

City of Coralville

**Independent Auditor's Reports
Basic Financial Statements
and Supplementary Information
Schedule of Findings and Questioned Costs**

June 30, 2022



**City of Coralville
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**City of Coralville
Elected Officials and Administration
June 30, 2022**

Elected Officials

Name	Title	Term Expires
Meghann Foster	Mayor	December 31, 2023
Mike Knudson	Council Member	December 31, 2025
Laurie Goodrich	Council Member	December 31, 2025
Mitch Gross	Council Member	December 31, 2023
Keith Jones	Council Member	December 31, 2023
Hai Huynh	Council Member	December 31, 2025

Appointed Officials

Kelly Hayworth	City Administrator	Indefinite
Thorsten Johnson	City Clerk	Indefinite
Tony Roetlin	City Finance Officer	Indefinite
Ellen Habel	Assistant City Administrator	Indefinite
Donald L. Diehl	City Attorney	Indefinite
Kevin Olson	City Attorney	Indefinite
Kelly Lindsay	Deputy City Clerk	Indefinite

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Coralville
Coralville, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coralville, Iowa, as of and for the year ended June 30, 2022, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the basic financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coralville, Iowa, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Coralville and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Implementation of GASB 87

The District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The management of the City of Coralville is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Responsibilities of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

BergankDV, Ltd.

St. Cloud, Minnesota
March 8, 2023

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City of Coralville
Management's Discussion and Analysis
June 30, 2022

As management of the City of Coralville, Iowa (the City), we offer readers of the City of Coralville financial statements this narrative overview and analysis of the financial activities of the City of Coralville for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information in the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of Coralville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year (June 30, 2022) by \$130,918,229 (*net position*). Of this amount, (\$38,922,586) (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens or creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net position increased by \$1,243,780 from operations.
- As of the close of the 2022 fiscal year, the City of Coralville governmental funds ending fund balances were \$43,914,913. Fund balance from operations decreased \$20,136,609. The City's unassigned fund balance was (\$45,395,554).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,369,803 or 34.5% of the total 2022 General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Coralville' basic financial statements. The City of Coralville' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Coralville' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Coralville' assets and deferred outflows of resources; and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Coralville is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

City of Coralville
Management's Discussion and Analysis
June 30, 2022

Overview of the Financial Statements (Continued)

Government-wide financial statements (Continued). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and sanitation, economic development and culture and recreation. The business-type activities of the City include the following: hotel, water, sewer, parking, transit storm, and solid waste operations.

The government-wide financial statements can be found on pages 21-23 of this report.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds, and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances of the General Fund, the Mall/Highway 6 TIF Fund, the General Obligation Debt Service Fund, and the Iowa River Landing, Capital Project Fund, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information section of this report.

The City adopts an annual appropriated budget. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-31

City of Coralville
Management's Discussion and Analysis
June 30, 2022

Overview of the Financial Statements (Continued)

Proprietary funds. The City of Coralville maintains one types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Coralville uses enterprise funds to account for its hotel, water, sewer, parking, transit, storm sewer and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the operations mentioned above.

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-75 of this report.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information for the reader. The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the notes to the financial report. Combining statements and schedules can be found on pages 88-99 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City of Coralville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$54,773,319 at the close of the most recent fiscal year.

By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Coralville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Coralville' investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Coralville
Management's Discussion and Analysis
June 30, 2022**

Government-wide Financial Analysis (Continued)

City of Coralville Net Position

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>	Business-type Activities <u>2022</u>	Business-type Activities <u>2021</u>	Total <u>2022</u>	Total <u>2021</u>
Current and other assets	\$ 87,508,789	\$ 76,235,944	\$ 26,446,933	\$ 24,847,614	\$ 113,955,722	\$ 101,083,558
Capital assets and loan receivable	300,161,042	331,815,092	144,227,971	147,330,722	444,389,013	479,145,814
Total assets	<u>387,669,831</u>	<u>408,051,036</u>	<u>170,674,904</u>	<u>172,178,336</u>	<u>558,344,735</u>	<u>580,229,372</u>
Total deferred outflows	<u>1,469,026</u>	<u>1,848,093</u>	<u>362,426</u>	<u>604,105</u>	<u>1,831,452</u>	<u>2,452,198</u>
Long-term liabilities outstanding	265,245,632	283,688,466	81,373,661	84,827,646	346,619,293	368,516,112
Other liabilities	22,341,224	34,451,873	11,746,576	13,565,963	34,087,800	48,017,836
Total liabilities	<u>287,586,856</u>	<u>318,140,339</u>	<u>93,120,237</u>	<u>98,393,609</u>	<u>380,707,093</u>	<u>416,533,948</u>
Total deferred inflows	<u>46,778,682</u>	<u>36,305,781</u>	<u>1,772,183</u>	<u>167,392</u>	<u>48,550,865</u>	<u>36,473,173</u>
Net Position						
Net Investment in capital assets	70,905,534	69,268,901	61,596,991	64,260,810	132,502,525	133,529,711
Restricted						
Debt service	28,138,508	24,526,626	3,030,381	2,383,400	31,168,889	26,910,026
Capital projects	4,831,346	4,428,457			4,831,346	4,428,457
Escrow	114,459	108,934	-	-	114,459	108,934
Employee benefits	19,491	18,639	-	-	19,491	18,639
Donations and grants	1,204,105	1,141,453	-	-	1,204,105	1,141,453
Unrestricted	<u>(50,440,124)</u>	<u>(44,040,001)</u>	<u>11,517,538</u>	<u>7,577,230</u>	<u>(38,922,586)</u>	<u>(36,462,771)</u>
Total net position	<u>\$ 54,773,319</u>	<u>\$ 55,453,009</u>	<u>\$ 76,144,910</u>	<u>\$ 74,221,440</u>	<u>\$ 130,918,229</u>	<u>\$ 129,674,449</u>

At the end of 2022, the City of Coralville had positive balances in the categories of net position for the government as a whole, as well as for its separate governmental and business-type activities. The unrestricted net position for the governmental activities is negative due to negative operations.

Governmental activities. Governmental activities decreased the City of Coralville' net position by \$679,690. The key element of this decrease was operations.

**City of Coralville
Management's Discussion and Analysis
June 30, 2022**

Government-wide Financial Analysis (Continued)

City of Coralville Changes in Net Position

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 9,342,139	\$ 7,346,358	\$ 21,788,655	\$ 18,307,576	\$ 31,130,794	\$ 25,653,934
Operating grants & contributions	9,030,270	8,585,898	1,303,144	1,780,203	10,333,414	10,366,101
Capital grants & contributions	2,073,399	2,509,485	-	-	2,073,399	2,509,485
General revenues:						
Property taxes	22,037,934	21,764,143	-	-	22,037,934	21,764,143
Tax increment financing	15,238,633	14,148,532	-	-	15,238,633	14,148,532
Other taxes and payments in lieu of taxes	3,268,600	2,580,803	-	-	3,268,600	2,580,803
State aid	-	73,676	-	-	-	73,676
Other income (loss)	58,365	951,402	267,683	16,291	326,048	967,693
Total Revenues	61,049,340	57,960,297	23,359,482	20,104,070	84,408,822	78,064,367
Expenses						
General government	4,084,495	4,555,980	-	-	4,084,495	4,555,980
Public safety	6,467,482	6,170,469	-	-	6,467,482	6,170,469
Public works	5,080,223	6,507,695	-	-	5,080,223	6,507,695
Culture & recreation	10,869,560	11,193,678	-	-	10,869,560	11,193,678
Economic development	14,327,016	20,364,627	-	-	14,327,016	20,364,627
Health & social services	152,676	97,656	-	-	152,676	97,656
Interest on long-term debt	14,890,686	13,708,214	-	-	14,890,686	13,708,214
Hotel	-	-	12,990,020	10,519,036	12,990,020	10,519,036
Water	-	-	2,668,025	2,440,980	2,668,025	2,440,980
Sewer	-	-	4,344,796	4,557,934	4,344,796	4,557,934
Parking facilities and transit	-	-	2,956,458	2,826,254	2,956,458	2,826,254
Transit	-	-	2,591,847	2,651,145	2,591,847	2,651,145
Solid waste	-	-	1,138,941	1,409,927	1,138,941	1,409,927
Storm water	-	-	602,817	538,710	602,817	538,710
Total Expenses	55,872,138	62,598,319	27,292,904	24,943,986	83,165,042	87,542,305
Change in net position before transfers and contributions	5,177,202	(4,638,022)	(3,933,422)	(4,839,916)	1,243,780	(9,477,938)
Transfers and contributions	(5,856,892)	(1,697,448)	5,856,892	1,697,448	-	-
Change in net position	(679,690)	(6,335,470)	1,923,470	(3,142,468)	1,243,780	(9,477,938)
Net position - beginning	55,453,009	87,644,674	74,221,440	77,363,908	129,674,449	165,008,582
Prior Period Adjustment	-	(25,856,195)	-	-	-	(25,856,195)
Net position - ending	\$ 54,773,319	\$ 55,453,009	\$ 76,144,910	\$ 74,221,440	\$ 130,918,229	\$ 129,674,449

Financial Analysis of the Government's Funds

As noted earlier, the City of Coralville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Coralville' *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City of Coralville' financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Coralville
Management's Discussion and Analysis
June 30, 2022

Financial Analysis of the Government's Funds (Continued)

Governmental funds. (Continued) As of the end of the current fiscal year, the City of Coralville' governmental funds reported combined ending fund balances of \$43,914,913. (\$45,395,554) of this amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is restricted or committed or assigned by the City Council to indicate that it is not available for new spending. Activities such as Debt service, Perpetual care cemetery, Employee benefits, Restricted Donations and Grants, and Capital projects are restricted by council action.

The City of Coralville governmental funds reported a combined ending fund balance decrease of \$20,136,609. The fund balance change is primarily due to the effect of the following factors:

- The General fund balance decreased by \$2,514,637 as a result of increased transfers out to other funds.
- Mall/Highway 6 TIF fund's activity resulted in a decrease of \$7,714,912. This is a result of debt service payments made.
- General Obligation Debt Service fund's activity resulted in a decrease of \$17,320,382 due to using the prior year bond issuance to refund issuances in the current year.
- Iowa River Landing fund's activity resulted in a decrease of \$514,365 due to payments to ArenaCo.
- Other Governmental had a cumulative increase of \$7,927,687 mostly in the street capital projects fund due to timing of grants and projects.

The General Fund is the chief operating fund of the City of Coralville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,369,803.

The Mall/Highway 6 TIF special revenue fund has a total fund balance of (\$20,292,970). This fund accounts for the activities of the Mall/Highway 6 Tax Increment Financing fund for the City of Coralville.

The Debt Service fund has a total fund balance of \$53,510,389, all of which is restricted for the payment of debt service.

The Iowa River Landing capital project fund accounts for the building and construction of the Iowa River Landing. The fund has a total fund balance of (\$17,976,529).

**City of Coralville
Management's Discussion and Analysis
June 30, 2022**

Financial Analysis of the Government's Funds (Continued)

Proprietary funds. The City of Coralville' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position in the respective proprietary funds is noted below.

Hotel and Conference Center	\$ (5,155,752)
Water	3,696,339
Sewer	8,748,332
Parking	1,936,955
Transit	977,589
Solid waste	705,097
Storm water	608,978

The Water and Stormwater fund's activities resulted in an increase in net position primarily due to an increase in usage. The Sewer fund's activities resulted in a decrease in net position primarily due to an increase in depreciation expense and increased transfers out to other funds. The Parking fund's activities resulted in an increase in net position primarily due to positive operations. The Transit fund's activities resulted in a decrease to net position due to COVID-19 causing decreased ridership. The Hotel Fund's activities resulted in an increase to net position due to increased transfers in from other funds. The Solid Waste fund's activities resulted in a decrease to net position due to negative operations.

City of Coralville
Management's Discussion and Analysis
June 30, 2022

General Fund Budgetary Highlights

The following table presented on a budgetary basis (cash basis) demonstrated the statutory compliance with the annual fiscal year 2022 budget. The amounts in the 'Actual' column were taken from the City's annual report to the State of Iowa prepared on the cash basis of accounting.

	Governmental Funds Actual	Proprietary Funds Actual	Total	Budgeted Amounts		Final to Total Variance
				Original	Final	
Receipts						
Property tax	\$ 21,406,512	\$ -	\$ 21,406,512	\$ 21,471,379	\$ 21,471,760	\$ (65,248)
Tax increment financing	14,871,932	-	14,871,932	14,804,026	14,804,026	67,906
Other city tax	3,705,784	-	3,705,784	2,306,428	2,306,047	1,399,737
Licenses and permits	1,069,753	-	1,069,753	877,607	877,607	192,146
Use of money and property	3,603,594	4,969,229	8,572,823	2,061,522	2,061,522	6,511,301
Intergovernmental	9,351,940	4,051,656	13,403,596	12,534,579	15,832,413	(2,428,817)
Charges for services	3,660,966	10,321,528	13,982,494	26,609,223	26,609,223	(12,626,729)
Special assessments	13,506	-	13,506	-	-	13,506
Miscellaneous	2,402,434	4,703,963	7,106,397	2,277,137	2,277,137	4,829,260
Total receipts	<u>60,086,421</u>	<u>24,046,376</u>	<u>84,132,797</u>	<u>82,941,901</u>	<u>86,239,735</u>	<u>(2,106,938)</u>
Disbursements						
General government	3,438,346	-	3,438,346	9,296,214	9,296,214	(5,857,868)
Public safety	5,870,663	-	5,870,663	6,904,058	6,904,058	(1,033,395)
Public works	2,464,673	-	2,464,673	3,350,325	3,350,325	(885,652)
Health and social services	152,676	-	152,676	159,426	759,426	(606,750)
Culture and recreation	11,052,548	-	11,052,548	11,130,389	11,130,389	(77,841)
Community and economic development	9,378,197	-	9,378,197	1,012,993	1,012,993	8,365,204
Debt service	134,734,385	-	134,734,385	24,306,205	112,306,205	22,428,180
Capital outlay	6,573,380	-	6,573,380	10,000,000	10,000,000	(3,426,620)
Business type activities	-	29,091,145	29,091,145	27,245,910	27,245,910	1,845,235
Total disbursements	<u>173,664,868</u>	<u>29,091,145</u>	<u>202,756,013</u>	<u>93,405,520</u>	<u>182,005,520</u>	<u>20,750,493</u>
Excess (deficiency) of receipts over (under) disbursements	(113,578,447)	(5,044,769)	(118,623,216)	(10,463,619)	(95,765,785)	(22,857,431)
Other financing sources (uses), net	91,191,013	8,741,119	99,932,132	20,000,000	108,000,000	(8,067,868)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(22,387,434)	3,696,350	(18,691,084)	9,536,381	12,234,215	(30,925,299)
Balances beginning of year	<u>21,638,374</u>	<u>21,435,933</u>	<u>43,074,307</u>	<u>36,111,804</u>	<u>36,111,804</u>	<u>6,962,503</u>
Balances end of year	<u>\$ (749,060)</u>	<u>\$ 25,132,283</u>	<u>\$ 24,383,223</u>	<u>\$ 45,648,185</u>	<u>\$ 48,346,019</u>	<u>\$ (23,962,796)</u>

Capital assets

The City of Coralville' investment in capital assets for its governmental and business- type activities as of June 30, 2022, amounts to \$440,740,973 (net of accumulated depreciation) a decrease of \$11,184,649. This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure.

**City of Coralville
Management's Discussion and Analysis
June 30, 2022**

**City of Coralville Capital Assets
(Net of Depreciation)**

	2022 Governmental Activities	2021 Governmental Activities	2022 Business- Type Activities	2021 Business- Type Activities	2022 Total	2021 Total
Land	\$ 66,565,586	\$ 65,380,261	\$ 3,087,126	\$ 3,087,126	\$ 69,652,712	\$ 68,467,387
Construction in Progress	483,683	8,707,739	478,542	37,283,387	962,225	45,991,126
Buildings	58,865,440	59,315,436	134,172,335	100,105,974	193,037,775	159,421,410
Improvement other than buildings	85,304,421	87,535,739	-	-	85,304,421	87,535,739
Machinery and Equipment	8,067,761	8,648,762	6,489,968	6,854,235	14,557,729	15,502,997
Infrastructure	77,226,111	75,006,963	-	-	77,226,111	75,006,963
Total assets	\$ 296,513,002	\$ 304,594,900	\$ 144,227,971	\$ 147,330,722	\$ 440,740,973	\$ 451,925,622

Additional information on the City of Coralville's capital assets can be found in Note 6 on pages 51-53.

Long-Term Debt

The following summarizes maturities of principal and interest on bonded debt outstanding as of June 30, 2022:

Year Ending June 30,	Governmental Activities					
	General Obligation Bonds		Tax Increment Revenue Bonds		Road Use Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 15,615,105	\$ 11,943,859	\$ 579,474	\$ 754,238	\$ -	\$ 187,625
2024	10,892,179	11,157,978	889,474	728,164	-	187,625
2025	17,480,141	10,677,648	1,439,474	689,690	-	187,625
2026	8,038,220	9,682,433	1,779,474	629,217	-	187,625
2027	8,112,654	9,305,923	1,659,474	569,893	-	187,625
2028-2032	59,058,389	37,653,417	4,102,370	2,187,153	310,000	930,625
2033-2037	51,495,512	25,980,913	1,157,890	1,607,236	920,000	773,125
2038-2042	76,096,842	14,568,511	1,500,000	1,440,000	1,170,000	523,413
2043-2047	-	-	5,000,000	675,000	1,400,000	294,125
2048-2052	-	-	-	-	950,000	62,562
	<u>246,789,042</u>	<u>130,970,682</u>	<u>18,107,630</u>	<u>9,280,591</u>	<u>4,750,000</u>	<u>3,521,975</u>
Net unamortized bond premium/(discount)	<u>2,380,149</u>	<u>-</u>	<u>31,752</u>	<u>-</u>	<u>258,963</u>	<u>-</u>
Total	\$ 249,169,191	\$ 130,970,682	\$ 18,139,382	\$ 9,280,591	\$ 5,008,963	\$ 3,521,975

**City of Coralville
Management's Discussion and Analysis
June 30, 2022**

Long-Term Debt (Continued)

Year Ending June 30,	Business-Type Activities				Total	
	Revenue Bonds		Hotel Certificates of Participation			
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,498,777	\$ 1,082,356	\$ 1,670,000	\$ 1,170,325	\$ 21,363,356	\$ 15,138,403
2024	3,575,000	995,003	1,735,000	1,103,525	17,091,653	14,172,295
2025	3,652,000	905,691	1,805,000	1,034,125	24,376,615	13,494,779
2026	3,712,000	814,027	1,880,000	961,925	15,409,694	12,275,227
2027	3,795,000	719,972	1,955,000	886,725	15,522,128	11,670,138
2028-2032	17,584,000	2,120,317	11,005,000	3,196,625	92,059,759	46,088,137
2033-2037	11,587,000	746,538	10,455,000	913,050	75,615,402	30,020,862
2038-2042	7,106,923	146,600	-	-	85,873,765	16,678,524
2043-2047	-	-	-	-	6,400,000	969,125
2048-2052	-	-	-	-	950,000	62,562
	<u>54,510,700</u>	<u>7,530,504</u>	<u>30,505,000</u>	<u>9,266,300</u>	<u>354,662,372</u>	<u>160,570,052</u>
Net unamortized bond premium/(discount)	-	-	1,209,647	-	3,880,511	-
Total	<u>\$ 54,510,700</u>	<u>\$ 7,530,504</u>	<u>\$ 31,714,647</u>	<u>\$ 9,266,300</u>	<u>\$ 358,542,883</u>	<u>\$ 160,570,052</u>

Certain general obligation bond debt service is subject to annual appropriation by the City Council. In accordance with the Code of Iowa, only that portion subject to the annual appropriation is included in the computation of the statutory debt limit.

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt, net of cash on hand restricted for debt service, is below its constitutional debt limit of \$142.6 million.

As of June 30, 2022, the City of Coralville has been assigned an A- rating with stable outlook from Fitch Ratings as well as a BB+ rating from Standard & Poor's for general obligation debt.

More detailed information on debt administration can be found in Note 7 on pages 54-63.

Economic Factors and Next Year's Budget and Rates

Several economic factors affected decisions made by the City in setting and amending its fiscal year 2023 budget. The City expects to experience an increase in General Fund receipts and disbursements from fiscal year 2022 to fiscal year 2023. The major factors which will play a role in this change are the general pace of growth and the need to maintain services and meet that growth.

The City property tax levy rate for fiscal year 2023 will be 14.3123

City of Coralville
Management's Discussion and Analysis
June 30, 2022

Requests for Information

This financial report is designed to provide a general overview of the City of Coralville' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, City of Coralville 1512 7th Street, Coralville, IA 52241

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BASIC FINANCIAL STATEMENTS

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City of Coralville
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (including cash equivalents)	\$ 4,985,321	\$ 3,201,019	\$ 8,186,340
Assets held by property manager	-	870,253	870,253
Restricted cash	11,339,581	3,030,381	14,369,962
Receivables			
Accounts receivable	29,534	1,880,514	1,910,048
Interest receivable	1,921,042	-	1,921,042
Taxes receivable	95,180	-	95,180
Taxes receivable - succeeding year	36,145,074	-	36,145,074
Special assessments receivable	182,286	-	182,286
Loan receivable, due within one year	1,141,513	-	1,141,513
Loan receivable, due in more than one year	27,126,030	-	27,126,030
Lease receivable	3,648,040	-	3,648,040
Internal balances	(13,767,678)	13,767,678	-
Due from other governments	577,355	151,248	728,603
Inventories	28,905	275,022	303,927
Land held for resale	14,495,854	-	14,495,854
Prepaid items	654,046	423,336	1,077,382
Beneficial interest in a trust	-	2,847,482	2,847,482
Net pension asset	2,554,746	-	2,554,746
Capital assets not being depreciated	67,049,269	3,565,668	70,614,937
Capital assets, net of accumulated depreciation	229,463,733	140,662,303	370,126,036
Total assets	\$ 387,669,831	\$ 170,674,904	\$ 558,344,735
Deferred Outflows of Resources			
Deferred outflows of resources related to City pensions	1,348,795	331,691	1,680,486
Deferred outflows of resources related to OPEB	120,231	30,735	150,966
Total deferred outflows of resources	1,469,026	362,426	1,831,452
Total assets and deferred outflows of resources	\$ 389,138,857	\$ 171,037,330	\$ 560,176,187
Liabilities			
Accounts and contracts payable	\$ 1,585,690	\$ 2,876,251	\$ 4,461,941
Interest payable	2,841,310	170,640	3,011,950
Salaries and benefits payable	197,662	36,538	234,200
Deposits payable	374,100	560,339	934,439
Unearned revenue	295,598	2,880,000	3,175,598
Bonds payable, net			
Payable within one year			
General obligation bonds	15,615,105	3,378,000	18,993,105
Tax increment financing revenue bonds	579,474	-	579,474
Payable after one year			
General obligation bonds	233,114,081	51,176,815	233,114,081
Tax increment financing revenue bonds	17,999,913	-	17,999,913
Road use tax revenue bonds	5,008,963	-	5,008,963
Notes payable			
Payable within one year	-	1,670,000	1,670,000
Payable after one year	8,693,217	30,044,647	38,737,864
Loan payable			
Payable within one year	5,841	-	5,841
Compensated absences payable			
Payable within one year	846,444	174,808	1,021,252
Net pension liability	-	42,417	42,417
Total other post employment benefits (OPEB) obligation	429,458	109,782	539,240
Total liabilities	287,586,856	93,120,237	380,707,093
Deferred Inflows of Resources			
Deferred gain on refunding	131,021	-	131,021
Deferred inflows of resources related to City pensions	6,573,434	1,746,878	8,320,312
Deferred inflows of resources related to lease receivable	3,648,040	-	3,648,040
Taxes and assessments for subsequent years	36,327,196	-	36,327,196
Deferred inflows of resources related to OPEB	98,991	25,305	124,296
Total deferred inflows of resources	46,778,682	1,772,183	48,550,865
Net Position			
Net investment in capital assets	70,905,534	61,596,991	132,502,525
Restricted for			
Debt service	28,138,508	3,030,381	31,168,889
Capital projects	4,831,346	-	4,831,346
Escrow	114,459	-	114,459
Employee benefits	19,491	-	19,491
Donations and grants	1,204,105	-	1,204,105
Unrestricted	(50,440,124)	11,517,538	(38,922,586)
Total net position	54,773,319	76,144,910	130,918,229
Total liabilities, deferred inflows of resources, and net position	\$ 389,138,857	\$ 171,037,330	\$ 560,176,187

See notes to basic financial statements.

City of Coralville
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,084,495	\$ 1,562,736	\$ 559,787	\$ -
Public safety	6,467,482	44,995	1,756,009	-
Public works	5,080,223	832,187	3,546,497	12,066
Health and social services	152,676	-	-	-
Culture and recreation	10,869,560	4,077,052	911,114	-
Economic development	14,327,016	2,825,169	325,171	-
Interest and fiscal charges	14,890,686	-	1,931,692	2,061,333
Total governmental activities	<u>55,872,138</u>	<u>9,342,139</u>	<u>9,030,270</u>	<u>2,073,399</u>
Business-type activities				
Hotel	12,990,020	8,259,374	-	-
Water	2,668,025	2,743,497	37,821	-
Sewer	4,344,796	5,281,134	454	-
Parking	2,956,458	3,303,028	30,896	-
Transit	2,591,847	432,629	1,170,203	-
Solid waste	1,138,941	1,111,539	7,477	-
Storm water	602,817	657,454	56,293	-
Total business-type activities	<u>27,292,904</u>	<u>21,788,655</u>	<u>1,303,144</u>	<u>-</u>
 Total governmental and business-type activities	 <u>\$ 83,165,042</u>	 <u>\$ 31,130,794</u>	 <u>\$ 10,333,414</u>	 <u>\$ 2,073,399</u>

General revenues
 Property taxes levied for general purposes
 Property taxes levied for debt service
 Tax increment financing
 Other taxes and payments in lieu of taxes
 Unrestricted investment earnings
 Gain on sale of asset
Transfers
 Total general revenues and transfers
Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenues
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,961,972)	\$ -	\$ (1,961,972)
(4,666,478)	-	(4,666,478)
(689,473)	-	(689,473)
(152,676)	-	(152,676)
(5,881,394)	-	(5,881,394)
(11,176,676)	-	(11,176,676)
(10,897,661)	-	(10,897,661)
<u>(35,426,330)</u>	<u>-</u>	<u>(35,426,330)</u>
-	(4,730,646)	(4,730,646)
-	113,293	113,293
-	936,792	936,792
-	377,466	377,466
-	(989,015)	(989,015)
-	(19,925)	(19,925)
-	110,930	110,930
<u>-</u>	<u>(4,201,105)</u>	<u>(4,201,105)</u>
<u>\$ (35,426,330)</u>	<u>\$ (4,201,105)</u>	<u>\$ (39,627,435)</u>
17,640,691	-	17,640,691
4,397,243	-	4,397,243
15,238,633	-	15,238,633
3,268,600	-	3,268,600
20,357	48,616	68,973
38,008	219,067	257,075
<u>(5,856,892)</u>	<u>5,856,892</u>	<u>-</u>
<u>34,746,640</u>	<u>6,124,575</u>	<u>40,871,215</u>
(679,690)	1,923,470	1,243,780
<u>55,453,009</u>	<u>74,221,440</u>	<u>129,674,449</u>
<u>\$ 54,773,319</u>	<u>\$ 76,144,910</u>	<u>\$ 130,918,229</u>

City of Coralville
Balance Sheet - Governmental Funds
June 30, 2022

	General Fund (100)	Special Revenue Mall/Highway 6 TIF Fund (127)	Debt Service General Obligation Debt Service (200)
Assets			
Cash and investments	\$ 1,987,189	\$ -	\$ -
Restricted cash	-	1,153,579	10,186,002
Interest receivable	-	-	1,921,042
Due from other governments	142,255	-	-
Accounts receivable	29,534	-	-
Due from other funds	15,593,972	-	15,269,921
Property taxes receivable			
Current Year	55,803	5,739	14,117
Succeeding Year	13,065,341	9,000,000	4,178,548
Special assessments receivable	-	-	-
Land held for resale	-	-	-
Inventory	28,905	-	-
Prepaid items	623,359	-	-
Leases receivable	-	-	-
Loans receivable	-	-	28,267,543
Total assets	\$ 31,526,358	\$ 10,159,318	\$ 59,837,173
Liabilities			
Accounts payable	\$ 706,575	\$ 31,392	\$ 227,194
Deposits payable	359,210	-	-
Salaries and benefits payable	188,225	-	-
Due to other funds	-	21,420,896	-
Unearned revenues	295,598	-	-
Total liabilities	1,549,608	21,452,288	227,194
Deferred Inflows of Resources			
Unavailable revenue - taxes and assessments	13,065,341	9,000,000	4,178,548
Deferred inflows of resources related to lease receivables	-	-	-
Unavailable revenue - grants	142,255	-	-
Unavailable revenue - interest	-	-	1,921,042
Total deferred inflows of resources	13,207,596	9,000,000	6,099,590
Fund Balances			
Nonspendable			
Prepaid items	623,359	-	-
Inventories	28,905	-	-
Land held for resale	-	-	-
Restricted			
Debt service	-	-	53,510,389
Perpetual care cemetery	-	-	-
Employee benefits	-	-	-
Donations and grants	-	-	-
Capital projects	-	-	-
Committed			
Other purposes	8,747,087	-	-
Unassigned	7,369,803	(20,292,970)	-
Total fund balances	16,769,154	(20,292,970)	53,510,389
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,526,358	\$ 10,159,318	\$ 59,837,173

Capital Projects

Iowa River Landing (315)	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,998,132	\$ 4,985,321
-	-	11,339,581
-	-	1,921,042
1,500	433,600	577,355
-	-	29,534
-	9,257,908	40,121,801
-	19,521	95,180
-	9,901,185	36,145,074
-	182,286	182,286
14,495,854	-	14,495,854
-	-	28,905
-	30,687	654,046
-	3,648,040	3,648,040
-	-	28,267,543
<u>\$ 14,497,354</u>	<u>\$ 26,471,359</u>	<u>\$ 142,491,562</u>
\$ -	\$ 620,529	\$ 1,585,690
3,800	11,090	374,100
-	9,437	197,662
32,468,583	-	53,889,479
-	-	295,598
<u>32,472,383</u>	<u>641,056</u>	<u>56,342,529</u>
-	10,083,307	36,327,196
-	3,648,040	3,648,040
1,500	194,087	337,842
-	-	1,921,042
<u>1,500</u>	<u>13,925,434</u>	<u>42,234,120</u>
-	30,687	654,046
-	-	28,905
14,495,854	-	14,495,854
-	5,736,972	59,247,361
-	114,459	114,459
-	19,491	19,491
-	1,199,936	1,199,936
-	4,803,328	4,803,328
-	-	8,747,087
<u>(32,472,383)</u>	<u>(4)</u>	<u>(45,395,554)</u>
<u>(17,976,529)</u>	<u>11,904,869</u>	<u>43,914,913</u>
<u>\$ 14,497,354</u>	<u>\$ 26,471,359</u>	<u>\$ 142,491,562</u>

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City of Coralville
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
June 30, 2022

Total fund balances - governmental funds \$ 43,914,913

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 as assets in governmental funds.

Cost of capital assets	425,355,259
Less accumulated depreciation	(128,842,257)

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

Long-term liabilities at year-end consist of:

Bonds payable	(248,729,186)
Tax increment financing bonds/certificates	(18,579,387)
Road use tax revenue bonds	(5,008,963)
Notes payable	(8,693,217)
Loan payable	(5,841)
Compensated absences payable	(846,444)
Total other post employment benefits obligation	(429,458)
Deferred gain on refunding	(131,021)
Net pension asset	2,554,746

Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.

2,258,884

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred inflows of resources related to other postemployment benefits	(98,991)
Deferred inflows of resources related to city pensions	(6,573,434)
Deferred outflows of resources related to other post employment benefits	120,231
Deferred outflows of resources related to city pensions	1,348,795

Governmental funds do not report a liability for accrued interest due and payable.

(2,841,310)

Total net position - governmental activities

\$ 54,773,319

City of Coralville
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	General Fund (100)	Special Revenue Mall/Highway 6 TIF Fund (127)	Debt Service General Obligation Debt Service (200)
Revenues			
General property taxes	\$ 12,913,646	\$ -	\$ 4,482,922
Tax increment collections	-	9,829,268	-
Other city taxes	3,761,432	-	-
Licenses and permits	925,661	-	-
Intergovernmental	2,622,182	-	1,426,296
Special assessments	-	-	-
Charges for services	4,147,878	-	-
Use of money and property	278,392	(2)	560,075
Contributions and donations	263,874	-	-
Miscellaneous	104,507	-	-
Total revenues	<u>25,017,572</u>	<u>9,829,266</u>	<u>6,469,293</u>
Expenditures			
Current			
General government	3,343,278	-	-
Public safety	5,673,631	-	-
Public works	-	-	-
Health and social services	152,676	-	-
Culture and recreation	10,227,176	-	-
Community and economic development	910,630	3,832,580	-
Debt service			
Principal	-	-	10,029,254
Interest and fiscal charges	-	-	14,424,852
Capital outlay			
General government	88,387	-	-
Public safety	403,119	-	-
Public works	-	-	-
Culture and recreation	531,580	-	-
Community and economic development	28,998	8,019	-
Total expenditures	<u>21,359,475</u>	<u>3,840,599</u>	<u>24,454,106</u>
Excess of revenues over (under) expenditures	3,658,097	5,988,667	(17,984,813)
Other Financing Sources (Uses)			
Proceeds from sale of capital asset	1,564	-	-
Bonds issued	-	-	74,305,078
Bonds issued- refunding	-	-	19,209,922
Premium on bonds issued	-	-	2,550,675
Payment to refunded bond escrow agent	-	-	(110,255,000)
Transfers in	5,289,850	-	16,299,855
Transfers out	(11,464,148)	(13,703,579)	(1,446,099)
Total other financing sources (uses)	<u>(6,172,734)</u>	<u>(13,703,579)</u>	<u>664,431</u>
Net change in fund balances	(2,514,637)	(7,714,912)	(17,320,382)
Fund Balances			
Beginning of year	<u>19,283,791</u>	<u>(12,578,058)</u>	<u>70,830,771</u>
End of year	<u>\$ 16,769,154</u>	<u>\$ (20,292,970)</u>	<u>\$ 53,510,389</u>

See notes to basic financial statements.

Capital Projects

<u>Iowa River Landing (315)</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 4,727,045	\$ 22,123,613
-	5,409,365	15,238,633
-	-	3,761,432
-	-	925,661
-	4,098,125	8,146,603
-	12,066	12,066
-	631,602	4,779,480
566	3,287,182	4,126,213
-	-	263,874
-	279,827	384,334
<u>566</u>	<u>18,445,212</u>	<u>59,761,909</u>
-	-	3,343,278
-	32,614	5,706,245
-	1,594,930	1,594,930
-	-	152,676
-	238,764	10,465,940
-	2,906,135	7,649,345
-	-	10,029,254
-	188,225	14,613,077
-	-	88,387
-	-	403,119
559,156	3,366,119	3,925,275
-	-	531,580
-	1,394,411	1,431,428
<u>559,156</u>	<u>9,721,198</u>	<u>59,934,534</u>
(558,590)	8,724,014	(172,625)
-	36,444	38,008
44,225	-	74,349,303
-	-	19,209,922
-	-	2,550,675
-	-	(110,255,000)
-	7,661,031	29,250,736
-	(8,493,802)	(35,107,628)
<u>44,225</u>	<u>(796,327)</u>	<u>(19,963,984)</u>
(514,365)	7,927,687	(20,136,609)
<u>(17,462,164)</u>	<u>3,977,182</u>	<u>64,051,522</u>
<u>\$ (17,976,529)</u>	<u>\$ 11,904,869</u>	<u>\$ 43,914,913</u>

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City of Coralville
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to
the Statement of Activities - Governmental Funds
Year Ended June 30, 2022

Net change in fund balances - governmental funds \$ (20,136,609)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital outlays	2,727,998
Depreciation expense	(9,746,461)
Disposal of capital assets	(430,231)

Unfunded OPEB obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (19,017)

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities (7,016)

Governmental funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.

Pension expense	1,785,478
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Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on net position in the Statement of Activities.

Bonds payable	120,284,254
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Governmental funds report the effects of bond premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (2,421,528)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and, thus, requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (406,756)

Proceeds from long-term debt are recognized as an other financing source in the governmental funds but have no impact on net assets in the Statement of Activities. (93,559,225)

Certain receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 1,249,423

Change in net position - governmental activities \$ (679,690)

City of Coralville
Statement of Net Position - Proprietary Funds
June 30, 2022

	Business-Type Activities Enterprise Funds			
	Hotel and Conference Center (501, 502, 670)	Water (385, 600)	Sewer (390, 610)	Parking (620)
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 649,783	\$ 481,607	\$ -
Assets held by property manager	870,253	-	-	-
Due from other funds	-	3,650,000	7,650,000	2,866,588
Due from other governments	-	-	148,764	-
Accounts receivable - net	330,320	387,882	901,264	-
Inventories	51,683	223,339	-	-
Prepaid items	204,172	20,551	64,301	64,814
Total current assets	<u>1,456,428</u>	<u>4,931,555</u>	<u>9,245,936</u>	<u>2,931,402</u>
Noncurrent assets				
Restricted cash	-	320,800	36,643	2,672,938
Beneficial interest in a trust	2,847,482	-	-	-
Capital assets	75,175,813	21,216,388	70,852,064	36,472,411
Less: accumulated depreciation	(33,455,005)	(10,910,075)	(20,869,062)	(8,396,494)
Net capital assets	<u>41,720,808</u>	<u>10,306,313</u>	<u>49,983,002</u>	<u>28,075,917</u>
Total noncurrent assets	<u>44,568,290</u>	<u>10,627,113</u>	<u>50,019,645</u>	<u>30,748,855</u>
Total assets	<u>46,024,718</u>	<u>15,558,668</u>	<u>59,265,581</u>	<u>33,680,257</u>
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	-	64,625	60,152	34,465
Deferred outflows of resources related to OPEB	-	6,088	5,550	3,260
Total deferred outflows of resources	<u>-</u>	<u>70,713</u>	<u>65,702</u>	<u>37,725</u>
Total assets and deferred outflows of resources	<u>\$ 46,024,718</u>	<u>\$ 15,629,381</u>	<u>\$ 59,331,283</u>	<u>\$ 33,717,982</u>
Liabilities				
Current liabilities				
Accounts payable	\$ 1,535,743	\$ 317,849	\$ 122,115	\$ 779,527
Due to other funds	2,098,910	-	-	-
Interest payable	97,527	6,000	50,113	14,803
Salaries payable	-	6,105	5,192	5,580
Customer deposits	-	560,339	-	-
Compensated absences	-	40,258	37,004	32,013
Unearned revenue	2,880,000	-	-	-
Capital lease payable - current portion	1,670,000	-	-	-
Bonds payable - current portion	-	288,000	1,787,000	1,188,000
Total current liabilities	<u>8,282,180</u>	<u>1,218,551</u>	<u>2,001,424</u>	<u>2,019,923</u>
Noncurrent liabilities				
Compensated absences	-	40,258	37,004	32,013
Bonds payable, net	166,211	3,570,000	37,328,400	12,043,000
Notes payable	31,714,647	-	-	-
Total OPEB obligation	-	21,747	19,825	11,643
Net pension liability	-	8,264	7,692	4,408
Less amount due within one year	(1,670,000)	(328,258)	(1,824,004)	(1,220,013)
Total noncurrent liabilities	<u>30,210,858</u>	<u>3,312,011</u>	<u>35,568,917</u>	<u>10,871,051</u>
Total liabilities	<u>38,493,038</u>	<u>4,530,562</u>	<u>37,570,341</u>	<u>12,890,974</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	-	340,354	316,795	181,514
Deferred inflows of resources related to OPEB	-	5,013	4,570	2,684
Total deferred inflows of resources	<u>-</u>	<u>345,367</u>	<u>321,365</u>	<u>184,198</u>
Net Position				
Net investment in capital assets	12,687,432	6,736,313	12,654,602	16,032,917
Restricted for debt service	-	320,800	36,643	2,672,938
Unrestricted	(5,155,752)	3,696,339	8,748,332	1,936,955
Total net position	<u>7,531,680</u>	<u>10,753,452</u>	<u>21,439,577</u>	<u>20,642,810</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 46,024,718</u>	<u>\$ 15,629,381</u>	<u>\$ 59,331,283</u>	<u>\$ 33,717,982</u>

Business-Type Activities
Enterprise Funds

Transit (640)	Nonmajor Proprietary Funds	Total
\$ 599,055	\$ 1,470,574	\$ 3,201,019
-	-	870,253
1,000,000	700,000	15,866,588
2,484	-	151,248
-	261,048	1,880,514
-	-	275,022
37,609	31,889	423,336
<u>1,639,148</u>	<u>2,463,511</u>	<u>22,667,980</u>
-	-	3,030,381
-	-	2,847,482
18,035,524	2,349,539	224,101,739
(5,205,314)	(1,037,818)	(79,873,768)
<u>12,830,210</u>	<u>1,311,721</u>	<u>144,227,971</u>
<u>12,830,210</u>	<u>1,311,721</u>	<u>150,105,834</u>
<u>14,469,358</u>	<u>3,775,232</u>	<u>172,773,814</u>
111,890	60,559	331,691
10,167	5,670	30,735
<u>122,057</u>	<u>66,229</u>	<u>362,426</u>
<u>\$ 14,591,415</u>	<u>\$ 3,841,461</u>	<u>\$ 173,136,240</u>
\$ 72,129	\$ 48,888	2,876,251
-	-	2,098,910
-	2,197	170,640
13,052	6,609	36,538
-	-	560,339
50,162	15,371	174,808
-	-	2,880,000
-	-	1,670,000
18,000	97,000	3,378,000
<u>153,343</u>	<u>170,065</u>	<u>13,845,486</u>
50,162	15,371	174,808
54,000	1,393,204	54,554,815
-	-	31,714,647
36,317	20,250	109,782
14,309	7,744	42,417
(68,162)	(112,371)	(5,222,808)
<u>86,626</u>	<u>1,324,198</u>	<u>81,373,661</u>
<u>239,969</u>	<u>1,494,263</u>	<u>95,219,147</u>
589,276	318,939	1,746,878
8,371	4,667	25,305
<u>597,647</u>	<u>323,606</u>	<u>1,772,183</u>
12,776,210	709,517	61,596,991
-	-	3,030,381
977,589	1,314,075	11,517,538
<u>13,753,799</u>	<u>2,023,592</u>	<u>76,144,910</u>
<u>\$ 14,591,415</u>	<u>\$ 3,841,461</u>	<u>\$ 173,136,240</u>

City of Coralville
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds			
	Hotel and Conference Center (501, 502, 670)	Water (385, 600)	Sewer (390, 610)	Parking (620)
Operating revenues				
Charges for services	\$ 8,139,375	\$ 2,749,168	\$ 5,281,588	\$ 3,205,287
Total operating revenues	<u>8,139,375</u>	<u>2,749,168</u>	<u>5,281,588</u>	<u>3,205,287</u>
Operating expenses				
Personnel services	-	689,252	641,170	342,444
Supplies	1,917,703	97,409	87,584	914,039
Professional services	7,717,953	887,765	629,041	193,623
Repairs and maintenance	289,173	403,363	609,229	150,356
Depreciation	1,755,636	512,165	1,624,222	966,602
Total operating expenses	<u>11,680,465</u>	<u>2,589,954</u>	<u>3,591,246</u>	<u>2,567,064</u>
Operating income (loss)	(3,541,090)	159,214	1,690,342	638,223
Nonoperating revenues (expenses)				
Investment income	46,211	5	113	2,287
Rent	-	31,445	-	128,637
Intergovernmental	-	705	-	-
Gain (loss) on disposal of capital assets	(607)	-	-	-
Refunds and reimbursements	120,000	-	-	-
Interest expense	(1,308,949)	(78,071)	(753,550)	(389,394)
Total nonoperating revenues (expenses)	<u>(1,143,345)</u>	<u>(45,916)</u>	<u>(753,437)</u>	<u>(258,470)</u>
Income (loss) before transfers	(4,684,435)	113,298	936,905	379,753
Transfers in	6,522,598	-	-	278,883
Transfers out	<u>(25,000)</u>	<u>(80,000)</u>	<u>(1,309,524)</u>	<u>(3,500)</u>
Change in net position	1,813,163	33,298	(372,619)	655,136
Net position				
Beginning of year	<u>5,718,517</u>	<u>10,720,154</u>	<u>21,812,196</u>	<u>19,987,674</u>
End of year	<u>\$ 7,531,680</u>	<u>\$ 10,753,452</u>	<u>\$ 21,439,577</u>	<u>\$ 20,642,810</u>

Business-Type Activities Enterprise Funds

<u>Transit (640)</u>	<u>Nonmajor Proprietary Funds</u>	<u>Total</u>
\$ 325,839	\$ 1,724,589	\$ 21,425,846
<u>325,839</u>	<u>1,724,589</u>	<u>21,425,846</u>
1,174,435	667,995	3,515,296
232,717	154,952	3,404,404
603,949	527,925	10,560,256
67,252	244,782	1,764,155
513,494	112,719	5,484,838
<u>2,591,847</u>	<u>1,708,373</u>	<u>24,728,949</u>
(2,266,008)	16,216	(3,303,103)
-	-	48,616
193,176	-	353,258
1,083,817	104,043	1,188,565
-	219,067	218,460
-	4,131	124,131
-	(33,385)	(2,563,349)
<u>1,276,993</u>	<u>293,856</u>	<u>(630,319)</u>
(989,015)	310,072	(3,933,422)
405,000	123,435	7,329,916
-	(55,000)	(1,473,024)
<u>(584,015)</u>	<u>378,507</u>	<u>1,923,470</u>
14,337,814	1,645,085	74,221,440
<u>\$ 13,753,799</u>	<u>\$ 2,023,592</u>	<u>\$ 76,144,910</u>

City of Coralville
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds			
	Hotel and Conference Center (501, 502, 670)	Water (385, 600)	Sewer (390, 610)	Parking (620)
Cash Flows - Operating Activities				
Receipts from customers	\$ 8,012,901	\$ 2,764,319	\$ 5,207,819	\$ 3,205,287
Payments to suppliers for goods and services	(9,206,832)	(1,323,751)	(4,342,080)	(1,325,597)
Payments to employees for services	-	(730,901)	(672,875)	(382,266)
Net cash flows - operating activities	<u>(1,193,931)</u>	<u>709,667</u>	<u>192,864</u>	<u>1,497,424</u>
Cash Flows - Noncapital Financing Activities				
Rent	-	31,445	-	128,637
Refunds and reimbursements	-	-	-	-
Intergovernmental receipts	-	705	-	-
Increase (decrease) in due to other funds	(1,787,359)	(650,000)	(1,150,000)	1,133,412
Transfer to other funds	(25,000)	(80,000)	(1,309,524)	(3,500)
Transfer from other funds	6,522,598	-	-	278,883
Net cash flows - noncapital financing activities	<u>4,710,239</u>	<u>(697,850)</u>	<u>(2,459,524)</u>	<u>1,537,432</u>
Cash Flows - Capital and Related Financing Activities				
Principal paid on debt	(1,525,192)	(287,000)	(610,997)	(1,154,000)
Interest paid on debt	(1,314,299)	(146,936)	(754,056)	(390,812)
Bond proceeds	-	-	2,044,198	-
Bond premium issued	-	69,196	-	-
Net received from trust	(90,686)	-	-	-
Acquisition of capital assets	(632,342)	(182,672)	-	(845,460)
Proceeds from disposal of capital assets	-	-	-	-
Net cash flows - capital and related financing activities	<u>(3,562,519)</u>	<u>(547,412)</u>	<u>679,145</u>	<u>(2,390,272)</u>
Cash Flows - Investing Activities				
Investment income	46,211	5	113	2,287
Net change in cash and cash equivalents	-	(535,590)	(1,587,402)	646,871
Cash and Cash Equivalents (including restricted cash)				
January 1	-	1,506,173	2,105,652	2,026,067
December 31	<u>\$ -</u>	<u>\$ 970,583</u>	<u>\$ 518,250</u>	<u>\$ 2,672,938</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities				
Operating income (loss)	\$ (3,541,090)	\$ 159,214	\$ 1,690,342	\$ 638,223
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Depreciation	1,755,636	512,165	1,624,222	966,602
Pension expense	-	(55,790)	(32,442)	(45,403)
Accounts receivable	(126,474)	15,151	53,820	-
Due from other governments	-	-	(127,589)	-
Prepaid items	(194,608)	3,848	7,015	8,114
Inventories	(14,913)	(88,678)	-	-
Accounts payable	927,518	149,616	(3,023,241)	(75,693)
Salaries payable	-	1,972	707	2,367
Due to other governments	-	-	-	-
OPEB obligation	-	3,664	2,664	2,644
Compensated absences payable	-	8,505	(2,634)	570
Total adjustments	<u>2,347,159</u>	<u>550,453</u>	<u>(1,497,478)</u>	<u>859,201</u>
Net cash flows - operating activities	<u>\$ (1,193,931)</u>	<u>\$ 709,667</u>	<u>\$ 192,864</u>	<u>\$ 1,497,424</u>

Business-Type Activities -
Enterprise Funds

Transit (640)	Nonmajor Proprietary Funds	Total
\$ 323,355	\$ 1,718,383	\$ 21,232,064
(903,046)	(959,700)	(18,061,006)
<u>(1,232,986)</u>	<u>(720,190)</u>	<u>(3,739,218)</u>
<u>(1,812,677)</u>	<u>38,493</u>	<u>(568,160)</u>
193,176	-	353,258
-	4,131	4,131
1,083,817	104,043	1,188,565
-	(200,000)	(2,653,947)
-	(55,000)	(1,473,024)
<u>405,000</u>	<u>123,435</u>	<u>7,329,916</u>
<u>1,681,993</u>	<u>(23,391)</u>	<u>4,748,899</u>
(108,000)	(95,000)	(3,780,189)
-	(32,435)	(2,638,538)
90,000	-	2,134,198
-	-	69,196
-	-	(90,686)
-	(89,016)	(1,749,490)
<u>-</u>	<u>219,067</u>	<u>219,067</u>
<u>(18,000)</u>	<u>2,616</u>	<u>(5,836,442)</u>
<u>-</u>	<u>-</u>	<u>48,616</u>
(148,684)	17,718	(1,607,087)
<u>747,739</u>	<u>1,452,856</u>	<u>7,838,487</u>
<u>\$ 599,055</u>	<u>\$ 1,470,574</u>	<u>\$ 6,231,400</u>
\$ (2,266,008)	\$ 16,216	\$ (3,303,103)
513,494	112,719	5,484,838
(49,052)	(48,042)	(230,729)
-	(6,206)	(63,709)
(2,484)	-	(130,073)
6,082	5,149	(164,400)
-	-	(103,591)
(5,210)	(18,863)	(2,045,873)
2,264	2,754	10,064
-	(18,327)	(18,327)
4,569	1,460	15,001
<u>(16,332)</u>	<u>(8,367)</u>	<u>(18,258)</u>
<u>453,331</u>	<u>22,277</u>	<u>2,734,943</u>
<u>\$ (1,812,677)</u>	<u>\$ 38,493</u>	<u>\$ (568,160)</u>

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City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Coralville, Iowa, (City) is a political subdivision of the State of Iowa located in Johnson County. It was incorporated in 1870 and operated 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 nonpartisan basis. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, public improvements, community and economic development and general administrative services. It also operates a hotel and conference center, a public transit service and provides water, sewer, storm water and sanitation utilities.

The basic financial statements of the City of Coralville have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

B. Reporting Entity

For financial reporting purposes, the City has included all funds, organizations, account groups, 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 basic 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.

1. Excluded Component Unit

The Coralville Public Library Foundation (an Iowa nonprofit corporation) is a legally separate entity from the City. The Foundation is governed by its own board. The Foundation was formed for the direct benefit of the Coralville Public Library (Library). Economic resources received by the Foundation are used for the direct benefit of the Library and, therefore, the City's constituents. The Foundation has a June fiscal year end and does not prepare basic financial statements; therefore, audited basic financial statements are not available. Management has elected to exclude the transactions of the Foundation from the City's basic financial statements as they are not material.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, plus the beneficial interest in a trust, reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position – Results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – Consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

D. Measurement Focus, Basis of Accounting, and Basic Financial Statement Presentation

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

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 period 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 of the end of the current period. Property tax, local option sales tax, intergovernmental revenue (shared revenue, grants and reimbursements from other government) 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, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment matures. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Measurement Focus, Basis of Accounting, and Basic Financial Statement Presentation
(Continued)**

Separate basic financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Description of Funds:

Major Governmental Funds:

General Fund – This fund is the City's general operating fund. All general tax revenue and other revenue that is not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid general operating expenses, the fixed charges and capital improvement costs not paid from other funds.

Mall/Highway 6 Tax Increment Financing Special Revenue Fund – This fund accounts for the property tax generated as a result of increased property values of property located in the City's Mall/Highway 6 area tax increment financing district which will be used to pay obligations incurred for qualifying projects.

General Obligation Debt Service Fund – This fund accounts for general obligation debt issued, the subsequent payment of principal and interest on that debt and the collection of property tax levied for debt service.

Iowa River Landing Capital Projects Fund – This fund accounts for revenue and project expenses in connection with improvements in the Iowa River Landing area.

Proprietary Funds:

Hotel and Conference Center Fund – This fund accounts for the operation and maintenance of the City-owned hotel and conference center.

Water Fund – This fund accounts for the operation and maintenance of the City's water system.

Sewer Fund – This fund accounts for the operation and maintenance of the City's sanitary sewage systems.

Parking Fund – This fund accounts for the three parking ramps and three surface lots located in the Iowa River Landing area and the Town Center parking ramp.

Transit Fund – This fund accounts for the operation of the City public bus transportation system.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Measurement Focus, Basis of Accounting, and Basic Financial Statement Presentation
(Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 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 nonoperating revenues and expenses.

The City maintains its financial records on the cash basis. The basic financial statements of the City are prepared by making memorandum adjusting entries to the cash basis financial records.

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 and general revenue. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs and then apply general revenue.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Pooled Investments

The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law or contract. Investments consist of money market accounts and certificates of deposit stated at fair value which is equivalent to cost.

Restricted cash consists primarily of bond proceeds and other funds which can only be spent for a specific purpose. Those specific purpose restrictions include bond reserve funds, debt sinking funds, restricted donations and grant funds and perpetual cemetery funds.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid (including restricted assets) 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.

2. Beneficial Interest in a Trust

The City has a beneficial interest in a trust which was created with amounts borrowed to finance the Hotel and conference center construction. The trust consists of cash, certificates of deposit and pooled cash investments, all of which are restricted for this project, but are liquid cash equivalents.

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

3. Receivables and Payables

Property tax receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year delinquent tax receivable represents unpaid taxes from the current year. 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 first day of the year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred 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 revenue became due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments, and is based on January 1, 2020, assessed property valuations, and is for the tax accrual period July 1, 2021, through June 30, 2022, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2021.

Special assessments are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable consists of current assessments which are due within one-year, delinquent assessments remaining unpaid after the due date, and deferred, uncollected assessments which have been levied, but are not due within one year.

Assets held by property manager consists of assets held by Marriott Business Systems used in managing the day-to-day activities of the hotel and conference center and Brown Deer Clubhouse.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services, including amounts owed for which billings have not been prepared.

Outstanding balances between funds are reported as "due to/from other funds." And result from cash deficiencies in certain funds.

Due from other governments represents amounts due from the State of Iowa, various shared revenue and grants and reimbursements from other governments.

4. Inventory and Prepaid Items

Inventories are valued at the lower of first-in, first-out cost or market. The cost of governmental fund-type inventory is recorded as an expenditure when purchased. Inventories and prepaids recorded in the governmental fund types to not reflect current appropriable resources; therefore, an equivalent portion of fund balance is recorded as nonspendable

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (Continued)

4. Inventory and Prepaid Items (Continued)

Prepays consist primarily of property and liability insurance payments paid in advance. Prepaid items are recorded as an expenditure at the time of consumption.

5. Restricted Assets

Certain assets of the governmental funds are classified as restricted assets because their use is restricted by bond covenants, donors, contract or grant agreements or by law.

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

6. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column 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. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$5,000 and estimated useful lives in excess of one year.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20 - 50
Buildings and improvements	10 - 50
Furniture and equipment	5 - 20
Vehicles	5 - 20
Road network	20 - 40
Bridge network	50
Parking ramps	50

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City presents deferred outflows of resources on the Statement(s) of Net Position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

8. Compensated Absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. In the government-wide and proprietary fund financial statements, these accumulations are recorded as expenses and liabilities for the appropriate fund in the year earned. A liability for these amounts is reported in the 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 as of June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

9. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position.

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

10. 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 (IPERS) and additions to/deductible from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. 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.

11. Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City of Coralville GAAP 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.

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

12. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenue is measurable, it is 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 represents 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 in the governmental fund financial statements consist of property taxes receivable and other receivables not collected within 60 days after year end. Deferred inflows of resources in the statement of net position consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied, and unrecognized items not yet charged to pension expense and amounts related to OPEB for various estimate differences that will be amortized and recognized over future years.

13. Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- Nonspendable Fund Balance – These are amounts that cannot be spent because they are not in spendable form.
- Restricted Fund Balance – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- Committed Fund Balance – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision-making authority) through resolution.
- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

Minimum Fund Balance

The City's target General Fund balance is to maintain unrestricted fund balance of 35% of the current year operating expenditures.

City of Coralville
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

14. Estimates and Assumptions

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

15. Budgetary Information

In accordance with the *Code of Iowa*, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except for agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribe procedures. The City did not amend its budget during the year ended June 30, 2022.

The cash basis reports cash receipts and disbursements rather than revenue and expenditures/expenses. Receivables, payables, accruals and deferrals do not apply to the cash basis budget. The Budgetary comparison and related disclosures are reported as required supplementary information.

The City follows these procedures in the adoption of or amendment of the annual budget:

1. Department supervisors submit preliminary budget requests during October and November. These requests are reviewed by the City Administrator and City Finance Officer, who present a proposed budget to the City Council. The City Council prepares a proposed budget based on their recommendations.
2. The City Clerk provides the projected budget to interested citizens during February, and public hearings are conducted to obtain taxpayer comments.
3. Prior to March 31, the budget is legally enacted through passage of a resolution and is submitted to the County Auditor and State of Iowa.
4. Amendments to the budget may be considered and reviewed throughout the fiscal year. Amendments are subject to council review and by justification to the City Administrator. The budget is formally amended by the City Council after the process of public hearings.

State law mandates that the control of the level of classification at which expenditures may not legally exceed appropriations is based upon ten major classes of disbursements, known as functions, not by fund or fund type. It is permissible, therefore, to overspend the budget within a particular fund so long as the expenditures within a function are not exceeded. The ten functions are Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Debt Service, Capital Projects, Business-Type Activities and Nonprogram. As of June 30, 2022, disbursements exceeded the budgeted amounts in Community and Economic Development, Debt Service and Business Type Activities functional areas.

City of Coralville
Notes to Basic Financial Statements

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance

These deficits will be eliminated as financing under grants or bonds is received and from other revenue sources during future years. The following funds had a deficit fund balance at June 30, 2022:

Special Revenue	
Mall/Highway 6 TIF	\$ 20,292,970
Nonmajor funds	4
Capital Projects	
Iowa River Landing	17,976,529

NOTE 3 – CASH AND POOLED INVESTMENTS

The City's deposits as of June 30, 2022, 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 that 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 City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72 which were material to the basic financial statements.

NOTE 4 – LOANS RECEVIABLE

A. Business Loans

The City has made several forgivable economic loans to local businesses. The loans are forgivable upon the businesses meeting certain job creation goals. The loans bear interest at 6%, which is also forgivable. These loans are not recorded in the basic financial statements because the anticipated policy outcome is that the businesses meet or exceed the job creation goals, leading to the loans being forgiven. Below is a detail of the forgivable loans' receivable:

1. Two forgivable loan agreements with a local business signed in 2018. The first forgivable loan is for the completion and occupancy of the first floor of a new building in the U of IA Research Park and must create and retain jobs for a period of 10 years. The second forgivable loan is to assist with the construction of a new building and must create and retain jobs for a period of 10 years. The total of these two outstanding forgivable loans at June 30, 2022, is \$690,000.

City of Coralville
Notes to Basic Financial Statements

NOTE 4 – LOANS RECEIVABLE (CONTINUED)

A. Business Loans (Continued)

2. One forgivable loan agreement with a local business signed in 2011. This loan is for meeting certain job creation targets. This loan is expected to be forgiven, if all targets are met, during fiscal year 2022. The balance of this forgivable loan at June 30, 2022, is \$413,000.
3. One forgivable loan agreement with a local business signed in 2011. This loan is for meeting certain job creation targets. This loan is expected to be forgiven, if all targets are met, during fiscal year 2022. The balance of this forgivable loan at June 30, 2022, is \$194,000.
4. One forgivable loan agreement with a local business signed in 2021. This loan is for meeting certain job creation targets. The balance of this forgivable loan at June 30, 2022, is \$500,000.

B. ArenaCo Investment Fund, LLC

In connection with the overall financing of ArenaCo's projects, New Markets Tax Credits were obtained by a Community Development Entity (CDE). The City made loans to ArenaCo Investment Fund, LLC which then provided that cash as an equity contribution to the CDE. The CDE made a capital contribution to a separate Sub-CDE which then loaned the funds to ArenaCo for the project.

The City loans to ArenaCo Investment Fund, LLC include interest at 1% due monthly and require monthly principal payments from January 5, 2026 through December 21, 2048.

As of June 30, 2022, the City has recorded as a receivable \$28,267,543 representing the advances made under the loan agreements. Interest received during the year ended June 30, 2022, was \$550,000 and an interest receivable balance of \$1,921,042 has been recorded for unpaid interest that was due during the fiscal year ended June 30, 2022.

As of June 30, 2022, the principal portion of the loans for ArenaCo is due as follows:

Years Ending June 30,		
2023		\$ 1,141,513
2024		1,191,305
2025		1,288,252
2026		1,389,942
2027		1,502,032
Later years		21,754,499
Total		\$ 28,267,543

The City also has loans to ArenaCo Investment Fund, LLC that are expected to be forgiven if certain economic targets are met. The total balance of these loans is \$43,751,375 and are not recorded in the financial statements and the related accrued interest also has not been recorded in the financial statements as these amounts are expected to be forgiven.

City of Coralville
Notes to Basic Financial Statements

NOTE 5 – INTERFUND ACTIVITY

A. Transfers

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources or are for other legal purposes

	Transfers Out									Total
	General	Mall/Highway 6 TIF Fund	Debt Service	Other Governmental Funds	Water	Sewer	Parking	Hotel and Conference Center	Other Enterprise	
Transfers In										
General	\$ -	\$ -	\$ -	\$ 5,118,850	\$ -	\$ 87,500	\$ 3,500	\$ 25,000	\$ 55,000	\$ 5,289,850
Debt Service	411,866	12,766,170	-	3,121,819	-	-	-	-	-	16,299,855
Other governmental funds	4,724,684	188,224	1,446,099	-	80,000	1,222,024	-	-	-	7,661,031
Hotel & Conference Center	5,922,598	600,000	-	-	-	-	-	-	-	6,522,598
Transit	405,000	-	-	-	-	-	-	-	-	405,000
Parking	-	25,750	-	253,133	-	-	-	-	-	278,883
Other enterprise funds	-	123,435	-	-	-	-	-	-	-	123,435
Total	\$ 11,464,148	\$ 13,703,579	\$ 1,446,099	\$ 8,493,802	\$ 80,000	\$ 1,309,524	\$ 3,500	\$ 25,000	\$ 55,000	\$ 36,580,652

B. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2022, is as follows:

	Interfund Receivables	Interfund Payable
General Fund	\$ 15,593,972	\$ -
General Obligation Debt Service	15,269,921	-
Special Revenue Funds		
Mall/Highway 6 TIF	-	21,420,896
Other nonmajor funds	9,257,908	-
Capital Projects Funds		
Iowa River Landing	-	32,468,583
Proprietary Funds		
Water	3,650,000	-
Sewer	7,650,000	-
Parking Facilities and Operations	2,866,588	-
Transit	1,000,000	-
Storm Water	700,000	-
Hotel and Conference Center	-	2,098,910
Total	\$ 55,988,389	\$ 55,988,389

These balances result from projects and other uses which resulted in negative cash balances in certain funds at year end. Repayments will be made from future revenue (including grant revenue), debt proceeds and transfers.

City of Coralville
Notes to Basic Financial Statements

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 65,380,261	\$ 1,584,925	\$ 399,600	\$ 66,565,586
Construction in progress	8,707,739	887,529	9,111,585	483,683
Total capital assets not being depreciated	<u>74,088,000</u>	<u>2,472,454</u>	<u>9,511,185</u>	<u>67,049,269</u>
Capital assets being depreciated				
Land improvements	104,881,113	-	-	104,881,113
Buildings and improvements	83,751,963	1,580,305	-	85,332,268
Furniture and equipment	15,765,096	514,724	192,966	16,086,854
Vehicles	4,329,636	309,780	118,449	4,520,967
Road network	127,729,756	6,329,116	-	134,058,872
Bridge network	7,903,035	-	-	7,903,035
Parking ramps	5,522,881	-	-	5,522,881
Total capital assets being depreciated	<u>349,883,480</u>	<u>8,733,925</u>	<u>311,415</u>	<u>358,305,990</u>
Less accumulated depreciated for				
Land improvements	17,345,374	2,231,318	-	19,576,692
Buildings and improvements	24,436,527	2,030,301	-	26,466,828
Furniture and equipment	9,508,313	634,234	171,202	9,971,345
Vehicles	1,937,657	740,640	109,582	2,568,715
Road network	62,111,183	3,841,449	-	65,952,632
Bridge network	2,435,885	158,061	-	2,593,946
Parking ramps	1,601,641	110,458	-	1,712,099
Total accumulated depreciation	<u>119,376,580</u>	<u>9,746,461</u>	<u>280,784</u>	<u>128,842,257</u>
Governmental activities capital assets, being depreciated, net	<u>230,506,900</u>	<u>(1,012,536)</u>	<u>30,631</u>	<u>229,463,733</u>
Governmental activities capital assets, net	<u>\$ 304,594,900</u>	<u>\$ 1,459,918</u>	<u>\$ 9,541,816</u>	<u>\$ 296,513,002</u>

City of Coralville
Notes to Basic Financial Statements

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
Public safety	\$ 582,029
Public works	324,265
Culture and recreation	1,303,488
Community and economic development	6,341,284
General Government	<u>1,195,395</u>
 Total Governmental Activities Depreciation Expense	 <u><u>\$ 9,746,461</u></u>

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

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Capital assets not being depreciated				
Land	\$ 3,087,126	\$ -	\$ -	\$ 3,087,126
Construction in progress	<u>37,283,387</u>	<u>478,542</u>	<u>37,283,387</u>	<u>478,542</u>
Total capital assets not being depreciated	<u>40,370,513</u>	<u>478,542</u>	<u>37,283,387</u>	<u>3,565,668</u>
Capital assets being depreciated				
Buildings and improvements	150,453,806	38,619,272	-	189,073,078
Furniture and equipment	29,919,784	568,267	204,626	30,283,425
Vehicles	<u>1,179,568</u>	<u>-</u>	<u>-</u>	<u>1,179,568</u>
Total capital assets being depreciated	<u>181,553,158</u>	<u>39,187,539</u>	<u>204,626</u>	<u>220,536,071</u>
Less accumulated depreciated for				
Buildings and improvements	50,347,832	4,552,911	-	54,900,743
Furniture and equipment	23,587,455	823,357	204,019	24,206,793
Vehicles	<u>657,662</u>	<u>108,570</u>	<u>-</u>	<u>766,232</u>
Total accumulated depreciation	<u>74,592,949</u>	<u>5,484,838</u>	<u>204,019</u>	<u>79,873,768</u>
Business-type activities capital assets, being depreciated, net	<u>106,960,209</u>	<u>33,702,701</u>	<u>607</u>	<u>140,662,303</u>
Business-type activities capital assets, net	<u><u>\$ 147,330,722</u></u>	<u><u>\$ 34,181,243</u></u>	<u><u>\$ 37,283,994</u></u>	<u><u>\$ 144,227,971</u></u>

City of Coralville
Notes to Basic Financial Statements

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Business-Type Activities	
Hotel and conference center	\$ 1,755,636
Sewer	1,624,222
Parking facilities and operations	966,602
Water	512,165
Solid waste	91,612
Storm Water	21,107
Transit	<u>513,494</u>
 Total Business-Type Activities Depreciation Expense	 <u>\$ 5,484,838</u>

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT

A. Components of Long-Term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2022.

	Beginning Balance	Additions	Maturities	Ending Balance	Due Within One Year	Range of Interest Rates
Governmental activities						
General obligation bonds	\$ 211,921,440	\$ 85,109,521	\$ 104,790,817	\$ 192,240,144	\$ 12,035,000	2.00%-7.50%
Tax increment financing revenue bonds	10,114,513	4,983,529	1,011,290	14,086,752	290,000	4.00%-5.00%
Road use revenue bonds	5,018,383	-	9,420	5,008,963	-	3.25%-5.00%
Compensated absences	839,428	7,016	-	846,444	846,444	N/A
	<u>227,893,764</u>	<u>90,100,066</u>	<u>105,811,527</u>	<u>212,182,303</u>	<u>13,171,444</u>	
Direct Placements						
General obligation bonds	41,737,658	-	2,451,300	39,286,358	2,713,159	4.25%-6.75%
General obligation certificates of participation	23,444,091	5,972,625	11,774,027	17,642,689	866,946	2.00%-6.25%
Tax increment financing certificates of participation	4,342,104	-	289,474	4,052,630	289,474	5.00%
Notes payable	8,693,217	-	-	8,693,217	-	11.60%
Other long-term debt	92,913	-	87,072	5,841	5,841	4.50%
	<u>78,309,983</u>	<u>5,972,625</u>	<u>14,601,873</u>	<u>69,680,735</u>	<u>3,875,420</u>	
Total governmental activities	<u>\$ 306,203,747</u>	<u>\$ 96,072,691</u>	<u>\$ 120,413,400</u>	<u>\$ 281,863,038</u>	<u>\$ 17,046,864</u>	
Business-type activities						
Compensated absences	\$ 193,066	\$ -	\$ 18,258	\$ 174,808	\$ 174,808	N/A
Direct Placements						
Revenue bonds	54,465,178	3,389,637	3,300,000	54,554,815	3,378,000	
Notes payable	33,406,050	-	1,691,403	31,714,647	1,670,000	0.00%-5.00%
						4.00%
Total	<u>87,871,228</u>	<u>3,389,637</u>	<u>4,991,403</u>	<u>86,269,462</u>	<u>5,048,000</u>	
Total business-type activities	<u>\$ 88,064,294</u>	<u>\$ 3,389,637</u>	<u>\$ 5,009,661</u>	<u>\$ 86,444,270</u>	<u>\$ 5,222,808</u>	

B. Governmental Activities

1. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government and urban renewal activities. In addition, general obligation bonds have been issued to refund prior general obligation bonds.

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT(CONTINUED)

B. Governmental Activities (Continued)

1. General Obligation Bonds (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with substantially equal amounts of principal plus interest maturing each year. Certain obligation bond debt service is subject to annual appropriation by the City Council. For annual appropriation debt, and in accordance with the *Code of Iowa*, only that portion which has been appropriated by the City Council is included in the computation of the statutory debt limit.

As of June 30, 2022, there were 30 outstanding general obligation bonds/notes/certificates of participation outstanding with interest rates ranging from 2.0% to 7.5% with annual principal and interest payments due through May 2042.

On June 30, 2021, The City issued \$17,920,000 in general obligation refunding bonds at a premium of \$1,292,964. The proceeds will be used for a full refunding of Series 2014F, 2014H, 2015A, and 2015B and to pay for issuance costs and interest. As a result of this refunding, the City has obtained a net present value savings of approximately \$4,092,837. The refunded bonds were fully defeased in July 2022.

On May 3, 2022, The City issued \$28,365,000 in general obligation and refunding bonds, Series 2022A at a premium of \$2,285,561. Of this amount \$29,144,684 of the proceeds were be used for a full refunding of Series 2016D1, 2017A-1 and 2017A-2 and to pay for issuance costs and interest. As a result of this refunding, the City has obtained a net present value savings of approximately (\$899,366). The refunded bonds were fully defeased in May 2022.

On August 16, 2021, The City issued \$5,495,000 in annual appropriation general obligation urban renewal certificates of participation, Series 2021G at a premium of \$477,625. The proceeds will be used for a full refunding of Series 2016B and to pay for issuance costs and interest. As a result of this refunding, the City has obtained a net present value savings of approximately \$400,542. The refunded bonds were fully defeased in August 2021.

On September 23, 2021, The City issued \$4,805,000 in annual appropriation urban renewal tax increment refunding bonds, Series 2021F at a premium of \$178,528. The proceeds will be used for a full refunding of Series 2011F and to pay for issuance costs and interest. As a result of this refunding, the City has obtained a net present value savings of approximately \$270,439. The refunded bonds were fully defeased in August 2021.

On May 11, 2022, The City issued \$19,580,000 in general obligation refunding bonds, Series 2022B. The proceeds will be used for a full refunding of Series 2014D, 2017 A-3, 2017 A-4, and 2016D2 and to pay for issuance costs and interest. As a result of this refunding, the City has obtained a net present value savings of approximately \$1,953,132. The refunded bonds were fully defeased in May 2022.

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT(CONTINUED)

B. Governmental Activities (Continued)

1. General Obligation Bonds (Continued)

On May 11, 2022, The City issued \$35,270,000 in general obligation refunding bonds, Series 2022C at a discount of \$391,040. The proceeds will be used for a full refunding of Series 2012F and 2017B and to pay for issuance costs and interest. As a result of this refunding, the City has obtained a net present value savings of approximately (\$2,388,835). The refunded bonds were fully defeased in May 2022.

2. Tax Increment Revenue Bonds

The City has issued urban renewal tax increment revenue bonds for the purpose of defraying portions of the cost of carrying out urban renewal projects of the City. The bonds are payable solely from the income and proceeds of the TIF special revenue funds and the taxes are to be paid into the fund in accordance with Chapter 403.19 of the *Code of Iowa*. Debt service is paid primarily from the General Obligation Debt Service Fund. Transfers are made from the TIF funds for the TIF taxes being used for debt service. The proceeds of the urban renewal tax increment revenue bonds are to be expended only for purposes which are consistent with the City's urban renewal area plans. The bonds are not a general obligation of the City; however, most of the debt is subject to the constitutional debt limitation of the City and have been issued as General Obligation Urban Renewal Bonds. The debt that is not subject to the constitutional debt limit includes principal and interest due later than one year from the balance sheet date for certain annual appropriation notes.

As of June 30, 2022, there were four outstanding tax increment revenue bonds/notes/certificates of participation outstanding with interest rates ranging from 4.00% to 5.00%, with annual principal and interest payments due through June 2047.

3. Road Use Tax Revenue Bonds

The City has issued road use tax revenue bonds for the purpose of providing financing for a public improvement project within a TIF district and the incremental TIF taxes will be used to repay the principal and interest. The bonds are secured by road use tax net revenue and are payable through 2050 including interest at 3.25% and 5.00%. No amounts were paid for principal and \$187,625 of interest was paid during the year ended June 30, 2022. Total principal and interest remaining to be paid on the bond's totals \$8,271,975.

4. Notes Payable Obligation

The City has entered into a long-term agreement with a local developer for a sports fieldhouse located in the Iowa River Landing area. The agreement requires monthly payments to begin during the construction phase and continuing for 30 years with the option to extend the agreement for four additional five-year periods. The note payments increase each year during the term of the note. The note is accounted for as a note payable with an implicit interest rate of 11.6%. The note payment terms are such that principal reduction of the note obligation does not begin until the year ended June 30, 2043. In addition to the monthly note payments, the City is responsible for property taxes, insurance and common area maintenance charges.

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT(CONTINUED)

B. Governmental Activities (Continued)

4. Notes Payable Obligation

The required payments are applied to the interest component of the note payable first and, until the fiscal year ended June 30, 2036, are less than the imputed interest in the note requiring an accrual of interest each year. Accrued interest as of June 30, 2021, was \$990,126. During the year ended June 30, 2022, interest expense imputed in the note totaled \$1,139,302. The City had made payments totaling \$907,716 leaving \$1,221,712 which has been recorded as accrued interest payable as of June 30, 2022.

As of June 30, 2022, the future minimum payments on the note payable obligation are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ -	\$ 907,716
2024	-	944,388
2025	-	963,276
2026	-	1,001,808
2027	-	1,041,876
2028-2032	-	5,868,900
2033-2037	-	7,140,420
2038-2042	-	8,687,412
2043-2047	5,539,933	5,029,583
2048-2052	3,153,284	661,282
	<hr/>	<hr/>
Total	<u>\$ 8,693,217</u>	<u>\$ 32,246,661</u>

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

B. Governmental Activities (Continued)

5. Other Long-Term Debt – Land Purchase Contracts

The City entered into an agreement to purchase land for recreation space. The agreement includes interest at 4.50%. Total principal and interest paid during the year ended June 30, 2022, totaled \$87,072 and \$3,808, respectively. As of June 30, 2022, annual maturities of the land purchase contract were as follows:

June 30,	Principal	Interest	Total
2023	\$ 5,841	\$ -	\$ 5,841

C. Business Type Activities

As of June 30, 2022, there were the following outstanding enterprise fund revenue bonds/notes and certifications of participation obligations outstanding:

Fund	Number of Bonds/Notes	Interest Rates	Principal and interest payments
Hotel and Conference Center	2	4.00%	June, 2036
Water	1	2.00%	June, 2038
Sewer	5	2.00%-3.00%	June, 2039
Parking Facilities and Operations	1	2.95% to 5.00%	June, 2031
Transit	1	0.00%	June, 2035
Storm Water	1	1.75%	June, 2033

1. Revenue Bonds

The City issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

The City has pledged future customer revenue, net of specified operating expenses, to repay certain water revenue notes. Proceeds from the notes provided financing for the construction of improvements to the water plant. The notes are payable solely from water customer net revenue and are payable through 2038. The total principal and interest remaining to be paid on the note is \$4,048,765.

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

C. Business Type Activities (Continued)

1. Revenue Bonds (Continued)

The City has pledged future sewer customer revenue, net of specified operating expenses, to repay sewer revenue notes. Proceeds from the notes provided financing for the construction of improvements to the sewer plant. The notes are payable solely from sewer customer net revenue and are payable through 2034, Net revenue is required to be at least 110% of the current year debt service. The total principal and interest remaining to be paid on the notes is \$41,044,123. For the current year, principal and interest paid and total customer net revenue (operating income plus depreciation) was \$2,460,035 and \$3,317,228, respectively.

The City has pledged future stormwater fee revenue, net of specified operating expenses, to repay storm water revenue notes. Proceeds from the notes provided financing for the construction of storm water infrastructure. The notes are payable solely from storm water fee net revenue and are payable through 2041. Net revenue is required to be at least 110% of the current year debt service. The total principal and interest remaining to be paid on the notes is \$1,718,716. For the current year, principal and interest paid and total customer net revenue (operating income plus depreciation) was \$122,407 and \$59,786, respectively.

2. Notes Payable

Hotel and Conference Center

The City entered into various agreements to construct an upscale hotel and conference center. The hotel is being operated under a qualified management agreement by the Marriott hotel chain. To finance the construction, the City entered into an agreement to lease land it owns to Bankers Trust Company, NA (Bankers) as trustee, and in turn lease that land back from Bankers for approximately 99 years for the total lease payment of \$1. The City and Bankers further entered into a lease purchase agreement being accounted for as a notes payable by the City. The agreement required payments in amounts necessary to pay Bankers for the proceeds that Bankers obtained by selling Certificates of participation in the lease to investors. Once the Certificates of Participation are repaid, title to the land transfers to the City. The original Certificates of Participation were issued during the year ended June 30, 2007, at a premium of \$1,206,283. Those additional proceeds were used for the project.

During the year ended June 30, 2017, the City refunded the debt through a new issuance of \$36,570,000 of Certificates of Participation by Bankers. The City received a premium of \$1,728,065 upon the issuance of the new debt. The existing debt of \$39,420,000 was retired using the proceeds of the new debt, the premium and cash held in reserves from the original issue. In connection with the refinancing, the unamortized premium of \$633,300 from the 2007 issuance was recorded as a gain on the refunding and the premium from the 2017 issuance was capitalized and will be amortized over the term of the new Certificates. The new Certificates bear interest at 4% compared to 5.25% on the 2007 Certificates.

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

D. Adjustable-Rate Debt

Below is a schedule of debt issued with adjustable interest rates.

Direct Placements	Balance Outstanding as of June 30, 2022
General Obligations Bonds	
2018F1 Initial rate: 5.75%. Rate resets on December 1, 2023 and 2028, to be the sum of the five-year Treasury Index Rate plus 2.50%.	\$ 2,211,599
2018F2 Initial rate: 5.75%. Rate resets on December 1, 2023 and 2028, to be the sum of the five-year Treasury Index Rate plus 2.50%.	11,021,607
2018I Initial rate: 5.26%. Rate resets on December 1, 2023, and each five-year anniversary thereafter to be the sum of the five-year US Treasury Constant Maturity Index published by the Federal Reserve Board plus 2.25%.	10,237,000
2018J Initial rate: 5.26%. Rate resets on December 1, 2023, and each five-year anniversary thereafter to be the sum of the five-year US Treasury Constant Maturity Index published by the Federal Reserve Board plus 2.25%.	6,229,152
2018K Initial rate: 5.75%. Rate resets on December 1, 2023 and 2028, to be the sum of the five-year Treasury Index Rate plus 2.50%.	7,240,000
2014B Initial rate: 4.25%. Rate resets on June 1, 2019 and June 1, 2024, to be the sum of the five-year Treasury Index Rate plus 2.25%. The rate will never be less than 4.25% or more than 6.75%. Rate reset on June 1, 2019 stayed at the minimum rate of 4.25%.	2,347,000
General Obligation Certificates of Participation	
2018H Initial rate: 6.00%. Rate resets on December 1, 2023, and each five-year anniversary thereafter to be the sum of the five-year US Treasury Index Rate plus 3.25%.	3,913,701
2017E Initial rate: 5.00%. Rate resets on December 1, 2022, and each five-year anniversary thereafter to be the sum of the five-year US Treasury Index Rate plus 3.25%.	4,019,610
2018G Initial rate: 5.75%. Rate resets on November 1, 2023, and each five-year anniversary thereafter to be the sum of the five-year US Treasury Index Rate plus 3.25%.	3,954,373
Tax Increment Financing Certificates of Participation	
2016C Initial rate: 5.00%. Rate resets on April 15, 2021, and each five-year anniversary thereafter to be the sum of the five-year Treasury Index Rate plus 3.25%.	4,052,630
Parking Revenue Bonds	
2012B Initial rate: 2.95%. Rate resets on June 15, 2022, to five-year LIBOR Swap Rate plus 198 basis points to a maximum of 5%	12,043,000
Total	\$ 67,269,672

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

E. Maturity Schedules

Annual debt service requirements to maturity for general obligation bonds, tax increment revenue bonds, special assessment bonds and revenue bonds as of June 30, 2022, are as follows:

Year Ending June 30,	Governmental Activities					
	General Obligation Bonds		Tax Increment Revenue Bonds		Road Use Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 15,615,105	\$ 11,943,859	\$ 579,474	\$ 754,238	\$ -	\$ 187,625
2024	10,892,179	11,157,978	889,474	728,164	-	187,625
2025	17,480,141	10,677,648	1,439,474	689,690	-	187,625
2026	8,038,220	9,682,433	1,779,474	629,217	-	187,625
2027	8,112,654	9,305,923	1,659,474	569,893	-	187,625
2028-2032	59,058,389	37,653,417	4,102,370	2,187,153	310,000	930,625
2033-2037	51,495,512	25,980,913	1,157,890	1,607,236	920,000	773,125
2038-2042	76,096,842	14,568,511	1,500,000	1,440,000	1,170,000	523,413
2043-2047	-	-	5,000,000	675,000	1,400,000	294,125
2048-2052	-	-	-	-	950,000	62,562
	<u>246,789,042</u>	<u>130,970,682</u>	<u>18,107,630</u>	<u>9,280,591</u>	<u>4,750,000</u>	<u>3,521,975</u>
Net unamortized bond premium/(discount)	<u>2,380,149</u>	<u>-</u>	<u>31,752</u>	<u>-</u>	<u>258,963</u>	<u>-</u>
Total	<u>\$ 249,169,191</u>	<u>\$ 130,970,682</u>	<u>\$ 18,139,382</u>	<u>\$ 9,280,591</u>	<u>\$ 5,008,963</u>	<u>\$ 3,521,975</u>

Year Ending June 30,	Business-Type Activities					
	Revenue Bonds		Hotel Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 3,498,777	\$ 1,082,356	\$ 1,670,000	\$ 1,170,325	\$ 21,363,356	\$ 15,138,403
2024	3,575,000	995,003	1,735,000	1,103,525	17,091,653	14,172,295
2025	3,652,000	905,691	1,805,000	1,034,125	24,376,615	13,494,779
2026	3,712,000	814,027	1,880,000	961,925	15,409,694	12,275,227
2027	3,795,000	719,972	1,955,000	886,725	15,522,128	11,670,138
2028-2032	17,584,000	2,120,317	11,005,000	3,196,625	92,059,759	46,088,137
2033-2037	11,587,000	746,538	10,455,000	913,050	75,615,402	30,020,862
2038-2042	7,106,923	146,600	-	-	85,873,765	16,678,524
2043-2047	-	-	-	-	6,400,000	969,125
2048-2052	-	-	-	-	950,000	62,562
	<u>54,510,700</u>	<u>7,530,504</u>	<u>30,505,000</u>	<u>9,266,300</u>	<u>354,662,372</u>	<u>160,570,052</u>
Net unamortized bond premium/(discount)	<u>-</u>	<u>-</u>	<u>1,209,647</u>	<u>-</u>	<u>3,880,511</u>	<u>-</u>
Total	<u>\$ 54,510,700</u>	<u>\$ 7,530,504</u>	<u>\$ 31,714,647</u>	<u>\$ 9,266,300</u>	<u>\$ 358,542,883</u>	<u>\$ 160,570,052</u>

Interest expenditures and other charges recorded in governmental fund types totaled \$14.6 million of the year ended June 30, 2022. Interest expense recorded in proprietary fund types totaled \$2.6 million.

City of Coralville
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (CONTINUED)

G. Revenue Bond Resolution Requirements

The governmental and business-type activities revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require specific minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest and require minimum revenue bond coverage. As of June 30, 2022, the City was in compliance with these covenants, in all material respects.

H. Debt Approved But Not Drawn Upon

During the year ended June 30, 2022, the City entered into one state revolving fund loan to borrow \$750,000 in the Storm Water Fund, which are being used to finance construction projects. At June 30, 2022, the City had drawn \$633,204. The amortization schedules shown above includes the full amount of the loans expected to be drawn. The City expects to draw down the remaining balance of this loan during the year ending June 30, 2023.

During the year ended June 30, 2022, the City entered into one credit agreement anticipation note to borrow \$15,000,000 in the Hotel Fund, which are being used to finance construction projects. At June 30, 2022, the City had drawn \$166,211. The amortization schedules shown does not include this loan. The City expects to draw down the remaining balance of this loan during the year ending June 30, 2023.

NOTE 8 – PENSION PLAN

A. 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 employers defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

B. Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement 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.

City of Coralville
Notes to Basic Financial Statements

NOTE 8 – PENSION PLAN (CONTINUED)

B. Pension Benefits (Continued)

Protection occupation members may retire at normal retirement age, which is generally age 55 and may retire any time after reaching after age 50 with 22 or more years of covered employment.

The formula used to calculate protection occupation member's monthly IPERS benefits include:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but no more than 30 years of services.
- The member's highest three-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 that the member receives benefits before the member's earliest normal retirement age. For service earned after July 1, 2012, the reduction is 0.50% for each month that 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 benefits payments.

C. 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.

D. Contributions

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

In fiscal year 2022, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll for a total of 15.73%. Protective occupation members contributed 6.24% of covered payroll and the City contributed 9.31% of covered payroll for a total of 15.55%.

City of Coralville
Notes to Basic Financial Statements

NOTE 8 – PENSION PLAN (CONTINUED)

D. Contributions (Continued)

The City's contributions to IPERS for the year ended June 30, 2022, totaled \$1,150,595.

E. Net Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the City reported an asset of \$2,512,329, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's share of contribution to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the City's proportion was 0.104892%, which was a decrease of 0.00802% from its proportion measured as of June 30, 2020. At June 30, 2021, the City's Protection occupations proportion was 0.772068%, which was a decrease of 0.04319% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of (\$646,710). As of June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 318,461	\$ 125,965
Changes of assumptions	141,034	-
Net difference between projected and actual earnings on IPER's investments	-	7,542,570
Changes in proportion and differences between City contributions and proportionate share of contributions	70,397	651,777
City contributions subsequent to the measurement date	1,150,594	-
Total	\$ 1,680,486	\$ 8,320,312

City of Coralville
Notes to Basic Financial Statements

NOTE 8 – PENSION PLAN (CONTINUED)

E. Net Pension Liabilities (Assets), Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,150,594 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 ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (1,907,167)
2024	(1,900,038)
2025	(1,775,228)
2026	(2,137,469)
2027	(70,512)
Total	\$ (7,790,414)

There were no non-employer contributing entities to IPERS.

F. Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum
Rate 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, 2021, valuation was based on the results of actuarial experience study dated March 24, 2017, and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

City of Coralville
Notes to Basic Financial Statements

NOTE 8 – PENSION PLAN (CONTINUED)

F. Actuarial Assumptions (Continued)

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 table below.

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	100.0 %	

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Proportionate share of the net pension liability (asset)	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
City	\$ 4,463,545	\$ (2,512,329)	\$ (8,355,893)

H. IPERS Fiduciary Net Position

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

City of Coralville
Notes to Basic Financial Statements

NOTE 8 – PENSION PLAN (CONTINUED)

I. Payables to the Pension Plan

All legally required City contributions and legally required employee contributions which have been withheld from employee wages were remitted by the City to IPERS by June 30, 2022.

NOTE 9 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees, spouses and their dependents. Group insurance benefits are established under *Iowa Code* Chapter 509A.13. As of June 30, 2021, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

Individuals who are employed by the City of Coralville and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

C. Members

Retired participants must be age 55 or older at retirement. As of June 30, 2022, the following were covered by the benefit terms:

Retirees receiving payments	4
Active employees	167
	171
Total	171

D. Total OPEB Liability

The City's total OPEB liability of \$539,240 was measured as of June 30, 2022, and was determined by an actuarial valuation.

E. Actuarial Assumptions

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurements.

Rate of inflation		
(effective June 30, 2022)		3.00% per year
Rate of salary increase		
(effective June 30, 2022)		3.25% per year
Long-term investment rate of return		
(effective June 30, 2022)		2.06% compounded annually
Wage Growth		
(effective June 30, 2022)		5.00% per year

City of Coralville
Notes to Basic Financial Statements

NOTE 9 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

F. Discount Rate

The discount rate used to measure the OPEB liability was 2.06% 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 2006 with MP-2021 generational project of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERs.

The actuarial assumptions used in the June 30, 2022, valuation was based on the results of actuarial experiences studies with dates corresponding to those listed above.

G. Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at July 1, 2021	<u>\$ 357,940</u>
Changes for the year	
Service cost	41,927
Interest	11,063
Differences between expected and actual economic experience	128,526
Changes of assumptions	17,546
Benefit payments	<u>(17,762)</u>
Net changes	<u>181,300</u>
Balances at June 30, 2022	<u><u>\$ 539,240</u></u>

The General Fund, Water Utility Fund, Sewer Utility Fund, Parking Utility Fund, Transit Utility Fund, Solid Waste Utility Fund, and Storm Water Utility Fund typically liquidate the Liability related to OPEB.

H. OPEB Liability Sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 2.06% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

Total OPEB Liability		
1% Decrease in Discount Rate (1.06%)	Current Discount Rate (2.06%)	1% Increase in Discount Rate (3.06%)
\$ 576,890	\$ 539,240	\$ 502,857

City of Coralville
Notes to Basic Financial Statements

NOTE 9 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

H. OPEB Liability Sensitivity (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability		
1% Decrease in Discount Rate (4.00%)	Current Discount Rate (5.00%)	1% Increase in Discount Rate (6.00%)
\$ 476,518	\$ 539,240	\$ 613,804

NOTE 9 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense of \$53,847. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 119,842	\$ 124,296
Changes of assumptions	31,124	-
Total	\$ 150,966	\$ 124,296

The amount reported as deferred inflows and outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2023	\$ (1,212)
2024	(1,212)
2025	(1,212)
2026	(1,212)
2027	(1,212)
Thereafter	32,730
Total	\$ 26,670

City of Coralville
Notes to Basic Financial Statements

NOTE 10 – LEASING ACTIVITIES

The City owns retail space in buildings located in the Iowa River Landing area. The City has also completed improvements to certain spaces within the buildings or paid allowances for improvements made by tenants. These retail spaces are generally leased to tenants at fixed monthly rates with additional rents due for some leases upon the tenant reaching certain levels of sales. Total rent income earned from these leases was \$1,735,882 for the year ended June 30, 2022.

In connection with its ownership of the retail space in the Iowa River Landing area, the City provides certain common area maintenance to businesses located adjacent to the City's property. In exchange, the businesses have agreed to pay a fee for this service. Total common area maintenance fees and payments in lieu of taxes earned from these businesses during the year ended June 30, 2022, was \$1,221,733.

The City also owns real estate which it is leasing to businesses until such time as the City either needs the land for development or decides ownership is no longer beneficial to the City. Total rent income from these leases totaled \$145,461 for the year ended June 30, 2022.

The net present value of future lease payments has been recorded as a lease receivable and a deferred inflow of resources, discounted at a 5% discount rate and had an ending balance, at June 30, 2022, of \$3,648,040. The revenue will be recognized in future years.

NOTE 11 – COMMITMENTS

A. Construction

The City is involved in construction of capital assets, streets and streetscape improvements, recreation trails and water and sewer plant improvements. Some construction is funded through grants from the state and federal government. The remainder is generally funded through the proceeds of debt issues. As of June 30, 2022, the City was committed to approximately \$0.4 million of construction contracts and agreements to purchase capital assets.

NOTE 12 – 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 which are not included in the City's basic financial statements: Johnson County Assessors Conference Board, Johnson County Joint E911 Service Board, Johnson County Council of Governments and the Johnson County Compensation Board.

City of Coralville
Notes to Basic Financial Statements

NOTE 13 – RISK MANAGEMENT

Iowa Community Assurances Pool

During 2005, the City became a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the *Code of Iowa*. The Pool is a local government risk-sharing pool whose approximately 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of the basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as prepaid expense at the time of payment to the risk pool and allocated evenly to expense during the year. During the year ended June 30, 2022, the City made payments of approximately \$971,000 to the risk pool.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

City of Coralville
Notes to Basic Financial Statements

NOTE 13 – RISK MANAGEMENT (CONTINUED)

Iowa Community Assurances Pool (Continued)

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims, property loss or series of claims or losses exhausts the Pool's funds and any reinsurance and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, as of June 30, 2022, no liability has been recorded in the City's basic financial statements. As of June 30, 2022, settled claims had not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

Iowa Municipalities Workers' Compensation Association

The City is a member of the Iowa Municipalities Workers' Compensation Association (Association). The Association is a local government risk-sharing pool whose approximately 500 members include various municipal and county governments throughout the State of Iowa. The Pool was formed in July 1981 to formulate, develop and administer, on behalf of the member governments, a program of joint self-insurance to stabilize costs related to members' workers' compensation liabilities. Program components include claims management, member education and loss control services. There have been no reductions in insurance coverage from prior years.

Each member pays annual premiums determined by using applicable standard rates for the exposure to risk and applicable experience modification factors of the National Council on Compensation Insurance. Each member may be subject to additional premiums to pay its pro rata share of claims which exceeds the Association's resources available to pay such claims. A distribution to members may also be made if the Association has excess monies remaining after payment of claims and expenses.

The City's premium contributions to the Association are recorded as expenditures from its operating funds at the time of payment to the risk pool. Premiums paid to the Association for the year ended June 30, 2022, were approximately \$103,000.

The Association uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. Claims exceeding \$750,000 are reinsured in an amount not to exceed \$2,000,000 per occurrence.

Members may withdraw from the Association at any time provided they provide assets for settlement of all pending claims.

City of Coralville
Notes to Basic Financial Statements

NOTE 14 – CONTIGENCIES

The City is involved in various lawsuits in the normal course of business. The City's management cannot predict the outcome of the lawsuits. Management believes that losses resulting from these matters, if any, would be primarily covered under the City's insurance policies and would not have a material effect on the financial position of the City.

NOTE 15 – CONDUIT DEBT

The City served as issuer of Midwestern Disaster Area Revenue Bonds for several local businesses. These bonds are classified as conduit debt and do not represent a liability of the City. The bonds and related interest are payable solely from the assets of the entity that received the proceeds, and the City has no obligation to make any payment on these bonds. The balance of these bonds at June 30, 2022, is \$16,057,735.

NOTE 16 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenue that results from an agreement between one or more governments and an individual entity in which (a) one or more governments promise to forego tax revenue 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, 2022, the City abated approximately \$1,400,000 of property tax under the urban renewal and economic development projects.

NOTE 17 – RELATED PARTY TRANSACTIONS

The City has officials and employees who are members of the Board of Directors of ArenaCo, an organization which has constructed a multi-purpose arena and sports fieldhouse in Coralville. The City has provided loans for the project as discussed in Notes 3 and 13.

City of Coralville
Notes to Basic Financial Statements

NOTE 18 – FINANCIAL CONCERN

The operations of the Hotel and Conference Center Enterprise Fund (Hotel) have been adversely impacted by the pandemic which began in March 2020. For a time, the Hotel vacancy rate were very high and virtually no events have been held due to state mandates preventing those events and customer decisions to cancel events. The Hotel loss from operations before depreciation expense but including interest expense and interest revenue was \$3,062,375 for the year ended June 30, 2022, compared to a loss of \$3,165,539 the year before. During the year ended June 30, 2022, the City drew down \$509,855 from the Hotel operating reserve trust account. This amount will have to be restored at some point in the future as required by the trust agreements. As of June 30, 2022, the Hotel had a negative cash balance of \$2,113,093 which has been funded by cash within the General Obligation Debt Service Fund and is reported as a due to other funds on the Hotel's statement of net assets. It is reasonably expected that the City will continue to have to provide additional support for the Hotel operations and debt service payments until such time as the pandemic ends and Hotel operations recover to pre-pandemic levels.

NOTE 19 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* establishes that a Subscription-Based Information Technology Arrangement (SBITA) results in a right-to-use subscription asset and a corresponding liability. Under this statement, a governmental entity generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. This statement will be effective for the year ending June 30, 2023.

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the City implemented GASB Statement No. 87, Leases. This resulted in the District recognizing leases receivable, and deferred inflow of resources relating to leases receivable.

REQUIRED SUPPLEMENTARY INFORMATION

City of Coralville
Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances-
Budget and Actual (Cash basis) - All Governmental Funds and Proprietary Funds
Year Ended June 30, 2022

	Governmental Funds Actual	Proprietary Funds Actual	Total
Receipts			
Property tax	\$ 21,406,512	\$ -	\$ 21,406,512
Tax increment financing	14,871,932	-	14,871,932
Other city tax	3,705,784	-	3,705,784
Licenses and permits	1,069,753	-	1,069,753
Use of money and property	3,603,594	4,969,229	8,572,823
Intergovernmental	9,351,940	4,051,656	13,403,596
Charges for services	3,660,966	10,321,528	13,982,494
Special assessments	13,506	-	13,506
Miscellaneous	2,402,434	4,703,963	7,106,397
Total receipts	<u>60,086,421</u>	<u>24,046,376</u>	<u>84,132,797</u>
Disbursements			
General government	3,438,346	-	3,438,346
Public safety	5,870,663	-	5,870,663
Public works	2,464,673	-	2,464,673
Health and social services	152,676	-	152,676
Culture and recreation	11,052,548	-	11,052,548
Community and economic development	9,378,197	-	9,378,197
Debt service	134,734,385	-	134,734,385
Capital outlay	6,573,380	-	6,573,380
Business type activities	-	29,091,145	29,091,145
Total disbursements	<u>173,664,868</u>	<u>29,091,145</u>	<u>202,756,013</u>
Excess (deficiency) of receipts over (under) disbursements	(113,578,447)	(5,044,769)	(118,623,216)
Other financing sources (uses), net	91,191,013	8,741,119	99,932,132
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(22,387,434)	3,696,350	(18,691,084)
Balances beginning of year	<u>21,638,374</u>	<u>21,435,933</u>	<u>43,074,307</u>
Balances end of year	<u>\$ (749,060)</u>	<u>\$ 25,132,283</u>	<u>\$ 24,383,223</u>

Budgeted Amounts		Final to Total Variance
Original	Final	
\$ 21,471,379	\$ 21,471,760	\$ (65,248)
14,804,026	14,804,026	67,906
2,306,428	2,306,047	1,399,737
877,607	877,607	192,146
2,061,522	2,061,522	6,511,301
12,534,579	15,832,413	(2,428,817)
26,609,223	26,609,223	(12,626,729)
-	-	13,506
2,277,137	2,277,137	4,829,260
<u>82,941,901</u>	<u>86,239,735</u>	<u>(2,106,938)</u>
9,296,214	9,296,214	(5,857,868)
6,904,058	6,904,058	(1,033,395)
3,350,325	3,350,325	(885,652)
159,426	759,426	(606,750)
11,130,389	11,130,389	(77,841)
1,012,993	1,012,993	8,365,204
24,306,205	112,306,205	22,428,180
10,000,000	10,000,000	(3,426,620)
27,245,910	27,245,910	1,845,235
<u>93,405,520</u>	<u>182,005,520</u>	<u>20,750,493</u>
(10,463,619)	(95,765,785)	(22,857,431)
20,000,000	108,000,000	(8,067,868)
9,536,381	12,234,215	(30,925,299)
36,111,804	36,111,804	6,962,503
<u>\$ 45,648,185</u>	<u>\$ 48,346,019</u>	<u>\$ (23,962,796)</u>

City of Coralville
Budgetary Comparison Schedule
Budget to GAAP Reconciliation
Year Ended June 30, 2022

	Governmental Fund Types		
	Cash Basis	Accrual	GAAP Basis
		Adjustments	
Revenues	\$ 60,086,421	\$ (324,512)	\$ 59,761,909
Expenditures	173,664,868	(113,730,334)	59,934,534
Net	(113,578,447)	113,405,822	(172,625)
Other sources (uses)	91,191,013	(111,154,997)	(19,963,984)
Beginning fund balances	21,638,374	42,413,148	64,051,522
Ending Fund Balances/Net Position	<u>\$ (749,060)</u>	<u>\$ 44,663,973</u>	<u>\$ 43,914,913</u>

	Proprietary Fund Types		
	Cash Basis	Accrual	GAAP Basis
		Adjustments	
Revenues	\$ 24,046,376	\$ (687,500)	\$ 23,358,876
Expenditures	29,091,145	(1,798,847)	27,292,298
Net	(5,044,769)	1,111,347	(3,933,422)
Other sources	8,741,119	(2,884,227)	5,856,892
Beginning fund balances/net position	21,435,933	52,785,507	74,221,440
Ending Fund Balances/Net Position	<u>\$ 25,132,283</u>	<u>\$ 51,012,627</u>	<u>\$ 76,144,910</u>

City of Coralville
Notes to Required Supplementary Information – Budgetary Reporting
Year Ended June 30, 2022

The budgetary comparison is presented as required supplementary information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

In accordance with the *Code of Iowa*, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget, and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of disbursements 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 disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. The City did not amend the budget during the year.

During the year ended June 30, 2022, disbursements in the Community and Economic Development, Debt Service and Business Type Activities functions exceeded the amount budgeted.

City of Coralville
Schedule of the City's Proportionate Share
of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Eight Years*
Other Information

	2022	2021	2020	2019	2018
City's Proportion of the net pension liability (asset)					
Regular	0.104889%	0.112924%	0.116660%	0.114559%	0.116739%
Protection	0.772068%	0.815287%	0.805118%	0.824150%	0.827665%
City's Proportionate share of the net pension liability (asset)	\$ (2,512,327)	\$ 8,143,772	\$ 6,555,424	\$ 7,232,627	\$ 7,856,016
City's Covered employee payroll	12,231,208	22,588,850	11,881,064	11,496,210	11,538,408
Proportionate share of the net pension liability (assets) as a percentage of covered payroll					
Regular	-20.54%	36.05%	55.18%	62.91%	68.09%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.81%	82.92%	85.45%	83.62%	82.21%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.111926%	0.110096%	0.108329%
0.793952%	0.832373%	0.799941%
\$ 7,141,847	\$ 5,130,856	\$ 3,759,774
11,954,000	10,523,819	10,137,660
59.74%	48.75%	37.09%
81.82%	85.19%	87.61%

City of Coralville
Schedule of the Primary Government's Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years
Other Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Primary government (city)						
Statutorily required contribution	\$ 1,150,595	\$ 1,099,216	\$ 1,149,065	\$ 1,144,235	\$ 1,052,899	\$ 1,056,567
Contributions in relation to the Statutorily required contribution	(1,150,595)	(1,099,216)	(1,149,065)	(1,144,235)	(1,052,899)	(1,056,567)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 11,472,215	\$ 11,472,215	\$ 12,017,357	\$ 11,881,064	\$ 11,496,210	\$ 11,538,408
Contributions as a percentage of covered employee payroll	10.03%	9.58%	9.56%	9.63%	9.16%	9.16%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 972,898	\$ 939,777	\$ 905,293	\$ 851,288
(972,898)	(939,777)	(905,293)	(851,288)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,954,000	\$ 10,523,819	\$ 10,137,660	\$ 9,818,777
8.14%	8.93%	8.93%	8.67%

City of Coralville
Schedule of Changes in Total OPEB Liability
and Related Ratios

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability					
Service cost	\$ 22,478	\$ 23,209	\$ 24,759	\$ 25,564	\$ 41,927
Interest	12,054	12,424	9,087	9,707	11,063
Difference between expected and actual experience	(110,236)	-	-	-	128,526
Changes of assumptions	1,790	-	(49,572)	-	17,546
Benefit payments	(26,849)	(22,173)	(12,019)	(12,097)	(17,762)
Net change in total OPEB liability	<u>(100,763)</u>	<u>13,460</u>	<u>(27,745)</u>	<u>23,174</u>	<u>181,300</u>
Beginning of year	<u>449,814</u>	<u>349,051</u>	<u>362,511</u>	<u>334,766</u>	<u>357,940</u>
Net OPEB liability	<u>\$ 349,051</u>	<u>\$ 362,511</u>	<u>\$ 334,766</u>	<u>\$ 357,940</u>	<u>\$ 539,240</u>
Covered-employee payroll	\$ 10,001,007	\$ 10,326,040	\$ 10,541,769	\$ 10,884,376	\$ 10,512,727
Net OPEB liability as a percentage of covered-employee payroll	3.49%	3.51%	3.18%	3.29%	5.13%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Notes to Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Changes of Benefit Terms

There were no significant changes in benefit terms.

City of Coralville
Notes to Required Supplementary Information

Changes of Benefit Terms

- There are no significant changes in benefit terms.

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.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the unfunded actuarial liability (UAL) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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SUPPLEMENTARY INFORMATION

City of Coralville
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue	Street Capital Projects	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 2,063,892	\$ 819,781	\$ 114,459	\$ 2,998,132
Due from other governments	239,513	194,087	-	433,600
Lease receivable	3,648,040	-	-	3,648,040
Due from other funds	9,257,908	-	-	9,257,908
Property taxes receivable				
Current year	19,521	-	-	19,521
Succeeding year	9,901,185	-	-	9,901,185
Special assessments receivable	182,286	-	-	182,286
Prepaid items	30,687	-	-	30,687
	<u>\$ 25,343,032</u>	<u>\$ 1,013,868</u>	<u>\$ 114,459</u>	<u>\$ 26,471,359</u>
Liabilities				
Accounts payable	\$ 553,351	\$ 67,178	\$ -	\$ 620,529
Deposits payable	11,090	-	-	11,090
Salaries and benefits payable	9,423	14	-	9,437
Total liabilities	<u>573,864</u>	<u>67,192</u>	<u>-</u>	<u>641,056</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes and assessments	10,083,307	-	-	10,083,307
Unavailable revenue leases	3,648,040	-	-	3,648,040
Unavailable revenue - grants	-	194,087	-	194,087
Total deferred inflows of resources	<u>13,731,347</u>	<u>194,087</u>	<u>-</u>	<u>13,925,434</u>
Fund Balances				
Nonspendable				
Prepays	30,687	-	-	30,687
Restricted				
Debt Service	5,736,972	-	-	5,736,972
Perpetual care cemetery		-	114,459	114,459
Employee benefits	19,491	-	-	19,491
Donations and grants	1,199,936	-	-	1,199,936
Capital projects	4,050,739	752,589	-	4,803,328
Unassigned	(4)	-	-	(4)
Total fund balances	<u>11,037,821</u>	<u>752,589</u>	<u>114,459</u>	<u>11,904,869</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,343,032</u>	<u>\$ 1,013,868</u>	<u>\$ 114,459</u>	<u>\$ 26,471,359</u>

City of Coralville
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue	Street Capital Projects	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenues				
General property taxes	\$ 4,727,045	\$ -	\$ -	\$ 4,727,045
Tax increment collections	5,409,365	-	-	5,409,365
Intergovernmental	2,959,180	1,138,945	-	4,098,125
Special assessments	12,066	-	-	12,066
Charges for services	95,574	536,028	-	631,602
Use of money and property	3,285,984	1,198	-	3,287,182
Miscellaneous	273,009	1,293	5,525	279,827
Total revenues	<u>16,762,223</u>	<u>1,677,464</u>	<u>5,525</u>	<u>18,445,212</u>
Expenditures				
Current				
Public safety	32,614	-	-	32,614
Public works	1,594,930	-	-	1,594,930
Culture and recreation	238,764	-	-	238,764
Economic development	2,906,135	-	-	2,906,135
Debt service				
Interest and other charges	188,225	-	-	188,225
Capital outlay				
Public works	825,649	2,540,470	-	3,366,119
Economic development	1,394,411	-	-	1,394,411
Total expenditures	<u>7,180,728</u>	<u>2,540,470</u>	<u>-</u>	<u>9,721,198</u>
Excess of revenues over expenditures	9,581,495	(863,006)	5,525	8,724,014
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	36,444	-	-	36,444
Transfers in	450,736	7,210,295	-	7,661,031
Transfers out	(8,275,145)	(218,657)	-	(8,493,802)
Total other financing sources (uses)	<u>(7,787,965)</u>	<u>6,991,638</u>	<u>-</u>	<u>(796,327)</u>
Net change in fund balances	1,793,530	6,128,632	5,525	7,927,687
Fund Balances				
Beginning of year	<u>9,244,291</u>	<u>(5,376,043)</u>	<u>108,934</u>	<u>3,977,182</u>
End of year	<u>\$ 11,037,821</u>	<u>\$ 752,589</u>	<u>\$ 114,459</u>	<u>\$ 11,904,869</u>

City of Coralville
Combining Balance Sheet -
Nonmajor Special Revenue Funds
June 30, 2022

	Special Revenue			
	12th Avenue TIF (125)	Oakdale Area TIF (126)	Restricted Donations and Grants (500)	Iowa River Landing Operations (115)
Assets				
Cash and investments	\$ -	\$ -	\$ 216,117	\$ 97,385
Due from other governments	-	-	-	-
Lease receivable	-	-	-	3,648,040
Due from other funds	1,535,300	4,679,372	1,000,000	100,000
Property taxes receivable				
Current year	30	-	-	-
Succeeding year	2,300,000	3,000,000	-	-
Special assessments receivable:	-	-	-	-
Prepaid items	-	-	4,169	8,555
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,835,330</u>	<u>\$ 7,679,372</u>	<u>\$ 1,220,286</u>	<u>\$ 3,853,980</u>
Liabilities				
Accounts payable	\$ (1)	\$ 477,731	\$ 16,181	\$ 83
Deposits payable	-	-	-	11,090
Salaries payable	-	-	-	-
Total liabilities	<u>(1)</u>	<u>477,731</u>	<u>16,181</u>	<u>11,173</u>
Deferred Inflows of Resources				
Unavailable revenue - leases	-	-	-	3,648,040
Unavailable revenue - taxes and assessments	2,300,000	3,000,000	-	-
Total deferred inflows of resources	<u>2,300,000</u>	<u>3,000,000</u>	<u>-</u>	<u>3,648,040</u>
Fund Balances				
Nonspendable				
Prepays	-	-	4,169	8,555
Restricted				
Debt Service	1,535,331	4,201,641	-	-
Employee benefits	-	-	-	-
Expendable Trust	-	-	1,199,936	-
Capital projects	-	-	-	186,212
Unassigned	-	-	-	-
Total fund balances	<u>1,535,331</u>	<u>4,201,641</u>	<u>1,204,105</u>	<u>194,767</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,835,330</u>	<u>\$ 7,679,372</u>	<u>\$ 1,220,286</u>	<u>\$ 3,853,980</u>

Special Revenue

Police Grant (111)	Road Use Tax (110)	Employee Benefit Levy (112)	Special Assessments (210)	Total
\$ -	\$ 1,750,390	\$ -	\$ -	\$ 2,063,892
-	239,513	-	-	239,513
-	-	-	-	3,648,040
-	1,700,000	-	243,236	9,257,908
-	-	19,491	-	19,521
-	-	4,601,185	-	9,901,185
-	-	-	182,286	182,286
-	17,963	-	-	30,687
<u>\$ -</u>	<u>\$ 3,707,866</u>	<u>\$ 4,620,676</u>	<u>\$ 425,522</u>	<u>\$ 25,343,032</u>
\$ 4	\$ 59,353	\$ -	\$ -	\$ 553,351
-	-	-	-	11,090
-	9,423	-	-	9,423
<u>4</u>	<u>68,776</u>	<u>-</u>	<u>-</u>	<u>573,864</u>
-	-	-	-	3,648,040
-	-	4,601,185	182,122	10,083,307
-	-	4,601,185	182,122	13,731,347
-	17,963	-	-	30,687
-	-	-	-	5,736,972
-	-	19,491	-	19,491
-	-	-	-	1,199,936
-	3,621,127	-	243,400	4,050,739
(4)	-	-	-	(4)
<u>(4)</u>	<u>3,639,090</u>	<u>19,491</u>	<u>243,400</u>	<u>11,037,821</u>
<u>\$ -</u>	<u>\$ 3,707,866</u>	<u>\$ 4,620,676</u>	<u>\$ 425,522</u>	<u>\$ 25,343,032</u>

City of Coralville
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Special Revenue Funds
Year Ended June 30, 2022

	Special Revenue			
	12th Avenue TIF (125)	Oakdale Area TIF (126)	Restricted Donations and Grants (500)	Iowa River Landing Operations (115)
Revenues				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	2,426,622	2,982,743	-	-
Special assessments	-	-	-	-
Intergovernmental	-	-	2,204	-
Charges for services	-	-	95,574	-
Use of money and property	142,664	730	1,305	2,958,215
Miscellaneous	6,419	-	187,333	43,387
Total revenues	<u>2,575,705</u>	<u>2,983,473</u>	<u>286,416</u>	<u>3,001,602</u>
Expenditures				
Current				
Public safety	-	-	-	-
Public works	-	-	-	2,934
Culture and recreation	-	-	238,764	-
Economic development	403,236	697,301	-	1,731,463
Debt service				
Interest and other charges	-	-	-	-
Capital outlay				
Public works	-	-	-	-
Economic development	1,232	-	-	1,393,179
Total expenditures	<u>404,468</u>	<u>697,301</u>	<u>238,764</u>	<u>3,127,576</u>
Excess of revenues over (under) expenditures	2,171,237	2,286,172	47,652	(125,974)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	15,000	-
Transfers out	<u>(1,055,609)</u>	<u>(1,403,723)</u>	<u>-</u>	<u>(782,415)</u>
Total other financing sources (uses)	<u>(1,055,609)</u>	<u>(1,403,723)</u>	<u>15,000</u>	<u>(782,415)</u>
Net change in fund balances	1,115,628	882,449	62,652	(908,389)
Fund Balances				
Beginning of year	<u>419,703</u>	<u>3,319,192</u>	<u>1,141,453</u>	<u>1,103,156</u>
End of year	<u>\$ 1,535,331</u>	<u>\$ 4,201,641</u>	<u>\$ 1,204,105</u>	<u>\$ 194,767</u>

Special Revenue

Police Grant (111)	Road Use Tax (110)	Employee Benefit Levy (112)	Rental Properties (305)	Special Assessments (210)	Total
\$ -	\$ -	\$ 4,727,045	\$ -	\$ -	\$ 4,727,045
-	-	-	-	-	5,409,365
-	-	-	-	12,066	12,066
16,522	2,940,454	-	-	-	2,959,180
-	-	-	-	-	95,574
-	-	-	183,070	-	3,285,984
-	35,870	-	-	-	273,009
<u>16,522</u>	<u>2,976,324</u>	<u>4,727,045</u>	<u>183,070</u>	<u>12,066</u>	<u>16,762,223</u>
32,614	-	-	-	-	32,614
-	1,591,996	-	-	-	1,594,930
-	-	-	-	-	238,764
-	-	-	74,135	-	2,906,135
-	188,225	-	-	-	188,225
-	825,649	-	-	-	825,649
<u>32,614</u>	<u>2,605,870</u>	<u>-</u>	<u>74,135</u>	<u>-</u>	<u>1,394,411</u>
<u>(16,092)</u>	<u>370,454</u>	<u>4,727,045</u>	<u>108,935</u>	<u>12,066</u>	<u>9,581,495</u>
-	36,444	-	-	-	36,444
16,100	188,225	-	231,411	-	450,736
-	(50,000)	(4,726,193)	(257,205)	-	(8,275,145)
<u>16,100</u>	<u>174,669</u>	<u>(4,726,193)</u>	<u>(25,794)</u>	<u>-</u>	<u>(7,787,965)</u>
8	545,123	852	83,141	12,066	1,793,530
<u>(12)</u>	<u>3,093,967</u>	<u>18,639</u>	<u>(83,141)</u>	<u>231,334</u>	<u>9,244,291</u>
<u>\$ (4)</u>	<u>\$ 3,639,090</u>	<u>\$ 19,491</u>	<u>\$ -</u>	<u>\$ 243,400</u>	<u>\$ 11,037,821</u>

City of Coralville
Statement of Net Position - Nonmajor Proprietary Funds
June 30, 2022

	Business-Type Activities Enterprise Funds		
	Solid Waste (630)	Storm Water (650)	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 810,368	\$ 660,206	\$ 1,470,574
Due from other funds	-	700,000	700,000
Accounts receivable - net	166,525	94,523	261,048
Prepaid items	7,776	24,113	31,889
Total current assets	<u>984,669</u>	<u>1,478,842</u>	<u>2,463,511</u>
Noncurrent assets			
Capital assets	1,388,119	961,420	2,349,539
Less: accumulated depreciation	<u>(1,016,711)</u>	<u>(21,107)</u>	<u>(1,037,818)</u>
Net capital assets	<u>371,408</u>	<u>940,313</u>	<u>1,311,721</u>
Total noncurrent assets	<u>371,408</u>	<u>940,313</u>	<u>1,311,721</u>
Total assets	<u>1,356,077</u>	<u>2,419,155</u>	<u>3,775,232</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	45,021	15,538	60,559
Deferred outflows of resources related to OPEB	4,237	1,433	5,670
Total deferred outflows of resources	<u>49,258</u>	<u>16,971</u>	<u>66,229</u>
Total assets and deferred outflows of resources	<u>\$ 1,405,335</u>	<u>\$ 2,436,126</u>	<u>\$ 3,841,461</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 45,367	\$ 3,521	\$ 48,888
Interest payable	-	2,197	2,197
Salaries payable	6,609	-	6,609
Compensated absences	15,371	-	15,371
Bonds payable - current portion	-	97,000	97,000
Total current liabilities	<u>67,347</u>	<u>102,718</u>	<u>170,065</u>
Noncurrent liabilities			
Bonds payable, net	-	1,393,204	1,393,204
Total OPEB obligation	15,133	5,117	20,250
Compensated absences	15,371	-	15,371
Net pension liability	5,757	1,987	7,744
Less amount due within one year	<u>(15,371)</u>	<u>(97,000)</u>	<u>(112,371)</u>
Total noncurrent liabilities	<u>20,890</u>	<u>1,303,308</u>	<u>1,324,198</u>
Total liabilities	<u>88,237</u>	<u>1,406,026</u>	<u>1,494,263</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	237,105	81,834	318,939
Deferred inflows of resources related to OPEB	3,488	1,179	4,667
Total deferred inflows of resources	<u>240,593</u>	<u>83,013</u>	<u>323,606</u>
Net Position			
Net investment in capital assets	371,408	338,109	709,517
Unrestricted	<u>705,097</u>	<u>608,978</u>	<u>1,314,075</u>
Total net position	<u>1,076,505</u>	<u>947,087</u>	<u>2,023,592</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,405,335</u>	<u>\$ 2,436,126</u>	<u>\$ 3,841,461</u>

City of Coralville
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Nonmajor Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds		Total
	Solid Waste (630)	Storm Water (650)	
Operating revenues			
Charges for services	\$ 1,116,674	\$ 607,915	\$ 1,724,589
Total operating revenues	<u>1,116,674</u>	<u>607,915</u>	<u>1,724,589</u>
Operating expenses			
Personnel services	485,975	182,020	667,995
Supplies	98,508	56,444	154,952
Professional services	371,725	156,200	527,925
Repairs and maintenance	91,121	153,661	244,782
Depreciation	91,612	21,107	112,719
Total operating expenses	<u>1,138,941</u>	<u>569,432</u>	<u>1,708,373</u>
Operating income (loss)	(22,267)	38,483	16,216
Nonoperating revenues (expenses)			
Intergovernmental	-	104,043	104,043
Gain (loss) on disposal of capital assets	254	218,813	219,067
Refunds and reimbursements	2,342	1,789	4,131
Interest expense	-	(33,385)	(33,385)
Total nonoperating revenues (expenses)	<u>2,596</u>	<u>291,260</u>	<u>293,856</u>
Income (loss) before transfers	(19,671)	329,743	310,072
Transfers in	-	123,435	123,435
Transfers out	<u>(25,000)</u>	<u>(30,000)</u>	<u>(55,000)</u>
Change in net position	(44,671)	423,178	378,507
Net position			
Beginning of year	<u>1,121,176</u>	<u>523,909</u>	<u>1,645,085</u>
End of year	<u>\$ 1,076,505</u>	<u>\$ 947,087</u>	<u>\$ 2,023,592</u>

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City of Coralville
Statement of Cash Flows - Nonmajor Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds		
	Solid Waste (630)	Storm Water (650)	Total
Cash Flows - Operating Activities			
Receipts from customers	\$ 1,113,076	\$ 605,307	\$ 1,718,383
Payments to suppliers for goods and services	(543,738)	(415,962)	(959,700)
Payments to employees for services	(547,779)	(172,411)	(720,190)
Net cash flows - operating activities	<u>21,559</u>	<u>16,934</u>	<u>38,493</u>
Cash Flows - Noncapital Financing Activities			
Refunds and reimbursements	2,342	1,789	4,131
Intergovernmental receipts	-	104,043	104,043
Increase (decrease) in due to other funds	-	(200,000)	(200,000)
Transfer to other funds	(25,000)	(30,000)	(55,000)
Transfer from other funds	-	123,435	123,435
Net cash flows - noncapital financing activities	<u>(22,658)</u>	<u>(733)</u>	<u>(23,391)</u>
Cash Flows - Capital and Related Financing Activities			
Principal paid on debt	-	(95,000)	(95,000)
Interest paid on debt	-	(32,435)	(32,435)
Acquisition of capital assets	-	(89,016)	(89,016)
Proceeds from disposal of capital assets	254	218,813	219,067
Net cash flows - capital and related financing activities	<u>254</u>	<u>2,362</u>	<u>2,616</u>
Net change in cash and cash equivalents	(845)	18,563	17,718
Cash and Cash Equivalents			
January 1	<u>811,213</u>	<u>641,643</u>	<u>1,452,856</u>
December 31	<u>\$ 810,368</u>	<u>\$ 660,206</u>	<u>\$ 1,470,574</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities			
Operating income (loss)	\$ (22,267)	\$ 38,483	\$ 16,216
Adjustments to reconcile operating income (loss) to net cash flows - operating activities			
Depreciation	91,612	21,107	112,719
Pension expense	(57,455)	9,413	(48,042)
Accounts receivable	(3,598)	(2,608)	(6,206)
Prepaid items	2,953	2,196	5,149
Accounts payable	32,990	(51,853)	(18,863)
Salaries payable	2,754	-	2,754
Due to other governments	(18,327)	-	(18,327)
OPEB obligation	1,264	196	1,460
Compensated absences payable	(8,367)	-	(8,367)
Total adjustments	<u>43,826</u>	<u>(21,549)</u>	<u>22,277</u>
Net cash flows - operating activities	<u>\$ 21,559</u>	<u>\$ 16,934</u>	<u>\$ 38,493</u>

City of Coralville
Schedule of Receipts by Source
and Disbursements by Function - All Governmental Funds
For the Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Receipts				
Property tax	\$ 22,123,613	\$ 21,846,222	\$ 20,328,649	\$ 20,215,862
Tax increment financing and other city taxes	19,000,065	17,016,192	15,683,487	14,405,152
Special assessments	12,066	-	122,134	30,246
Licenses and permits	925,661	643,351	823,052	936,149
Use of money and property	4,126,213	5,653,822	2,795,803	2,709,557
Intergovernmental	8,146,603	7,509,551	5,582,239	12,897,897
Charges for services	4,779,480	3,401,703	4,362,364	5,045,785
Miscellaneous	648,208	1,475,899	1,594,908	9,872,050
	<u>\$ 59,761,909</u>	<u>\$ 57,546,740</u>	<u>\$ 51,292,636</u>	<u>\$ 66,112,698</u>
Disbursements				
Operating				
General government	\$ 3,343,127	\$ 3,493,024	\$ 3,264,891	\$ 3,228,804
Public safety	5,706,245	5,525,284	5,973,301	5,507,835
Public works	1,594,930	1,802,263	2,657,119	2,265,865
Health and social services	152,676	152,676	152,686	152,676
Culture and recreation	10,465,940	9,647,953	10,819,358	10,996,375
Community and economic development	7,649,345	13,577,774	10,804,424	35,005,680
Debt service	24,642,482	25,198,168	29,066,659	18,206,653
Capital projects	6,379,789	11,560,497	17,954,432	50,798,404
	<u>\$ 59,934,534</u>	<u>\$ 70,957,639</u>	<u>\$ 80,692,870</u>	<u>\$ 126,162,292</u>

(Years Prior to 2016 Do Not Include Brown Deer Golf Course)

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 15,343,613	\$ 14,688,626	\$ 14,155,082	\$ 13,477,889	\$ 12,470,651	\$ 12,122,228
25,007,095	23,722,721	22,363,579	23,139,723	20,058,183	19,052,501
42,299	32,188	300,830	19,383	55,906	71,790
809,004	1,033,867	702,810	669,766	592,207	549,717
1,785,070	1,784,303	1,702,761	1,615,505	2,685,995	762,405
7,529,217	6,018,007	7,146,575	16,718,042	12,584,964	16,179,608
4,743,114	4,740,824	5,227,042	2,556,704	2,452,927	3,009,752
970,353	493,129	798,367	572,670	441,687	737,070
<u>\$ 56,229,765</u>	<u>\$ 52,513,665</u>	<u>\$ 52,397,046</u>	<u>\$ 58,769,682</u>	<u>\$ 51,342,520</u>	<u>\$ 52,485,071</u>
\$ 3,033,360	\$ 3,000,377	\$ 2,995,245	\$ 2,856,759	\$ 3,178,173	\$ 2,756,732
6,337,908	5,530,878	5,114,295	5,088,714	5,178,097	4,761,114
2,094,301	2,110,072	1,854,533	1,446,340	1,693,000	1,729,154
137,764	126,870	124,370	130,320	115,732	85,599
10,353,170	10,137,298	10,575,119	7,392,376	7,376,349	7,200,849
5,791,087	3,952,297	4,159,133	4,136,884	4,118,053	2,965,705
16,131,326	53,196,946	16,060,930	24,849,838	22,070,482	26,709,034
40,670,933	19,265,012	15,221,200	33,415,386	18,192,254	39,404,017
<u>\$ 84,549,849</u>	<u>\$ 97,319,750</u>	<u>\$ 56,104,825</u>	<u>\$ 79,316,617</u>	<u>\$ 61,922,140</u>	<u>\$ 85,612,204</u>

City of Coralville
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Grant Program Title	Pass - Through Entity Identifying Number	Federal Assistance Listing Number	Expenditures
U.S Department of Treasury			
Direct			
COVID-19 - American Rescue Plan Act	None	21.027	<u>\$ 1,666,433</u>
U.S Department of Interior			
Passed through Iowa Department of Natural Resources			
Outdoor Recreation, Acquisition Development and Planning	None	15.916	<u>55,293</u>
U.S. Department of Transportation			
Direct			
Federal Transit - Formula Grants	N/A	20.507	470,519
Federal Transit - Formulas Grants (CARES Act)	N/A	20.507	257,948
Total Federal Transit Cluster			<u>728,467</u>
Indirect			
Passed through Iowa Department of Transportation			
Highway Planning and Construction	N/A	20.205	77,473
Enhanced Mobility of Seniors and Individuals with Disabilities	N/A	20.513	38,265
Total Indirect			<u>115,738</u>
Total U.S. Department of Transportation			<u>844,205</u>
U.S. Environmental Protection Agency			
Direct			
Brownfields Assessment and Cleanup Grant Program	N/A	66.818	<u>29,971</u>
U.S. Small Business Administration			
Direct			
Shuttered Venue Operators	N/A	59.075	<u>268,689</u>
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Passed through Iowa Department of Homeland Security			
Disaster Grants - Public Assistance	N/A	97.036	<u>130,681</u>
U.S. Housing and Urban Development			
Passed through Iowa Economic Development Authority			
Community Development Block Grant Program	20-HSG-010	14.228	106,149
Community Development Block Grant Program	20-OT-081	14.228	38,736
Total Community Development Block Grant Program			<u>144,885</u>
Total federal expenditures			<u>\$ 3,140,157</u>

See notes to schedule of expenditures of federal awards.

City of Coralville
Notes to Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Coralville, Iowa and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the regulatory basis financial statements.

NOTE 2 – PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same Federal Assistance listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 3 – INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

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

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Coralville
Coralville, 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 basic 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 Coralville, Iowa as of and for the year ended June 30, 2022, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 8, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic 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 City's basic 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be material weaknesses as Audit Findings 2022-001 and 2022-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic 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 basic financial statements. 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*.

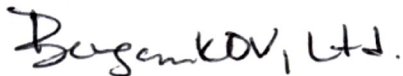
Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2022, are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the City. Since our audit was based on tests and samples, not 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 Response to Findings

The City's response 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 the responses.

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



St. Cloud, Minnesota
March 8, 2023

**Report on Compliance for each Major Federal Program
and Report on Internal Control over Compliance in Accordance
With the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Coralville
Coralville, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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 each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

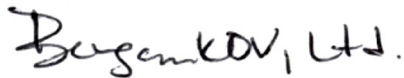
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



St. Cloud, Minnesota
March 8, 2023

City of Coralville
Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes, Audit Finding 2022-001 and 2022-002
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Assistance Listing No.:	21.027
Name of Federal Program or Cluster:	COVID-19 American Rescue Plan Act
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

City of Coralville
Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS

Instances of Noncompliance

There were no reported instances of noncompliance.

Internal Control Deficiencies

2022-001 Material Audit Adjustments

Criteria:

Internal control that supports the City's ability to initiate, record, process and report financial data requires controls to ensure all required adjustments to the financial statements are properly recorded.

Condition:

During the course of our audit, we proposed material audit adjustments that would not have been identified as a result of the City's internal controls, and therefore, could have resulted in a material misstatement of the City's financial statements. In order to ensure financial statements were free from material misstatement, audit adjustments were required to adjust cash.

Context:

This finding impacts the internal control over financial reporting.

Effect or Potential Effect:

Internal controls that fail to identify necessary adjustments could result in material misstatements to the financial statements.

Cause:

There are a limited number of office employees to identify all necessary adjustments.

Recommendation:

Review City activity and ensure all necessary adjustments to financial data are recorded.

Views of Responsible Officials and Planned Corrective Action:

The City will thoroughly review activity throughout the year and ensure all necessary adjustments to financial data are recorded.

City of Coralville
Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2022-002 Bank Reconciliations

Criteria:

Internal control that supports the City's ability to initiate, record, process and report financial data requires controls to ensure all bank reconciliations are done accurately and timely.

Condition:

During the course of our audit, we noted that the June 30, 2022, bank reconciliation was not done accurately or timely.

Context:

This finding impacts the internal control over bank reconciliations.

Effect or Potential Effect:

Internal controls that fail to identify necessary adjustments could result in material misstatements to the financial statements.

Cause:

There are a limited number of office employees to ensure bank reconciliations are done timely and accurately.

Recommendation:

Ensure bank reconciliations are done accurately and timely.

Views of Responsible Officials and Planned Corrective Action:

The City will train additional employees to perform bank reconciliations to ensure they are performed accurately and timely.

Part III: Findings and Questioned Costs for Federal Awards:

Instances of Noncompliance

There were no matters reported.

Internal Control Deficiencies

There were no matters reported.

City of Coralville
Schedule of Findings and Questioned Costs

Part IV: Findings Related to Statutory Reporting:

- 22-IV-A** Certified Budget – Disbursements in the Community and Economic Development, Debt Service and Business Type Activities functional areas exceeded amounts budgeted during the year.
- Auditor's 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.
- City's Response – The budget will be amended in the future prior to exceeding it.
- Auditor's Conclusion – Response accepted.
- 22-IV-B** Questionable Disbursements – We noted no material expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 22-IV-C** Travel Expense – No disbursements of the City of Coralville's money for travel expenses of spouses of City officials or employees were noted.
- 22-IV-D** Business Transactions – There were no business transactions between the City and City officials or employees that exceeded \$6,000.
- 22-IV-E** Restricted Donor Activity – No transactions were noted between the City, City officials or City employees and restricted donors in compliance with Chapter 68B of the *Code of Iowa* (Government Ethics and Lobbying Act).
- 22-IV-F** Bond Coverage – Surety bond coverage of the City of Coralville officials and employees is in accordance with statutory provisions and was reviewed and updated during the year. We recommend that the amount of coverage continue to be reviewed annually to ensure that the coverage is adequate for current operations.
- 22-IV-G** Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not, except as noted in finding 22-IV-L.
- 22-IV-H** Deposits and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the *Code of Iowa* and the City's investment policy.
- 22-IV-I** Revenue Bonds – The City has complied with the provisions of the revenue bond indentures and with the provisions of the tax increment revenue bond issues.

City of Coralville
Schedule of Findings and Questioned Costs

Part IV: Findings Related to Statutory Reporting (Continued):

22-IV-J Financial Condition – The funds listed below had deficit balances as of June 30, 2022, as noted:

Special Revenue Funds	
Mall/Highway 6 TIF	\$ 20,292,970
Nonmajor funds	4
Capital Projects	
Iowa River Landing	17,976,529

Auditor's Recommendation – The City should investigate alternatives to eliminate these deficits in order to return the funds to a sound financial position.

City's Response – The deficits will be eliminated as financing for projects, state and federal grants and tax revenue is received in fiscal year 2023 and future years.

Auditor's Conclusion – Response accepted.

22-IV-K Urban Renewal Annual Report – The 2021 urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.

22-IV-L Interfund Transfers – Effective April 17, 2019, *Iowa Administrative Code* Chapter 545-2.5 requires that all transfers between funds be approved by the City Council through a fund transfer resolution. The fund transfer resolution is to be made prior to the transfer taking place and include a clear statement of reason or purpose for the transfer, the name of the fund the transfer is originating, the name of the fund receiving the transfer and the dollar amount to be transferred. Intrafund transfers do not need to be included in the resolution. A budgeted transfer resolution may be accomplished in approving the annual budget or a budget amendment, as long as the disclosure criteria above are included in the budget document approved by the City Council.

Auditor's Recommendation – We recommend that the City finance staff work with the City Clerk to develop procedures to ensure that interfund transfers that are not budgeted are properly approved by a City Council resolution prior to the transfer being made.

City's Response – We will implement the procedures necessary to comply with the Administrative Code requirements.

Auditor's Conclusion – Response accepted.