net operating income (loss) for such fiscal year exceeds the net operating loss threshold of \$700,000.

Management Fee Calculation	
Net operating loss	\$ (213,732)
Net operating loss threshold	<u>700,000</u>
Net operating loss less than net operating loss threshold	<u><u>\$ 486,268</u></u>
50% of the amount the net operating loss exceeds the net operating loss threshold	<u><u>\$ 243,135</u></u>

**Note 19 - Dodge Riverside Golf Course**

On March 1, 2018 the City entered into a management agreement with Landscapes Management Company, LLC to manage the operations of the City owned Dodge Riverside Golf Course. Landscapes Management Company, LLC specializes in managing golf course operations. The City is contractually obligated to fund all liabilities and expenses of the golf course. The base management fee is \$5,000 per month, adjusted beginning January 1, 2019 and each January thereafter to increase 3% per year. A contingent management fee will be paid at the end of the first full fiscal year and is defined as 20% of any net operating income over \$0. Following is a condensed operating statement for activities for Dodge Riverside Golf Course managed by Landscapes Management Company, LLC for the year ended June 30, 2019.

Operating revenues	
Course and shop revenue	\$ 576,970
Food and beverage revenue	286,163
Total revenue	863,132
Operating expenses	
Event expenses:	
Course and shop expenses	191,792
Food and beverage costs	110,758
Labor expenses	496,452
General and administrative	219,770
Management fee	60,900
Total operating expenses	1,079,672
Net operating loss	\$ (216,540)
Adjustments for government fund presentation	
Capital expenditure adjustment	(94,847)
Depreciation and interest	65,304
Net loss	\$ (246,083)

**Note 20 - Subsequent Event**

On November 4, 2019, the City Council approved the issuance of \$7,630,000 of general obligation bonds to fund various capital projects. The interest rates on the bond range from 2.00-3.00% with a final maturity date on June 1, 2031. These bonds are anticipated to be issued on December 30, 2019.

# Required Supplementary Information

June 30, 2019

City of Council Bluffs



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	Governmental Fund Types Actual	Enterprise Fund Types Actual	Total Actual
<b>Revenues</b>			
Property tax	\$ 46,319,383	\$ -	\$ 46,319,383
Tax increment financing	4,183,808	-	4,183,808
Other city tax	23,147,634	-	23,147,634
License and permits	7,390,985	9,865	7,400,850
Use of money and property	1,467,121	5,334	1,472,455
Intergovernmental	19,742,715	-	19,742,715
Local Grants	4,196,680	-	4,196,680
Charge for service	5,722,772	13,322,685	19,045,457
Special and drainage assessments	166,921	-	166,921
Miscellaneous	5,318,589	126,506	5,445,095
Total revenues	<u>117,656,607</u>	<u>13,464,390</u>	<u>131,120,997</u>
<b>Expenditures</b>			
Public safety	35,298,975	-	35,298,975
Public works	10,569,512	-	10,569,512
Health and social services	170,108	-	170,108
Culture and recreation	11,395,736	-	11,395,736
Community and economic development	4,018,198	-	4,018,198
General government	14,872,830	-	14,872,830
Debt service			
Principal redeemed	8,356,053	-	8,356,053
Interest paid	2,450,418	-	2,450,418
Miscellaneous debt expenditures	5,600	-	5,600
Capital projects	41,318,028	-	41,318,028
Business Type Activities	-	15,905,911	15,905,911
Total expenditures	<u>128,455,458</u>	<u>15,905,911</u>	<u>144,361,369</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,798,851)</u>	<u>(2,441,521)</u>	<u>(13,240,372)</u>
<b>Other Financing Sources (Uses)</b>			
Capital Asset Sales	263,056	96,977	360,034
Proceeds from Capital Lease	9,807,349	-	9,807,349
Capital contribution from Government Funds	-	2,408,754	2,408,754
Transfers in	8,588,735	-	8,588,735
Transfers out	<u>(8,588,735)</u>	<u>-</u>	<u>(8,588,735)</u>
Total other financing sources (uses)	<u>10,070,405</u>	<u>2,505,732</u>	<u>12,576,137</u>
Net Change in Fund Balances	(728,446)	64,211	(664,235)
Fund Balances (Deficits) Beginning of Year	<u>70,075,007</u>	<u>163,107,489</u>	<u>233,182,496</u>
Fund Balances End of Year	<u>\$ 69,346,561</u>	<u>\$ 163,171,700</u>	<u>\$ 232,518,261</u>

City of Council Bluffs  
 Budgetary Comparison Schedule of Revenues, Expenditures, and Changes in Balances – Budget and Actual –  
 Governmental Funds and Enterprise Funds  
 Required Supplementary Information  
 June 30, 2019

Budget Amounts		Final Budget to Actual Variance
Original	Final	
\$ 46,787,000	\$ 44,987,000	\$ 1,332,383
4,176,848	4,176,848	6,960
21,033,273	21,783,273	1,364,361
1,621,650	4,621,650	2,779,200
962,355	1,362,355	110,100
25,002,598	25,185,898	(5,443,183)
7,087,052	7,187,052	(2,990,372)
20,649,048	20,649,048	(1,603,591)
166,000	166,000	921
2,472,400	3,672,400	1,772,695
<u>129,958,224</u>	<u>133,791,524</u>	<u>(2,670,527)</u>
34,284,126	34,654,126	(644,849)
9,549,126	10,818,124	248,612
152,137	152,137	(17,971)
12,971,497	12,971,497	1,575,761
5,758,793	5,758,793	1,740,594
13,861,237	17,205,236	2,332,406
8,832,417	8,832,417	476,364
1,689,261	1,689,261	(761,157)
6,000	6,000	400
42,468,675	40,468,675	(849,353)
16,173,192	16,173,192	267,281
<u>145,746,461</u>	<u>148,729,458</u>	<u>4,368,089</u>
<u>(15,788,237)</u>	<u>(14,937,934)</u>	<u>1,697,562</u>
25,000	25,000	335,034
-	-	9,807,349
-	-	2,408,754
27,331,857	30,253,211	(21,664,476)
<u>(27,331,857)</u>	<u>(30,253,211)</u>	<u>21,664,476</u>
<u>25,000</u>	<u>25,000</u>	<u>12,551,137</u>
<u>(15,763,237)</u>	<u>(14,912,934)</u>	<u>14,248,699</u>
<u>224,879,209</u>	<u>224,879,209</u>	<u>8,303,287</u>
<u>\$ 209,115,972</u>	<u>\$ 209,966,275</u>	<u>\$ 22,551,986</u>

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing for all funds. The budget basis of accounting is modified accrual. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of expenditures/expenses known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function expenditures/expenses required to be budgeted include expenditures/expenses for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, the Permanent Fund and the Enterprise Funds. Although the budget document presents function expenditures/expenses by fund type, the legal level of control is at the aggregated functions level, not by fund. During the year, the budget amendment increased budgeted expenditures by \$2,982,997. This budget amendment is reflected in the final budget amounts.

During the year ended June 30, 2019, expenditures in public safety, health and social services, debt service and capital projects exceeded the amounts budgeted. In public safety, the variance is driven by additional unplanned building inspections that were directly offset by additional unplanned revenue. In debt service and capital projects, the variance was attributable to GAAP treatment of the initial recognition of the parking garage capital lease. Additionally, in capital projects the variance is driven by timing of project spend vs fiscal year capital improvement projects budget approach.

City of Council Bluffs  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Iowa Public Employee's Retirement System and Municipal Fire and Police Retirement System  
 Last Five Fiscal Years  
 Required Supplementary Information  
 (Expressed in Thousands)

<u>Iowa Public Employees' Retirement System</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Collective Proportion of the Net Pension Liability	0.2150302%	0.2164434%	0.2221247%	0.2207700%	0.2319287%
City's Collective Proportionate Share of the Net Pension Liability	\$ 13,608	\$ 14,418	\$ 13,979	\$ 10,907	\$ 8,857
City's Covered Payroll	\$ 16,148	\$ 16,148	\$ 15,940	\$ 15,129	\$ 15,175
City's Collective Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	84.27%	89.29%	87.70%	72.09%	58.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.62%	82.21%	81.82%	85.19%	87.61%
 <u>Municipal Fire and Police Retirement System of Iowa</u>					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Collective Proportion of the Net Pension Liability	5.816975%	5.813905%	5.917475%	5.879931%	5.824948%
City's Collective Proportionate Share of the Net Pension Liability	\$ 34,634	\$ 34,097	\$ 36,999	\$ 27,625	\$ 21,115
City's Covered Payroll	\$ 16,908	\$ 16,386	\$ 16,036	\$ 15,407	\$ 14,875
City's Collective Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	204.84%	208.09%	230.72%	179.30%	141.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.07%	80.60%	78.20%	83.04%	86.27%

In accordance with GASB Statement No. 68, the amount presented for each fiscal year were determined as of June 30<sup>th</sup> of the preceding year.

Note: 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.

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Iowa Public Employee's Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Required Contribution	\$ 1,544	\$ 1,442	\$ 1,442	\$ 1,423	\$ 1,351
Contributions in Relation to the Statutorily Required Contribution	<u>\$ 1,544</u>	<u>\$ 1,442</u>	<u>\$ 1,442</u>	<u>\$ 1,423</u>	<u>\$ 1,351</u>
Contribution Deficiency (Excess)	-	-	-	-	-
City's Covered Payroll	\$ 16,356	\$ 16,148	\$ 16,148	\$ 15,940	\$ 15,129
Contributions as a Percentage of Covered Payroll	9.44%	8.93%	8.93%	8.93%	8.93%

Municipal Fire and Police Retirement System of Iowa

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Required Contribution	\$ 4,541	\$ 4,342	\$ 4,247	\$ 4,453	\$ 4,689
Contributions in Relation to the Statutorily Required Contribution	<u>\$ 4,541</u>	<u>\$ 4,342</u>	<u>\$ 4,247</u>	<u>\$ 4,453</u>	<u>\$ 4,689</u>
Contribution Deficiency (Excess)	-	-	-	-	-
City's Covered Payroll	\$ 17,454	\$ 16,908	\$ 16,386	\$ 16,036	\$ 15,407
Contributions as a Percentage of Covered Payroll	26.02%	25.68%	25.92%	27.77%	30.43%

City of Council Bluffs  
Schedule of the City Contributions  
Iowa Public Employee's Retirement System and Municipal Fire and Police Retirement System  
Last Ten Fiscal Years  
Required Supplementary Information  
(Expressed in Thousands)

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<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,355	\$ 1,276	\$ 1,165	\$ 986	\$ 958
<u>\$ 1,355</u>	<u>\$ 1,276</u>	<u>\$ 1,165</u>	<u>\$ 986</u>	<u>\$ 958</u>
-	-	-	-	-
\$ 15,175	\$ 14,726	\$ 14,437	\$ 14,202	\$ 14,403
8.93%	8.66%	8.07%	6.94%	6.65%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 4,480	\$ 3,769	\$ 3,454	\$ 2,722	\$ 2,335
<u>\$ 4,480</u>	<u>\$ 3,769</u>	<u>\$ 3,454</u>	<u>\$ 2,722</u>	<u>\$ 2,335</u>
-	-	-	-	-
\$ 14,875	\$ 14,330	\$ 13,949	\$ 13,679	\$ 13,738
30.12%	26.30%	24.76%	19.90%	17.00%

**Iowa Public Employees' Retirement System***Changes of benefit terms:*

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

*Changes of assumptions:*

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

### **Municipal Fire and Police Retirement System of Iowa**

*Changes of benefit terms:*

There were no significant changes of benefit terms.

*Changes of assumptions:*

The 2018 valuation implemented the following refinements in actuarial assumptions:

- Postretirement mortality changed to the RP-2014 Blue Collar combined Healthy Mortality Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation was based on the following actuarial assumptions:

- Postretirement mortality changed to the RP-2014 Blue Collar combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with five years projection of future mortality improvement with Scale BB.

City of Council Bluffs  
Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes  
Year Ended June 30, 2019

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**OPEB Liability**

	2019	2018
Service cost	\$ 212,579	\$ 353,825
Interest	160,889	135,388
Benefit payments	(270,526)	(229,369)
Difference between Expected and Actual Experience	367,061	
Changes of assumptions	(89,550)	511,863
Net change in total OPEB liability	380,453	771,707
Total OPEB liability beginning of year	3,802,493	3,030,786
Total OPEB liability end of year	4,182,946	3,802,493
Covered-employee payroll	29,693,474	29,491,541
Total OPEB liability as a percentage of covered-employee payroll	14.09%	12.89%

**Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Changes in benefit terms:*

There were no significant changes in benefit terms.

*Change in assumptions:*

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	5.00%

Note: GASB 75 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.

# Other Supplementary Information

June 30, 2019

City of Council Bluffs



## Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenues legally restricted to expenditure for particular purposes.

**The Road Use Tax Fund** accounts for the operation of street maintenance. Financing is provided by the City's share of state gasoline taxes received on a per capita basis.

**The Targeted Jobs Fund** accounts for tax withholding funds paid by employers to be directed toward economic development projects.

**The CDBG Grant Fund** accounts for community development grant and other resources to provide resources to community based organizations for program and administrative costs. Funding is provided by federal community development block grants and a portion of the recurring monthly payments from property owners in the program.

**The HOME Program Fund** accounts for loans made to participants in the community home loan program. Ongoing funding for this program is provided by recurring monthly payments of principal and interest from property owners in the program.

**The CD Installment Loan Fund** accounts for costs of property insurance and property tax on residential properties financed by the community home loan program. Funding for these expenses is provided by a portion of the recurring monthly payments from property owners in the program.

**The Mosquito Creek #22 Fund** accounts for costs of maintenance and operations in the Mosquito Creek drainage district. Funding is provided from assessments to the property owners in the district.

**The Sieck #32 Fund** accounts for costs of maintenance and operations in the Sieck drainage district. Funding is provided from assessments to the property owners in the district.

**The West Lewis #35 Fund** accounts for costs of maintenance and operations in the West Lewis drainage district. Funding is provided from assessments to the property owners in the district.

**The Lake Manawa SSMID Fund** accounts for the maintenance and repair operations of the Lake Manawa special improvement district, a retail and commercial area. Funding is provided by assessments to property owners within the district.

**The Library Memorial and Gifts Fund** accounts for supplemental costs of operations and acquisitions of materials for the Council Bluffs Public Library. Financing for the fund is provided by gifts and memorials from private citizens and organizations.

## Nonmajor Permanent Fund

Permanent Funds are used to report resources legally restricted to the extent only earnings, and not principal, may be used for purposes to support the City's programs.

**The Fairview Cemetery Perpetual Care Fund** accounts for funds received and held for improvements to the Fairview Cemetery.

	Special Revenue				
	Road Use	Targeted Jobs	CDBG Grant	Home Program	CD Installment Loan
<b>Assets</b>					
Cash, Cash Equivalents and Pooled Investments	\$ 5,841,790	\$ 72,062	\$ 545,385	\$ 55,799	\$ 113,095
Receivables					
Accounts (net)	1,366	25,269	-	-	-
Special and drainage assessments	-	-	-	-	-
Loans	-	-	154,381	-	82,652
Due From Other Governments	642,384	-	252,167	-	-
Inventories	1,066,354	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,551,893</b>	<b>\$ 97,331</b>	<b>\$ 951,933</b>	<b>\$ 55,799</b>	<b>\$ 195,747</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 398,088	\$ 25,139	\$ 18,253	\$ 24,000	\$ 642
Salaries and benefits payable	139,931	-	9,578	-	-
<b>Total Liabilities</b>	<b>538,019</b>	<b>25,139</b>	<b>27,831</b>	<b>24,000</b>	<b>642</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues					
Other	-	18,077	252,167	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>18,077</b>	<b>252,167</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Cemetery perpetual care	-	-	-	-	-
Inventories	1,066,354	-	-	-	-
<b>Restricted</b>					
Street and sewer maintenance and improvements	5,947,520	-	-	-	-
Community development block grant program	-	-	671,934	-	-
Other purposes	-	54,115	-	31,799	195,104
<b>Total fund balances</b>	<b>7,013,874</b>	<b>54,115</b>	<b>671,934</b>	<b>31,799</b>	<b>195,104</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,551,893</b>	<b>\$ 97,331</b>	<b>\$ 951,933</b>	<b>\$ 55,799</b>	<b>\$ 195,747</b>

City of Council Bluffs  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

Drainage District			Lake Manawa			Permanent Cemetery	
Mosquito Creek	Sieck	West Lewis	SSMID	Library	Total	Perpetual	Total
\$ 369,054	\$ 126,623	\$ 478,162	\$ 442,398	\$ 8,907	\$ 8,053,274	\$ 61,680	\$ 8,114,954
-	-	-	-	19,750	46,385	-	46,385
77,039	37,078	65,273	-	-	179,390	-	179,390
-	-	-	-	-	237,032	-	237,032
1,806	496	1,576	851	-	899,280	-	899,280
-	-	-	-	-	1,066,354	-	1,066,354
<u>\$ 447,899</u>	<u>\$ 164,197</u>	<u>\$ 545,011</u>	<u>\$ 443,249</u>	<u>\$ 28,657</u>	<u>\$ 10,481,715</u>	<u>\$ 61,680</u>	<u>\$ 10,543,395</u>
\$ 5,474	\$ 3,077	\$ -	\$ 31,687	\$ 1,258	\$ 507,619	\$ -	\$ 507,619
363	363	363	-	-	150,597	-	150,597
<u>5,836</u>	<u>3,439</u>	<u>363</u>	<u>31,687</u>	<u>1,258</u>	<u>658,216</u>	<u>-</u>	<u>658,216</u>
77,039	37,078	65,273	-	-	449,634	-	449,634
<u>77,039</u>	<u>37,078</u>	<u>65,273</u>	<u>-</u>	<u>-</u>	<u>449,634</u>	<u>-</u>	<u>449,634</u>
-	-	-	-	-	-	61,680	61,680
-	-	-	-	-	1,066,354	-	1,066,354
-	-	-	-	-	5,947,520	-	5,947,520
-	-	-	-	-	671,934	-	671,934
365,024	123,680	479,375	411,562	27,398	1,688,057	-	1,688,057
<u>365,024</u>	<u>123,680</u>	<u>479,375</u>	<u>411,562</u>	<u>27,398</u>	<u>9,373,865</u>	<u>61,680</u>	<u>9,435,545</u>
<u>\$ 447,899</u>	<u>\$ 164,197</u>	<u>\$ 545,011</u>	<u>\$ 443,249</u>	<u>\$ 28,657</u>	<u>\$ 10,481,715</u>	<u>\$ 61,680</u>	<u>\$ 10,543,395</u>

	Special Revenue				
	Road Use	Targeted Jobs	CDBG Grant	Home Program	CD Installment
Revenues					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
License and permits	380,590	-	-	-	-
Use of money and property	500	-	-	-	-
Intergovernmental	8,088,138	-	778,051	-	-
Charges for services	6,138	-	4,001	-	-
Special and drainage assessments	-	-	-	-	-
Miscellaneous	52,235	29,043	100	74,419	-
Total revenues	<u>8,527,601</u>	<u>29,043</u>	<u>782,153</u>	<u>74,419</u>	<u>-</u>
Expenditures					
Current					
Public safety	-	-	-	-	-
Public works	8,858,777	-	-	-	-
Culture and recreation	-	-	-	-	-
Community and economic development	-	43,928	557,330	150,000	16,642
Total expenditures	<u>8,858,777</u>	<u>43,928</u>	<u>557,330</u>	<u>150,000</u>	<u>16,642</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(331,177)</u>	<u>(14,885)</u>	<u>224,823</u>	<u>(75,581)</u>	<u>(16,642)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	106,421	-	-
Transfers out	(3,123,130)	-	(771,354)	-	-
Total other financing sources (uses)	<u>(3,123,130)</u>	<u>-</u>	<u>(664,933)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,454,307)	(14,885)	(440,110)	(75,581)	(16,642)
Fund Balances (Deficits) Beginning of Year	<u>10,468,181</u>	<u>69,000</u>	<u>1,112,044</u>	<u>107,380</u>	<u>211,746</u>
Fund Balances End of Year	<u>\$ 7,013,874</u>	<u>\$ 54,115</u>	<u>\$ 671,934</u>	<u>\$ 31,799</u>	<u>\$ 195,104</u>

City of Council Bluffs  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2019

Drainage District		Lake Manawa			Permanent Cemetery		
Mosquito Creek	Sieck	West Lewis	SMIDD	Library	Total	Perpetual	Total
\$ -	\$ -	\$ -	\$ 134,444	\$ -	\$ 134,444	\$ -	\$ 134,444
-	-	-	-	-	380,590	-	380,590
-	-	-	-	-	500	-	500
-	-	-	13,607	25,810	8,905,606	-	8,905,606
-	-	-	-	-	10,139	-	10,139
66,878	36,042	64,001	-	-	166,921	-	166,921
-	-	-	-	76,291	232,088	320	232,408
<u>66,878</u>	<u>36,042</u>	<u>64,001</u>	<u>148,051</u>	<u>102,101</u>	<u>9,830,289</u>	<u>320</u>	<u>9,830,609</u>
38,070	36,695	31,548	-	-	106,312	-	106,312
-	-	-	-	-	8,858,777	-	8,858,777
-	-	-	-	61,720	61,720	-	61,720
-	-	-	79,168	-	847,068	-	847,068
<u>38,070</u>	<u>36,695</u>	<u>31,548</u>	<u>79,168</u>	<u>61,720</u>	<u>9,873,877</u>		<u>9,873,877</u>
<u>28,808</u>	<u>(653)</u>	<u>32,453</u>	<u>68,883</u>	<u>40,381</u>	<u>(43,588)</u>	<u>320</u>	<u>(43,268)</u>
-	-	-	-	-	106,421	-	106,421
-	-	-	-	-	(3,894,484)	-	(3,894,484)
-	-	-	-	-	(3,788,063)	-	(3,788,063)
28,808	(653)	32,453	68,883	40,381	(3,831,650)	320	(3,831,330)
<u>336,215</u>	<u>124,332</u>	<u>446,922</u>	<u>342,679</u>	<u>(12,983)</u>	<u>13,205,516</u>	<u>61,360</u>	<u>13,266,876</u>
<u>\$ 365,023</u>	<u>\$ 123,679</u>	<u>\$ 479,375</u>	<u>\$ 411,562</u>	<u>\$ 27,398</u>	<u>\$ 9,373,866</u>	<u>\$ 61,680</u>	<u>\$ 9,435,546</u>

City of Council Bluffs  
 Council Bluffs Public Library Foundation  
 Financial Statements  
 Year Ended June 30, 2019

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Council Bluffs Public Library Foundation Financial Statements:

Statement of Net Position

Assets

Current Assets

Cash	\$ 10,996
Investments	11,185,616
Bequest receivable	<u>99,237</u>
Total assets	<u>11,295,848</u>

Net Position

Restricted - Nonexpendable	41,635
Restricted - Expendable	<u>11,254,213</u>
Total net position	<u>\$ 11,295,848</u>

Statement of Revenues, Expenses, and Changes in Net Position

Operating Revenues

Contributions	<u>\$ 571,031</u>
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Operating Expenses

Contributions to City	85,283
Miscellaneous	<u>38,513</u>
Total operating expenses	<u>123,796</u>

Operating Income	447,235
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Non-Operating Revenue

Investment Earnings	<u>514,976</u>
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Change in Net Position	962,211
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Net Position Beginning of Year	<u>10,333,637</u>
Net Position End of Year	<u>\$ 11,295,848</u>

# Statistical Section (Unaudited)

June 30, 2019

City of Council Bluffs



This part of the City of Council Bluffs’ comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City’s overall financial health.

<u>Contents</u>	<u>Schedule</u>
<p><b>Financial Trends</b>            These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	1-4
<p><b>Revenue Capacity</b>            These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</p>	5-9
<p><b>Debt Capacity</b>            These schedules present information to help the reader assess the affordability of the City’s current level of outstanding debt and the City’s ability to issue additional debt in the future.</p>	10-14
<p><b>Demographic and Economic Information</b>            These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	15-16
<p><b>Operating Information</b>            These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report related to the services the City provides and the activities it performs.</p>	17-19

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 304,104,852	\$ 292,236,238	\$ 257,012,906	\$ 244,666,094
Restricted	40,281,315	35,171,790	45,270,638	44,378,329
Unrestricted	<u>(16,869,477)</u>	<u>(23,003,424)</u>	<u>(24,356,226)</u>	<u>(29,586,558)</u>
Total Governmental Activities Net Position	<u>\$ 327,516,691</u>	<u>\$ 304,404,604</u>	<u>\$ 277,927,318</u>	<u>\$ 259,457,865</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	155,416,270	156,034,553	\$ 153,340,629	\$ 150,532,508
Unrestricted	<u>7,755,430</u>	<u>7,072,937</u>	<u>6,561,888</u>	<u>5,810,640</u>
Total Business-Type Activities Net Position	<u>\$ 163,171,700</u>	<u>\$ 163,107,490</u>	<u>\$ 159,902,517</u>	<u>\$ 156,343,148</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 459,521,122	\$ 448,270,791	\$ 410,353,535	\$ 395,198,602
Restricted	40,281,315	35,171,788	45,270,638	44,378,329
Unrestricted	<u>(9,114,047)</u>	<u>(15,930,486)</u>	<u>(17,794,338)</u>	<u>(23,775,918)</u>
Total Primary Government Net Position	<u>\$ 490,688,391</u>	<u>\$ 467,512,093</u>	<u>\$ 437,829,835</u>	<u>\$ 415,801,013</u>

City of Council Bluffs  
Schedule 1 – Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 234,964,843	\$ 246,057,967	\$ 242,739,159	\$ 239,751,252	\$ 231,096,351	\$ 219,535,725
31,773,393	25,626,688	30,005,228	35,772,486	30,061,361	23,003,292
(40,249,786)	(12,404,934)	(7,197,379)	(7,121,573)	(10,787,191)	(263,805)
<u>\$ 226,488,450</u>	<u>\$ 259,279,721</u>	<u>\$ 265,547,008</u>	<u>\$ 268,402,165</u>	<u>\$ 250,370,521</u>	<u>\$ 242,275,212</u>
\$ 144,959,497	140,083,921	131,121,021	131,806,236	128,435,537	118,755,228
5,739,898	5,623,922	6,135,403	1,660,104	2,448,896	5,261,436
<u>\$ 150,699,395</u>	<u>\$ 145,707,843</u>	<u>\$ 137,256,424</u>	<u>\$ 133,466,340</u>	<u>\$ 130,884,433</u>	<u>\$ 124,016,664</u>
\$ 379,924,340	\$ 386,141,888	\$ 373,860,180	\$ 371,557,488	\$ 359,531,888	\$ 338,290,953
31,773,393	25,626,688	30,005,228	35,772,486	30,061,361	23,003,292
(34,509,888)	(6,781,012)	(1,061,976)	(5,461,469)	(8,338,295)	4,997,631
<u>\$ 377,187,845</u>	<u>\$ 404,987,564</u>	<u>\$ 402,803,432</u>	<u>\$ 401,868,505</u>	<u>\$ 381,254,954</u>	<u>\$ 366,291,876</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>				
<b>Governmental Activities</b>				
Public safety	\$ 37,800,201	\$ 33,774,151	\$ 32,875,871	\$ 32,306,014
Public works	13,255,971	11,087,605	21,559,209	17,093,394
Health and social services	197,495	541,850	113,485	727,678
Culture and recreation	12,730,496	13,517,440	14,276,235	16,375,706
Community and economic development	12,138,025	11,736,307	13,635,684	8,730,016
General government	14,689,671	14,342,124	10,182,146	14,200,473
Interest on long term debt	<u>2,650,037</u>	<u>1,874,944</u>	<u>1,820,873</u>	<u>2,108,862</u>
<b>Total Governmental Activities Expenses</b>	<u><b>93,461,897</b></u>	<u><b>86,874,421</b></u>	<u><b>94,463,503</b></u>	<u><b>91,542,143</b></u>
<b>Business-Type Activities</b>				
Sewer system and sewage disposal	10,376,001	9,996,297	8,978,896	9,601,503
Refuse and disposal	5,529,910	5,437,869	5,416,587	5,480,632
Other	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	<u><b>15,905,911</b></u>	<u><b>15,434,167</b></u>	<u><b>14,395,483</b></u>	<u><b>15,082,135</b></u>
<b>Total Primary Government Expenses</b>	<u><b>\$ 109,367,808</b></u>	<u><b>\$ 102,308,588</b></u>	<u><b>\$ 108,858,986</b></u>	<u><b>\$ 106,624,278</b></u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
Charges for service:				
Public safety	\$ 10,623,608	\$ 8,577,055	\$ 3,911,816	\$ 4,246,795
Public works	678,423	321,237	477,870	339,287
Health and social services	155,681	71,663	108,662	125,267
Culture and recreation	5,066,436	5,182,883	4,894,254	5,506,381
Community and economic development	41,773	871,668	595,836	835,578
General government	1,103,897	5,899,804	5,272,281	4,999,209
Interest on long term debt	-	-	-	-
Operating grants and contributions	11,713,929	11,199,345	14,842,261	13,620,858
Capital grants and contributions	<u>11,586,681</u>	<u>21,525,788</u>	<u>21,156,838</u>	<u>34,746,417</u>
<b>Total Governmental Activities Program Revenues</b>	<u><b>40,970,427</b></u>	<u><b>53,649,443</b></u>	<u><b>51,259,818</b></u>	<u><b>64,419,792</b></u>
<b>Business-Type Activities</b>				
Charges for service:				
Sanitary sewer	7,867,547	6,933,590	6,514,215	5,955,328
Refuse and disposal	5,596,843	5,627,830	5,729,880	5,654,115
Other	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Business-Type Activities Program Revenues</b>	<u><b>13,464,390</b></u>	<u><b>12,561,419</b></u>	<u><b>12,244,095</b></u>	<u><b>11,609,443</b></u>
<b>Total Primary Government Program Revenues</b>	<u><b>\$ 54,434,817</b></u>	<u><b>\$ 66,210,862</b></u>	<u><b>\$ 63,503,913</b></u>	<u><b>\$ 76,029,235</b></u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (52,491,470)	\$ (33,224,978)	\$ (43,203,685)	\$ (27,122,351)
Business-type activities	<u>(2,441,520)</u>	<u>(2,872,748)</u>	<u>(2,151,388)</u>	<u>(3,472,692)</u>
<b>Total Primary Government Net Expense</b>	<u><b>\$ (54,932,990)</b></u>	<u><b>\$ (36,097,725)</b></u>	<u><b>\$ (45,355,073)</b></u>	<u><b>\$ (30,595,043)</b></u>

City of Council Bluffs  
Schedule 2 – Changes in Net Position  
For the Last Ten Fiscal Years  
(Accrual Basis of Accounting)

2015	2014	2013	2012	2011	2010
\$ 30,124,650	\$ 31,070,833	\$ 30,176,722	\$ 28,913,039	\$ 28,501,970	\$ 26,540,090
16,468,963	15,609,496	13,994,363	12,088,663	12,492,324	11,298,900
638,134	676,455	649,660	516,001	573,385	550,421
15,348,323	14,374,266	11,472,144	8,733,154	11,915,556	8,348,868
17,476,764	10,386,218	10,053,869	7,809,473	7,816,996	6,801,616
15,571,464	15,094,903	21,785,632	26,117,159	14,435,524	10,959,589
1,750,993	1,600,705	1,320,753	2,057,277	2,119,475	2,158,068
<u>97,379,291</u>	<u>88,812,876</u>	<u>89,453,143</u>	<u>86,234,766</u>	<u>77,855,230</u>	<u>66,657,552</u>
9,365,727	9,085,454	8,511,229	8,468,164	8,325,469	7,231,802
5,449,198	5,394,055	4,953,069	4,895,323	4,652,239	4,518,258
-	-	-	-	-	67,195
<u>14,814,925</u>	<u>14,479,509</u>	<u>13,464,298</u>	<u>13,363,487</u>	<u>12,977,708</u>	<u>11,817,255</u>
<u>\$ 112,194,216</u>	<u>\$ 103,292,385</u>	<u>\$ 102,917,441</u>	<u>\$ 99,598,253</u>	<u>\$ 90,832,938</u>	<u>\$ 78,474,807</u>
\$ 6,781,118	\$ 4,042,165	\$ 3,714,888	\$ 3,911,323	\$ 3,783,890	\$ 4,320,041
260,674	380,451	426,878	259,818	432,461	467,447
204,936	214,352	223,651	106,368	75,729	106,412
5,311,670	4,480,358	3,735,755	1,176,034	1,366,821	1,525,874
773,600	745,089	788,312	785,428	816,575	797,523
4,565,622	5,095,615	4,351,014	3,686,329	2,888,110	3,575,089
-	-	-	-	-	108,432
14,683,571	11,770,641	10,902,095	22,012,492	12,021,377	10,296,448
8,392,730	3,457,434	3,891,282	11,925,631	10,968,177	10,812,521
<u>40,973,921</u>	<u>30,186,105</u>	<u>28,033,875</u>	<u>43,863,423</u>	<u>32,353,140</u>	<u>32,009,787</u>
5,141,442	4,945,306	5,219,683	5,033,254	5,290,548	5,452,663
5,757,378	5,539,480	5,000,428	5,458,948	5,211,310	4,654,118
-	-	-	-	-	41,479
-	9,691	-	-	33,257	247,134
-	-	2,182,683	750,000	369,760	-
<u>10,898,820</u>	<u>10,494,477</u>	<u>12,402,794</u>	<u>11,242,202</u>	<u>10,904,875</u>	<u>10,395,394</u>
<u>\$ 51,872,741</u>	<u>\$ 40,680,582</u>	<u>\$ 40,436,669</u>	<u>\$ 55,105,625</u>	<u>\$ 43,258,015</u>	<u>\$ 42,405,181</u>
\$ (56,405,370)	\$ (58,626,771)	\$ (61,419,268)	\$ (42,371,343)	\$ (45,502,090)	\$ (34,647,765)
<u>(3,916,105)</u>	<u>(3,985,032)</u>	<u>(1,061,504)</u>	<u>(2,121,285)</u>	<u>(2,072,833)</u>	<u>(1,421,861)</u>
<u>\$ (60,321,475)</u>	<u>\$ (62,611,803)</u>	<u>\$ (62,480,772)</u>	<u>\$ (44,492,628)</u>	<u>\$ (47,574,923)</u>	<u>\$ (36,069,626)</u>

	2019	2018	2017	2016
<b>General Revenue and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Property tax levied for general purposes	\$ 39,184,963	\$ 37,232,760	\$ 36,523,359	\$ 34,568,770
Property tax levied for debt service	8,194,998	5,965,762	5,821,780	5,840,540
Tax increment financing	4,183,808	4,764,496	3,595,822	4,845,542
Local option sales tax	9,666,282	9,110,364	9,244,522	8,373,886
Hotel motel tax	2,512,319	2,770,278	2,679,842	2,805,846
Gaming wager tax	2,863,975	3,032,676	2,992,120	3,079,108
Other city tax	4,228,931	3,105,127	3,040,308	3,642,031
Commercial/Industrial replacement	4,719,440	1,985,426	1,999,663	2,207,727
Unrestricted investment earnings	-	-	-	247,577
Interest Income	737,381	-	-	-
Local grant, debt service	387,685	-	-	-
Miscellaneous	983,555	979,373	1,434,680	1,810,130
Gain on disposition of capital assets	348,974	56,520	2,153	-
Transfers	(2,408,754)	(6,084,302)	(5,661,111)	(9,076,531)
<b>Total Governmental Activities</b>	<b>75,603,557</b>	<b>62,918,481</b>	<b>61,673,138</b>	<b>58,344,626</b>
<b>Business-Type Activities</b>				
Unrestricted investment earnings	-	-	-	-
Miscellaneous	-	-	7,485	7,065
Gain on disposition of capital assets	96,977	35,718	42,161	32,848
Transfers	2,408,754	6,084,302	5,661,111	9,076,531
<b>Total Business-Type Activities</b>	<b>2,505,731</b>	<b>6,120,020</b>	<b>5,710,757</b>	<b>9,116,444</b>
<b>Total Primary Government</b>	<b>\$ 78,109,288</b>	<b>\$ 69,038,501</b>	<b>\$ 67,383,895</b>	<b>\$ 67,461,070</b>
<b>Changes in Net Position</b>				
Governmental activities	\$ 23,112,087	\$ 29,693,503	\$ 18,469,453	\$ 31,222,275
Business-type activities	64,211	3,247,272	3,559,369	5,643,752
<b>Total Primary Government</b>	<b>\$ 23,176,298</b>	<b>\$ 32,940,776</b>	<b>\$ 22,028,822</b>	<b>\$ 36,866,027</b>

City of Council Bluffs  
Schedule 2 – Changes in Net Position  
For the Last Ten Fiscal Years  
(Accrual Basis of Accounts)

2015	2014	2013	2012	2011	2010
\$ 32,682,818	\$ 32,503,566	\$ 31,858,165	\$ 32,146,836	\$ 30,867,270	\$ 29,870,765
6,109,993	6,327,266	6,940,528	6,706,224	7,006,599	7,210,156
5,966,145	5,466,119	5,251,542	4,780,377	6,058,673	3,223,820
11,394,035	8,921,770	7,911,136	8,410,893	8,589,061	7,024,557
2,889,262	2,679,437	2,539,232	2,579,387	2,269,329	2,200,766
3,091,006	3,125,722	3,539,033	3,695,712	3,670,039	3,821,147
4,310,624	3,490,785	3,463,114	3,646,472	3,543,543	2,700,871
1,071,331	-	-	-	-	-
294,173	266,405	238,082	168,082	279,466	341,243
-	-	-	-	-	-
-	-	-	-	-	-
3,402,514	2,006,609	1,672,512	2,967,288	116,206	91,724
-	-	-	-	-	-
<u>(11,562,737)</u>	<u>(12,428,195)</u>	<u>(4,849,233)</u>	<u>(4,698,284)</u>	<u>(8,802,887)</u>	<u>(11,320,521)</u>
<u>59,649,164</u>	<u>52,359,484</u>	<u>58,564,111</u>	<u>60,402,987</u>	<u>53,597,299</u>	<u>45,164,528</u>
-	-	-	-	180	1,423
7,065	2,355	2,355	2,355	10,397	85,790
13,932	5,901	-	2,553	127,138	-
<u>11,562,737</u>	<u>12,428,195</u>	<u>4,849,233</u>	<u>4,698,284</u>	<u>8,802,887</u>	<u>11,320,521</u>
<u>11,583,734</u>	<u>12,436,451</u>	<u>4,851,588</u>	<u>4,703,192</u>	<u>8,940,602</u>	<u>11,407,734</u>
<u>\$ 71,232,898</u>	<u>\$ 64,795,935</u>	<u>\$ 63,415,699</u>	<u>\$ 65,106,179</u>	<u>\$ 62,537,901</u>	<u>\$ 56,572,262</u>
\$ 3,243,794	\$ (6,267,287)	\$ (2,855,157)	\$ 18,031,644	\$ 8,095,209	\$ 10,516,763
<u>7,667,629</u>	<u>8,451,419</u>	<u>3,790,084</u>	<u>2,581,907</u>	<u>6,867,769</u>	<u>9,985,873</u>
<u>\$ 10,911,423</u>	<u>\$ 2,184,132</u>	<u>\$ 934,927</u>	<u>\$ 20,613,551</u>	<u>\$ 14,962,978</u>	<u>\$ 20,502,636</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Reserved	-	-	-	-
Nonspendable	3,826,651	4,238,115	5,698,516	1,259,388
Restricted	4,030,921	1,706,019	4,540,791	5,274,353
Unassigned	<u>24,386,526</u>	<u>17,234,082</u>	<u>13,597,231</u>	<u>14,044,979</u>
Total General Fund	<u>\$ 32,244,098</u>	<u>\$ 23,178,216</u>	<u>\$ 23,836,538</u>	<u>\$ 20,578,720</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital project funds	-	-	-	-
Nonspendable	1,316,844	1,033,556	1,073,586	1,056,630
Restricted	35,785,619	45,876,219	35,577,672	26,798,917
Unassigned	<u>-</u>	<u>(12,983)</u>	<u>(267,800)</u>	<u>(1,588,060)</u>
Total All Government Funds	<u>\$ 37,102,463</u>	<u>\$ 46,896,792</u>	<u>\$ 36,383,458</u>	<u>\$ 26,267,487</u>
Total Governmental Funds	<u>\$ 69,346,561</u>	<u>\$ 70,075,008</u>	<u>\$ 60,219,996</u>	<u>\$ 46,846,207</u>

Note: In 2011, the City implemented new accounting presentations under GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which requires new presentation of fund balances.

City of Council Bluffs  
Schedule 3 – Fund Balances of Governmental Funds  
For the Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,727,002
-	-	-	-	-	12,639,788
1,739,776	1,773,540	1,817,606	1,814,002	2,814,123	-
3,836,594	5,233,950	5,681,823	8,976,226	7,125,557	-
15,848,353	12,313,458	14,793,480	13,158,934	10,859,733	-
<u>\$ 21,424,723</u>	<u>\$ 19,320,948</u>	<u>\$ 22,292,909</u>	<u>\$ 23,949,162</u>	<u>\$ 20,799,413</u>	<u>\$ 15,366,790</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,662,488
-	-	-	-	-	17,211,816
-	-	-	-	-	(271,325)
-	-	-	-	-	(3,673,134)
1,122,907	1,047,663	904,790	1,121,924	1,189,228	-
33,420,995	26,939,241	32,107,949	26,298,322	23,406,432	-
-	(91,975)	-	(6,134,110)	(8,275,436)	-
<u>\$ 34,543,902</u>	<u>\$ 27,894,929</u>	<u>\$ 33,012,739</u>	<u>\$ 21,286,136</u>	<u>\$ 16,320,224</u>	<u>\$ 19,929,845</u>
<u>\$ 55,968,625</u>	<u>\$ 47,215,877</u>	<u>\$ 55,305,648</u>	<u>\$ 45,235,298</u>	<u>\$ 37,119,637</u>	<u>\$ 35,296,635</u>

	2019	2018	2017	2016
<b>Revenues:</b>				
Property tax	\$ 46,319,383	\$ 43,195,224	\$ 41,921,743	\$ 40,275,978
Tax increment financing	4,183,808	4,764,496	3,595,822	4,845,542
Other taxes	23,147,634	21,538,534	18,085,806	18,238,768
Licenses and permits	7,390,985	5,773,976	5,169,186	4,317,612
Use of money and property	1,467,121	1,169,287	2,177,534	972,078
Intergovernmental	19,742,715	22,110,796	28,225,302	31,249,447
Local Grants	4,196,680	7,738,703		
Charges for service	5,722,772	6,442,231	7,436,609	8,201,411
Special and drainage assessments	166,921	305,145	303,855	304,272
Miscellaneous	5,318,589	6,244,561	12,918,740	10,544,509
Total revenue	<u>117,656,607</u>	<u>119,282,953</u>	<u>119,834,597</u>	<u>118,949,617</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	35,298,975	33,135,638	35,412,513	32,951,305
Public works	10,569,512	9,771,341	11,414,463	13,006,548
Health and social services	170,108	553,808	583,813	700,896
Culture and recreation	11,395,736	12,007,442	12,042,346	13,215,594
Community and economic development	4,018,198	4,793,219	4,881,613	6,739,013
General government	14,872,830	14,571,617	14,364,151	14,764,869
<b>Debt service</b>				
Principal	8,356,053	16,027,105	7,902,105	12,397,105
Interest	2,450,418	1,615,322	1,468,432	1,797,113
Debt related expense	5,600	43,927	124,208	5,511
Capital projects	41,318,028	41,063,277	27,485,199	31,463,466
Total expenditures	<u>128,455,458</u>	<u>133,582,696</u>	<u>115,678,843</u>	<u>127,041,420</u>
Excess (deficit) of revenue over (under) expenditures	<u>(10,798,851)</u>	<u>(14,299,743)</u>	<u>4,155,754</u>	<u>(8,091,803)</u>
<b>Other financing sources (uses)</b>				
General obligation bonds issued	-	25,875,000	8,905,000	-
General obligation capital loan notes issued	-	-	-	-
Premium (discount) on general obligation bonds/notes issued	-	1,967,362	313,035	-
Urban renewal note issued	-	-	-	-
Term loan note issued	-	-	-	-
Sale of capital assets	263,056	-	-	-
Capital lease purchase proceeds	9,807,349	-	-	-
General obligation bonds/notes refunded	-	6,270,000	-	-
Urban renewal revenue note redeemed	-	-	-	-
Transfers in	8,588,735	13,962,604	7,076,147	2,444,419
Transfers out	<u>(8,588,735)</u>	<u>(13,844,004)</u>	<u>(7,076,147)</u>	<u>(2,444,419)</u>
Total other financing sources (uses)	<u>10,070,405</u>	<u>34,230,962</u>	<u>9,218,035</u>	<u>-</u>
Net change in fund balances	<u>\$ (728,446)</u>	<u>\$ 19,931,219</u>	<u>\$ 13,373,789</u>	<u>\$ (8,091,803)</u>
Debt service as a percentage of noncapital expenditures	12.16%	19.35%	10.37%	13.5%

City of Council Bluffs  
Schedule 4 – Changes in Fund Balances of Governmental Funds  
For the Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

2015	2014	2013	2012	2011	2010
\$ 39,380,229	\$ 38,953,560	\$ 38,696,748	\$ 38,829,292	\$ 37,867,393	\$ 37,103,962
5,966,145	5,466,119	5,251,749	4,780,170	6,059,684	3,222,809
21,108,930	18,217,714	17,857,809	17,790,350	17,937,503	15,726,929
7,092,387	4,377,773	4,213,087	3,529,560	3,289,876	3,199,381
928,968	870,341	895,147	829,778	922,502	968,615
17,402,351	13,460,987	13,479,981	25,879,633	20,417,261	13,332,409
7,762,686	6,873,760	5,761,464	3,295,521	3,561,999	3,543,339
295,971	293,198	292,432	295,695	161,225	341,278
11,410,345	8,084,758	7,823,739	12,459,968	6,059,423	7,399,559
<u>111,348,012</u>	<u>96,598,210</u>	<u>94,272,156</u>	<u>107,689,967</u>	<u>96,276,866</u>	<u>84,838,281</u>
32,591,928	30,955,660	29,365,778	28,235,501	27,054,108	25,267,311
8,194,438	7,807,055	7,679,021	5,945,192	7,116,807	6,354,312
662,595	646,717	609,935	584,156	544,420	524,986
12,903,068	11,381,218	9,517,123	6,347,573	6,188,577	6,029,643
13,099,040	7,365,202	6,743,807	5,399,216	5,525,461	4,346,981
15,889,942	18,352,414	15,924,535	26,036,435	13,862,324	10,022,944
12,237,105	22,065,526	12,746,667	7,161,667	7,354,755	10,374,393
1,724,014	1,824,213	1,989,654	2,063,224	2,077,776	2,171,805
616,446	78,641	275,202	121,321	39,243	85,635
19,383,101	23,528,484	17,602,500	21,841,438	33,015,979	29,890,156
<u>117,301,677</u>	<u>124,005,130</u>	<u>102,454,222</u>	<u>103,735,723</u>	<u>102,779,450</u>	<u>95,068,166</u>
<u>(5,953,665)</u>	<u>(27,406,920)</u>	<u>(8,182,066)</u>	<u>3,954,244</u>	<u>(6,502,584)</u>	<u>(10,229,885)</u>
17,715,000	7,630,000	14,880,000	3,165,000	7,300,000	3,685,000
-	-	2,535,000	4,095,000	-	-
591,413	315,046	949,057	109,056	(5,981)	60,965
-	-	-	-	14,500,000	-
-	11,600,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(3,165,000)	-	(3,700,000)
-	-	-	-	(14,326,210)	-
3,386,922	11,490,611	9,028,345	10,910,089	9,870,682	15,429,490
(6,986,922)	(11,718,508)	(9,139,986)	(10,952,728)	(9,012,905)	(14,583,631)
<u>14,706,413</u>	<u>19,317,149</u>	<u>18,252,416</u>	<u>4,161,417</u>	<u>8,325,586</u>	<u>891,824</u>
<u>\$ 8,752,748</u>	<u>\$ (8,089,771)</u>	<u>\$ 10,070,350</u>	<u>\$ 8,115,661</u>	<u>\$ 1,823,002</u>	<u>\$ (9,338,061)</u>
12.6%	20.8%	16.0%	10.5%	11.3%	16.0%

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<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Local Option Sales Tax</u>	<u>Hotel Motel Tax</u>	<u>Utility Excise Tax</u>
2010	\$ 37,080,921	\$ 7,024,557	\$ 2,200,766	\$ 3,324,177
2011	37,867,393	8,589,061	2,269,329	3,312,717
2012	38,853,060	8,410,893	2,579,387	3,373,996
2013	38,798,693	7,911,136	2,539,232	3,374,122
2014	38,830,832	8,921,770	2,679,437	3,490,785
2015	38,792,811	11,394,035	2,889,262	4,310,624
2016	40,409,310	8,373,886	2,805,846	3,642,031
2017	42,345,139	9,244,522	2,679,842	3,040,308
2018	43,198,522	9,110,364	2,770,278	3,105,127
2019	46,319,383	10,118,557	2,512,319	3,423,851

City of Council Bluffs  
 Schedule 5 – Governmental Activities Tax Revenues By Source  
 For the Last Ten Fiscal Years  
 Year Ended June 30, 2019

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<u>Gaming Wager Tax</u>	<u>Pari-mutuel Wager Tax</u>	<u>Total</u>
\$ 3,821,147	\$ 35,784	\$ 53,487,352
3,670,039	96,357	55,804,896
3,695,712	135,659	57,048,707
3,539,033	88,992	56,251,208
3,059,131	66,591	57,048,546
3,007,350	83,656	60,477,738
3,036,726	42,382	58,310,181
2,985,118	7,002	60,301,931
2,995,861	36,815	61,216,967
2,824,688	39,287	65,238,086

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<u>Assessment Date</u> January 1,	<u>Fiscal Year</u> Ended June 30,	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Utilities</u>
2008	2010	\$ 1,016.8	\$ 867.8	\$ 71.5	\$ 9.4	\$ 208.3
2009	2011	1,060.7	950.1	76.4	10.2	202.0
2010	2012	1,107.1	970.5	77.2	11.0	209.3
2011	2013	1,106.9	954.8	73.5	13.0	208.6
2012	2014	1,156.8	928.7	78.8	14.3	208.6
2013	2015	1,201.3	890.6	85.2	14.3	222.0
2014	2016	1,240.3	904.9	80.5	13.8	226.7
2015	2017	1,248.4	853.6	83.4	15.2	199.6
2016	2018	1,297.0	839.2	83.1	16.8	191.7
2017	2019	1,296.2	968.6	92.4	16.5	203.2

Source: Pottawattamie County Assessor and City of Council Bluffs budget.  
Does not include tax-exempt property.

\* Tax rates are per \$1,000 of taxable valuation

City of Council Bluffs  
 Schedule 6 – Assessed and Taxable Value of Property  
 For the Last Ten Fiscal Years  
 (Expressed in Millions)

<u>Other</u>	<u>Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate *</u>	<u>Total Assessed Value</u>	<u>Total Taxable Value as % of Assessed Value</u>
\$ -	\$ (6.5)	\$ 2,167.3	\$ 17.97	\$ 4,142.7	52.3%
-	(6.4)	2,293.0	17.85	4,367.6	52.5%
-	(6.3)	2,368.8	17.85	4,352.6	54.4%
-	(6.2)	2,350.6	17.85	4,253.2	55.3%
1.2	(6.0)	2,382.4	17.75	4,385.5	54.3%
1.1	(5.9)	2,408.6	17.75	4,373.8	55.1%
1.1	(5.6)	2,461.7	17.75	4,598.9	53.5%
1.1	(5.3)	2,396.0	17.75	4,658.9	51.4%
1.1	(5.1)	2,423.8	17.91	4,839.0	50.1%
-	(4.9)	2,572.0	18.26	5,260.0	48.9%

Fiscal Year ended	City of Council Bluffs, Iowa			Overlapping Pottawattamie County, Iowa		
	Operating Levy Rate *	Debt Service Levy Rate *	Total City Levy Rate *	Operating Levy Rate *	Debt Service Levy Rate *	Total County Levy Rate *
	2010	\$ 14.5120	\$ 3.4612	\$ 17.9732	\$ 6.4472	\$ 0.8319
2011	14.7430	3.1081	17.8511	6.4621	0.9279	7.3900
2012	14.9121	2.9390	17.8511	6.5070	0.8674	7.3744
2013	14.8234	3.0270	17.8504	6.6585	0.8595	7.5180
2014	15.0209	2.7291	17.7500	6.8790	0.7878	7.6668
2015	15.1607	2.5893	17.7500	8.0906	0.8342	8.9248
2016	15.3000	2.4500	17.7500	7.7709	0.9203	8.6912
2017	15.5428	2.2072	17.7500	7.5537	0.7932	8.3468
2018	15.5428	2.3644	17.9072	7.5502	0.5956	8.1458
2019	15.5399	2.7201	18.2600	7.5081	0.5876	8.0957

Year Over Year Change in Levy Rate	City of Council Bluffs	Pottawattamie County	Council Bluffs Community Schools
2010	-0.6%	4.1%	0.0%
2011	-0.7%	1.5%	10.6%
2012	0.0%	-0.2%	0.0%
2013	0.0%	1.9%	-7.7%
2014	-0.6%	2.0%	0.0%
2015	0.0%	16.4%	-0.6%
2016	0.0%	-2.6%	-1.2%
2017	0.0%	-4.0%	0.0%
2018	0.9%	-2.4%	0.9%
2019	2.0%	-0.6%	1.4%

Source: City of Council Bluffs tax rates from the Iowa Department of Management tax levy certification reports;  
County Auditor tax levy reports; Pottawattamie County - other overlapping jurisdictions.

\* Per \$1,000 of taxable valuation

City of Council Bluffs  
 Schedule 7 – Direct and Overlapping Governments  
 For the Last Ten Fiscal Years

Rates

Council Bluffs Community School District

<u>Operating Levy Rate *</u>	<u>Debt Service Levy Rate *</u>	<u>Total (CB) School Levy Rate *</u>	<u>Iowa Western Comm. College and other levies *</u>	<u>Total Direct &amp; Overlapping Levy Rates *</u>
\$ 16.1500	\$ 0.6503	\$ 16.8003	\$ 1.2705	\$ 43.3231
18.0591	0.5273	18.5864	1.1381	44.9656
18.0768	0.5084	18.5852	1.1498	44.9605
16.6510	0.5066	17.1576	1.4623	43.9883
16.6658	0.4918	17.1576	1.3611	43.9355
16.5767	0.4809	17.0576	1.5487	45.2811
16.6194	0.2373	16.8567	1.5038	44.8017
16.8569	-	16.8569	1.8869	44.8406
17.0031	-	17.0031	1.7266	44.7827
17.2420	-	17.2420	1.7555	45.3532
	<u>All Other Levies</u>		<u>Total Tax Levy</u>	
	5.3%		0.6%	
	-10.4%		3.8%	
	1.0%		0.0%	
	27.2%		-2.2%	
	-6.9%		-0.1%	
	13.8%		3.1%	
	-2.9%		-1.1%	
	25.5%		0.1%	
	-8.5%		-0.1%	
	1.7%		1.3%	

Taxpayer	Also Known As	2019		% of Total Taxable Value
		Taxable Value 1/1/2018	Rank	
Mid-American Electric	Mid-American Energy	\$ 139.7	1	4.80%
Horseshoe Council Bluffs LLC	Horseshoe Casino	69.5	2	2.39%
Gable Corp.		66.9	3	2.30%
Pinnacle Entertainment, Inc.	Ameristar Casino	51.8	4	1.78%
Harrah's Council Bluffs LLC	Harrahs Casino	49.0	5	1.68%
W-PT Metro Center Owner VIII LLC	Metro Crossing	38.1	6	1.31%
Walmart Real Estate Business Trust		22.0	7	0.76%
Tetra LLC		22.0	8	0.76%
Black Hills Energy Corp		18.2	9	0.62%
Blue Start Foods	ConAgra Foods	15.4	10	0.53%
Dearborn Properties, LLC	Mall of the Bluffs	-	-	-
Bass Pro Shops		-	-	-
River Park Apartments LLC		-	-	-

Source of 2019 data: Series 2019A - Official Statement dated November 26, 2019

Source of 2010 data: 2010C - Official Statement dated July 15, 2010

2019 Total Taxable Value \$2,910,507,760 per PFM presentation to Moody's

2010 Total Taxable Value \$2,292,937,675 per Official Statement dated July 15, 2010

City of Council Bluffs  
 Schedule 8 – Principal Area Taxpayers  
 Current Year and Nine Years Ago  
 (Expressed in Millions)

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2010			
Taxable Value			% of Total
1/1/2009	Rank	Taxable Value	
\$ 141.6	1	6.18%	
80.5	2	3.51%	
-	-	-	
76.8	3	3.35%	
54.1	4	2.36%	
19.5	7	0.85%	
-	-	-	
-	-	-	
13.6	10	0.59%	
16.9	8	0.74%	
40.0	5	1.74%	
29.5	6	1.29%	
16.1	9	0.70%	

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<u>Assessment Date of January 1,</u>	<u>Fiscal Year Ended</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>% Collected - Trailing Three Years</u>
1/1/2008	2010	39.36	39.64	100.7%	99.7%
1/1/2009	2011	41.45	41.19	99.4%	99.5%
1/1/2010	2012	42.79	42.22	98.7%	99.6%
1/1/2011	2013	42.51	42.17	99.2%	99.1%
1/1/2012	2014	42.87	42.44	99.0%	99.0%
1/1/2013	2015	43.35	43.13	99.5%	99.2%
1/1/2014	2016	44.19	44.06	99.7%	99.4%
1/1/2015	2017	45.59	47.18	103.5%	100.9%
1/1/2016	2018	46.47	48.23	103.8%	102.4%
1/1/2017	2019	50.17	51.83	103.3%	103.5%

\* Taxable valuations can be found in Schedule 6.

\*\* Tax Levy Rates can be found in Schedule 7

Information not available on delinquent collections by levy year.

City of Council Bluffs  
 Schedule 9 – Property Tax Levies and Collections  
 For the Last Ten Fiscal Years  
 (Expressed in Millions)

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<u>Year Over Year Change in Levied Taxes</u>	<u>Year Over Year Change In Taxable Valuation *</u>	<u>Year Over Year Change in City Levy Tax Rate **</u>
5.6%	6.2%	-0.6%
5.3%	5.8%	-0.7%
3.2%	3.3%	0.0%
-0.7%	-0.8%	0.0%
0.8%	1.3%	-0.6%
1.1%	1.4%	-0.6%
1.9%	1.1%	0.0%
3.2%	2.2%	0.0%
1.9%	-2.7%	0.0%
8.0%	1.2%	0.9%

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Governmental Activities

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Fiscal year ended June 30,	General Obligation Bonds	General Obligation Notes	Capital Leases	Urban Renewal Term Loan	Term Loan	Other Debt
2010	\$ 39.93	\$ 6.12	\$ 0.14	\$ 14.58	\$ -	\$ 0.72
2011	43.49	3.00	0.06	14.26	-	0.70
2012	38.02	6.37	-	13.29	-	0.69
2013	41.85	8.17	-	12.33	-	6.68
2014	42.16	6.36	-	-	10.99	0.66
2015	46.38	4.11	-	-	8.55	6.59
2016	37.31	3.23	-	-	6.11	5.54
2017	41.66	2.32	-	-	3.66	5.15
2018	63.08	1.4	-	-	1.22	4.67
2019	56.79	0.45	10.07	-	-	4.24

City of Council Bluffs  
Schedule 10 – Ratios of Outstanding Debt by Type  
For the Last Ten Fiscal Years  
(Expressed in Millions)

<u>Business Type Activities</u>							
<u>General Obligation Bonds</u>	<u>General Obligation Notes</u>	<u>Revenue Capital Loan</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Debt Per Capita</u>	<u>Per Capita Income</u>
\$ -	\$ -	\$ -	\$ -	\$ 61.49	2.46%	\$ 1,021	\$ 42,600
-	-	-	-	61.51	2.32%	988	44,472
-	-	-	-	58.37	2.10%	934	44,466
-	-	4.97	-	56.70	2.68%	1,192	46,575
-	-	4.78	-	64.95	2.38%	1,108	48,821
-	-	4.58	-	70.21	2.31%	1,128	48,821
-	0.36	4.38	-	56.93	1.86%	909	48,821
-	0.25	4.16	-	57.20	1.81%	885	50,481
-	0.14	3.94	-	74.45	2.30%	1,159	52,066
-	0.07	3.72	-	75.34	2.21%	1,151	54,615

City of Council Bluffs  
Schedule 11 – Ratios of General Bonded Debt Outstanding  
For the Last Ten Fiscal Years  
(Expressed in Millions)

Fiscal year ended June 30,	General Obligation Bonds/Notes	Less Amounts Available in Debt Service Fund	Net Bonded Debt	Total Taxable Assessed Value	Net Bonded Debt as % of Assessed Value	Net Bonded Debt per Capita	Population
2010	\$ 46.05	\$ -	\$ 46.05	\$ 2,167.3	2.12%	\$ 763	60,391
2011	46.49	0.96	45.53	2,292.9	1.99%	732	62,230
2012	44.39	7.13	37.26	2,368.8	1.57%	596	62,466
2013	50.02	4.86	45.16	2,350.6	1.92%	727	62,115
2014	48.52	2.25	46.27	2,382.4	1.94%	747	61,969
2015	50.49	4.78	45.71	2,408.6	1.90%	734	62,245
2016	40.54	0.93	39.61	2,461.5	1.61%	633	62,597
2017	43.98	1.14	42.84	2,547.7	1.68%	685	62,524
2018	64.48	1.51	62.97	2,569.1	2.45%	1010	62,316
2019	57.24	1.09	56.15	2,721.4	2.06%	900	62,421

City of Council Bluffs  
Schedule 12 – Direct and Overlapping Governmental Activities Debt  
As of June 30, 2019  
(Expressed in Millions)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Council Bluffs direct debt	<u>\$ 71.56</u>	100.00%	<u>\$ 71.56</u>
Overlapping:			
Pottawattamie County	10.00	66.7% *	6.67
Council Bluffs Community Schools	53.64	95.5% **	51.23
Lewis Central Community Schools	1.96	85.7% **	1.68
Iowa Western Community College	<u>98.78</u>	28.18% ***	<u>27.84</u>
Subtotal, overlapping debt	<u>164.38</u>		<u>\$ 87.41</u>
Total direct and overlapping debt	<u>\$ 235.94</u>		<u>\$ 158.97</u>

Source: Pottawattamie County Auditor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Council Bluffs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

\* Percentage of Pottawattamie County residents residing within the City of Council Bluffs.

\*\* Calculated as the number of resident students within the district divided by the district's certified enrollment.

\*\*\* Percentage of residents within Iowa Western Community College's district who reside within the City of Council Bluffs. The college's district includes the following counties:  
Adair, Adams, Audubon, Cass, Crawford, Fremont, Harrison, Mills, Monona, Montgomery,  
Page, Pottawattamie, and Shelby.

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 263.00	\$ 241.95	\$ 232.95	\$ 229.94
Total net debt applicable to limit	<u>58.45</u>	<u>67.59</u>	<u>52.50</u>	<u>51.96</u>
Legal debt margin	<u>\$ 204.55</u>	<u>\$ 174.36</u>	<u>\$ 180.45</u>	<u>\$ 177.98</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>22.2%</u>	<u>27.9%</u>	<u>22.5%</u>	<u>22.6%</u>

Note: Under the State of Iowa Constitution, a City's outstanding general obligation debt shall not exceed 5% of total assessed property value

City of Council Bluffs  
Schedule 13 – Legal Debt Margin Information  
For the Last Ten Fiscal Years  
(Expressed in Millions)

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 218.69	\$ 219.27	\$ 212.66	\$ 217.63	\$ 218.89	\$ 207.13
<u>60.88</u>	<u>73.31</u>	<u>79.22</u>	<u>69.33</u>	<u>81.30</u>	<u>70.59</u>
<u>\$ 157.81</u>	<u>\$ 145.96</u>	<u>\$ 133.44</u>	<u>\$ 148.30</u>	<u>\$ 137.59</u>	<u>\$ 136.54</u>
<u>27.8%</u>	<u>33.4%</u>	<u>37.3%</u>	<u>31.9%</u>	<u>37.1%</u>	<u>34.1%</u>

Legal Debt Margin Calculation for Fiscal Year 2019

Actual Assessed valuation as of January 1, 2017	\$ 5,260.00
Debt Limit - 5% of assessed valuation	263.00
Debt applicable to debt limit:	
General obligation bonds/notes	55.41
Settlement agreement	1.26
Tax increment indebtedness	3.84
Balance in Debt Service Fund	(1.09)
Balance in Special Revenue, Tax Increment Financing Fund	(0.97)
 Total net debt applicable to limit	 <u>58.45</u>
Legal Debt margin	<u>\$ 204.55</u>

City of Council Bluffs  
Schedule 14 – Pledged Revenue Coverage  
For the Last Ten Fiscal Years  
(Expressed in Thousands)

**Urban Renewal Term Loan and Term Loan Notes:**

Fiscal Year	Gross Revenue	Less: Applicable Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
2010	1,972	1,129	843	800	1.0538
2011	2,112	1,417	695	731	0.9508
2012	2,634	1,343	1,291	1,295	0.9969
2013	2,378	1,145	1,233	1,268	0.9724
2014	2,683	1,147	1,536	1,601	0.9594
2015	3,914	1,168	2,746	2,669	1.0290
2016	3,850	2,087	1,763	2,623	0.6721
2017	4,164	734	3,430	2,582	1.3284
2018	3,758	651	3,107	2,533	1.2266
2019	2,085	648	1,437	1,236	1.1626

Note: Details regarding the City's outstanding urban renewal capital loan and term loan note debt can be found in Note 4 of the notes to financial statements. Gross revenue includes both operating and non-operating revenue and transfers from the City of Council Bluffs. Operating expenses do not include interest expense or depreciation.

**Sewer Revenue Capital Loan Notes:**

Fiscal Year	Gross Revenue	Less: Applicable Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
2013	\$ 5,220	\$ 5,374	\$ (154)	\$ 218	-
2014	4,945	5,645	(700)	342	-
2015	5,141	5,742	(601)	343	-
2016	5,955	5,820	135	344	0.3924
2017	6,514	5,028	1,486	344	4.3198
2018	6,934	6,038	896	344	2.6047
2019	7,867	6,292	1,575	345	4.5652

Note: Details regarding the City's outstanding sewer revenue capital loan notes can be found in Note 4 of the notes to financial statements. Gross revenue includes operating revenue. Operating expenses exclude depreciation.

The City had no sewer revenue debt prior to fiscal year 2013.

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Year	Population	Per Capita Personal Income	Personal Income (Expressed in millions)	Median Age	Unemployment Rate	Council Bluffs School Enrollment
2009	60,391	\$ 41,512	\$ 2,507	35.6	5.1%	9,212
2010	62,230	42,600	2,651	35.9	5.2%	9,207
2011	62,466	44,472	2,778	37.5	5.0%	9,125
2012	62,115	44,466	2,762	37.5	4.5%	8,945
2013	61,969	46,575	2,886	36.1	4.3%	8,996
2014	62,245	48,821	3,039	36.7	3.0%	9,101
2015	62,597	48,821	3,056	36.7	3.3%	9,126
2016	62,524	50,481	3,156	37.9	3.0%	9,257
2017	62,316	53,613	3,341	36.8	2.9%	9,125
2018	62,421	54,615	3,409	36.8	2.9%	9,054

Sources:

Population Data: 2010 to 2018 data from United States Census Bureau - ([quickfacts.census.gov](http://quickfacts.census.gov))

Population Data: 2008 to 2009 data from United States Census Bureau - (Quicklinks - Population Estimates ([quickfacts.census.gov](http://quickfacts.census.gov)))

Personal Income Data: Per capita for Omaha - Council Bluffs Metropolitan Area - Saint Louis Federal Reserve Bank Economic Research ([research.stlouisfed.org](http://research.stlouisfed.org))

Median Age - [City-data.com](http://City-data.com)

Unemployment Rate Data: Omaha - Council Bluffs Metropolitan Area - Saint Louis Federal Reserve Bank Economic Research ([research.stlouisfed.org](http://research.stlouisfed.org))

School Enrollment Data: Certified Enrollment per Iowa Department of Education ([educateiowa.gov](http://educateiowa.gov))

City of Council Bluffs  
Schedule 15 – Demographic and Economic Statistics  
For the Last Ten Calendar Years

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<u>Lewis Central School Enrollment</u>	<u>Combined School Enrollment</u>
2,582	11,794
2,586	11,793
2,613	11,738
2,596	11,541
2,550	11,546
2,560	11,661
2,587	11,713
2,495	11,751
2,476	11,601
2,543	11,597

Employer	2019		
	Full Time Equivalent Employees	Rank	% of Total City Employment (1)
Council Bluffs Community Schools	1,375	1	4.3%
Tyson Fresh Meats	1,350	2	4.2%
Harrah's Casino*	920	3	2.9%
Ameristar Casino and Hotel	850	4	2.7%
Jennie Edmundson Memorial Hospital	845	5	2.6%
ConAgra Frozen Foods	700	6	2.2%
Iowa Western Community College	625	7	2.0%
City of Council Bluffs	494	8	1.5%
JBS USA Foods	350	9	1.1%
Walmart	320	10	1.0%
Pottawattamie County			0.0%
Griffin Pipe Products			0.0%

(1) Based on resident total employment of 31,900

per the Iowa Department of Workforce Development, Labor Market Department

(2) Based on resident total employment of 31,300.

per the Iowa Department of Workforce Development, Labor Market Department

\* 2010 data includes Horseshoe Casino & Harrah's Casino

Source of 2019 data: Series 2019 - Official Statement dated November 26, 2019

Source of 2009 data: Series 2010C - Official Statement dated July 15, 2010

City of Council Bluffs  
 Schedule 16 – Principal Area Employers  
 Current Year and Nine Years Ago

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2010

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<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment (2)</u>
1,220	3	3.9%
820	6	2.6%
1,609	1	5.1%
900	4	2.9%
700	7	2.2%
900	5	2.9%
1,336	2	4.3%
548	9	1.8%
-	-	0.0%
550	8	1.8%
458	10	1.5%
450	11	1.4%

City of Council Bluffs

Schedule 17 – Full Time Equivalent City Government Employees by Function/Program  
For the Last Ten Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police	136.3	136.3	133.5	133.5	135.8	142.2	142.2	140.3	137.9	139.3
Fire	109.0	107.0	109.0	109.0	106.0	107.9	107.7	107.9	107.7	109.9
Animal Control	5.6	5.6	4.9	4.9	5.9	6.3	6.7	7.1	7.3	7.8
Building Inspections	12.0	12.0	10.0	10.0	8.0	7.1	7.0	6.7	7.0	5.9
Public Works	63.3	63.3	62.3	64.3	56.0	54.3	54.4	54.4	55.1	54.4
Health and Social Services	0.0	3.0	6.0	7.0	8.0	6.2	6.0	5.9	6.1	6.4
Culture and Recreation										
Library	22.5	22.0	21.8	22.0	26.0	24.1	24.0	22.6	23.1	23.1
Parks and Recreation	17.0	18.0	21.0	20.0	24.0	23.5	28.5	28.3	27.5	27.4
Community and Economic Development	9.0	8.0	9.0	9.0	9.0	9.0	9.0	9.3	10.5	10.4
General Government										
Mayor's Office	5.0	5.0	5.0	6.0	5.0	2.0	2.1	2.0	2.0	2.1
City Clerk, Finance and Treasurer	13.5	11.5	12.5	18.5	19.4	19.3	21.3	21.5	21.5	21.5
Information Technology*	10.0	9.0	10.0							
City Attorney	5.0	4.0	5.0	6.0	6.0	6.7	5.6	5.8	6.0	6.3
Human Resources	5.0	5.0	5.0	5.0	4.0	2.6	3.0	3.0	3.0	3.1
Building Maintenance	8.0	7.0	7.8	5.8	5.8	5.8	5.6	6.3	6.3	5.8
Business Type Activity										
Sewer Operations	40.0	40.0	41.0	40.0	49.0	51.0	51.6	52.4	51.4	50.1
Sanitation and Recycling	12.0	11.0	11.0	12.0	10.0	12.7	12.3	12.4	12.4	11.5
<b>Total Full Time Equivalents</b>	<b>473.1</b>	<b>467.6</b>	<b>474.6</b>	<b>472.9</b>	<b>477.9</b>	<b>480.7</b>	<b>487.0</b>	<b>485.9</b>	<b>484.8</b>	<b>485.0</b>

Data is based on amounts budgeted annually.

Data is based on total hours worked, which includes overtime hours.

Source of 2010-2014 data: City of Council Bluffs payroll records

Source of 2015-2019 data: City of Council Bluffs Human Resource Department

\* Information Technology reported with City Clerk, Finance & Treasurer prior to 2017

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Function/Program	2018	2017	2016	2015
<b>Public Safety</b>				
Police:				
Traffic accidents	2202	2,136	1,976	2,005
Traffic citations	6781	7,910	7,684	6,923
Traffic warnings	4959	3,690	3,550	2,533
Parking violations	2806	2,289	3,925	3,884
Cases	1694	1,833	1,910	1,823
Arrests and charges	4631	4,293	5,030	5,254
Fire:				
Fire responses	244	234	284	270
Medical responses	7828	7,294	6,919	6,359
HazMat responses	168	324	201	188
False alarms	519	514	585	592
Mutual aid responses	58	60	46	33
Other responses	450	377	430	1,415
Total responses	9,267	8,803	8,465	8,857
Responses per day	25.3	24.1	23.2	24.3
Fire Department average response time	4 min. 39 sec.	4 min. 47 sec.	4 min. 53 sec.	5 min. 6 sec.
Building Inspections:				
Permits issued	8,520	3,100	3,046	4,734
Value of permits (millions)	532.8	325.9	132.0	156.8
<b>Culture and Recreation</b>				
Library:				
Attendance	326,600	304,150	279,006	320,838
Circulation	407,016	426,476	1,016,908	538,555
Collection size	225,323	224,417	202,362	149,502
Registered borrowers	45,664	46,008	41,830	46,899
Meeting room use by community organizations	2,648	729	584	570
Reference questions	54,953	54,685	56,553	44,749
Items Downloaded	486,094			
Attendance per day	933	869	790	912
Circulation per day	1,163	1218	2881	1530

City of Council Bluffs  
 Schedule 18 – Operating Indicators by Function/Program  
 (Calendar Year)

2014	2013	2012	2011	2010	2009
1,999	1,987	1,747	1,722	698	731
8,372	6,848	6,807	11,277	15,172	10,095
2,953	5,459	5,911	4,777	4,185	2,318
2,383	4,506	3,980	3,353	3,952	3,147
1,636	1,718	1,654	1,680	1,880	2,211
5,197	5,936	5,873	6,531	6,908	6,470
310	285	345	301	267	314
6,135	5,799	5,842	5,215	5,222	5,190
186	209	254	254	222	198
492	461	548	522	549	497
46	50	7	35	30	8
1,096	731	892	874	639	641
8,265	7,535	7,888	7,201	6,929	6,848
22.6	20.6	21.6	19.7	19.0	18.8
5 min. 23 sec.	5 min. 22 sec.	5 min. 24 sec.	5 min. 28 sec.	5 min. 25 sec.	5 min. 22 sec.
5,672	4,391	6,274	4,902	1,090	1,532
329.1	311.8	213.1	115.4	85.8	101.5
344,422	383,439	337,049	436,136	414,137	297,706
573,557	610,165	600,736	619,326	600,372	574,727
154,705	186,970	195,252	200,241	194,452	193,967
46,454	48,738	46,750	51,840	51,072	51,673
234	217	994	430	635	149
41,357	42,427	33,119	43,555	52,290	51,479
944	1051	923	1195	1135	816
1571	1672	1646	1697	1645	1575

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	2018	2017	2016	2015
Parks and recreation participation				
Golf complex attendance	22,791	29,142	28,965	48,129
Swimming pool attendance	43,360	44,793	50,253	46,332
Youth softball teams	29	131	121	108
Adult softball teams	88	89	90	91
Tournaments conducted	32	29	19	18
Youth soccer teams	-	-	-	-
Youth football teams	-	-	19	21
Bayliss Park concerts	9	9	12	10
Bayliss Park movies series	8	8	10	8
Zoning Board of Adjustments				
Regular meetings	8	7	9	9
Variance	5	7	5	6
Conditional Use Permit	7	7	10	4
Conditional Use Permit Revocation	0	1	2	5
Administrative Appeal	0	-	1	1
Total meetings and cases	<u>20</u>	<u>22</u>	<u>27</u>	<u>25</u>
Historic Preservation Commission				
Regular Meetings	4	4	7	6
HP Design Review	3	5	12	10
Total meetings and cases	<u>7</u>	<u>9</u>	<u>19</u>	<u>16</u>
Administrative Actions				
Lot Line Adjustments	13	12	14	17
Parcel Splits	7	2	7	4
Offers to Buy City Property	31	8	20	10
Zoning Complaints Investigated	78	110	241	106
Review of Existing CU Permits	-	-	143	91
Total administrative actions	<u>129</u>	<u>132</u>	<u>425</u>	<u>228</u>

City of Council Bluffs  
 Schedule 18 – Operating Indicators by Function/Program  
 (continued)

2014	2013	2012	2011	2010	2009
33,527	48,789	44,370	40,000	90,460	-
50,542	55,752	55,385	58,080	57,794	-
111	105	110	131	98	-
102	101	106	91	110	-
18	17	19	32	34	-
6	8	12	-	378	-
19	21	22	29	31	-
25	23	14	16	10	-
11	11	11	10	10	-
11	12	8	7	7	10
13	5	9	9	8	9
7	8	6	7	3	4
-	2	1	10	2	28
1	-	-	-	-	1
32	27	24	33	20	52
4	6	4	6	9	8
4	5	7	5	10	16
8	11	11	11	19	24
6	15	7	18	16	12
7	2	3	4	3	5
5	6	13	7	7	6
97	145	208	234	159	195
55	-	-	-	147	150
170	168	231	263	332	368

City Planning Commission	2018	2017	2016	2015
Regular meetings	12	12	7	11
Subdivisions (Prelim, Final, Replot)	7	4	2	11
Planned Commercial	3	2	1	4
Planned Residential	3	2	3	1
Zoning Text Amendments	6	6	-	2
Subdivision Text Amendments	0	-	-	-
Rezoning	16	7	7	20
Street & Alley Vacations	12	7	8	10
Historic Preservation	0	-	-	-
Miscellaneous Cases	0	1	1	3
Urban Renewal	0	-	2	2
Urban Revitalization	4	2	2	2
Annexation	0	1	-	1
Comp Plan Amendments	1	-	-	2
Appeals	0	-	-	-
Right-of-Way Encroachments	0	-	-	-
Temporary Use Permits	8	7	5	7
<b>Total CPC Meetings and Cases</b>	<b>72</b>	<b>51</b>	<b>38</b>	<b>76</b>

Sewer

Sewer system customers	20,767	20,709	20,503	21,603
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Sources:

Police - Reports published annually by the Council Bluffs Police Department

Fire - Data maintained by the Council Bluffs Fire Department and filed annually with the State of Iowa Fire Marshall, National Fire Protection Agency, and National Fire Association

Building - Council Bluffs Building Department

Library - City's information filings to the State Library of Iowa

Parks - Internal operating records based on registration data, point of sale system data, and observations of attendance for Bayliss Park Events

In the 2013 Parks Master Plan Update there are 34 properties identified as parks. This number includes properties that are considered a landmark or cemetery.

For the 2019 Culture and Recreation, Parks, cemeteries, monuments, and landmarks will be separated into specific categories in order to provide a more specific account of these properties.

Commission and Board meetings - City of Council Bluffs Planning and Community Development Department records

Sewer - Council Bluffs Water Works

Note: Beginning year 2014, all data presented on a calendar year basis.

Prior to 2014, Library was reported on fiscal year basis.

Data not presented was not readily available

City of Council Bluffs  
 Schedule 18 – Operating Indicators by Function/Program  
 (continued)

2014	2013	2012	2011	2010	2009
10	10	9	9	10	10
17	2	-	3	3	6
2	3	2	-	1	1
-	-	1	1	-	-
2	5	3	3	8	2
-	3	-	-	-	-
12	11	6	9	12	9
8	9	6	2	10	8
-	1	-	-	-	-
5	-	-	-	3	4
3	-	-	-	3	2
4	1	-	-	4	-
1	-	1	-	2	1
-	1	-	-	1	-
1	1	-	-	1	-
1	-	-	-	1	1
7	-	-	-	2	-
<u>73</u>	<u>47</u>	<u>28</u>	<u>27</u>	<u>61</u>	<u>44</u>
21,842	20,428	20,386	21,499	-	-

Function/Program	2019	2018	2017	2016	2015
<b>Public Safety</b>					
Police Stations	1	1	1	1	1
<b>Fire/Ambulance</b>					
Stations	5	5	5	5	5
Engines in service	5	5	5	5	5
Quints in service	2	2	2	2	2
Ambulances in service	3	3	3	3	3
Special use apparatus	6	6	6	6	6
<b>Public Works</b>					
Miles of streets - paved	310	310	303	303	301
Miles of streets - unpaved	3	3	3	1	1
Miles of Federal levees	28	28	28	28	28
Street lights *	4,669	4,700	4,700	4,700	4,698
Intersections with traffic signals	92	95	95	95	95
Pedestrian crossings with signals	12	13	13	13	13
<b>Culture &amp; Recreation</b>					
City parks	29	39	39	39	30
Historic monuments	11	11	11	11	11
Landmarks	9				
Football fields	5	5	5	5	5
Golf courses	1	2	2	2	2
Swimming pools	2	2	2	2	2
Soccer fields	24	23	23	23	23
Baseball diamonds	20	20	20	20	20
Tennis courts	11	13	13	13	15
Skate parks	1	2	2	2	2
Trails (miles)	43	43	43	42	41
Library buildings	1	1	1	1	1
<b>Sewer</b>					
Miles of sanitary sewer	286	281	281	281	281

\* 968 street lights within Council Bluffs are owned by the City of Council Bluffs and 3,701 are owned by Mid-American Energy, but operated by the City.

Sources:

Police - Reports published annually by the Council Bluffs Police Department

Fire - Data maintained by the Council Bluffs Fire Department and filed annually with the State of Iowa Fire Marshall, National Fire Protection Agency, and National Fire Association.

Parks - Internal operating records based on registration data, point of sale system data.

Beginning 2019, cemeteries included as landmark rather than a park.

City of Council Bluffs  
 Schedule 19 – Capital Asset Statistics by Function/Program  
 For the Last Ten Years

2014	2013	2012	2011	2010
1	1	1	1	1
5	5	5	5	5
4	4	4	4	4
3	3	3	3	3
3	3	3	3	3
6	6	6	6	6
301	301	301	297	-
1	1	1	1	-
28	28	28	28	-
4,599	4,309	4,207	4,000	-
95	94	94	94	-
13	14	14	14	-
39	39	26	26	26
11	11	10	10	10
5	5	4	4	4
2	2	2	2	2
2	2	2	2	2
23	23	23	23	23
20	20	20	20	20
16	16	15	15	15
2	2	2	2	2
40	40	37	37	40
1	1	1	1	1
281	279	279	274	-

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Information Provided to Comply  
with Governmental Auditing  
Standards and the Uniform  
Guidance

June 30, 2019

City of Council Bluffs





**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***

To the Honorable Mayor and  
Members of City Council  
City of Council Bluffs, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Council Bluffs, Iowa, (City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 19, 2019.

Other auditors audited the financial statements of the Council Bluffs Airport Authority (presented as a discretely presented component unit), as described in our report on the financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting on compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 from 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*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2019, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

#### **City's Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### **Purpose of this Report**

The 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa  
December 19, 2019



## **Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and  
Members of the City Council  
City of Council Bluffs, Iowa

### **Report on Compliance for the Major Federal Program**

We have audited the City of Council Bluffs, Iowa's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa  
December 19, 2019

City of Council Bluffs  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Program				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218		\$ 95,198	\$ 86,841
Community Development Block Grants/ Entitlement Grants	14.218		386	-
Community Development Block Grants/ Entitlement Grants	14.218		506,945	163,900
Community Development Block Grants/ Entitlement Grants	14.218		38,005	-
			<u>640,534</u>	<u>250,741</u>
Pass-Through Program From City of Omaha				
Home Investment Partnerships Program	14.239	FY11, FY14 -FY16	40,000	-
Total U.S. Department of Housing and Urban Development			<u>680,534</u>	<u>250,741</u>
U.S. Department of Justice				
Direct Program				
Joint Law Enforcement Operations Program	16.111		451	-
Joint Law Enforcement Operations Program	16.111		3,738	-
Joint Law Enforcement Operations Program	16.111		3,074	-
Joint Law Enforcement Operations Program	16.111		733	-
			<u>7,996</u>	<u>-</u>
Bulletproof Vest Partnership Program	16.607		2,506	-
Bulletproof Vest Partnership Program	16.607		1,074	-
			<u>3,580</u>	<u>-</u>
Pass-Through Program From Governor's Office of Drug Control Policy				
Public Safety Partnership and Community Policing Grants	16.710	17-Camp-07	3,050	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16-JAG- 249248	71,659	28,566
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ- BX-0919	26,270	13,135
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ- BX-0997	45,144	22,572
			<u>143,073</u>	<u>64,273</u>
Total U.S. Department of Justice			<u>157,699</u>	<u>64,273</u>

City of Council Bluffs  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Transportation				
Pass-Through Program From				
Highway Planning and Construction Cluster				
Iowa Department of Transportation				
Highway Planning and Construction	20.205	HDP-1642 (645)71-78	\$ 510,097	\$ -
Highway Planning and Construction	20.205	HDP-1642 (675)--71-78	103,637	-
Highway Planning and Construction	20.205	HDP-1642 (677)71-78	745,927	-
Highway Planning and Construction	20.205	HDP-1642 (678)71-78	39,649	-
Highway Planning and Construction	20.205	HDP-1642 (680)71-78	118,353	-
Highway Planning and Construction	20.205	TAP-T-1642 (681)--8V-78	14,923	-
			<u>1,532,586</u>	<u>-</u>
Federal Transit Cluster				
Omaha Metro Area Transit				
Federal Transit - Formula Grants	20.507	NE-90- X094-00	144,000	-
Transit Services Program Cluster				
Omaha Metropolitan Area Planning Agency				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-16- X039-01	52,086	-
Highway Safety Cluster				
Iowa Department of Public Safety				
State and Community Highway Safety	20.600	PAP 19-402, Task 02-00-00	28,295	-
State and Community Highway Safety	20.600	PAP 18-402, Task 01-00-00	6,861	-
			<u>35,156</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,763,828</u>	<u>-</u>

City of Council Bluffs  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Amounts Passed- Through to Subrecipients</u>
U.S. Executive Office of the President Direct program				
High Intensity Drug Trafficking Areas Program	95.001		\$ 9,260	\$ -
High Intensity Drug Trafficking Areas Program	95.001		<u>13,202</u>	<u>-</u>
Total U.S. Executive Office of the President			<u>22,462</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,624,523</u>	<u>\$ 315,014</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Council Bluffs, Iowa (City) under programs of the federal government for the year ended June 30, 2019. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position and fund balances, or cash flows of the City.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - Indirect Cost Rate**

The City has not elected to use the 10% de minimis cost rate.

**Part I: Summary of Independent Auditor's Results:**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness identified	No
Significant deficiencies identified not considered to be a material weakness	None Reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Highway Planning and Construction Cluster: Highway Planning and Construction	20.205
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

**Part II: Financial Statement Findings:**

There were no findings to report.

**Part III: Findings and Questioned Costs for Federal Awards:**

There were no findings and questioned costs to report.

**Part IV: Other Findings Related to Required Statutory Reporting:**

**2019-IA-A Certified Budget** – Disbursements exceeded amounts budgeted at the June 30, 2019 in the public safety, health and social services, debt service, and capital projects functions.

**Recommendation** – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

**View of Responsible Officials** – The City agrees with the recommendation.

**2019-IA-B Questionable Expenditures** – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

**2019-IA-C Travel Expense** – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

**2019-IA-D Business Transactions** – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Sharon White, City Council Member, husband is part owner in Ehrhart Griffin & Associates Inc.	Services	\$ 262,246
Margie Johnson, Revenue Clerk, husband is part owner in Echo Electric	Supplies	114,959
Steven Jacobs, Police Officer, sister-in-law is part owner in Sherbondy's Garden Center	Supplies	33,386
Jason Bailey, Police Sergeant, brother is owner of Loghry Lawns	Services	15,465
Michael Feierfeil, Equipment Operator	Services	2,150
Roger Sandau, City Council Member, father is owner of Sandau Bros Sign Co.	Supplies	833
Randall Schroeder, Firefighter, wife is part owner in Credit Information Systems	Services	220

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with Sandau Bros Sign Co. and Credit Information Systems do not appear to represent a conflict of interest since the total of the transactions were less than \$1,500 during the fiscal year. The transactions with Loghry Lawns and Michael Feierfeil do not appear to represent a conflict of interest since they were entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa. In accordance with Chapter 362.5(3)(i) of the Code of Iowa, the transactions with Ehrhart Griffin & Associates Inc. and Echo Electric do not appear to represent a conflict of interest since the related ownership is less than five percent. The transactions with Sherbondy's Garden Center may represent a conflict of interest since over \$1,500 of the transactions were not entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

- 2019-IA-E**    **Bond Coverage** - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
  
- 2019-IA-F**    **Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
  
- 2019-IA-G**    **Deposits and Investments** - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
  
- 2019-IA-H**    **Revenue Loan** – No instances of non-compliance with the sewer state revolving loan revenue debt provisions were noted.
  
- 2019-IA-I**    **Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

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