CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Receive FY 2020-21 Annual Comprehensive Financial Report (ACFR) and Refer to Finance & Administration Subcommittee

DATE: March 21, 2022

FINANCIAL IMPACT: No direct impact.

BACKGROUND: The *Code of Iowa* requires the City to publish a complete set of audited financial statements within nine months of the close of each fiscal year. The Annual Comprehensive Financial Report (ACFR) included with this agenda item fulfills this requirement for the fiscal year ended June 30, 2021.

The *Code of Iowa* further requires that audits for cities of our size be conducted by either the State Auditor or by a certified public accounting firm selected by the City Council. This ACFR was audited by BKD, LLP of West Des Moines, Iowa, and they have issued an unmodified opinion on the financial statements. BKD, LLP concluded in their report, located on pages 17-19 of the ACFR, that the statements fairly present the City's financial position in all material respects.

Management's Discussion and Analysis, beginning on page 20 of the ACFR, provides an overview of the report and presents financial highlights.

In addition to the opinion on the financial statements, BKD, LLP issued Independent Auditor's Reports on the following: 1) Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, 2) Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.

The first report listed above noted a significant deficiency (Westcom was incorrectly presented as an Enterprise Fund [component unit] when it should have been presented as a joint venture in the General Fund). The Finance Department received incorrect guidance and will be recommending that the Westcom Management Subcommittee approve a separate audit engagement so that standalone audited financials can be produced. There were no deficiencies regarding Federal Awards. Please refer to page 144-146 for a summary of the Independent Auditor's Results.

OUTSTANDING ISSUE: Pending direction from Council, staff is prepared to discuss the ACFR with the Finance & Administration Subcommittee at their regularly scheduled meeting on March 23, 2022.

RECOMMENDATION: Receive and file the report. Refer to Finance and Administration Committee for further review and discussion.

Lead Staff Member: Lesley Montgomery, Accounting Manager

STAFF REVIEWS

Department Director	Tim Stiles, Finance Director
Appropriations/Finance	
Legal	
Agenda Acceptance	

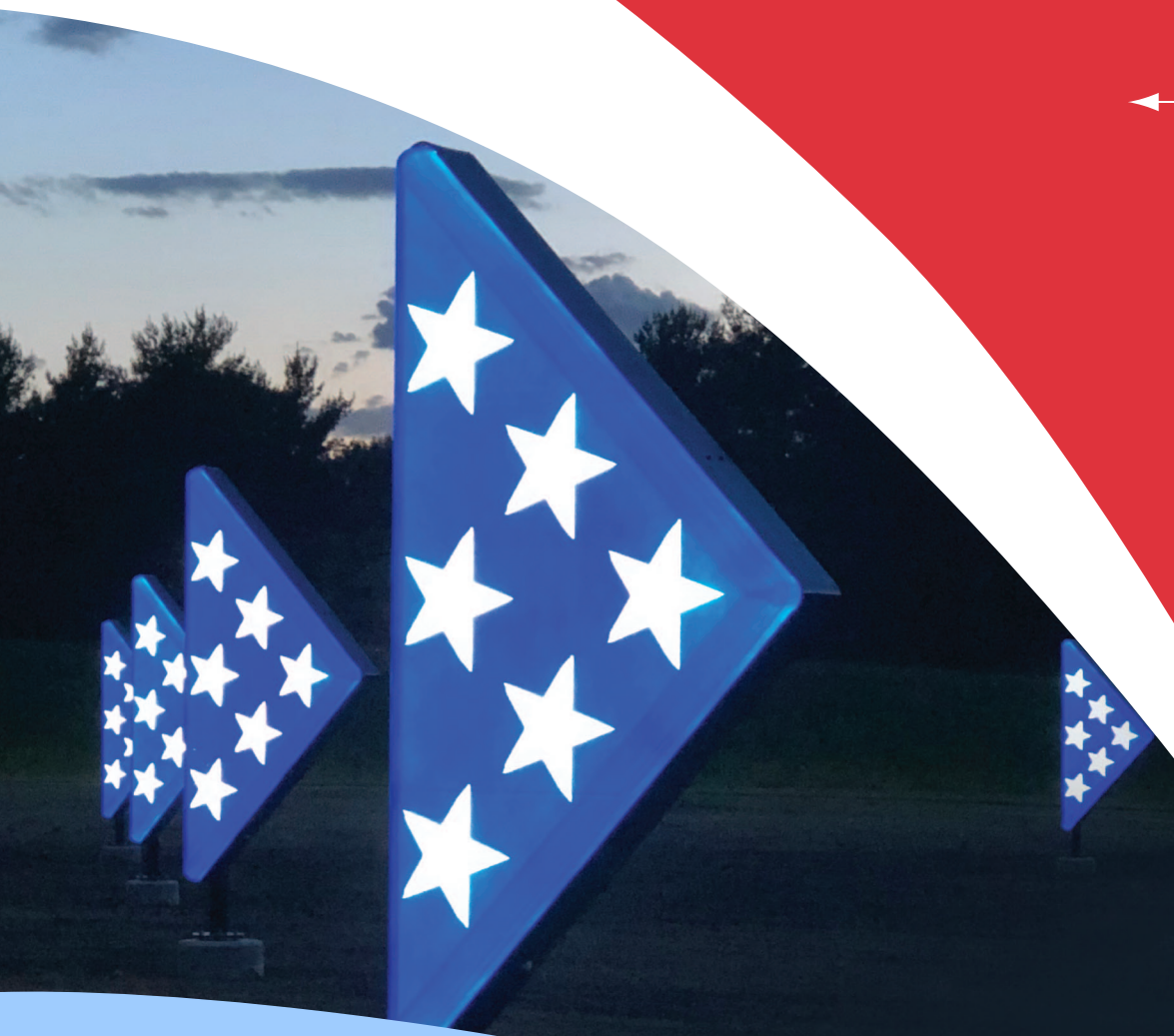
PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	Pending		
Recommendation	Yes	No	Split

WEST DES MOINES ★ IOWA



FISCAL YEAR ENDED ★ JUNE 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF WEST DES MOINES, IOWA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2021

Prepared by the Finance Department

CITY OF WEST DES MOINES
2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION

THE CITY OF
West Des Moines®
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Finance Department

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'Aaa'
Credit Rating
Moody's

'AAA'
Credit Rating
Standard & Poor's

March 16, 2022

Honorable Mayor, Members of the City Council, and
Citizens of the City of West Des Moines, Iowa:

Chapter 11 of the *Code of Iowa* requires the City of West Des Moines (the "City") to publish a complete set of audited financial statements within nine months of the close of each fiscal year. This comprehensive annual financial report has been published to fulfill this requirement for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all the information, based upon a comprehensive framework of internal control established for this purpose. The cost of internal controls should not exceed anticipated benefits; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BKD LLP, a firm of licensed certified public accountants, has issued unmodified opinions on the statements which have been published herein, immediately preceding the financial section of the report.

Management's discussion and analysis of the basic financial statements (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis. This letter of transmittal is intended to complement the MD&A and they should be read in conjunction.

Profile of the City

The City was incorporated as Valley Junction in 1893, changed its name to West Des Moines in 1938, and is now the largest suburb of Iowa's capital city of Des Moines. This year marked the 128th anniversary of the City.

Centrally located in Iowa, the City is currently comprised of approximately 48.7 square miles spanning portions of Polk, Dallas, Warren, and Madison counties. The City's population continued to grow at a steady pace, totaling 68,723 residents according decennial United States Census dated July 1, 2020. The City has grown in population by 21.4% since the 2010 Census, 48.1% since 2000, and 116.8% since 1990.

Policy-making and legislative authority in the City are vested in a governing council. The City Council consists of a mayor and five council members; all are elected on a non-partisan basis. Three of the council members are elected by ward and two, as well as the mayor, elected at large. For continuity purposes, the mayor and council members serve four-year staggered terms with elections held every two years. The City Council makes policy decisions for the City through the enactment of ordinances, resolutions, and motions. The Council is also responsible for adopting operating and capital budgets, appointing committees, hiring a city manager and city attorney, and appointing a city clerk.

The City Manager, as the City's chief administrative officer, is responsible for implementing policy decisions of the Council, overseeing day-to-day operations, and hiring department directors. Departments of the City include Community & Economic Development, Development Services, Emergency Medical Services, Engineering, Finance, Fire, Human Resources, Human Services, Legal, Parks & Recreation, Police, and Public Services. During 2021, the City added a Director of Diversity, Equity, and Inclusion to the staffing complement.

The City maintains a public library which, through state statute, is governed by a separate Board of Trustees. However, the library and its employees are also considered a city department as they are budgeted funds by the City Council and routinely follow the general operating policies and procedures implemented by the City.

Public elementary and secondary education services for residents of West Des Moines are provided by six separate public-school districts – Des Moines, Norwalk, Van Meter, Waukee, West Des Moines, and Winterset – in addition to several parochial schools. Public water services are provided primarily by the West Des Moines Water Works with scant areas of the City served by Des Moines Water Works. Each of the public-school districts or water works entities can issue separate debt which is not an obligation of the City; therefore, the financial statements of these entities have not been included in this report.

The City's annual budget serves as the foundation for financial planning and control. Each fall, staff from each of the City's departments submits budgetary requests and discusses appropriation levels for their department related to the upcoming fiscal year. Using these requests as well as staffing and revenue projections produced by the finance department, the city manager prepares a preliminary budget. The proposed budget is presented to the Mayor and City Council for discussion during workshops, and a public hearing is held before Council ultimately votes on the City's budget. By state statute, the budget for each fiscal year must be adopted by the Council and filed with the State prior to March 31st of the preceding fiscal year. The state mandates that the City maintain legal spending control at the function level, which consists of Public Safety, Public Works, Health and Social Services, Culture and Recreation, Community and Economic Development, General Government, Capital Projects, Debt Service, and Business-type expenditures.

Local Economy

Based on the decennial US Census dated July 1, 2020, West Des Moines ranks as the 6th largest city by population in the State of Iowa with a population of 68,723. However, its role as a primary economic engine in the state is reflected in the fact it currently ranks 3rd among cities in total taxable property valuation as of January 1, 2021, at $6.74 billion, it ranked 2nd in the collection of hotel/motel tax revenues during fiscal 2021 at $2.74 million, and ranked 4th in Iowa overall in taxable retail sales during fiscal year 2021 with just under $1.81 billion in retail goods and services being sold within the City.

The median household income in the City continues to exceed both the national and state averages. According to the US Census Bureau, at the end of 2020 (most recently available data), the median household income in the City was $76,368, which compares favorably to the State of Iowa median of $60,523 and the national median of $62,843.

Until the onset of the COVID-19 outbreak beginning March 2020, the city had continued to steadily grow high quality jobs, mainly in the office, hospitality, and retail sectors. Obviously, each of these sectors was greatly affected by the pandemic. Despite the economic challenges presented by 2020, the City's housing continued to expand westward with a mix of rentals and owner-occupied single-family housing, as well as a significant supply of multi-family housing – apartments, condos, and townhomes, and retirement living facilities have grown significantly in popularity. Fiscal 2021 saw 481 new single-family homes constructed along with 10 new multi-family projects containing 399 units, these totals were up significantly from Fiscal 2020 which saw 320 new single-family homes and 6 new multi-family projects with 359 total units. Rental rates and occupancy percentages continue to be above the average for the state and region.

Business development projects over the past fiscal year saw yet another significant expansion of Microsoft's continued effort to add data center capacity – during 2021 the data center giant moved forward with plans to construct the fourth and fifth data centers at new sites located within the City. Each of the two new centers (dubbed Ginger East and Ginger West) will occupy approximately 130-160 acres in Polk and Dallas County, respectively, and will be constructed over a 3-5 year period at a cost of over $1 billion for each center. In addition, construction continued in earnest at Microsoft's third center (Osmium). This sector continues to grow rapidly, and the City is responding by invest in underlying necessary infrastructure

(roadways, sewer, water, and fiber connections). Ginger East will rely primarily on existing infrastructure, while expanding the City's infrastructure to the more remote Ginger West site will require a larger investment. All the necessary infrastructure, including the final link of Grand Prairie Parkway, a major north-south arterial roadway, will be funded with Tax Increment Financing revenue generated by the data centers themselves.

Part of the West Des Moines City Council's long-term vision is a 2036 Plan which includes the advancement of broadband access to all residents. Towards this end, in 2020 the City began construction of a city-wide conduit network which could be leased to any provider with an estimated cost of approximately $50 million financed through the City's existing Debt Service levy. During 2021, an incumbent provider of internet services engaged a lawsuit, which, coupled with supply chain issues, slowed construction efforts. However, the lawsuit was recently settled, and the project is now again tracking towards completion.

Other major development projects initiated during fiscal 2021 included the initial phases of construction of a brand-new campus for Des Moines University in a previously undeveloped section of the City. The 700-plus graduate student medical university is relocating its entire campus to West Des Moines and construction of an initial five buildings targeting a fall 2023 opening is moving rapidly. Other major developments include office, retail, hotel, and restaurant properties, and in addition, as was typical across the country during the pandemic, West Des Moines residents invested heavily in their residences by completing renovations and adding numerous amenities.

All told, during fiscal 2021 the City saw a total of 14 new commercial buildings constructed with an estimated value of $605 million. Once again, a major portion of this permit activity was due to the Microsoft Osmium Data Center. Perhaps just as significantly, the City also permitted 151 commercial renovation projects totaling $366 million and 5 new tax-exempt buildings totaling $19 million during fiscal 2021. In total, fiscal 2021 saw a total of over $1.22 billion of building permit activity; a significant uptick from the totals of $514 million, $243 million, and $323 million each of the prior three fiscal years.

Relevant Financial Policies and Long-term Financial Planning

The City continues to be cautious when estimating property tax revenue, ancillary revenue, and investment returns, as well as use conservative expense figures to establish rates and balance the budget into upcoming fiscal years. These tactics ensure that adequate funding for services will be available in future budget cycles.

For budgetary and planning purposes, management strives to maintain an unassigned, undesignated general fund balance equal to or slightly exceeding 25% of total general fund expenditures. These funds are necessary to meet cash flow needs during the initial months of the new fiscal year as property tax revenue, the primary source of funding for general operations, is collected semi-annually with the respective county treasurers remitting the vast majority of those taxes to the City in the months of October and April.

During the annual budgeting process, the City evaluates the property tax rate for comparison to other cities of similar size and to determine that there will be sufficient revenue to provide the services deemed necessary by the City Council. Fees and charges for services are also evaluated annually to ensure they keep pace with the cost of providing these specific services. The City strives to maintain or increase its diversified revenue sources, to provide for greater financial stability.

Included in the operating budget are costs associated with the City's capital equipment replacement schedule. This money is set-aside annually to ensure funding is available for the timely replacement of vehicles and heavy equipment that are no longer cost effective to maintain. In addition, during each budget cycle the City Council and staff update the City's multi-year capital improvement plan, including funding of priority projects, based on community input and other data. Among the data available is information from a street management system which assesses and prioritizes street maintenance needs over a multi-year cycle.

Major Initiatives and Accomplishments

In anticipation of bond sales, on August 10, 2021, Moody's Investor Services reviewed and reaffirmed its highest rating (Aaa, Stable) to the City's general obligation bonds. Prior to that, on July 28, 2020, S&P Global (Standard and Poor's) reaffirmed its AAA, Stable outlook rating on the City's outstanding bonds. The City continues to hold the highest available rating from both major rating agencies, a distinction it has held since 2010. Each of the agencies cites the City's financial positions and conservative fiscal management as strengths.

As of June 30, 2021, the City was one of approximately 100 in the United States to have the distinction of carrying the highest rating from both agencies. The City's financial positions remain strong and included a $10.2 million increase in the general fund during fiscal 2021, general fund reserves are maintained of $47.5 million, or 70.2% of annual general fund expenditures.

During fiscal 2021, the City neared completion of a $60 million sports and recreation facility (the MidAmerican Energy Rec Plex) which will serve the community with two NHL-sized ice sheets including an arena which will seat 1,500 for hockey and up to 2,400 for concerts and other events, 4 full hardwood basketball/volleyball courts, a 120 yard long indoor soccer/football/multi-sport space, 3 outdoor artificial turf, lighted fields, several multi-purpose rooms, an e-sports gaming area, an adaptive play center, and a sports therapy clinic to be operated by Des Moines University. The outdoor fields opened in March 2021 and the indoor portions will be coming on-line during the fall of 2021. The facility is funded by a variety of sources, including private donations, grants, sponsorships, and city sources including bonds backed by hotel/motel tax revenues and surplus sewer utility funds. The Rec Plex Enterprise Fund has been established to account for the financial activities of this community center.

Financial Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Des Moines for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 28th consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and again this year will be submitting it to the GFOA to determine eligibility for another certificate.

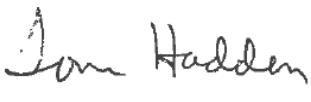
Additionally, for the 23rd consecutive year the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document related to the fiscal year beginning July 1, 2021. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged and deemed proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

Elected officials and staff take great pride in providing high quality municipal services, including transparent and clear financial reporting and budgeting. The City's continued recognition of reporting excellence by the GFOA, the City's continuing AAA bond rating, and a #1 ranking by the Des Moines Business Record as the most conducive city for business in Central Iowa for twenty-three consecutive years, are all reflective of competitiveness, efficiency, and attention to detail.

Preparation of this report was accomplished through the dedicated services provided by the Finance Department staff. We would like to express our appreciation to all members of the department who assisted with the audit and contributed to the preparation of this report, including our audit firm BKD LLP. Likewise, we wish to extend our sincere appreciation to the Mayor and members of the City Council for their interest in and support of our efforts to conduct the City's financial operations in the most responsible and progressive manner.

Respectfully submitted,



Tom Hadden
City Manager

Tim Stiles
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Des Moines
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of West Des Moines, Iowa
List of Principal Officials
As of June 30, 2021

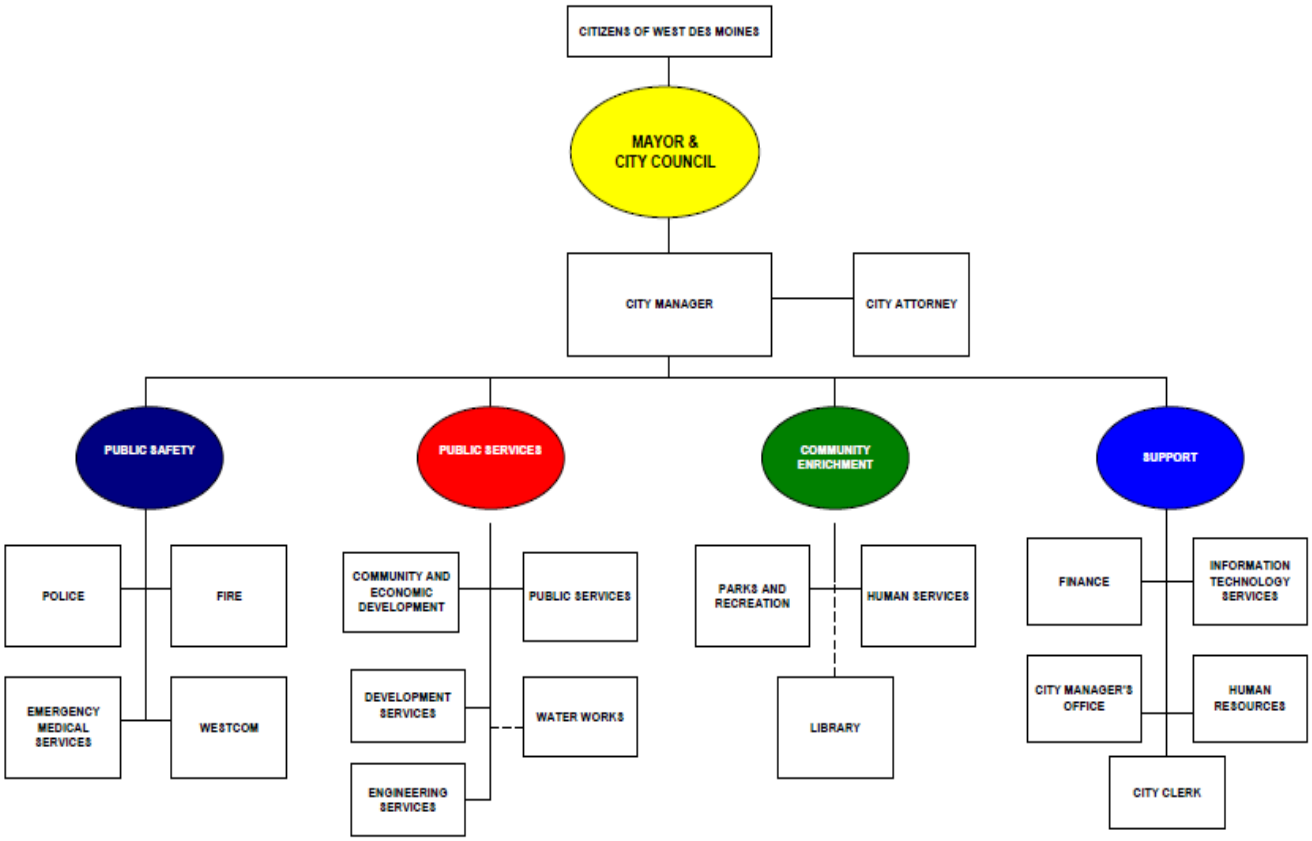
Elected Officials

Steven K. Gaer	Mayor	Term Expires December 31, 2021
Renee Hardman	Councilmember, At Large	Term Expires December 31, 2021
Matthew McKinney	Councilmember, At Large	Term Expires December 31, 2023
Kevin Trevillyan	Councilmember, Ward 1	Term Expires December 31, 2021
Greg Hudson	Councilmember, Ward 2	Term Expires December 31, 2023
Russ Trimble	Councilmember, Ward 3	Term Expires December 31, 2021

Appointed Officials

Tom Hadden, City Manager
Ryan Jacobson, City Clerk
Richard J. Scieszinski, City Attorney

City of West Des Moines, Iowa
Organizational Chart
As of June 30, 2021



---- Indicates Reports to Board

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FINANCIAL SECTION

BKD
CPAs & Advisors

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Independent Auditor's Report

Honorable Mayor and City Council
City of West Des Moines, Iowa
West Des Moines, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Des Moines, Iowa (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the City as of June 30, 2021, 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.

Emphasis of Matters

As discussed in Note 19 to the financial statements, in 2021 the City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities.* Our opinions are not modified with respect to this matter.

As discussed in Note 20 to the financial statements, beginning net position and fund balances have been restated to report a change in reporting of an equity interest. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison, pension and other postemployment information and modified approach for infrastructure as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements, statistical section and the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated March 16, 2022, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

West Des Moines, Iowa
March 16, 2022

As management of the City of West Des Moines, Iowa (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021 with selected comparative information for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is in the Introductory Section at the front of this report.

Financial Highlights

At June 30, 2021, the total assets plus deferred outflows of resources of the City exceeded total liabilities plus deferred inflows of resources by $740 million. Of this amount, $58 million is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors. By comparison, for the fiscal year ended June 30, 2020, total assets plus deferred outflows exceeded total liabilities plus deferred inflows by $701 million, of which $56 million was unrestricted.

The City's total net position increased by $39 million during the fiscal year ended June 30, 2021. Governmental activities increased by $14 million and business-type activities increased by $25 million. The City continues to be able to report positive balances in all three categories of net position: for the governmentwide statements, as well as its separate governmental and business-type activities. A considerable portion of expenditures each year were for capital assets, which allowed for increases to net position.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $87 million, down from $88 million in the prior year. The unassigned portion of the City's governmental fund balance, which is available for spending at the City's discretion, totaled $37.4 million at June 30, 2021, increasing by $4.8 million.

The City continues to hold the highest available bond rating from Moody's Investor Services and S&P Global (Standard & Poor's). Each of the agencies cites the City's financial position and conservative fiscal management as strengths.

Overview of the Financial Statements

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

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

The S*tatement of Net Position* presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 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 and earned but unused vacation leave).

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 public safety, public works (roads, engineering, and traffic controls), health and social services, culture and recreation, community and economic development, general government, and interest on long-term debt. The business-type activities of the City include sanitary sewer, storm water, solid waste operations, the MidAmerican Energy RecPlex, and the citywide digital utility enterprise.

The government-wide financial statements include only those balances of the City of West Des Moines as the *primary government.* The West Des Moines Community School District, the Waukee Community School District, the Des Moines Independent School District, the Norwalk Community School District, the Van Meter Community School District, the Winterset Community School District, and West Des Moines Water Works provide services to the citizens of West Des Moines but do not meet established criteria to be component units of the City and thus are not included in this report.

The government-wide financial statements can be found on pages 34 through 37 of this report.

Fund financial statements. A *fund* is defined as a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of West Des Moines, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's collection of funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds, which are described in further detail as follows:

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government 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 financing requirements and is typically the basis used in developing the next annual budget.

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 City's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City maintains sixteen individual governmental funds. Information is presented separately in the *Balance Sheet - Governmental Funds* and in the S*tatement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds* for the General Fund, Road Use Tax Fund, Tax Increment Financing Fund, Debt Service Fund, Capital Projects Fund, and Local Option Sales Tax Fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation under the column heading *Nonmajor Governmental Funds*. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City presents budgetary information as allowed by GASB Statement No. 41. The City adopts an annual appropriated budget for the activity of all funds except agency funds. Formal and legal budgetary control as required by state statute is based upon nine major classes of expenditures known as functions not by fund or fund type.

The basic governmental fund financial statements can be found on pages 38 through 41 of this report.

Proprietary funds consist of two different types of funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses internal service funds to account for its vehicle replacement, vehicle maintenance, health and dental insurance program, workers' compensation program and technology replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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 the major sanitary sewer operations fund, the major storm water operations fund, the major MidAmerican Energy RecPlex fund, the major Fiber Conduit Utility and the nonmajor solid waste operations fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided as combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 42 through 47 of this report.

Fiduciary funds are used to account for resources held in custodial capacity for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on page 48 of this report.

Notes to basic financial statements. The notes included herein 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 basic financial statements can be found on pages 50 through 87 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also provides certain *required supplementary information* concerning the City, including a schedule of changes in the City's total OPEB liability, the City's proportionate share of the net pension liability and related contributions for both of the City's pension plans, a budgetary comparison based on the City's legal level of budgetary control, and infrastructure condition and maintenance records which are required as the City has elected to use the modified approach for reporting much of its infrastructure. This approach to recording infrastructure is explained in detail on page 28, while other required supplementary information can be found on pages 96 through 99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on infrastructure. Combining statements and schedules can be found on pages 100 through 109 of this report.

Government-Wide Financial Analysis

Net position may serve as a useful indicator of a government's financial standing. At June 30, 2021, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows by $744 million. The City's Net Position is allocated on the basis of function and categorized as either supporting a governmental or business-type purpose. A summary and discussion of Net Position is discussed on the following page.

City of West Des Moines
Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020 (As Restated)	2021	2020 (As Restated)	2021	2020 (As Restated)
Assets						
Current and other assets	$ 211,869	$ 210,694	$ 46,589	$ 48,425	$ 258,458	$ 259,119
Noncurrent and other assets	10,504	8,957	1,514	1,815	12,018	10,772
Capital assets, net of depreciation	640,298	627,111	225,066	164,489	865,364	791,600
Total assets	**862,671**	**846,762**	**273,169**	**214,729**	**1,135,840**	**1,061,491**
Deferred Outflows						
Pension related	16,001	11,958	239	195	16,240	12,153
Other post-employment benefits related	1,717	452	70	19	1,787	471
Advance refunding related	75	84	-	-	75	84
Total deferred outflows	**17,793**	**12,494**	**309**	**214**	**18,102**	**12,708**
Liabilities						
Current liabilities	40,906	36,572	11,604	5,535	52,510	42,107
Long-term liabilities outstanding	231,583	231,476	43,998	16,735	275,581	248,211
Total liabilities	**272,489**	**268,048**	**55,602**	**22,270**	**328,091**	**290,318**
Deferred Inflows						
Unavailable revenue, property taxes	85,139	80,300	-	-	85,139	80,300
Pension related	533	2,597	148	308	681	2,905
Other post-employment benefits related	17	19	1	1	18	20
Total deferred inflows	**85,689**	**82,916**	**149**	**309**	**85,838**	**83,225**
Net position						
Net investment in capital assets	486,143	473,484	174,201	144,093	660,344	617,577
Restricted - expendable	16,899	17,857	4,684	8,940	21,583	26,797
Unrestricted net position	19,244	16,951	38,842	39,331	58,086	56,282
Total net position	**$ 522,286**	**$ 508,292**	**$ 217,727**	**$ 192,364**	**$ 740,013**	**$ 700,656**

The largest portion of the City's net position (89% of the total) represents its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less all outstanding debt used to acquire those assets. The City uses the capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to cover the liabilities. Overall, the net investment in capital assets increased $42.7 million from the previous year. The increases were in support of both governmental activities and business-type activities and are indicative of the City's ongoing commitment to provide quality infrastructure assets in the community, and its effort to aggressively repay debt related to those assets.

An additional portion of the City's net position (3% of the total) represents resources that are subject to external use restrictions. These amounts fluctuate annually based on the timing of restricted revenue and completion of the restricted projects or activities. Total restricted net position decreased $5.2 million during the fiscal year ended June 30, 2021.

The remaining balance of net position (8% of the total) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position increased $1.8 million during the fiscal year ended June 30, 2021.

A summary and discussion of the City's Changes in Net Position during the fiscal years ended June 30, 2021 and 2020, is as follows:

Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020 (As Restated)	2021	2020 (As Restated)	2021	2020 (As Restated)
Revenues						
Program revenues:						
Charges for services	$ 16,081	$ 11,469	$ 18,597	$ 17,185	$ 34,678	$ 28,654
Operating grants and contributions	17,102	9,340	-	2	17,102	9,342
Capital grants and contributions	1,197	2,082	10,161	8,763	11,358	10,845
General revenues:					-	-
Property taxes	80,048	72,600	-	-	80,048	72,600
Other taxes	12,962	17,228	-	-	12,962	17,228
Earnings on investments	544	2,784	346	1,174	890	3,958
Other	6,265	4,449	36	91	6,301	4,540
Total revenues	**134,199**	**119,952**	**29,140**	**27,215**	**163,339**	**147,167**
Expenses						
General government	12,656	12,247	-	-	12,656	12,247
Public safety	39,712	35,786	-	-	39,712	35,786
Public works	24,648	19,987	-	-	24,648	19,987
Health and social services	1,183	1,352	-	-	1,183	1,352
Culture and recreation	12,045	11,798	-	-	12,045	11,798
Community & economic development	9,115	8,329	-	-	9,115	8,329
Interest on long term debt	5,453	5,718	-	-	5,453	5,718
Sewer system	-	-	10,720	10,147	10,720	10,147
Storm water system	-	-	3,888	3,343	3,888	3,343
MidAmerican Energy RecPlex	-	-	1,354	773	1,354	773
Fiber Conduit Utility	-	-	893	-	893	-
Solid waste system	-	-	2,315	2,299	2,315	2,299
Total expenses	**104,812**	**95,217**	**19,170**	**16,562**	**123,982**	**111,779**
Increase in net position before transfers	29,387	24,735	9,970	10,653	39,357	35,388
Transfers	(15,393)	(4,905)	15,393	4,905	-	-
Increase in net position	**13,994**	**19,830**	**25,363**	**15,558**	**39,357**	**35,388**
Net position, beginning of year, as restated	**508,292**	**488,462**	**192,364**	**176,806**	**700,656**	**665,268**
Net position, end of year	**$ 522,286**	**$ 508,292**	**$ 217,727**	**$ 192,364**	**$ 740,013**	**$ 700,656**

Governmental Activities. Governmental revenues in the current year increased by $14.2 million, or 11.9%. The largest contributor was capital and operating grants and contributions, which increased $6.9 million powered largely by $2.3 million in federal grant revenues relating to the ongoing COVID-19 pandemic, $0.8 million additional road use tax dollars collected, $3.3 million in additional state/local grant revenue, and an additional $0.5 million in other contributions. The City's overall property tax revenue increased $7.4 million (fueled by the City's overall actual valuation increase of $718 million). This additional property tax revenue was generated from an additional $4.0 million of Tax Increment Financing revenue, an additional $2.5 million of general fund revenue, and an additional $0.9 million in the debt service fund. Other taxes decreased by $4.3 million largely because of a $3.6 million decrease in local option sales tax and a $0.7 million decrease in hotel/motel revenue due to the ongoing pandemic and a decrease in overall consumer travel. However, this loss was covered by a $4.6 million increase in

charges for services due to $0.8 million in additional ambulance billings, an additional $3.4 million in permit and plan revenue, and an additional $0.4 million in parks and recreation fees attributable to increased programing and pool admission compared to the prior year. Investment and miscellaneous earnings were down $0.4 million from the previous fiscal year, largely due to decreasing interest rates.

Governmental expenses increased by $9.6 million, or 10.1% from the prior fiscal year. This was largely due a $4.7 million increase in public works and the large fluctuation in capital outlay expenses from the prior year. Public safety expenses increased by $4.0 million due to an increase in police and fire FTE's and a corresponding increase in compensated absences, OPEB, and Pension. General government and health and social services expenses remained relatively unchanged. Community & economic development expenses increased by $0.7 million due to additional COVID-19 relief funds made available through the federal government, culture and recreation increased by $0.2 million primarily due to rising personnel costs, and interest on long term debt decreased by $0.3 million due to additional amortization of bond premiums.

Business-Type Activities. Revenue received through charges for services increased by $1.4 million due to the annual increase in service rates and the partial opening of the MidAmerican Energy RecPlex. Capital and operating grant and contribution revenues increased by $1.4 million, or approximately 15.9%. The increase relates to contributions collected for the construction of the MidAmerican Energy RecPlex ($0.6 million), an increase in donated subdivision to the sewer fund ($0.4 million), additional sewer fee district collections ($0.9 million), and a decrease in donated subdivision to the stormwater fund ($0.5 million). Investment and other miscellaneous earnings on business cash and investments decreased by $0.9 million (69.8%) due to decreasing balances and lower interest rates. Business-type expenses increased by $2.6 million, or approximately 15.7%, which was largely due to increased expenses by the construction of the MidAmerican Energy RecPlex and Fiber Conduit Network utility.

At the end of the current fiscal year, the City was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. This was also the case in the prior fiscal year.

Financial Analysis of the Government's Fund Financial Statements

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

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

The City's governmental funds reported combined fund balances of $86.7 million as of June 30, 2021. Of this total $37.4 million constitutes *unassigned fund balance*, which is available for spending at the government's discretion. $1.7 million of the balance is unspendable as it relates to inventory, prepaids, and loan receivables to be collected. The remainder of the fund balance is not available for new spending because it has already been restricted either (1) by legal requirements for debt service payments ($0.7 million); (2) for urban renewal and development in Tax Increment Financing Districts ($8.4 million); (3) for liquidation of contracts for capital improvements ($30.6 million); (4) for various local option sales tax initiatives as directed by voters ($1.8 million); (5) various other purposes ($6.1 million).

The unassigned balance of the General Fund, the chief operating fund of the City, increased $9.7 million, or 27.0%, to a total of $45.7 million at June 30, 2021. A portion of the increase relates to $1.5 million in additional E911 services, an additional $4.9 million in interfund borrowings, personnel savings due to unfilled vacancies, and a reduction of overall spending due to the ongoing pandemic. As a measure of the General Fund's liquidity, it is generally useful to compare unassigned fund balance to

total annual fund expenditures. The unassigned portion of the General Fund balance at June 30, 2021, represents approximately 67.7% of annual General Fund expenditures. On July 19, 2021, the City Council adopted a policy to maintain an average fund balance of at least 30.0% of General Fund expenditures. This reserve allows for working capital needs due to fluctuations in revenue as a large share of city revenue, semi-annual property taxes, are received in the months of October and April.

The City's General Fund revenue saw an overall increase of $8.6 million. Property tax and other City tax revenue increased $1.8 million. The fund saw $2.4 million increase in intergovernmental revenue and the primary driver of this variance was the increase in grant funding associated with the American Rescue Plan Act and Local Government Relief Fund. Other factors in the overall increase were a $2.4 million increase in charges for services due to additional recreational facilities and other programming not present in the previous fiscal year due to COVID-19 (primarily opening the City's two aquatic centers in 2021 after a 2020 hiatus), a $2.2 million increase in license and permits issued due to increased construction activity, offset by a $0.2 million decrease in use of money and property (investment earnings) due to continued low interest rates.

General Fund expenditures increased by $2.9 million, or approximately 4.5%. Nearly all can be attributed to rising employee costs, including salaries, pensions, and insurance.

The Road Use Tax Revenue collected by the State of Iowa and allocated to the City increased by $0.8 million, or approximately 10.0%, from the previous fiscal year. Revenue is tied to vehicle registrations and the sale of fuel. Most of the increase is attributable to an additional one-time $600,000 related to the Coronavirus Response and Relief Supplemental Appropriations Act. The large transfers out were needed to fund construction of the City's new Public Services facility. The overall ending Road Use Tax Fund balance at June 30, 2021, was a deficit balance of $8.3 million, which, due to appropriate Council action, was temporarily covered by a loan from the City's General Fund.

The Tax Increment Financing (TIF) Fund had a fund balance of $8.4 million at June 30, 2021, which represents an increase of $2.7 million, or 47.4% from the prior year. There were rising levels of collections, but the primary reasons for the increase were a need to collect funding for upcoming rebates and infrastructure obligations related to development agreements. Since property taxes are collected in arrears, the City continues to benefit from past growth in these areas. The property taxes collected in these special financing districts are generally transferred from the Tax Increment Financing Fund to other funds to cover bonded debt, other loans, advances, and contracts used to finance infrastructure improvements in these TIF districts.

The Debt Service Fund had a fund balance of $0.6 million at June 30, 2021, which represents a decrease of 61.9%, from the prior year. The $1.0 million increase in transfers out was to cover principal and interest payments of the MidAmerican Energy RecPlex. This transfer was made due to the declining hotel/motel taxes collected caused by the pandemic. The continued long-term strategy for the fund is to maintain a minimum reserve balance approximately equal to 25% of total interest payable each fiscal year.

The Capital Projects Fund had a fund balance of $30.6 million at June 30, 2021, which represents a decrease in fund balance of $5.7 million, or 15.7%. The decrease was largely due to several large infrastructure and building projects undertaken during fiscal 2021, as over $42.2 million was expended from the fund.

The Local Option Sales Tax Fund had a fund balance of $1.8 million at June 30, 2021, which represents a decrease of 58.0% from the prior year. This large decrease was due to spending associated with a voter-initiated change which allowed for collection of Local Option Sales Tax in the West Des Moines portion of Polk County beginning July 1, 2019. Previously, Local Option Sales Tax was only collected in the Dallas County portion of West Des Moines. The ballot language approved by the voters in each of the counties requires 50% of all revenue collected to be applied directly to city property tax reduction while the other 50% is to be applied only to expenditures for public safety, public infrastructure, pubic parks, sports and recreational facilities and trails, or the public library. During 2021, the State of Iowa discovered a formula in error which resulted in the City over collecting in the amount of $2.1 million. The State and City have agreed to repay the funds over the next fiscal year by reducing the normal

distribution amount each month. This amount owed to the State is included in accounts payable at June 30, 2021.

Proprietary Funds. The City's proprietary funds financial statements provide detail which supports information found in the government-wide financial statements. Total net position of the City's Sanitary Sewer Fund at June 30, 2021 was $117.2 million. This is comprised of a $69.5 million investment in capital assets and $47.7 million in unrestricted net position. The net position of the Sanitary Sewer Fund increased $6.9 million, or 6.3%, which was the result of $0.5 million in increased revenue, a reduction of $0.6 million in operating and non-operating expenditures, capital contributions of infrastructure from developers of $4.9 million, and investment earnings of $0.5 million.

Total net position of the City's Storm Water Fund at the end of the current year was $83.2 million. This is comprised of $89.7 million investment in capital assets and a shortfall of $6.5 million in unrestricted net position. The negative net position is being addressed through a multi-year rate increase, essentially raising rates by $0.60 per Equivalent Residential Unit each fiscal year beginning July 1, 2018 and extending through 2022. The prior rate had been in place since fiscal year ending June 30, 2010. In addition, the City authorized internal loans from the sewer fund to the stormwater fund in the amounts of $6.2 million and $7.5 million in fiscal years 2018 and 2019, respectively. Each loan will be repaid over a 15-year term and the outstanding balance at June 30, 2021 was $11.7 million.

Total net position of the MidAmerican Energy RecPlex Fund at the end of the current year was $17.1 million. This is comprised of: (a) a $15.9 million investment in capital assets, (b) $1.9 million restricted by other entities for construction, and (c) a cash shortfall of $0.7 million. The construction of the multi-sport complex is underway with a full completion date in fiscal year 2022, at which time charges for services is expected to increase. It's worth noting that $2.1 million was transferred into the fund to cover current year principal and interest debt payments: ($1.1 million from the Local Option Sales Tax Fund and a one-time $1.0 million from the Debt Service Fund). Future debt payments of the facility will be backed by future Hotel/Motel and Local Option Sales Tax revenues. The net position of the MidAmerican Energy RecPlex increased by $5.8 million, or 51.3%, which was a result of $0.2 million in increased charges for service, a $2.1 million transfer in discussed previously, $4.9 million in capital contributions from other entities, and $1.4 million in operating and non-operating expenditures.

Total net position of the Fiber Conduit Utility Fund at the end of the current year was a $0.9 million deficit. This is comprised of: (1) a $0.9 million shortfall in investment in capital assets, (b) $2.7 million restricted for construction, and (c) a cash shortfall of $2.7 million. The construction of the fiber conduit utility network is underway with a full completion date in fiscal year 2023, at which time charges for services is expected to increase. Future debt payments of the network will be backed by the debt service levy and future conduit licensing revenues.

Total net position of the Solid Waste Fund at the end of the current year was $0.6 million, all of which was unrestricted. The Solid Waste Fund does not have any investment in capital assets as all assets are handled by a private contractor. The fund balance did not change significantly from the previous year.

Budgetary Highlights

The City presents budgetary information as allowed by GASB Statement No. 41. Budgets are based on nine functional areas as required by state statute, not by fund or fund type. During the year ended June 30, 2021, no disbursements exceeded the budget.

During the fiscal year ended June 30, 2021, there were three budget amendments, dated October 19, 2020, March 1, 2021, and May 17, 2021. Amendments are a routine occurrence for the City and are primarily due to changes in the timing of capital improvement projects and related grant and other receipts for these projects. Because the City's June 30 fiscal year end occurs during the "construction season" in Iowa, it is difficult to judge in advance, that portion of construction projects which will be in process on June 30. The budget is also routinely amended each year to adjust projected fiscal year beginning balances to equal

actual audited fund balances. Other adjustments addressed through amendments during the fiscal year included an increase in expenses and a decrease to revenue projections caused by the ongoing COVID-19 pandemic, an increase in building permit revenue caused by the Microsoft data center projects, an increase in expenses due to updated projections for the construction of the new Fiber Conduit utility, and an increase in expenses due to project delays to the MidAmerican Energy Rec Plex and other capital projects due to the ongoing pandemic.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to $865 million (net of accumulated depreciation). This investment in capital assets includes land, intangibles, fiber network, construction in progress, buildings, improvements other than buildings (e.g. recreation trails, athletic fields, and parking lots), vehicles and equipment, and infrastructure (e.g. roads, bridges, sanitary and storm sewer lines). The total increase in the City of West Des Moines' capital assets for the current fiscal year was 9.3%, and is largely due to infrastructure completed as part of several arterial street widening projects (most notably the widening of Grand Avenue, 88th St & Mills Civic Parkway, 88th & Jordan Creek Parkway, Grand Prairie Parkway-Stagecoach to Mills Civic Parkway, and Booneville Road Reconstruction), improvements to city building facilities (most notably the continuing construction of the new MidAmerican Energy Rec Plex and the new Fiber Conduit Utility network, the completion of the West Public Works Building, and interior renovations at the Library).

The City has elected the option to use the modified approach for reporting infrastructure within the governmental activities, as allowed by GASB Statement No. 34. Under the modified approach eligible infrastructure is not required to be depreciated if the following requirements have been met:

- The government must have an up-to-date inventory of the assets of those networks or subsystems.
- The government must perform or obtain condition assessments of those assets and summarize the results using a measurement scale. It is essential that such condition assessment be replicable (i.e., conducted using methods that would allow different measurers to reach substantially similar results).
- The government must make an annual estimate of the amount needed to maintain and preserve those assets at a condition level established and disclosed by the government.
- The government must document that infrastructure assets are being preserved at or above the condition level established and disclosed by the government.

The City already had an inventory management system in place and was performing condition assessments as part of its on-going efforts to maintain and preserve the quality and useful life of these governmental infrastructure assets. Under the modified approach, the City records the actual maintenance and preservation costs incurred during the period as expense, rather than capitalizing the preservation costs and estimating the amount of depreciation expense to record. Only improvements and additions that increase the capacity or efficiency of the infrastructure network are capitalized under this approach. All other costs are expensed in the period incurred.

Condition Level for Street Network
(prior 3 condition assessments)

	2018	2019	2020
Street subsystem:			
Goal	70.0	70.0	70.0
Actual	73.0	76.3	76.3
	2018	**2019**	**2020**
Levee subsystem:			
Goal	Minimally Acceptable	Minimally Acceptable	Minimally Acceptable
Actual	Minimally Acceptable	Minimally Acceptable	Minimally Acceptable
	2015	**2017**	**2019**
Bridge & Culvert subsystem:			
Goal	81 or greater	81 or greater	81 or greater
Actual	85.6	88.5	93.8

The *required supplementary information* that must be presented by governments electing this approach appears on pages 96 through 99 of this report. From this supplementary information the reader can determine that the City has been able to consistently meet or exceed condition level goals. For a full explanation as to how the following condition levels were determined, please see page 96 through 97 of this report.

The *required supplementary information* also reveals that estimated maintenance costs and actual maintenance costs are fairly consistent considering that the fiscal year falls in the middle of the construction season. This will result in some fluctuation from year to year depending on the exact date that the construction contract is let.

Comparison of street network prevention and maintenance costs
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Estimated Costs	$6,500	$5,640	$5,430	$4,820	$4,760	$5,060	$4,041	$4,567	$6,753	$5,307
Actual Costs	$6,015	$5,162	$5,246	$4,840	$3,472	$3,784	$4,119	$4,130	$3,720	$5,119

The City has *not* elected to use the modified approach for reporting the infrastructure of business-type activities, as it has not yet completed the necessary condition assessments required for the use of the modified approach. Therefore, depreciation expense has been recognized for the sanitary sewer and storm sewer infrastructure capital assets.

Capital Assets, Net of Applicable Depreciation
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020 (As Restated)	2021	2020 (As Restated)
Land	$ 36,970	$ 29,933	4,721	4,667	$ 41,691	$ 34,600
Buildings	98,935	63,002	585	-	99,520	63,002
Improvements other than buildings	58,655	54,779	-	-	58,655	54,779
Fiber network	8,024	5,159	-	-	8,024	5,159
Equipment and vehicles	29,153	28,102	2,202	662	31,355	28,764
Construction-in-progress	38,097	98,170	66,029	27,709	104,126	125,879
Sanitary and storm sewer system	-	-	209,413	184,861	209,413	184,861
Infrastructure, nondepreciable	450,834	426,221	-	-	450,834	426,221
Intangibles	16,799	16,892	47	46	16,846	16,938
Accumulated depreciation	(97,169)	(95,147)	(57,931)	(53,456)	(155,100)	(148,603)
Total capital assets	$ 640,298	$ 627,111	$ 225,066	$ 164,489	$ 865,364	$ 791,600

Major capital asset expenditures during the fiscal year ended June 30, 2021, included the following projects with over $1 million in spending:

- Spent $30.3 million towards an overall $60 million project to construct the MidAmerican Energy RecPlex, a city-owned multi-sport recreational facility.
- Spent $11.1 million towards an overall $50 million project to construct the new Fiber Conduit Utility network.
- Spent $4.9 million towards the new $30 million Public Works Facility at S 88th Street and Grand Avenue, which now serves as the department's main facility.
- Spent $4.9 million on a land acquisition for the future location of a new public safety station.
- Spent $4.1 million on pavement rehabilitation and repairs throughout the City.

- Spent $2.9 million on a new pump lift station near the Raccoon River Basin.
- Spent $2.5 million on the reconstruction and widening of Grand Avenue from 1st the 6th Street.
- Spent $2.3 million towards an overall $8.0 million project to construct Grand Avenue between Jordan Creek Parkway and S 88th Street and Grand Prairie Parkway to 115th St.
- Spent $1.9 million towards an overall $6.4 million project to pave and improve Booneville Road from S 88th St. to S 100th St., including reconstruction of the existing bridge over Sugar Creek.
- Spent $1.5 million on the expansion of Grand Prairie Parkway including Stagecoach Dr, Raccoon River Drive, and Boonville Road.
- Spent $1.4 million of Stormwater Funds to extend the NE Basin connection to 4th and Ashworth.
- Spent $1.4 million on upgrades in the Valley Junction area including new pavers, tree planters, and sidewalk repairs.
- Spent $1.4 million towards an overall $10.5 million project to re-route, widen, and reconstruct 88th Street and Mills Civic Parkway to avoid Huston Cemetery.
- Spent $1.3 million toward a new Stormwater Management Facility located at 12th and Vine Street.
- Spent $1.0 million toward an overall $5.7 million to expand South Grand Prairie Parkway from Stagecoach to Mills Civic Parkway.
- Spent $1.1 million towards an overall $2.5 million project to renovate the interior of the West Des Moines Public Library, including updating restrooms, carpeting, furniture, and office areas.

Additional information concerning the City's capital assets can be found in Note 1 and Note 3 of the *Notes to Basic Financial Statements* on pages 50 through 59 and 61 through 62, respectively.

Long-term debt. At the close of the fiscal year ended June 30, 2021, the City had total bonded debt outstanding of $240.4 million (including unamortized net premium), all backed by the full faith and credit of the government. During the fiscal year the City's total bonded debt increased as $51.4 million of new debt was issued during the current fiscal year versus $28.1 million of retirements.

The Iowa State Constitution limits the amount of general obligation debt which may be issued by a city to 5% of the actual assessed value of all its taxable property. The current debt limitation for the City is approximately $450.3 million. With outstanding general obligation principal debt of $230.8 million (general obligation bonds plus other debt subject to the limitation), the City had utilized 51% of the debit limit as of June 30, 2021.

Additional information on the City's long-term debt can be found in Note 4 on pages 63 through 66 of this report.

Economic Factors, Budgets, and Rates for the Upcoming Fiscal Year

As one of the faster growing cities in the State of Iowa, West Des Moines expects growth both in population and in overall property valuations to continue over the next several years. A distinct advantage of West Des Moines is its unusual position as a desirable suburban city for residential growth while at the same time maintaining a strong retail, office, and commercial presence. The City's overall economic balance is roughly 65% residential valuation (including a significant presence of multi-family dwellings) and 35% commercial and industrial valuation.

Legislative action originally passed in May 2013 continues to affect taxable valuations for commercial and multi-family residential property. This legislation included a 10% cut to commercial tax rates over a period beginning July 1, 2014. The lost commercial revenue is being funded by the State of Iowa but is only guaranteed to match the lost revenues through the end of fiscal 2021. During 2021, new legislation called for a phasing out of this backfill over a five-year period, beginning with the 2023 fiscal year. Thus, the City continues to engage in very conservative revenue budgeting practices.

Historically, the City's tax base has grown between 2% and 9% annually. The City's tax base (taxable valuation) increased 5.8% annually from 2006-2010 but slowed for several years (2011-2015) during the economic recession. The past five years have seen an economic recovery and again there has been impressive, steady growth. The City's tax base grew 4.2% from 2016 to 2017, another 4.5% from 2017 to 2018, another 8.7% from 2018 to 2019, another 3.9% from 2019 to 2020, and finally another 8.2% from 2020 to 2021, to reach a total assessed valuation at January 1, 2021, of $10.1 billion.

The budget for fiscal year ending June 30, 2022, decreased the City's levy rate from $10.99 to $10.95 per $1,000 of taxable valuation. This happened following a decrease in fiscal 2021 from $11.79 to $10.99 and in 2019 from $12.00 to $11.79. The earlier decreases were largely made possible by voter-approved local option sales taxes, first for the Dallas County portion of the City and then for the Polk County portion. The most recent decrease was simply the result of a Council-led decision to reduce the Debt Service Levy by reducing the funding for capital projects.

Future year tax growth assumptions remain conservative, reflecting between 1% and 3% annual growth. While West Des Moines continues to experience moderate growth in its tax base, valuations are determined at the county level. Recent valuation rollbacks and appeals have resulted a need to project future revenue and expenditure levels to ensure adequate funding for services will be available in future budget cycles for operations. The City has essentially budgeted for breakeven results, without the use of this fund balance and without a property tax rate increase (prior to reductions due to local option sales tax collections), for the fiscal year ending June 30, 2022.

As measured by current actual property valuation and recent population data, valuation compares very strongly to comparable cities, at approximately $147,000 per capita. The City's taxable valuation per capita of over $98,000 remains the highest of Iowa's top ten most populated cities, which allows West Des Moines to maintain the third lowest tax rate of those same ten cities. See additional information and measures regarding the City in the Statistical Section of this report.

While the City has certainly been affected in nearly all areas by COVID-19, an analysis of revenue trends since the onset of the pandemic shows that over 89% of budgeted revenue was collected during FY 2021. In addition, the early months of FY 2022 show encouraging results as well. While some of the City's specific revenue centers showed decreases (most notably Hotel/Motel taxes, recreational facility rentals, and aquatic center admissions), other larger revenue centers such as property taxes, building permits, and even sales taxes remained mostly steady. The effects of COVID-19 has also caused an increase in certain expenditures, but fortunately the city has qualified for Federal funding and other grants, and those opportunities coupled together with diligent planning, should provide the stability needed to stay within budgetary guidelines.

Requests for Information

This financial report is designed to provide a general overview of the City of West Des Moines' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department at 4200 Mills Civic Parkway, Suite 2B or by mail to the City of West Des Moines, Finance Department, Post Office Box 65320, West Des Moines, Iowa.

BASIC FINANCIAL STATEMENTS

City of West Des Moines, Iowa
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 75,497,903	$ 40,552,338	$ 116,050,241
Restricted cash and investments	42,268,429	-	42,268,429
Receivables			
Property taxes	85,244,411	-	85,244,411
Accounts and unbilled usage, net of allowance for doubtful accounts	2,777,244	4,890,795	7,668,039
Special assessments	313,732	-	313,732
Interest	171,415	147,105	318,520
Promises to give	-	421,265	421,265
Loans	112,785	-	112,785
Internal balances	(500,845)	500,845	-
Due from other governments	3,863,319	76,874	3,940,193
Inventories	342,596	-	342,596
Prepaids	1,778,429	-	1,778,429
Total current assets	211,869,418	46,589,222	258,458,640
Noncurrent assets:			
Promises to give	-	1,513,950	1,513,950
Loans	1,078,844	-	1,078,844
Due from other governments	7,908,480	-	7,908,480
Investment in joint venture	1,516,357	-	1,516,357
Capital assets:			
Nondepreciable			
Land	36,970,629	4,720,775	41,691,404
Infrastructure	450,834,369	-	450,834,369
Construction-in-progress	38,096,838	66,029,047	104,125,885
Intangibles	15,574,850	-	15,574,850
Depreciable			
Buildings	98,934,556	585,110	99,519,666
Equipment and vehicles	29,152,672	2,201,859	31,354,531
Fiber network	8,024,022	-	8,024,022
Intangibles	1,224,336	47,050	1,271,386
Improvements other than buildings	58,654,978	-	58,654,978
Sanitary and storm sewer system	-	209,412,885	209,412,885
Accumulated depreciation	(97,169,248)	(57,930,851)	(155,100,099)
Net capital assets	640,298,002	225,065,875	865,363,877
Total noncurrent assets	650,801,683	226,579,825	877,381,508
Total assets	862,671,101	273,169,047	1,135,840,148
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	16,000,873	239,405	16,240,278
Other post-employment benefits related deferred outflows	1,717,149	69,873	1,787,022
Advance refunding related deferred outflows	74,664	-	74,664
Total deferred outflows of resources	17,792,686	309,278	18,101,964

See Notes to Basic Financial Statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	9,530,713	$ 7,788,763	$ 17,319,476
Claims payable	1,924,331	-	1,924,331
Accrued wages payable	811,529	33,353	844,882
Unearned revenue	3,835,436	-	3,835,436
Interest payable	561,138	82,912	644,050
Note payable	62,093	-	62,093
Compensated absences	3,445,812	157,253	3,603,065
Line of credit	-	986,050	986,050
General obligation bonds	19,640,000	2,550,000	22,190,000
Installment contracts	911,571	-	911,571
Notes from direct borrowings and direct placements	33,681	-	33,681
Other post-employment benefits liability	149,490	6,072	155,562
Total current liabilities	40,905,794	11,604,403	52,510,197
Noncurrent liabilities			
Compensated absences	2,585,948	89,467	2,675,415
Line of credit	-	1,513,950	1,513,950
General obligation bonds	177,227,967	40,966,236	218,194,203
Installment contracts	922,771	-	922,771
Notes from direct borrowings and direct placements	508,571	-	508,571
Due to joint venture	434,641	-	434,641
Other post-employment benefits liability	4,207,009	171,198	4,378,207
Net pension liability	45,695,551	1,257,197	46,952,748
Total noncurrent liabilities	231,582,458	43,998,048	275,580,506
Total liabilities	272,488,252	55,602,451	328,090,703
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	85,138,938	-	85,138,938
Pension related deferred inflows	533,305	147,987	681,292
Other post-employment benefits related deferred inflows	17,217	700	17,917
Total deferred inflows of resources	85,689,460	148,687	85,838,147
NET POSITION			
Net investment in capital assets	486,142,713	174,201,020	660,343,733
Restricted for:			
Debt service	648,336	-	648,336
Urban renewal and development	9,348,297	-	9,348,297
Retirement benefits	1,733,848	-	1,733,848
Other entities - expendable	-	1,935,215	1,935,215
Other purposes	5,168,730	2,749,249	7,917,979
Unrestricted	19,244,151	38,841,703	58,085,854
Total net position	$ 522,286,075	$ 217,727,187	$ 740,013,262

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Programs/Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities				
Public safety	$ 39,711,704	$ 6,216,537	$ 4,377,358	$ 183,427
Public works	24,647,645	276,357	10,902,066	1,014,058
Health and social services	1,182,557	-	504,063	-
Culture and recreation	12,045,218	1,277,851	71,521	-
Community & economic development	9,115,077	6,380,451	746,524	-
General government	12,656,270	1,929,871	500,661	
Interest on long-term debt	5,453,437	-	-	-
Total governmental activities	104,811,908	16,081,067	17,102,193	1,197,485
Business-type activities				
Sewer system	10,720,450	12,172,737	-	4,259,887
Storm water system	3,888,435	3,981,788	-	1,018,583
MidAmerican Energy RecPlex	1,353,607	154,390	-	4,882,972
Fiber conduit utility	892,623	10,338	-	-
Solid waste system	2,315,193	2,277,827	-	-
Total business-type activities	19,170,308	18,597,080	-	10,161,442
Total primary government	$ 123,982,216	$ 34,678,147	$ 17,102,193	$ 11,358,927

General revenues
Taxes
Property taxes
Franchise tax
Other City taxes
Hotel/Motel tax
Miscellaneous
Investment earnings
Unrestricted grants
Transfers
Total general revenues and transfers
Changes in net position

Net position, beginning of year, as restated

Net position, end of year

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
$ (28,934,382)	$ -	$ (28,934,382)
(12,455,164)	-	(12,455,164)
(678,494)	-	(678,494)
(10,695,846)	-	(10,695,846)
(1,988,102)	-	(1,988,102)
(10,225,738)	-	(10,225,738)
(5,453,437)	-	(5,453,437)
(70,431,163)	-	(70,431,163)
-	5,712,174	5,712,174
-	1,111,936	1,111,936
-	3,683,755	3,683,755
-	(882,285)	(882,285)
-	(37,366)	(37,366)
-	9,588,214	9,588,214
(70,431,163)	9,588,214	(60,842,949)
80,048,152	-	80,048,152
231,178	-	231,178
9,987,118	-	9,987,118
2,743,692	-	2,743,692
979,582	22,525	1,002,107
543,822	345,697	889,519
5,284,509	13,253	5,297,762
(15,393,068)	15,393,068	-
84,424,985	15,774,543	100,199,528
13,993,822	25,362,757	39,356,579
508,292,253	192,364,430	700,656,683
$ 522,286,075	$ 217,727,187	$ 740,013,262

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2021

	General	Road Use Tax	Tax Increment Financing	Debt Service	Capital Projects	Local Option Sales Tax	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and investments	$ 36,672,720	$ -	$ 8,464,815	$ 633,612	$ -	$ -	$ 5,492,397	$ 51,263,544
Restricted cash and investments	4,270,077	-	-	-	34,873,873	2,886,114	238,365	42,268,429
Receivables								
Property taxes	47,717,242	-	22,149,107	12,255,328	-	-	3,122,734	85,244,411
Accounts, less allowance for uncollectible	2,478,277	-	-	-	151,445	-	25,574	2,655,296
Special assessments	18,849	-	-	-	294,883	-	-	313,732
Interest	120,389	-	-	-	-	-	-	120,389
Loans	649,377	-	-	-	-	-	542,252	1,191,629
Due from other funds	9,388,070	-	-	-	-	-	-	9,388,070
Due from other governments	1,390,646	993,960	-	-	8,277,117	947,480	143,006	11,752,209
Inventories	342,596	-	-	-	-	-	-	342,596
Prepaids	748,180	-	-	-	36,000	-	-	784,180
Investment in joint venture	223,146	-	-	-	-	-	-	223,146
Total assets	$ 104,019,569	$ 993,960	$ 30,613,922	$ 12,888,940	$ 43,633,318	$ 3,833,594	$ 9,564,328	$ 205,547,631
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities								
Accounts payable	$ 2,477,757	$ 58,880	$ 67,580	$ 2,400	$ 4,479,297	$ 2,065,508	$ 78,516	$ 9,229,938
Accrued wages payable	660,299	-	-	-	-	-	151,230	811,529
Unearned revenue	3,835,436	-	-	-	-	-	-	3,835,436
Due to other funds	-	9,217,728	-	-	-	-	170,342	9,388,070
Due to joint venture	434,641	-	-	-	-	-	-	434,641
Total liabilities	7,408,133	9,276,608	67,580	2,400	4,479,297	2,065,508	400,088	23,699,614
Deferred inflows of resources								
Unavailable revenue:								
Succeeding year property tax	47,647,022	-	22,135,419	12,238,204	-	-	3,118,293	85,138,938
Grants and other	1,481,874	-	-	-	8,214,982	-	4,862	9,701,718
Special assessments	13,769	-	-	-	294,471	-	-	308,240
Total deferred inflows of resources	49,142,665	-	22,135,419	12,238,204	8,509,453	-	3,123,155	95,148,896
FUND BALANCES (DEFICITS)								
Nonspendable	1,740,153	-	-	-	-	-	-	1,740,153
Restricted for								
Capital projects	-	-	-	-	30,644,568	-	-	30,644,568
Debt service	-	-	-	648,336	-	-	-	648,336
Urban renewal and development	-	-	8,410,923	-	-	-	-	8,410,923
Other purposes	-	-	-	-	-	1,768,086	6,071,866	7,839,952
Unassigned	45,728,618	(8,282,648)	-	-	-	-	(30,781)	37,415,189
Total fund balance (deficits)	47,468,771	(8,282,648)	8,410,923	648,336	30,644,568	1,768,086	6,041,085	86,699,121
Total liabilities, deferred inflows of resources and fund balances	$ 104,019,569	$ 993,960	$ 30,613,922	$ 12,888,940	$ 43,633,318	$ 3,833,594	$ 9,564,328	$ 205,547,631

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total governmental funds balances		$ 86,699,121
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of assets is $717,069,775 and the accumulated depreciation is $85,342,507		631,727,268
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds, as unavailable revenue.		10,009,958
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Investment in joint venture-capital assets		1,293,211
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		
Capital assets	20,397,474	
Accumulated depreciation	(11,826,740)	
Other current assets	25,421,172	
Other current liabilities	(2,225,106)	31,766,800
Internal service funds allocated to business-type activities		(500,845)
Pension, other post-employment benefits and advance refunding related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources	17,792,686	
Deferred inflows of resources	(550,522)	17,242,164
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Compensated absences	(6,031,760)	
Other post-employment benefits payable	(4,356,499)	
Net pension liability	(45,695,551)	
Accrued interest payable	(561,138)	
Notes from direct borrowings and direct placements	(542,252)	
Note payable	(62,093)	
General obligation bonds payable	(183,910,000)	
Premium on bonds payable	(12,976,021)	
Discount on bonds payable	18,054	
Installment contracts	(1,834,342)	(255,951,602)
Net position of governmental activities		$ 522,286,075

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	General	Road Use Tax	Tax Increment Financing	Debt Service	Capital Projects	Local Option Sales Tax	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	$ 45,571,819	$ -	$ 19,753,584	$ 11,837,545	$ -	$ -	$ 2,885,204	$ 80,048,152
Other City taxes	3,399,974	-	-	97,507	-	9,437,581	26,926	12,961,988
Special assessments	-	-	-	-	18,759	-	-	18,759
Licenses and permits	4,483,245	-	-	-	-	-	-	4,483,245
Intergovernmental	7,012,425	9,435,343	534,785	481,939	790,820	-	1,367,063	19,622,375
Charges for services	8,344,780	-	-	-	-	-	-	8,344,780
Use of money and property	919,981	-	22,830	106,246	34,991	8,419	20,230	1,112,697
Miscellaneous	629,548	-	-	-	1,572,758	-	553,837	2,756,143
Total revenues	70,361,772	9,435,343	20,311,199	12,523,237	2,417,328	9,446,000	4,853,260	129,348,139
EXPENDITURES								
Current								
Public safety	30,589,339	-	-	-	-	-	3,262,649	33,851,988
Public works	10,508,418	690,601	-	-	-	-	-	11,199,019
Health and social services	934,480	-	-	-	-	-	114,380	1,048,860
Culture and recreation	9,802,105	-	-	-	-	-	273,103	10,075,208
Community and economic development	4,563,043	-	3,155,626	-	-	-	1,140,124	8,858,793
General government	10,601,763	-	-	-	-	-	-	10,601,763
Debt service								
Principal	491,293	164,639	-	19,720,000	-	-	33,347	20,409,279
Interest and other charges	71,749	-	-	7,221,112	141,282	-	5,673	7,439,816
Capital outlay	-	-	-	-	42,163,766	-	-	42,163,766
Total expenditures	67,562,190	855,240	3,155,626	26,941,112	42,305,048	-	4,829,276	145,648,492
Excess (deficiency) of revenues over expenditures	2,799,582	8,580,103	17,155,573	(14,417,875)	(39,887,720)	9,446,000	23,984	(16,300,353)
OTHER FINANCING SOURCES (USES)								
Transfers in	8,738,161	324,444	2,814	14,416,820	17,546,644	-	198,620	41,227,503
Transfers out	(1,469,765)	(13,845,551)	(14,457,598)	(1,064,200)	(906,890)	(11,888,333)	(350,960)	(43,983,297)
Issuance of bonds	-	-	-	-	15,750,000	-	-	15,750,000
Issuance of refunding bonds	-	-	-	3,155,000	-	-	-	3,155,000
Payment to refunding escrow	-	-	-	(3,640,000)	-	-	-	(3,640,000)
Premium on issuance of bonds	-	-	-	498,701	1,774,906	-	-	2,273,607
Proceeds from sale of capital assets	160,530	-	-	-	-	-	-	160,530
Total other financing sources (uses)	7,428,926	(13,521,107)	(14,454,784)	13,366,321	34,164,660	(11,888,333)	(152,340)	14,943,343
NET CHANGE IN FUND BALANCES	10,228,508	(4,941,004)	2,700,789	(1,051,554)	(5,723,060)	(2,442,333)	(128,356)	(1,357,010)
FUND BALANCES, beginning of year, as restated	37,240,263	(3,341,644)	5,710,134	1,699,890	36,367,628	4,210,419	6,169,441	88,056,131
FUND BALANCES, end of year	$ 47,468,771	$ (8,282,648)	$ 8,410,923	$ 648,336	$ 30,644,568	$ 1,768,086	$ 6,041,085	$ 86,699,121

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Net change in fund balances—governmental funds	$ (1,357,010)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:	
Capital outlay	28,217,263
Depreciation	(4,845,807)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase (decrease) net position:	
Capital assets transferred to business-type activities	(12,855,436)
Book value of capital assets disposed	370,913
Contributions of capital assets	1,360,560
Other expenses reported in the statement of activities that do not require the use of current fund resources and are not reported in the funds:	
Investment in joint venture-depreciation	155,988
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue:	
Special assessments	(40,387)
Grants	2,592,212
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, change in:	
Total other post-employment benefit liability	(923,655)
Deferred inflow and outflow of resources – other post-employment benefits liability and pensions	7,373,040
Net pension liability	(9,853,932)
Compensated absences	(137,283)
The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net positions. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following detail of the net effect of these differences in the treatment of long-term debt and related items:	
Repayment of long-term debt:	
General obligation bonds	23,360,000
Installment contracts	522,017
Direct borrowings and direct placements	33,347
Note payable	133,916
Change in accrued interest	(5,754)
Issuance of long-term debt including premium	(21,178,607)
Amortization of bond premium	1,995,625
Amortization of bond discount	(3,610)
Advance refunding	(9,431)
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	(910,147)
Change in net position of governmental activities	$ 13,993,822

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF NET POSITION-PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities Enterprise Funds						
	Sewer System	Storm Water System	MidAmerican Energy RecPlex	Fiber Conduit Utility	Nonmajor Solid Waste	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	$ 28,320,334	$ 4,771,437	$ 4,480,804	$ 2,749,249	$ 230,514	$ 40,552,338	$ 24,234,359
Receivables							
Accounts and unbilled usage, net of allowance for doubtful accounts	3,214,777	1,046,009	62,522	10,338	557,149	4,890,795	121,948
Interest	122,318	24,787	-	-	-	147,105	51,026
Promises to give	-	-	421,265	-	-	421,265	-
Advance due from other funds	855,000	-	-	-	-	855,000	-
Due from other governments	-	51,874	25,000	-	-	76,874	19,590
Prepaids	-	-	-	-	-	-	994,249
Total current assets	32,512,429	5,894,107	4,989,591	2,759,587	787,663	46,943,377	25,421,172
Noncurrent assets:							
Promises to give	-	-	1,513,950	-	-	1,513,950	-
Advance due from other funds	15,940,835	-	-	-	-	15,940,835	-
Capital assets:							
Nondepreciable							
Land	1,682,024	542,750	2,496,001	-	-	4,720,775	-
Construction-in-progress	990,188	2,801,097	50,987,635	11,250,127	-	66,029,047	-
Depreciable							
Buildings	-	585,110	-	-	-	585,110	-
Equipment and vehicles	1,256,963	766,909	177,987	-	-	2,201,859	20,397,474
Intangibles	23,525	23,525	-	-	-	47,050	-
Improvements other than buildings	-	-	-	-	-	-	-
Sanitary and storm sewer system	112,441,863	96,971,022	-	-	-	209,412,885	-
Accumulated depreciation	(46,631,143)	(11,292,292)	(7,416)	-	-	(57,930,851)	(11,826,740)
Net capital assets	69,763,420	90,398,121	53,654,207	11,250,127	-	225,065,875	8,570,734
Total noncurrent assets	85,704,255	90,398,121	55,168,157	11,250,127	-	242,520,660	8,570,734
Total assets	118,216,684	96,292,228	60,157,748	14,009,714	787,663	289,464,037	33,991,906
DEFERRED OUTFLOWS OF RESOURCES							
Pension related deferred outflows	126,293	111,430	1,682	-	-	239,405	-
Other post-employment benefits related deferred outflows	33,060	33,239	3,574	-	-	69,873	-
Total deferred outflows of resources	159,353	144,669	5,256	-	-	309,278	-

See Notes to Basic Financial Statements.

	Business-type Activities Enterprise Funds						
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**Sewer System**	**Storm Water System**	**MidAmerican Energy RecPlex**	**Fiber Conduit Utility**	**Nonmajor Solid Waste**	**Total Enterprise Funds**	**Internal Service Funds**
LIABILITIES							
Current							
Accounts payable	$ 237,597	$ 691,689	$ 4,242,893	$ 2,425,689	$ 190,895	$ 7,788,763	$ 300,775
Claims payable	-	-	-	-	-	-	1,924,331
Accrued wages payable	15,867	7,744	7,885	1,857	-	33,353	-
Unearned revenue	-	-	-	-	-	-	-
Interest payable	-	-	65,477	17,435	-	82,912	-
Note payable	-	-	-	-	-	-	-
Compensated absences	94,230	61,177	1,463	383	-	157,253	-
Line of credit	-	-	986,050	-	-	986,050	-
General obligation bonds	-	-	1,270,000	1,280,000	-	2,550,000	-
Advance due to other funds	-	855,000	-	-	-	855,000	-
Other post-employment benefit liability	2,873	2,888	311	-	-	6,072	-
Total current liabilities	350,567	1,618,498	6,574,079	3,725,364	190,895	12,459,403	2,225,106
Noncurrent							
Advance due to other funds	-	10,810,000	5,130,835	-	-	15,940,835	-
Compensated absences	31,231	23,180	15,352	19,704	-	89,467	-
Line of credit	-	-	1,513,950	-	-	1,513,950	-
General obligation bonds	-	-	29,798,247	11,167,989	-	40,966,236	-
Other post-employment benefits liability	81,002	81,440	8,756	-	-	171,198	-
Net pension liability	654,129	592,408	10,660	-	-	1,257,197	-
Total noncurrent liabilities	766,362	11,507,028	36,477,800	11,187,693	-	59,938,883	-
Total liabilities	1,116,929	13,125,526	43,051,879	14,913,057	190,895	72,398,286	2,225,106
DEFERRED INFLOWS OF RESOURCES							
Pension related deferred inflows	80,455	67,532	-	-	-	147,987	-
Other post-employment benefits related deferred inflows	331	333	36	-	-	700	-
Total deferred inflows of resources	80,786	67,865	36	-	-	148,687	-
NET POSITION							
Net investment in capital assets	69,525,823	89,706,432	15,843,067	(874,302)	-	174,201,020	8,570,734
Restricted by other entites - expendable	-	-	1,935,215	-	-	1,935,215	-
Restricted for other purposes	-	-	-	2,749,249	-	2,749,249	-
Unrestricted	47,652,499	(6,462,926)	(667,193)	(2,778,290)	596,768	38,340,858	23,196,066
Total net position (deficit)	117,178,322	83,243,506	17,111,089	(903,343)	596,768	217,226,342	31,766,800
Total liabilities, deferred inflows of resources, and net position	$ 118,376,037	$ 96,436,897	$ 60,163,004	$ 14,009,714	$ 787,663	$ 289,773,315	$ 33,991,906

Total enterprise funds net position	$ 217,226,342
Amounts reported for business-type activities in the statement of net position are different because: Internal service funds are used by management to charge the cost of certain services to individual funds. These assets of the internal service funds are included in business-type activities in the statement of net position.	500,845
Net position of business-type activities	$ 217,727,187

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION-PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-type Activities Enterprise Funds						
	Sewer System	Storm Water System	MidAmerican Energy RecPlex	Fiber Conduit Utility	Nonmajor Solid Waste	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES							
Charges for services	$ 12,172,737	$ 3,981,788	$ 154,390	$ 10,338	$ 2,277,827	$ 18,597,080	$ 8,801,978
Lease revenue	-	-	-	-	-	-	1,912,232
Other	-	15,384	-	-	-	15,384	213,994
Total operating revenues	12,172,737	3,997,172	154,390	10,338	2,277,827	18,612,464	10,928,204
OPERATING EXPENSES							
Cost of sales and services	4,511,705	1,873,692	501,869	552,376	2,315,193	9,754,835	10,254,078
Depreciation	2,288,875	2,010,953	7,416	-	-	4,307,244	1,714,288
Total operating expenses	6,800,580	3,884,645	509,285	552,376	2,315,193	14,062,079	11,968,366
Operating income (loss)	5,372,157	112,527	(354,895)	(542,038)	(37,366)	4,550,385	(1,040,162)
NONOPERATING REVENUES (EXPENSES)							
Investment earnings	269,164	56,207	15,541	3,792	993	345,697	166,291
Interest revenue (expense)	225,952	(187,576)	(878,545)	(338,791)	-	(1,178,960)	-
Payments to WRA	(3,922,395)	-	-	-	-	(3,922,395)	-
Gain on sale of capital assets	-	35,779	-	-	-	35,779	(261,310)
Total nonoperating revenues (expenses)	(3,427,279)	(95,590)	(863,004)	(334,999)	993	(4,719,879)	(95,019)
Income (loss) before contributions and transfers	1,944,878	16,937	(1,217,899)	(877,037)	(36,373)	(169,494)	(1,135,181)
OTHER FINANCING SOURCES (USES)							
Capital contributions	4,942,033	13,176,487	4,882,972	-	-	23,001,492	-
Transfers in	3,202	576,749	2,115,279	-	-	2,695,230	300,000
Transfers out	-	(131,292)	-	(26,306)	-	(157,598)	(81,839)
Total other financing sources and uses	4,945,235	13,621,944	6,998,251	(26,306)	-	25,539,124	218,161
Change in net position	6,890,113	13,638,881	5,780,352	(903,343)	(36,373)	25,369,630	(917,020)
Total net position, beginning of year, as restated	110,288,209	69,604,625	11,330,737	-	633,141	191,856,712	32,683,820
Total net position, end of year	$ 117,178,322	$ 83,243,506	$ 17,111,089	$ (903,343)	$ 596,768	$ 217,226,342	$ 31,766,800

Change in net position	$ 25,369,630
Amounts reported for proprietary activities in the statement of activities are different because internal service funds are used by management to charge the costs of various activities internally to individual funds. The net income of certain activities of internal service funds is reported with business-type activities.	(6,873)
Change in net position of business-type activities	$ 25,362,757

See Notes to Basic Financial Statements.

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City of West Des Moines, Iowa
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds						
	Sewer System	Storm Water System	MidAmerican Energy RecPlex	Fiber Conduit Utility	Nonmajor Solid Waste	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 11,604,030	$ 3,757,359	$ 66,867	$ -	$ 2,264,329	$ 17,692,585	$ 2,216,991
Receipts from interfund charges	-	-	-	-	-	-	8,609,061
Payments to suppliers	(3,550,243)	(1,075,405)	(159,311)	(479,036)	(2,526,847)	(7,790,842)	(1,900,863)
Payments to WRA	(3,922,395)	-	-	-	-	(3,922,395)	-
Payments to claimants	-	-	-	-	-	-	(8,378,741)
Payments to employees	(850,079)	(716,740)	(305,410)	(51,396)	-	(1,923,625)	-
Payments to interfund	(132,882)	(87,764)	(7,416)	-	-	(228,062)	-
Net cash provided (used) by operating activities	3,148,431	1,877,450	(405,270)	(530,432)	(262,518)	3,827,661	546,448
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Interfund loans issued	(5,130,835)	-	5,130,835	-	-	-	-
Interfund loan repayments	1,065,952	(1,027,576)	(38,376)	-	-	-	-
Transfers in	3,202	576,749	2,115,279	-	-	2,695,230	300,000
Transfers out	-	(131,292)	-	(26,306)	-	(157,598)	(81,839)
Net cash provided (used) by noncapital financing activities	(4,061,681)	(582,119)	7,207,738	(26,306)	-	2,537,632	218,161
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(3,608,219)	(2,740,598)	(30,977,179)	(8,824,438)	-	(46,150,434)	(2,915,702)
Capital contributions	2,597,338	51,873	5,193,969	-	-	7,843,180	-
Proceeds from issuance of general obligation bonds	-	-	16,545,794	13,682,945	-	30,228,739	-
Proceeds from issuance of line of credit	-	-	2,500,000	-	-	2,500,000	
Principal, interest, and bond fees	-	-	(2,348,347)	(1,556,312)	-	(3,904,659)	-
Proceeds from disposal of capital assets	-	35,779	-	-	-	35,779	-
Net cash provided (used) by capital and related financing activities	(1,010,881)	(2,652,946)	(9,085,763)	3,302,195	-	(9,447,395)	(2,915,702)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income	387,145	78,576	15,541	3,792	993	486,047	197,601
Purchase of investment securities	(22,440,437)	(4,547,472)	-		-	(26,987,909)	(9,361,190)
Proceeds from maturity of investment securities	24,915,005	5,826,511	-		-	30,741,516	9,198,075
Net cash provided (used) by investing activities	2,861,713	1,357,615	15,541	3,792	993	4,239,654	34,486
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	937,582	-	(2,267,754)	2,749,249	(261,525)	1,157,552	(2,116,607)
CASH AND CASH EQUIVALENTS, beginning of year	-	-	6,748,558	-	492,039	7,240,597	13,732,656
CASH AND CASH EQUIVALENTS, end of year	$ 937,582	$ -	$ 4,480,804	$ 2,749,249	$ 230,514	$ 8,398,149	$ 11,616,049

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS (continued)
Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds						
	Sewer System	Storm Water System	MidAmerican Energy RecPlex	Fiber Conduit Utility	Nonmajor Solid Waste	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	$ 5,372,157	$ 112,527	$ (354,895)	$ (542,038)	$ (37,366)	$ 4,550,385	$ (1,040,162)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities							
Depreciation	2,288,875	2,010,953	7,416	-	-	4,307,244	1,714,288
Payments to WRA	(3,922,395)	-	-	-	-	(3,922,395)	-
Change in assets and liabilities						-	
Receivables	(568,710)	(237,890)	(87,521)	(10,338)	(13,501)	(917,960)	(102,152)
Prepaid expenses	-	-	-	-	-	-	(994,249)
Unearned revenue	-	-	-	-	-	-	-
Accounts payable & other liabilities	(11,486)	-	-	-	(211,651)	(223,137)	175,002
Claims payable	-	-	-	-	-	-	793,721
Compensated absences and accrued wages payable	(25,843)	(38,659)	15,223	21,944	-	(27,335)	-
Net pension liability and related deferred outflows of resources and deferred inflows of resources	21,602	48,127	8,978	-	-	78,707	-
Other post-employment benefits liability and related deferred outflows of resources	(5,769)	(17,608)	5,529	-	-	(17,848)	-
Net cash provided (used) by operating activities	$ 3,148,431	$ 1,877,450	$ (405,270)	$ (530,432)	$ (262,518)	$ 3,827,661	$ 546,448
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO SPECIFIC ASSETS ON THE STATEMENT OF NET POSITION							
Cash and investments	$ 28,320,334	$ 4,771,437	$ 4,480,804	$ 2,749,249	$ 230,514	$ 40,552,338	$ 24,234,359
Less items not meeting the definition of cash equivalents	(27,382,752)	(4,771,437)	-	-	-	(32,154,189)	(12,618,310)
Cash and cash equivalents at end of year	$ 937,582	$ -	$ 4,480,804	$ 2,749,249	$ 230,514	$ 8,398,149	$ 11,616,049
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Capital and related financing activities							
Donated construction	$ 1,662,549	$ 951,324	$ -	$ -	$ -	$ 2,613,873	$ -
Donated construction from other funds	$ 682,146	$ 12,173,290	$ -	$ -	$ -	$ 12,855,436	$ -
Acquisition of capital assets through payables	$ 237,596	$ 691,690	$ 4,242,893	$ 2,425,689	$ -	$ 7,597,868	$ -
Amortization of bond premium	$ -	$ -	$ 73,305	$ 4,946	$ -	$ 78,251	$ -
Investing activities						$ -	
Change in fair market value of investments	$ (61,212)	$ (12,404)	$ -		$ -	$ (73,616)	$ (25,535)

See Notes to Basic Financial Statements.

City of West Des Moines, Iowa
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2021

	Custodial Fund
ASSETS	
Cash and cash equivalents	$ 56,332
LIABILITIES	
Funds held for the benefit of others	$ -
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 56,332

City of West Des Moines, Iowa
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2021

	Custodial Fund
Additions	
Seized funds	$ -
Total additions	
Deductions	
Due to individuals and organziations	$ -
Total deductions	$ -
Change in net position	-
Net position beginning of year, as restated	$ 56,332
Net position end of year	$ 56,332

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of West Des Moines (the City) is a political subdivision of the State of Iowa located in Polk, Dallas, Madison and Warren counties. It was first incorporated in 1893 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government, with the Mayor and Council Members elected on a nonpartisan basis. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development, health and social services, public improvements and general government administrative services. It also provides sewer, storm water, and solid waste utilities. The City continues construction of a City-owned multi-sport recreational facility (MidAmerican Energy RecPlex) and the Fiber Conduit Utility network (Fiber Conduit Utility).

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusions would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, there are no component units, organizations or agencies which should be included in these basic financial statements. As discussed in Note 11, the City also reports its participation in two joint ventures.

Basis of Presentation

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 non-fiduciary activities of the City. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's proprietary functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent for support on fees and charges for services.

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

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

Restricted net position results when constraints placed on the use of net position are either externally imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, and deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

***Governmental Fund Types*:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets, liabilities, and deferred inflows of resources, the fund equity, is referred to as "fund balance". The measurement focus is upon determination of changes in financial positions, rather than upon net income determination. The following are the City's major governmental funds:

General Fund: The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road Use Tax Fund (Special Revenue): To account for the proceeds from road use tax monies.

Tax Increment Financing Fund (Special Revenue): To account for the accumulation of resources generated by TIF districts to be used for urban renewal and development. Property tax revenue generated on increased assessed valuations within TIF districts are the resources accounted for in this fund.

Debt Service Fund: To account for the servicing of the general long-term debt not financed by a specific source.

Capital Projects Fund: To account for the acquisition and construction of major capital facilities and other capital assets, with the exception of those that are financed through proprietary fund types.

Local Option Sales Tax Fund: To account for the voter-approved local option sales tax in Dallas and Polk County with 50% of the revenue pledged for property tax reduction and 50% to be used for certain initiatives including quality of life amenities and increased public safety spending.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

The other governmental funds of the City are considered nonmajor and are as follows:

***Special Revenue Funds*:** Are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted or committed to expenditures for specific projects).

Police and Fire Retirement Fund: To account for the remaining balances of the self-administered pension plans after a transfer to a state administered plan which may be used by the City to meet future pension funding requirements as prescribed by law.

Employee Benefit Fund: To account for the property tax revenues collected to be used for City employees' health insurance and pension costs.

Economic Development Fund: To account for grants, contributions, and loan repayments to be used for general economic development and redevelopment purposes of the City including low interest loans the City makes to private companies for economic development purposes, as well as the acquisition and sale of land.

Housing Programs Fund: To account for the U.S. Department of Housing and Urban Development Block Grant programs as well as miscellaneous other grants and contributions to provide housing assistance and housing rehabilitation programs.

Human Services Child Care & Medical Clinic: To account for the human services child care and medical clinic donations and related expenditures.

Parks Fund: To account for the donations identified to specifically assist the park programs and annual tree planting.

Library Fund: To account for reimbursements from the State of Iowa for library materials lent to non-City residents and other libraries in Iowa, and used for improvements to the Library. This Fund also accounts for money received through donations and fund raising activities for the Library.

Public Safety Fund: To account for grants and contributions specifically identified for use in public safety activities such as contributions for the purchase of public access defibrillators. This fund is also used to account for funds received by the City as a result of drug seizures.

Dallas County Local Housing Trust Fund: To account for grants from the Iowa Finance Authority and other Dallas County Local Housing Trust Fund revenues and related expenditures.

Community Development Block Grant Fund: To account for the community development block grant revenues and related expenditures.

***Proprietary Fund Types*:** Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector (business-type activities). The measurement focus is upon income determination, financial positions and cash flows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Enterprise Funds: Are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The following are the City's major enterprise funds:

Sewer System Fund: To account for the operations of the City's sanitary sewer systems including the revenue from usage fees, the operating costs associated with it, any capital projects and all bond issues.

Storm Water System Fund: To account for the operations of the City's storm water sewer systems including revenue from usage fees, operating costs, capital projects, and all bond issues.

MidAmerican Energy RecPlex: to account for the operations of the City-owned multi-sport recreational facility.

Fiber Conduit Network: to account for the operations of the City-owned fiber conduit network to provide increased access to high speed Internet.

The other enterprise fund of the City is considered nonmajor and is as follows:

Solid Waste Fund: To account for the operations of the City's solid waste collection system.

Internal Service Funds: Are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City. The following are the City's internal service funds:

Vehicle Replacement Fund: To account for replacement costs related to vehicles and equipment of the City.

Vehicle Maintenance Fund: To account for the maintenance costs related to the vehicles and equipment of the City.

Health and Dental Insurance Fund: To account for the health and dental insurance premiums and claims for all City employees.

Worker's Compensation Insurance Fund: To account for the worker's compensation premiums and claims.

Technology Replacement Fund: To account for replacement costs related to technology used by the City, such as hardware and software.

***Fiduciary Fund – Custodial Funds*:** Fiduciary funds – Custodial Funds are used to account for assets held by the City as an agency for individuals, private organizations, certain jointly governed organizations, and other governmental units and/or funds. The City has the following fiduciary fund type:

Police Agency Monies: a custodial fund utilized to hold evidentiary cash.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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 tax is recognized as revenue in the year in which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current 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 current fiscal period.

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

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

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

Under terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is 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, followed by categorical block grants and then by general revenues.

Property taxes are recognized at the time an enforceable legal claim is established. This is deemed to occur when the budget is certified. The current tax levy was certified in February 2021, the date at which a lien attaches, based on the 2020 assessed valuations. These taxes are due in two installments, on September 30 and the following March 31, with a 1½% per month penalty for delinquent payment. Since the 2020 tax levy is budgeted and levied for fiscal year 2022, the revenue from this tax levy has been deferred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City maintains its financial records on the cash basis during the fiscal year. The financial statements of the City are prepared by making adjusting entries to the cash basis financial records at the end of the fiscal year.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies:

The significant accounting policies followed by the City include the following:

Cash, Pooled Investments and Cash Equivalents: The City maintains a cash and investment pool to maximize investment opportunities. Income from investments is recorded in the General Fund unless otherwise provided by law. Each fund's portion of total cash and investments is reported as such within this report. In addition, certain investments are separately held by several of the City's funds. Investments are reported at fair value except for non-negotiable certificates of deposit which are stated at cost. Securities traded on the national or international exchange are valued at the last reported sales price at current exchange rates.

For purposes of the Statement of Cash Flows for proprietary fund type funds, the City considers pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits and all highly liquid investments with a maturity of three months or less when purchased. Certificates of deposit with a maturity greater than three months are considered investments. Cash equivalents also include restricted cash and investments.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Current year property tax receivable represents taxes collected by the County but not remitted to the City at June 30, 2021 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City Council 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 Council is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and the fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2019, assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021, and reflects tax asking contained in the budget certified to the County Board of Supervisors in February 2020.

Accounts Receivable: results primarily from services provided to citizens and are accounted for in the governmental funds. Sanitary sewer, Storm water, the MidAmerican Energy RecPlex, Fiber Conduit Utility, and solid waste are accounted for in the enterprise funds. All are net of an allowance for uncollectible which amounted to $0.4 million in the current fiscal year. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Special Assessments Receivable: represents the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten nor more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other tax.

Interest Receivable: represents the amounts due from earnings on investments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued)

Promises to Give: represents promises made directly to the City from individuals and businesses to be used in the construction on the MidAmerican Energy RecPlex. Approximately $421,000 of the $1,935,215 receivable at June 30, 2021 is expected to be received with one year. The entire balance is expected to be received in ten years.

Loans Receivable: represents amounts due from businesses related to the City's economic incentive programs and the amounts due relating to notes from direct borrowings and direct placements.

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

Inventories: consists of materials and supplies and are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures using the purchase method.

Prepaids: consists of software maintenance, support, and warranty extending beyond the current fiscal year end. The associated expenditure is recognized in the period benefited by the prepayment.

Investment in joint venture: represents the City's proportionate share of a centralized emergency dispatch center (Westcom). Refer to Note 11 and Note 20 for additional details on the joint venture.

Restricted Assets: Funds invested from contributions which carry specific restrictions for their use are classified as restricted assets.

Bond Issuance Costs: in the government-wide financial statements and the fund financial statements, bond issuance costs are recognized during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses in the government-wide financial statement and proprietary fund types in the fund financial statement. Governmental funds recognize the costs as debt service expenditures.

Capital Assets: including land, buildings, improvements other than buildings, intangibles, equipment and vehicles, infrastructure, construction-in-progress, sanitary and storm water sewer system are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an initial useful life of one year or greater.

Assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

The City has chosen the modified approach, as defined by GASB Statement No. 34, for reporting the governmental activities infrastructure assets. The modified approach for reporting infrastructure assets takes into consideration the fact that many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained. Therefore, these particular assets would not be depreciated over a useful life. The City has established an asset management system and has committed to maintain the following networks of infrastructure asset at an established condition level as determined by the City's Public Services department (1) roadways and pavements (2) bridges (3) flood control levees and (4) street

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued)

culverts. The Required Supplementary Information Section of this report provides additional information regarding the condition assessment and the estimated and actual costs to maintain the assets

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during the construction period are expensed as incurred.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

Asset class	Estimated useful lives (in years)
Buildings	30
Improvements other than buildings	15
Equipment and vehicles	3 - 15
Fiber network	20
Sanitary and storm water sewer system	50
Intangibles	5

The City's collection of works of art and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Deferred Outflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, deferred losses on advance refunding of bonds, and contributions from the employer after the measurement date, but before the end of the employer's reporting period.

Deferred Inflows of Resources: Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since it is not available. Deferred inflows of resources at the governmental fund level consist of the succeeding year property tax receivable, and other receivables not collected within 60 days of the current fiscal period.

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 they are levied and other unrecognized items not yet charged to pension and OPEB expense.

Interfund Transactions: Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued)

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective fund's operating statements.

Activity between funds, that are representative of lending/borrowing arrangements at the end of the fiscal year, are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Compensated Absences: City employees accumulate vacation benefits for subsequent use or payment upon termination, death or retirement. City employees also accumulate sick leave benefits for subsequent use or payment at one-half the accumulated value upon death or retirement. For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured. Examples of these are employee retirements and resignations. There is no amount considered due as of year-end or reported in the fund financial statements. However, the entire compensated absence liability, computed based on rates of pay in effect at June 30, 2021, is reported on the government-wide financial statements. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 City's two pension systems, and additions to/deductions from the pensions' fiduciary net position have been determined on the same basis as they are reported by each respective pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the general fund.

Total other post-employment benefits (OPEB) liability: For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the general fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of Significant Accounting Policies (continued)

Fund Balance: In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the highest level of decision-making authority. The City Council is the highest level of decision-making authority and can, through ordinance or resolution approved prior to fiscal year end, commit fund balance.

For the purpose of financial commitments, ordinances and resolutions are equally binding. Committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts. At this time no amounts have been committed by the City Council.

Assigned - Amounts the City intends to use for a specific purpose. The intent is expressed by the governing body itself, or a body or official to which the City has delegated the authority to assign amounts to be used for specific purposes. It does not require formal action of the City. At this time no amounts have been assigned nor has any specific authority to assign fund equity been delegated by the City, governing bodies or officials.

Unassigned - All amounts not included in other spendable classifications. The General fund is the only fund that would report a positive amount in unassigned fund balance.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, it is the City's policy to pay the expenditure from restricted fund balance and then from less-restrictive classifications of committed, assigned and then unassigned fund balance.

Net Position: Net position represents the difference between assets, deferred inflows of resources, liabilities, and deferred outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2021, the City had $27,677,020 in unspent debt proceeds available for projects in governmental funds and $7,230,053 in enterprise funds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of $1,733,848 for retirement benefits, and $8,410,923 for tax increment projects. All other restrictions are imposed by outside parties through grants, debt agreements or donors.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates: The preparation of 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, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

As of June 30, 2021, the City's cash and investments were as follows:

Cash and investments, statement of net position	$116,050,241
Restricted cash and investments	42,268,429
Cash and investments, fiduciary funds	56,332
	$158,375,002

As of June 30, 2021, the City had investments in U.S. Agency coupon securities with a fair value of $12,333,732. The City categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. All of the City's investments in U.S. Agency coupon securities are valued using significant other observable inputs (level 2 inputs). There have been no changes in valuation methodologies at June 30, 2021 compared to June 30, 2020.

Authorized Investments: 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. However, the City's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings issued by nationally recognized statistical rating organizations with a maturity less than 270 days.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's investment policy, the City minimizes the fair value risk of investments in the portfolio by structuring its investment portfolio so that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

The City employs a laddered maturity approach to its investments in U.S. Agency coupon securities. Within 12 months, $12,333,732 of the fair value will mature.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The City did not invest in any commercial paper or other corporate debt during the year. All $12,333,732 of the fair value invested in U.S. Agency coupon securities are rated Aaa by Fitch, Standard and Poor's, and Moody's. The City adheres to investment policies established in the State of Iowa code.

Concentration of Credit Risk: The City's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the City to meet all anticipated cash requirements. The policy limits the City to holding a minimum of 5% of the total portfolio in highly marketable short-term treasuries, short-term federal government agencies, checking with interest, government pooled account or a combination of all four. The policy limits investments in order to avoid over-concentration in securities of a specific issuer and limits certificates of deposit to the amount approved by City Council for each financial institution in accordance with the Code of Iowa.

Custodial Credit Risk-Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the City's policy to require that time deposits in excess of FDIC insurance limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all City funds be deposited into

NOTE 2 CASH AND INVESTMENTS (continued)

an approved depository and be either insured or collateralized. As of June 30, 2021, the City's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds. The City's investments were covered by investments purchased and held by an independent third party.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City had no custodial risk with regards to investments since all investments were held by the City or its agent in the City's name.

NOTE 3 CAPITAL ASSETS

The City has reported all capital assets including infrastructure in the government-wide statement of net position. The City elected to use the modified approach as defined by GASB Statement No. 34 for governmental activities infrastructure reporting. As a result, no accumulated depreciation or depreciation expense has been recorded for these assets. A more detailed discussion of the modified approach is presented in the Required Supplementary Information section of this report. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense have been recorded.

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 29,933,053	$ 7,037,576	$ -	$ -	$ 36,970,629
Infrastructure	426,220,964	24,972,799	359,394		450,834,369
Construction-in-progress	98,169,822	38,188,580	86,495,871	(11,765,693)	38,096,838
Intangibles	15,574,850	-	-	-	15,574,850
Total capital assets, not being depreciated	569,898,689	70,198,955	86,855,265	(11,765,693)	541,476,686
Capital assets, being depreciated					
Buildings	63,001,953	35,974,329	41,726	-	98,934,556
Equipment and vehicles	28,102,341	6,677,516	4,033,712	(1,593,473)	29,152,672
Fiber network	5,159,190	2,864,832	-	-	8,024,022
Intangibles	1,316,728	205,013	297,405	-	1,224,336
Improvements other than buildings	54,778,975	3,876,003	-	-	58,654,978
Total capital assets, being depreciated	152,359,187	49,597,693	4,372,843	(1,593,473)	195,990,564
Less accumulated depreciation for					
Buildings	33,439,306	2,122,467	13,793	-	35,547,980
Equipment and vehicles	17,609,947	2,362,832	3,733,524	(503,730)	15,735,525
Fiber network	3,339,073	257,960	-	-	3,597,033
Intangibles	946,362	187,926	287,271	-	847,017
Improvements other than buildings	39,812,782	1,628,911	-	-	41,441,693
Total accumulated depreciation	95,147,470	6,560,096	4,034,588	(503,730)	97,169,248
Total capital assets, being depreciated, net	57,211,717	43,037,597	338,255	(1,089,743)	98,821,316
Governmental activities, capital assets net	$ 627,110,406	$ 113,236,552	$ 87,193,520	$(12,855,436)	$ 640,298,002

Depreciation expense was charged to the governmental activities functions as follows:

Governmental Activities	
Public safety	$ 2,123,895
Health and social services	103,165
Culture and recreation	1,815,229
Public works	1,306,160
General government	1,026,775
Community and economic development	184,872
Total	**$ 6,560,096**

NOTE 3 CAPITAL ASSETS (continued)

	Beginning Balance (as Restated)	Additions	Deletions	Transfers	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated					
Land	$ 4,666,758	$ 54,017	$ -	$ -	$ 4,720,775
Construction-in-progress	27,708,626	50,321,352	23,766,624	11,765,693	66,029,047
Total capital assets, not being depreciated	32,375,384	50,375,369	23,766,624	11,765,693	70,749,822
Capital assets, being depreciated					
Buildings	-	585,110	-	-	585,110
Equipment and vehicles	661,887	214,058	267,559	1,593,473	2,201,859
Intangibles	47,050	-	-	-	47,050
Sanitary and storm sewer system	184,861,189	24,620,103	68,407	-	209,412,885
Total capital assets, being depreciated	185,570,126	25,419,271	335,966	1,593,473	212,246,904
Less accumulated depreciation for					
Buildings	-	-	-	-	-
Equipment and vehicles	416,570	177,335	267,559	503,730	830,076
Intangibles	47,050	-	-	-	47,050
Improvements other than buildings	-	-	-	-	-
Sanitary and storm sewer system	52,992,223	4,129,909	68,407	-	57,053,725
Total accumulated depreciation	53,455,843	4,307,244	335,966	503,730	57,930,851
Total capital assets, being depreciated, net	132,114,283	21,112,027	-	1,089,743	154,316,053
Business-type activities, capital assets, net	$ 164,489,667	$ 71,487,396	$ 23,766,624	$ 12,855,436	$ 225,065,875

Depreciation expense was charged to the business-type activities functions as follows:

Business-Type Activities	
Sewer system	$ 2,288,875
Storm water system	2,010,953
MidAmerican Energy RecPlex	7,416
Total	**$ 4,307,244**

NOTE 4 LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020 (As Restated)	Increases & Issues	Decreases & Retirements	Balance June 30, 2021	Due within one year
Governmental activities					
General obligation bonds, including unamortized net premiums	$ 201,041,375	$ 21,178,607	$ 25,352,015	$ 196,867,967	$ 19,640,000
Installment contracts	2,356,359	-	522,017	1,834,342	911,571
Notes from direct borrowings and direct placements	575,599	-	33,347	542,252	33,681
Equipment note payable	196,009	-	133,916	62,093	62,093
Compensated absences	5,894,477	6,031,760	5,894,477	6,031,760	3,445,812
Other post-employment benefits liability	3,432,844	923,655	-	4,356,499	149,490
Net pension liability	35,841,619	9,853,932	-	45,695,551	-
Total governmental activities	249,338,282	37,987,954	31,935,772	255,390,464	24,242,647
Business-type activities					
General obligation bonds, including unamortized net premiums	16,050,758	30,228,739	2,763,261	43,516,236	2,550,000
Line of credit	-	2,500,000	-	2,500,000	986,050
Compensated absences	242,662	246,720	242,662	246,720	157,253
Other post-employment benefits liability	144,153	33,117	-	177,270	6,072
Net pension liability	974,160	283,037	-	1,257,197	-
Total business-type activities	17,411,733	33,291,613	3,005,923	47,697,423	3,699,375
Total primary government long term liabilities	$ 266,750,015	$ 71,279,567	$ 34,941,695	$ 303,087,887	$ 27,942,022

Bonds were sold at a net premium; unamortized net premium at June 30, 2021 totaled $14,539,203.

On September 3, 2020, the City issued $3,155,000 in general obligation refunding bonds with an average interest rate of 3.00% to crossover refund $3,652,935 Series 2012D general obligation bonds with a combined average interest rate of 2.83%. The crossover occurred on September 3, 2020. The City issued the crossover refunding debt to reduce its total debt service payments over the next six years by $316,657 and to obtain an economic gain of $311,622.

NOTE 4 LONG TERM LIABILITIES (continued)

General Obligation Bonds/Notes: General obligation bonds outstanding as of June 30, 2021, consist of the following individual issues:

Date of Issue	Interest Rates	Final Due Date	Annual Principal Payments	Amount Originally issued	Amount Outstanding June 30, 2021	
08/21/2013	2.000-3.100	June 2024	250,000 - 1,080,000	4,385,000	905,000	
09/11/2014	2.000-5.000	June 2026	820,000 - 1,055,000	12,250,000	4,845,000	
04/07/2015	2.000-3.100	June 2029	240,000 - 2,195,000	21,755,000	15,915,000	*
04/07/2015	2.000-2.800	June 2025	875,000 - 1,660,000	12,715,000	6,390,000	*
06/15/2016	2.000-5.000	June 2026	690,000 - 3,260,000	9,225,000	3,310,000	
06/15/2016	2.000-5.000	June 2031	555,000 - 1,495,000	13,855,000	8,485,000	*
11/16/2016	2.000-4.000	June 2026	100,000 - 840,000	7,200,000	4,055,000	
11/16/2016	2.000-4.000	June 2030	100,000 - 1,025,000	10,700,000	8,235,000	*
08/22/2017	2.000-3.000	June 2029	435,000 - 2,320,000	7,650,000	4,005,000	
08/22/2017	2.000-4.000	June 2024	615,000 - 735,000	4,665,000	2,115,000	*
08/22/2017	2.125-5.000	June 2032	535,000 - 850,000	9,130,000	8,030,000	*
08/22/2017	3.000-5.000	June 2036	100,000 - 2,125,000	25,555,000	25,255,000	*
08/22/2017	2.000-5.000	June 2029	240,000 - 385,000	3,470,000	2,705,000	*
06/13/2018	3.000-5.000	June 2030	430,000 - 2,100,000	8,110,000	5,135,000	
06/13/2018	3.000-5.000	June 2031	315,000 - 1,675,000	12,540,000	11,870,000	*
06/13/2018	3.000-5.000	June 2037	100,000 - 485,000	6,155,000	5,955,000	*
06/13/2018	2.700-5.000	June 2036	250,000 - 1,455,000	15,925,000	15,675,000	*
12/27/2018	3.000-3.125	June 2026	1,000,000 - 2,475,000	10,480,000	10,480,000	*
06/20/2019	4.000-5.000	June 2026	850,000 - 1,375,000	7,225,000	7,225,000	*
06/20/2019	5.000	June 2026	895,000 - 1,090,000	4,945,000	4,945,000	*
06/20/2019	3.000-5.000	June 2031	370,000 - 490,000	5,105,000	4,355,000	*
06/20/2019	5.000	June 2025	970,000 - 1,170,000	5,320,000	4,350,000	*
08/01/2019	2.000-5.000	June 2031	480,000 - 5,135,000	12,625,000	6,700,000	
08/01/2019	3.000-5.000	June 2039	520,000 - 1,035,000	15,400,000	14,295,000	**
09/03/2020	5.000	June 2026	480,000 - 5,450,000	13,805,000	8,125,000	
09/03/2020	1.250-5.000	June 2032	255,000 - 515,000	5,100,000	4,845,000	*
09/03/2020	1.100-2.000	June 2040	535,000 - 1,230,000	13,565,000	12,335,000	**
01/05/2021	1.150-2.000	June 2039	725,000 - 1,040,000	16,240,000	15,305,000	**
				$ 295,095,000	$ 225,845,000	

*Urban Renewal General Obligation Bond

**Enterprise Fund General Obligation Bond

NOTE 4 LONG TERM LIABILITIES (continued)

Other than Bonded Debt

Installment contracts:

The City has entered into an installment contract with the Iowa Department of Transportation (DOT) related to the Highway 5 relocation construction project. The agreement is non-interest bearing and originally called for annual installments of approximately $1,077,000 through June 2015. Prior to the final payment due date, IDOT agreed to delay the payment pending modification of terms of the agreement. An amendment, effective January 11, 2016, included settlement of additional construction cost reimbursement of $569,571, and provided for the remaining balance of $1,646,390 to be refinanced into a non-interest-bearing installment contract allowing for equal principal installments over ten years beginning April 2016. The balance due as of June 30, 2021 was $658,558.

The City has entered into an installment contract with a private party for a property acquisition for a future park of approximately $1,988,000. The payments are due in annual installments of $318,080 plus interest of 3% through July 2021. The balance due as of June 30, 2021 is $318,080.

The City has entered into a non-interest-bearing installment contract with a neighboring City to acquire a previously shared fire station totaling approximately $1,429,508. The payments are due in prorated annual installments ranging from $71,476 to $428,852 through May 2023. The balance due as of June 30, 2021 was $857,704.

Equipment note payable:
The City entered into a five year term loan agreement with a bank, collateralized by funds held in a general operating money market account. The note is payable in monthly installments of $11,417, including variable interest at 2% above the money market rate, through November 2021. The balance due as of June 30, 2021 was $62,093.

Direct borrowings and direct placements:
On August 24, 2018 and October 9, 2018, the City borrowed $625,000 from Iowa Finance Authority with the intention to pass on the funds to a sub-recipient in the continuation of the rehabilitation of a school building. The loan bears interest at 1% per annum with semi-annual payments of $19,510 and matures in June 2036. The balance due as of June 30, 2021 was $542,252.

Compensated Absences: Compensated absences are typically liquidated in the fund that accounts for the employee's salary and benefits.

Line of Credit: On April 15, 2020, the City entered into a three year $6,000,000 revolving line of credit agreement with a bank for the purpose of providing funding for the construction of the MidAmerican Energy Rec Plex and specifically to fund timing differences of construction payables to the receipt of various pledges. The line of credit includes monthly interest payments on the outstanding amount, with the variable interest rate at 1.75 percent above the 1.25 index, or a 3% interest rate. The balance due as of June 30, 2021 was $2,500,000.

On June 21, 2021, the City entered into a three year $29,000,000 revolving line of credit agreement with a bank for the purpose of providing construction of the Fiber Conduit Utility. The line of credit includes monthly interest payments on the outstanding amount, with the variable interest rate at 0.5% below the Lender’s Prime Rate index or a 2.75% interest rate. The balance due as of June 30, 2021 was $0.

NOTE 4 LONG TERM LIABILITIES (continued)

Summary of principal and interest maturities: Annual debt service requirements to service all outstanding indebtedness as of June 30, 2021, are as follows:

	Governmental Activities								Business-Type Activities			
	General Obligation Bonds		Borrowings and Direct Placements		Equipment Note Payable		Installment Contracts		General Obligation Bonds		Line of Credit	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	19,640,000	6,612,338	33,681	5,339	62,093	345	911,571	9,542	2,550,000	994,939	986,050	29,582
2023	22,650,000	5,807,098	34,019	5,001	-	-	593,493	-	1,845,000	927,589	1,513,950	45,419
2024	23,090,000	4,889,698	34,360	4,660	-	-	164,639	-	1,885,000	873,439	-	-
2025	22,695,000	3,964,896	34,705	4,315	-	-	164,639	-	1,940,000	817,739	-	-
2026	18,980,000	3,065,916	35,053	3,967	-	-	-	-	1,990,000	759,889	-	-
2027 - 2031	56,090,000	7,826,044	180,605	14,495	-	-	-	-	10,790,000	2,980,641	-	-
2032 - 2036	20,280,000	1,911,275	189,829	5,260	-	-	-	-	12,160,000	1,811,535	-	-
2037 - 2040	485,000	15,762	-	-	-	-	-	-	8,775,000	442,120	-	-
	$ 183,910,000	$ 34,093,027	$ 542,252	$ 43,037	$ 62,093	$ 345	$ 1,834,342	$ 9,542	$41,935,000	$ 9,607,891	$2,500,000	$75,000

Legal debt margin: As of June 30, 2021, the outstanding general obligation debt of the City did not exceed its legal debt margin computed as follows:

Actual valuation, net of military exemption *	$	9,006,198,565
Debt limit, 5% of total actual valuation		450,309,928
Debt applicable to debt limit		
General obligation bonds		225,845,000
Notes from direct borrowings & direct placements		542,252
Equipment note payable		62,093
Line of credit		2,500,000
Installment contracts		1,834,342
Legal debt margin	$	219,526,241

* 100% of assessed valuation including TIF increment

NOTE 5 FUND BALANCES

The following funds had a deficit fund balance as of June 30, 2021:

Dallas County Local Housing Trust Fund	$	(30,781)
Road Use Tax Fund		(8,282,648)
Fiber Conduit Utility Fund		(903,343)

The City intends to fund these deficits through future grant, tax, and fiber conduit licensing revenues.

NOTE 5 FUND BALANCES (continued)

As of June 30, 2021, fund balances were composed of the following:

	General	Road Use Tax	Tax Increment Financing	Debt Service	Capital Projects	Local Option Sales Tax	Nonmajor Special Revenue	Total
Nonspendable:								
Inventories, loan receivable, and prepaids	$ 1,740,153	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,740,153
Restricted for:								
Tax rebates and urban renewal projects	-	-	8,410,923	-	-	-	-	8,410,923
Debt service	-	-	-	648,336	-	-	-	648,336
General obligation bond projects	-	-	-	-	30,644,568	-	-	30,644,568
Public safety pension	-	-	-	-	-	-	1,733,372	1,733,372
Employee insurance benefits	-	-	-	-	-	-	476	476
Economic development	-	-	-	-	-	-	365,750	365,750
General housing assistance	-	-	-	-	-	-	674,956	674,956
Elderly housing assistance	-	-	-	-	-	-	161,661	161,661
Child care and medical clinic	-	-	-	-	-	-	38,769	38,769
Parks operations and projects	-	-	-	-	-	-	40,848	40,848
Raccoon River quarry conservation	-	-	-	-	-	-	767,258	767,258
Public art	-	-	-	-	-	-	307,477	307,477
Adult softball field maintenance and improvements	-	-	-	-	-	-	135,246	135,246
Jordan Cemetery maintenance	-	-	-	-	-	-	526,654	526,654
Library operations and programs	-	-	-	-	-	-	348,011	348,011
Suburban Emergency Response Team	-	-	-	-	-	-	9,007	9,007
Police Operations	-	-	-	-	-	-	390,757	390,757
Community Development Block Grant	-	-	-	-	-	-	571,624	571,624
LOST-Property Tax Reduction & Other City Uses	-	-	-	-	-	1,768,086	-	1,768,086
Total restricted fund balance	-	-	8,410,923	648,336	30,644,568	1,768,086	6,071,866	47,543,779
Unassigned	45,728,618	(8,282,648)	-	-	-	-	(30,781)	37,415,189
Total fund balance	$ 47,468,771	$ (8,282,648)	$ 8,410,923	$ 648,336	$ 30,644,568	$ 1,768,086	$ 6,041,085	$ 86,699,121

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances as of June 30, 2021 were:

Receivable Fund	Payable Fund	
Major Governmental Fund, General	Major Governmental Fund, Road Use Tax	$ 9,217,728
Major Governmental Fund, General	Nonmajor Governmental Fund, DCLHTF	22,939
Major Governmental Fund, General	Nonmajor Governmental Fund, CDBG	147,403
Total		$ 9,388,070

Advance From Fund	Advance To Fund	
Major Proprietary Fund, Sewer	Major Proprietary Fund, Storm Water	$ 11,665,000
Major Proprietary Fund, Sewer	Major Proprietary Fund, MidAmerican Energy Rec Plex	5,130,835
Total		$16,795,835

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

On January 8, 2018 the City entered into an interfund loan agreement. The terms of the loan state that $6,200,000 was paid from the Sewer Fund to the Storm Water fund. Repayments including 1.5% interest will occur over a 15 year term ending on June 1, 2033. This interfund loan has been eliminated in the government wide financial statements.

On June 17, 2019 the City entered into a second interfund loan agreement. The terms of the loan state that $7,500,000 was paid from the Sewer Fund to the Storm Water fund. Repayments including 1.5% interest will occur over a 15 year term ending on June 1, 2034. This interfund loan has been eliminated in the government wide financial statements.

On October 19, 2020 the City entered into a third interfund loan agreement. The terms of the loan state that $5,130,835 was paid from the Sewer Fund to the MidAmerican Energy RecPlex fund. Repayments including 1.5% interest will occur over a 15 year term ending on June 1, 2035. This interfund loan has been eliminated in the government wide financial statements.

NOTE 7 INTERFUND TRANSFERS

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers in	Transfers out
Major Governmental Funds		
General	$ 8,738,161	$ 1,469,765
Road Use Tax	324,444	13,845,551
Tax Increment Financing	2,814	14,457,598
Debt Services	14,416,821	1,064,200
Capital Projects	17,546,644	906,890
Local Option Sales Tax	-	11,888,333
Major Enterprise Funds		
Sewer System	3,202	-
Storm Water System	576,749	131,292
MidAmerican Energy RecPlex	2,115,279	-
Fiber Conduit Utility	-	26,306
Non-major Governmental Funds	198,620	350,960
Internal Service Funds		
Vehicle Maintenance	-	81,839
Technology Replacement	300,000	-
Total	$ 44,222,734	$ 44,222,734

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 PENSION AND RETIREMENT SYSTEMS

The City contributes to two employee retirement systems, the Iowa Public Employees Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). IPERS is administered by the State of Iowa. MFPRSI is governed by a nine-member Board of Trustees. Though separate and apart from state government, the Board is authorized by the state legislature, which also establishes by statute the pension and disability benefits and the System's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI. The City allocates to governmental and business-type activities according to the proportionate share of contributions in the prior year. As of June 30, 2021, the City had the following balances related to its pension accounts:

	IPERS	MFPRSI	Total
Net Pension Liability	$17,601,751	$29,350,997	$46,952,748
Deferred Inflows	437,806	243,486	681,292
Deferred Outflows	5,376,061	10,864,217	16,240,278
Pension Expense	3,363,630	5,973,654	9,337,284

Iowa Public Employees' Retirement System - IPERS

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by 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.

NOTE 8 PENSION AND RETIREMENT SYSTEMS

Iowa Public Employees' Retirement System – IPERS (continued)

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

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

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

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

The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 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 not more than 30 years of service.
- 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 starting July 1, 2012, the reduction is 0.5% for each month that the member received benefits before age 65.

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

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

Contributions: 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.

NOTE 8 PENSION AND RETIREMENT SYSTEMS

Iowa Public Employees' Retirement System – IPERS (continued)

In fiscal year 2021, pursuant to the required rate, regular members contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%. Protection occupation members contributed 6.41% of pay and the City contributed 9.61% for a total rate of 16.02%.

The City's total contributions to IPERS for the year ended June 30, 2021 were $2,341,477.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2021 the City reported a liability of $46,952,748 for its proportionate share of the net pension liability, of which $17,601,751 relates to IPERS. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participation employers. At June 30, 2020, the City's collective proportion was 0.250568170% which was an increase of .010078163% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized total pension expense $9,337,284 of which, $3,363,630 relates to IPERS. At June 30, 2021, 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	$ 59,761	$ 415,242
Changes of assumptions	1,013,590	6,071
Net difference between projected and actual earnings on IPERS' investments	1,182,801	-
Changes in proportion and differences between City contributions and proportionate share of contributions	778,432	16,493
City contributions subsequent to the measurement date	2,341,477	-
	$ 5,376,061	$ 437,806

The $2,341,477 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 Ended June 30	
2022	516,264
2023	651,093
2024	621,352
2025	808,454
2026	(385)
Total	$ 2,596,778

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Iowa Public Employees' Retirement System – IPERS (continued)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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.
Rates of salary increase (effective June 30, 2017)	3.25% to 16.25% average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00% per annum, compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and .65% real wage inflation

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	28.0%	-0.29%
Domestic Equity	22.0%	4.43%
International Equity	17.5%	5.15%
Global smart beta equity	6.0%	4.87%
Private Equity	11.0%	6.54%
Private Real Assets	7.5%	4.48%
Public Credit	4.0%	2.29%
Private Credit	3.0%	3.11%
Cash	1.0%	-0.78%
	100.0%	

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Iowa Public Employees' Retirement System – IPERS (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the 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.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1%-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	$ 31,234,479	$ 17,601,751	$ 6,173,364

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

Payables to IPERS' – At June 30, 2021, the City reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Municipal Fire & Police Retirement System - MFPRSI

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

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

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

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

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

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

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

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

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

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

Contributions - Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2021.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.31% for the year ended June 30, 2021.

The City's contributions to MFPRSI for the year ended June 30, 2021 were $3,169,901.

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

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

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2021.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the City reported a liability of $46,952,748 for its proportionate share of the net pension liability, of which $29,350,997 relates to MFPRSI. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2020, the City's proportion was 3.679913% which was an increase of 0.190220% from its proportions measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized total pension expense of $9,337,284, of which $5,973,654 relates to MFPRSI. At June 30, 2021, 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	$ 806,993	$ 159,436
Changes of assumptions	727,058	35,018
Net difference between projected and actual earnings on pension plan investments	4,317,879	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,842,386	49,032
City contributions subsequent to the measurement date	3,169,901	-
Total	$ 10,864,217	$ 243,486

$3,169,901 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 Ended June 30	
2022	1,755,737
2023	2,239,290
2024	2,014,356
2025	1,359,646
2026	81,801
Total	$ 7,450,830

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation	3.00% per annum
Salary Increases	3.75% to 15.11%, including inflation
Investment rate of return	7.50% per annum, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2007 to June 30, 2017.

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

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

Asset Class	Long-Term Expected Real Rate of Return
Large cap	7.5%
Small cap	8.1%
International large cap	7.2%
Emerging makets	7.9%
Global infrastructure	7.5%
Private non-core real estate	11.5%
Private credit	6.4%
Private equity	10.8%
Core plus fixed income	4.0%
Private core real estate	7.2%

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.40% of covered payroll and the City contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire & Police Retirement System – MFPRSI (continued)

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	$ 45,018,718	$ 29,350,997	$ 16,373,145

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

Payables to MFPRSI - At June 30, 2021, the City reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

NOTE 9 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, is available to all full & ¾ time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was amended to comply with IRC Section 457(g) which allowed for the plan to hold its assets in trust. Under these requirements, the assets of the plan are no longer subject to the general creditors of the City, the City no longer owns the amount deferred by employees and, therefore, this plan is not reflected in the financial statements. Total 457 contributions for the current fiscal year were $1,049,446. The City deposits the employer portion of contributions in accordance with Internal Revenue Code Section 401a. Total 401a contributions for the current fiscal year were $151,435.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB

Plan Description - The City operates a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses and dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a stand-alone financial report. The healthcare benefit plans are self-insured and are administered by a third party.

OPEB Benefits – Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay 102% of the full active employee premium rates. This results in an implicit subsidy and an OPEB liability. The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB (continued)

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	26
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	0
Active employees	454
Total	480

Total OPEB Liability – The City's total OPEB liability of $4,533,769 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021. The City allocates to governmental and business-type activities according to the proportionate share of expenses in the prior year.

Actuarial Assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	3.00% per annum
Rates of salary increases (effective June 30, 2020)	4.00% per annum, including inflation
Discount rate (effective June 30, 2021)	2.16% compounded annually, including inflation
Health cost trend rate (effective June 30, 2020)	5.00% per annum

Discount Rate – The discount rate used to measure the total OPEB liability was 2.16% 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-2020 generational projection of future mortality improvement.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability beginning of year	$ 3,576,997
Changes for the year:	
Service cost	208,696
Interest	129,781
Changes in benefit terms	(706,017)
Difference between expected and actual experience	487,135
Changes of assumptions	992,469
Benefit payments	(155,292)
Net changes	956,772
Total OPEB Liability end of year	$ 4,533,769

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB (continued)

Changes of assumptions reflect a change in the discount rate from 3.5% in fiscal year 2020 to 2.16% in fiscal year 2021, a change in the future retire participation rate was changed from 30% in fiscal year 2020 to 40% in fiscal year 2021, and a change in mortality rates from RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2018 generational projection of future mortality improvement in fiscal year 2020 to RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2020 generational projection of future mortality improvement in fiscal year 2021.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate – 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 a discount rate that is 1% lower (1.16%) or 1% higher (3.16%) than the current discount rate.

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	$ 4,910,777	$ 4,533,769	$ 4,188,026

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – 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 (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Current Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB Liability	$ 4,051,981	$ 4,533,769	$ 5,102,343

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2021, the City recognized OPEB expense of $205,216. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 665,200	$ -
Changes of assumptions	1,121,822	17,917
	$ 1,787,022	$ 17,917

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS - OPEB (continued)

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

Year ending June 30,	Amount
2022	162,324
2023	162,324
2024	162,324
2025	162,324
2026	162,324
Thereafter	957,485
	$ 1,769,105

NOTE 11 JOINT VENTURES

Des Moines Wastewater Reclamation Authority

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004. This agreement amended and restated the previous Integrated Community Area (I.C.A.) Agreement to provide continued operation, improvements and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board. The WRA Agreement creates an independent governance structure, establishes an independent bonding authority for the WRA and provides a framework for additional communities to participate.

Annually, the WRA establishes an allocation to all participating communities based on operations, maintenance, debt service, and reserve requirements. Allocations are based on wastewater reclamation facility flows and adjusted prospectively for differences in budgeted flows and actual flows.

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any bonds issued during the time the entity was a participating community are still outstanding. The City does not anticipate the need to contribute additional financial resources beyond the existing agreement.

In May of 2015, the WRA issued Sewer Revenue Bonds Series 2015E for the purpose of refunding Series 2006A. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2021, the Series 2015E bonds had a balance of $25,930,000 and the City of West Des Moines' estimated future allocation based on the WRA flows is currently $4,769,118.

In April of 2021, the WRA issued Sewer Revenue Bonds Series 2021A for the purpose of refunding Series 2013B which included the previous refunding Series 2004B. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2021, the Series 2021A bonds had a balance of $37,380,000 and the City of West Des Moines' estimated future allocation based on the WRA flows is currently $6,619,208.

NOTE 11 JOINT VENTURES (continued)

Des Moines Wastewater Reclamation Authority (continued)

The WRA Agreement requires the debt service on all State Revolving Loans issued after July 1, 2004 to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2021, the WRA had $309,398,902 of such State Revolving Loans of which $47,260,129 future principal debt service is a commitment to the City of West Des Moines. The State Revolving Loans assumed by the WRA in 2004 are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2021, the WRA had $3,305,072 in these State Revolving Loans of which $77,290 future principal debt service is a commitment to the City of West Des Moines.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation will be paid. Since there is no specific and measurable equity interest in the WRA Agreement, no investment in the joint venture has been reported by the City.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-1346.

Westcom Dispatch Center

The City is a participating community in the Westcom Dispatch Center joint venture. This joint venture is a consolidated public safety dispatch facility. Westcom currently provides 911 emergency response and dispatching services for the suburban cities of West Des Moines, Clive, Urbandale, Norwalk, and Waukee.

WestCom began on August 7, 2000, with the execution of an intergovernmental agreement between West Des Moines, Clive, and Urbandale to provide continued operation, improvements to, and expansion of a consolidated dispatch center. West Des Moines has been the contracting and hiring authority for the joint venture since inception. The Westcom Agreement also establishes a management committee structure as well as providing a framework for additional communities to participate. Since its creation, the Agreement has been amended to include the cities of Norwalk and Waukee in 2012 and 2015, respectively, and on June 7, 2021, the agreement was amended to add the City of Windsor Heights as a participant in Westcom effective July 1, 2021.

The Westcom agreement is tiered to establish an equity interest for the Authority Member cities as well as allowing for Contracted User cities who receive no equity interest. West Des Moines, Urbandale, and Clive have been classified as Authority Member cities beginning with the original agreement, and on June 3, 2021, a Memorandum of Understanding was executed to establish Norwalk as an Authority Member. As of June 30, 2021, the percentages of ownership for each Authority Member city, based on historical contributions, are as follows:

City	Equity Percentage
West Des Moines	52.49%
Urbandale	30.70%
Clive	14.77%
Norwalk	2.04%
Total	100.00%

Each participating city maintains an undivided interest in the assets contributed to the Westcom operations. Additionally, each participating city has an ongoing financial responsibility to fund the operations of Westcom based on annual budgeted operations and capital expenditures as approved by the management committee.

The City of West Des Moines reports its equity interest as an Investment in Joint Venture within these financial statements. Westcom does not issue separate financial statements.

NOTE 12 RELATED ORGANIZATIONS AND JOINTLY GOVERNED ORGANIZATIONS

Related organization: The West Des Moines Water Works Utility is governed by a five-member board which is appointed by the Mayor and approved by the City Council. The West Des Moines Water Works Utility is legally a separate entity and is not financially accountable to the City. The City provides various services to the Water Works, including reimbursable expenses and the availability to participate in the City's health insurance plan. The Water Works provides billing and collection services to the City in connection with the City's Sewer, Solid Waste, and Storm Water Enterprise Funds. The following is a summary of the related party transactions for the year ended June 30, 2021:

Received from West Des Moines Water Works	
Health insurance reimbursements	521,309
Gasoline reimbursements	32,447
Capital project reimbursements	271,281
Share of general insurance	92,579
Delinquent reimbursements	1,126
Donation reimbursements	10,877
Miscellaneous reimbursements	111,923
Payments to West Des Moines Water Works	
Collection fees for sewer, solid waste, and storm water	188,136
Miscellaneous fees	372,905

Amounts receivable from West Des Moines Water Works as of June 30, 2021 for sewer, storm water, solid waste charges, and capital projects totaled $2,996,894, $1,042,393, $557,149, and $6,728,826 respectively.

Jointly governed organizations: The City participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Polk, Dallas and Warren County Assessor's Conference Boards; Metropolitan Planning Organization; Greater Des Moines Convention and Visitors Bureau.

In July 2008, the City entered into a jointly governed organization with Central Iowa Health System for the provision of emergency medical services. The agreement between the participating organizations is commonly referred to as the “Iowa EMS Alliance”. The Iowa EMS Alliance was established as an undivided interest ownership arrangement, whereby the title to Alliance assets is held individually by the City and Iowa Health. The City’s portion of current year costs of operation for the Iowa EMS Alliance was $4,055,849 and there were no capital costs.

NOTE 13 COMMITMENTS

The City has entered into contracts totaling approximately $169 million for various projects that were not complete at year-end. As of June 30, 2021, approximately $86 million has been incurred on these contracts.

In order to encourage development within designated Urban Renewal Areas, the City Council has approved development rebate agreements related to several different projects. Rebates are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. It is estimated that outstanding commitments of approximately $24.21 million exist, of which $1.96 million is likely to be eligible to be paid in the next fiscal year. The payments will be expensed in the period in which they are paid. No liability for these obligations is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes received on the project.

NOTE 13 COMMITMENTS (continued)

The City, in equal partnership with a neighboring city, has entered into an agreement with the Iowa Department of Transportation (IDOT) where the cities have agreed to reimburse in equal shares the IDOT's construction cost for a new interstate interchange which straddles the shared border of the two cities. The construction project was nearly complete but not finalized at June 30, 2021. As a result, final repayment amounts and terms have not yet been formalized. However, the cities and IDOT have agreed that payments will be made in ten annual equal principal-only installments most likely beginning in the fiscal year ending June 30, 2022. It is currently estimated that each city's share of the total project cost will be approximately $9 million contingent on project completion and final negotiation. No liability for this obligation has been recognized.

NOTE 14 RISK MANAGEMENT

The City is a member in the Iowa Communities Assurance Pool (the Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 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 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 due and payable in the current 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 to equal 150% of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, 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 expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2021 were approximately $539,090.

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 in an amount not to exceed $2,500,000 per claim, with no aggregate. For members requiring specific coverage from $2,000,000 to $15,000,000, such excess coverage is also reinsured. The City of West Des Moines has elected $12,000,000 in coverage. Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location, with excess coverage reinsured through reinsurance and risk-sharing agreements with various providers.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims 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 exhaust total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. 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 losses can be reasonably estimated. Accordingly, as of June 30, 2021, no liability has been recorded in the City's financial statements. As of June 30, 2021, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

NOTE 14 RISK MANAGEMENT (continued)

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 casualty 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. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100% of its casualty capital contributions; however, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City also carries commercial insurance purchased from other insurers for coverage associated with employee blanket bonds. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

Self-insurance: The City has a self-insured medical expense reimbursement plan which provides medical benefits to its employees and to the employees of affiliates. The plan provides each covered person with unlimited lifetime maximum coverage for health care needs. The plan is funded by both employee and City contributions and is administered through a service agreement with Wellmark. The uninsured risk retention per person is $125,000 (not to exceed 125% of the aggregate expected claims of $7,465,677 for the year ended June 30, 2021). The City purchased commercial stop-loss insurance to provide for claims in excess of the $125,000 to reduce its exposure to large losses. There has been no significant reduction in insurance coverage under the plan from prior years.

The City has established the Health and Dental Insurance Fund (an internal service fund) to account for and finance the uninsured risk of loss. The City's contribution to the fund for the year ended June 30, 2021 was $5,720,953.

Effective July 1, 2005, the City established a self-insured plan for its worker's compensation plan. An internal service fund was created to account for premiums and claims paid. The uninsured risk retention is $500,000 per occurrence for non 411 and $750,000 for 411. The aggregate retention is 109.6% of the annual premium amount or approximately $3,625,114.

Amounts payable from the Health and Dental Insurance Fund and the Worker's Compensation Insurance Fund as of June 30, 2021, totaled $1,924,331 and include incurred but not reported (IBNR) and reported but not paid. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims, and to establish a reserve for other loss. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss is reasonably estimable. Settlements exceeded stop-loss coverage in the year ended June 30, 2021, June 30, 2020, June 30, 2019, June 30, 2018, June 30, 2017, June 30, 2016, and June 30, 2015 by $106,621, $178,890, $548,902, $328,387, $61,672, $162,624, and $404,139 respectively. Settlements did not exceed the stop-loss coverage in the year ended June 30, 2014.

Information on changes in the aggregate liabilities for claims is as follows:

	2021	2020
Claims payable, beginning of year	$ 1,130,610	$ 1,142,366
Claims recognized	8,128,540	6,762,268
Claim payments	(7,334,819)	(6,774,024)
Claims payable, end of year	$ 1,924,331	$ 1,130,610

NOTE 15 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Development Revenue Bonds, under the provisions of Chapter 419 of the Code of Iowa, to provide financial info assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon prepayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there was one series of industrial development revenue bonds outstanding, with an aggregated principal amount payable of $4,080,000.

NOTE 16 LITIGATION

Claims have been asserted against the City in the ordinary course of business with a maximum exposure of $1,745,000 Management is unable to estimate the cost of these claims or determine a range of loss and, accordingly, no accrual has been made for them.

NOTE 17 TAX REBATES

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

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, 2021, the City rebated $1,522,896 of property tax under the urban renewal and economic development projects. Property tax revenues of the City were reduced by $0 for the year ended June 30, 2021 under agreements entered into by other entities.

NOTE 18 CONTINGENCY

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experiences a significant decline. As a result, local, regional and national economies, including that of the City, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact of the City's operation and finances.

NOTE 19 ACCOUNTING CHANGE

GASB Statement No. 84, Fiduciary Activities, changed the definition, criteria and reporting of fiduciary activities as well as redefined various fiduciary fund types and changed fund type terminology. Adoption of GASB Statement No. 84 requires the City to report the activity of the Section 125 Plan Fund and the Collections and Deposits Fund activity, previously reported as agency funds, as part of the General Fund. As assets equaled liabilities, this change had no impact on beginning net position. The Police Agency Monies Fund, previously reported as a part of the collections and deposits fund, is now reported as a custodial fund under GASB 84. The change resulted in a restatement of beginning net position at July 1, 2020 of $56,332 to report the custodial fund.

NOTE 20 RESTATEMENT OF BEGINNING BALANCES

The restatement of fund balances and net position were due to the following:

Effective July 1, 2020, the City changed the reporting for its equity interest in Westcom. Previously, the City had reported such equity interest as a separate enterprise fund. The effects of the changes were as follows:

	Governmental Activities	General Fund	Business-Type Activities	Enterprise Fund
Beginning net position/fund balance at July 1, 2020, as previously reported	$ 508,408,549	$ 36,927,428	$ 193,520,296	$ 1,155,866
Increase (decrease) beginning net position/fund balance as of July 1,	$ (116,296)	$ 312,835	$ (1,155,866)	$ (1,155,866)
Beginning net position/fund balance at July 1, 2020, as restated	$ 508,292,253	$ 37,240,263	$ 192,364,430	$ -

The effect on change in net position of the business-type activities and enterprise fund was an increase of $458,256 for the year ended June 30, 2020 and the change in the net position of the governmental activities was a decrease of the same amount. The effect on the net change in fund balance of the general fund was not significant.

NOTE 21 SUBSEQUENT EVENTS

The City was awarded funding through the Federal American Rescue Plan Act (ARPA) of 2021 in response to the COVID-19 pandemic. The first half of the funding, approximately $3,800,000, was received during the current fiscal year ending June 30, 2021, with the remaining half expected to be received in the following fiscal year. The revenue received has not been recognized in the financial statements and is included in restricted cash. Because the spending plan was not finalized until after June 30, 2021, the financial statements do not reflect any associated expenditures on the Schedule of Federal Awards. The grant agreement and spending plan were each executed during the fiscal year ended June 30, 2022, so all the associated revenues and expenditures will be recognized in that period.

Three draws were initiated on the City's revolving line of credit to fund construction of the Fiber Conduit Utility. On August 13, 2021, $700,000 was drawn; on October 12, 2021, $6,500,000 was drawn; and on January 28, 2022; $7,700,000 was drawn.

On September 23, 2021, the City issued General Obligation Urban Renewal bonds totaling $20,395,000 to fund infrastructure in the Grand Prairie Parkway Urban Renewal area. On that same date, the City also issued General Obligation Urban Renewal bonds totaling $2,990,000 to fund infrastructure in the Mills Parkway Urban Renewal area.

On December 20, 2021, the City pledged $2,000,000 of support to the Des Moines International Airport in to be used to assist in construction of a new terminal. This pledge will be paid in equal installments over a four-year period beginning July 1, 2023.

NOTE 21 SUBSEQUENT EVENTS (continued)

On January 18, 2022, the City executed an agreement with Microsoft Corporation, in which the City agreed to incentivize the construction of a regional data center by providing public infrastructure and an economic incentive grant totaling approximately $11,000,000. The data center will carry a minimum assessed value of $242,000,000 upon completion.

On January 18, 2022, the City executed an agreement with Jordan Creek Associates, LLC, in which the City agreed to incentivize the construction of a mixed use project consisting of residential and commercial development by providing public infrastructure and an economic incentive grant totaling approximately $3,160,000. The project will carry a minimum assessed value of $19,600,000 upon completion.

NOTE 22 PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

City of West Des Moines, Iowa
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES

FOR THE LAST FOUR YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2021	2020	2019	2018
Service cost	$ 208,696	$ 200,669	$ 162,490	$ 157,757
Interest cost	129,781	123,174	118,303	111,053
Difference between expected and actual experience	487,135	-	285,494	-
Changes of assumptions	992,469	-	(23,635)	306,308
Changes of benefit terms	(706,017)	-	-	-
Benefit payments	(155,292)	(130,828)	(106,217)	(66,168)
Net change in total OPEB liability	956,772	193,015	436,435	508,950
Total OPEB liability beginning of year	3,576,997	3,383,982	2,947,547	2,438,597
Total OPEB liability end of year	$ 4,533,769	$ 3,576,997	$ 3,383,982	$ 2,947,547
Covered-employee payroll	36,136,946	32,494,586	31,244,794	26,989,124
Total OPEB Liability as a percentage of covered-employee payroll	12.55%	11.01%	10.83%	10.92%

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

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

Changes in benefit terms:

Changes in benefit terms reflect the effects of the retiree participation rate. The following are the retiree participation rates used in each period.

Year ended June 30, 2021	40%
Year ended June 30, 2020	30%
Year ended June 30, 2019	30%
Year ended June 30, 2018	30%
Year ended June 30, 2017	30%

Changes in assumptions:

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

Year ended June 30, 2021	2.16%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	5.00%

Note: GASB Statement No. 75 required ten years to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information was available.

City of West Des Moines, Iowa
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – IPERS
LAST SEVEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability	0.208525300%	0.216906600%	0.229468000%	0.228240700%	0.230244200%	0.240490007%	0.250568170%
City's proportionate share of the net pension liability	$ 8,269,916	$ 10,716,237	$ 14,441,145	$ 15,203,717	$ 14,570,418	$ 13,925,954	$ 17,601,751
City's covered payroll	$ 16,337,805	$ 18,379,445	$ 19,793,111	$ 20,057,940	$ 20,769,182	$ 22,220,838	$ 22,924,282
City's proportionate share of the net pension liability as a percentage of its covered payroll	50.62%	58.31%	72.96%	75.80%	70.15%	62.67%	76.78%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	85.19%	81.82%	82.21%	83.62%	85.45%	82.90%

See accompanying notes to required supplementary information

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

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

City of West Des Moines, Iowa
SCHEDULE OF CITY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - IPERS
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	$ 1,458,325	$ 1,529,529	$ 1,617,030	$ 1,675,318	$ 1,754,825	$ 1,820,285	$ 1,886,023	$ 2,124,433	$ 2,182,514	$ 2,341,477
Contribution in the relation to the statutorily required contribution	1,458,325	1,529,529	1,617,030	1,675,318	1,754,825	1,820,285	1,886,023	2,124,433	2,182,514	2,341,477
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	17,426,384	15,827,188	16,337,805	18,379,445	19,793,111	20,057,940	20,769,182	22,220,838	22,924,282	24,762,948
Contributions as a percentage of covered payroll	8.37%	9.66%	9.90%	9.12%	8.87%	9.08%	9.08%	9.56%	9.52%	9.46%

City of West Des Moines, Iowa
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM - IPERS
June 30, 2021

Changes of benefit terms:

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

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Changes of assumptions:

The 2020 valuation did not include any changes of assumptions.

The 2019 valuation did not include any 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 accelerated experience study:

- 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%.
- Lowered the estimated investment rate of return from 7.50% to 7.00%.
- Lowered the assumed wage growth rate from 4.00% to 3.25%.
- Decreased the estimated rate of payroll growth from 4.00% to 3.25%.

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

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

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

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

City of West Des Moines, Iowa
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA - MFPRSI
LAST SEVEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability	3.126078%	3.156744%	3.194504%	3.157150%	3.289014%	3.489693%	3.679913%
City's proportionate share of the net pension liability	$ 11,331,979	$ 14,830,836	$ 19,973,986	$ 18,515,897	$ 19,582,904	$ 22,889,825	$ 29,350,997
City's covered payroll	$ 7,983,068	$ 8,278,428	$ 8,766,120	$ 8,941,753	$ 9,534,802	$ 10,575,871	$ 11,661,137
City's proportionate share of the net pension liability as a percentage of its covered payroll	141.95%	179.15%	227.85%	207.07%	205.38%	216.43%	251.70%
Plan fiduciary net position as a percentage of the total pension liability	86.27%	78.20%	80.60%	81.07%	81.07%	79.94%	76.47%

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

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

See accompanying notes to required supplementary information.

City of West Des Moines, Iowa
SCHEDULE OF CITY CONTRIBUTIONS
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA-MFPRSI
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Statutorily required contribution	$ 1,881,373	$ 2,023,600	$ 2,404,500	$ 2,517,470	$ 2,404,016	$ 2,317,700	$ 2,448,537	$ 2,751,800	$ 2,846,475	$ 3,169,901
Contribution in the relation to the statutorily required contribution	1,881,373	2,023,600	2,404,500	2,517,470	2,404,016	2,317,700	2,448,537	2,751,800	2,846,475	3,169,901
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	7,598,437	7,747,320	7,983,068	8,278,428	8,766,120	8,941,753	9,534,802	10,575,871	11,661,137	12,524,311
Contributions as a percentage of covered payroll	19.90%	24.76%	26.12%	30.12%	30.41%	27.42%	25.92%	25.68%	24.41%	25.31%

Notes to Required Supplementary Information - Pension Liability:

Changes of benefit terms: There were no significant changes of benefit terms.

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

City of West Des Moines, Iowa
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL-ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2021

	Governmental Fund Types Actual	Proprietary Fund Types Actual	Total Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
				Original	Final	
REVENUES						
Property tax	$ 60,294,568	$ -	$ 60,294,568	$ 59,978,003	$ 59,978,003	$ 316,565
Tax increment financing taxes	19,753,584	-	19,753,584	19,782,703	19,782,703	(29,119)
Other City taxes	12,961,988	-	12,961,988	19,877,002	14,567,425	(1,605,437)
Special assessments	18,759	-	18,759	20,000	20,000	(1,241)
Licenses and permits	4,483,245	-	4,483,245	1,764,500	3,065,850	1,417,395
Intergovernmental	19,622,375	-	19,622,375	21,980,022	30,948,623	(11,326,248)
Charges for services	8,344,780	18,597,080	26,941,860	24,263,550	26,489,900	451,960
Use of money and property	1,112,697	381,476	1,494,173	3,882,626	3,888,298	(2,394,125)
Miscellaneous	2,756,143	15,384	2,771,527	15,929,696	18,018,719	(15,247,192)
Total revenues	129,348,139	18,993,940	148,342,079	167,478,102	176,759,521	(28,417,442)
EXPENDITURES/EXPENSES						
Public safety	33,851,988	-	33,851,988	37,800,483	38,305,462	4,453,474
Public works	11,199,019	-	11,199,019	12,309,883	12,538,038	1,339,019
Health and social services	1,048,860	-	1,048,860	1,190,888	1,328,588	279,728
Culture and recreation	10,075,208	-	10,075,208	11,800,653	11,942,048	1,866,840
Community and economic development	8,858,793	-	8,858,793	9,738,339	11,153,562	2,294,769
General government	10,601,763	-	10,601,763	11,022,241	11,546,675	944,912
Debt service	27,849,095	-	27,849,095	26,923,286	34,304,632	6,455,537
Capital outlay	42,163,766	-	42,163,766	33,530,665	71,305,395	29,141,629
Business-type	-	19,163,434	19,163,434	53,334,249	100,199,471	81,036,037
Total expenditures/expenses	145,648,492	19,163,434	164,811,926	197,650,687	292,623,871	127,811,945
Excess (deficiency) of revenues over (under) expenditures/expenses	(16,300,353)	(169,494)	(16,469,847)	(30,172,585)	(115,864,350)	99,394,503
OTHER FINANCING SOURCES, NET	14,943,343	25,539,124	40,482,467	11,108,000	51,131,549	(10,649,082)
Excess (deficiency) of revenues and other financing sources over(under) expenditures/expenses and other financing sources (uses)	(1,357,010)	25,369,630	24,012,620	(19,064,585)	(64,732,801)	(40,720,181)
BALANCES, beginning of year, as restated	88,056,131	191,856,712	279,912,843	133,759,643	325,758,929	
BALANCES, end of year	$ 86,699,121	$ 217,226,342	$ 303,925,463	$ 114,695,058	$ 261,026,128	

City of West Des Moines, Iowa
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION—BUDGETARY REPORTING
Year ended June 30, 2021

The budgetary comparison is presented as Required Supplementary Information in accordance with Government 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 following required public notice and hearing which include all funds, except internal service and agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay 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. During the year, budget amendments increased budgeted expenditures by $94,973,184. The budget amendments are reflected in the final budgeted amounts.

The City of West Des Moines, Iowa prepares its budget on the modified accrual basis for the governmental fund types and the accrual basis for the proprietary fund types which is consistent with generally accepted accounting principles.

See accompanying independent auditor’s report.

City of West Des Moines, Iowa
REQUIRED SUPPLEMENTARY INFORMATION—MODIFIED APPROACH
Year ended June 30, 2021

The City has elected to use the modified approach as defined by the GASB Statement No. 34 for reporting the infrastructure of its street network. The street network is defined as the travel portion existing within the right of way limits for the City's roadways and includes the streets, flood control levees, and bridges and street culverts (For additional information regarding the use of the modified approach and the City's capitalization policies, see Management's Discussion and Analysis and the Notes to Basic Financial Statements).

City Street Network

The City of West Des Moines maintains a computerized Street Management System (SMS) to keep an up-to-date inventory of the street network and to record condition assessments. As of 2017, the City utilized the Iowa Pavement Management Program (IPMP) sponsored by the Iowa DOT and Iowa State University to assess to the pavement condition [prior to 2017, each City street was evaluated to an Overall Condition Index (OCI)]. The IPMP uses automated equipment to rate the condition of Iowa roads, including for the City of West Des Moines, every two years. The PCI index represents a composite rating including the evaluation of pavement defects/deterioration, ride quality and other characteristics condition. The PCI of each street is calculated and rated on a scale from 100 to 0, with a PCI rating of 100 being the best and 0 the worst. This condition assessment will be performed at least once every three years.

The following tables defines the Pavement Condition Index (PCI) rating scale for streets and the Overall Condition Index (OCI) rating scale for streets:

Pavement Condition	PCI Range (2017)	Pavement Condition	OCI Range (prior to 2017)
Excellent	100 – 80	Very Good	100-90
Good	80 – 60	Good	90-80
Fair	60 – 40	Average	80-60
Poor	40 – 20	Below Average	60-50
Very Poor	20 – 0	Poor	50-25
		Failed	25-0

The City's goal is to maintain a PCI rating of 70 for the street network. The following are descriptions for Portland cement concrete and asphalt surfaced streets in the City in the 70 PCI rating range.

Portland cement concrete streets and trails (PCI - 70): Low and moderate severity settlement, bumps, cracking or joint deterioration may exist up to 15% of the street area. The majority of the cracking is between 3/8 inch and 3 inches wide. Cracks typically may need to be sealed. Patches may exist up to 20% of the street area and are typically moderate in quality. Joint spalling may exist up to 15 to 25 isolated locations. The pavement smoothness international roughness index typically ranges between 250 to 550 in. /mi. Vehicle speed is generally not affected by the pavement condition, except possibly at isolated locations. Water ponding may exist in isolated locations. Surface pop-outs may exist throughout the pavement.

Asphalt Surfaced Streets and trails (PCI - 70): Reflective cracking may exist throughout the pavement. Reflective cracking is typically between 3/8 inch and 2 inches wide. Reflective cracks typically may need to be sealed. Low and moderate severity bumps, alligator cracking, rutting, or raveling may exist up to 10% of the street area. Patches may exist up to 10% of the street area and are typically moderate in quality. Up to a total of 10 SF of potholes may exist at small isolated locations. The pavement smoothness international roughness index typically ranges between 100 to 400 in. /mi. Vehicle speed is generally not affected by the pavement condition, except possibly at isolated locations. Water ponding may exist in isolated areas. The surface color is typically medium gray.

City Flood Control Levee System

The City's federal levees and associated flood control elements are inspected and maintained per the U.S. Army Corp of Engineers criteria. The Army Corp inspects the flood control levee system in the City every two years. The Army Corps rating criteria for the flood control levee system is Acceptable, Minimally Acceptable and Unacceptable. The City's goal is to maintain as least a minimally acceptable rating for the levee system. The following is the description for minimally acceptable rating.

Levees and Associated Flood Control Elements (Army Corp. Rating – Minimally Acceptable): One or more items are rated as Minimally Acceptable or one or more items are rated as unacceptable and an engineering determination concludes that unacceptable items would not prevent the segment / system from performing as intended during the next flood event.

City Bridges and Large Street Culverts

The City's vehicle bridges, large drainage and box culverts and pedestrian underpasses under streets greater than 20 ft. in span are inspected every two years using the Iowa DOT / FHWA National Bridge Inspection System (NBIS). The NBIS evaluates each structure for drainage, scour/erosion, debris, surface and structural deficiencies. The NBIS gives each structure a Sufficiency Rating (SR). The SR is composite score of the evaluation items. The SR of each structure is calculated and rated on a scale from 100 to 0, with a SR of 100 being the best and 0 the worst. The City's goal is to maintain a SR of 80 or better for each bridge or culvert structure. The following are descriptions for an 80 Sufficiency Rating.

Bridge and Large Street Culverts (FHWA & Iowa DOT Sufficiency Rating – 81 or Greater): The item is structurally sound and there appears to be no immediate safety hazards. Minor cracking, scaling, leaching, channel silting and vegetation, or other minor problems may exist in isolated locations. Minor problems, if any exist, do not appear to have an immediate impact on structural integrity or safety.

One factor that significantly affects the trend of levee condition assessments is the 2014 assessment is a Periodic Inspection using different criteria and standards than the previous years' Continuing Eligibility Inspections.

Condition rating of the City's street subsystem

		2018		2019		2020	
Category	PCI Range	Lane Miles	Percent of Street Network	Lane Miles	Percent of Street Network	Lane Miles	Percent of Street Network
Excellent	100 - 80	331	39.6%	428	50.9%	440	51.2%
Good	80 - 60	282	33.8%	197	23.4%	204	23.7%
Fair	60 - 40	157	18.8%	149	17.7%	154	17.9%
Poor	40 - 20	14	1.7%	16	1.9%	17	2.0%
Very Poor	20 - 0	1	0.1%	1	0.1%	1	0.1%
Unpaved*	N/R	50	6.0%	50	5.9%	44	5.1%
		835	100%	841	100%	860	100%

2018	2019	2020
70	70	70
73.0	76.3	76.3

*The IPMP does not rate the condition of gravel roads. Unpaved roads are listed on the table to show they are part of the City street network. For more information on the IPMP, please see the following website http://www.ctre.iastate.edu/ipmp.

Bridge & Street Culvert Condition by Category as of the Last Assessment

Condition Categories Based on FHWA Criteria:

		2015		2017		2019	
Category	OCI Range	Bridges Inspected	Percent of Bridges Inspected	Bridges Inspected	Percent of Bridges Inspected	Bridges Inspected	Percent of Bridges Inspected
Excellent	100 - 90	16	57.1%	21	63.6%	26	76.5%
Very Good	90 - 80	5	17.9%	5	15.2%	4	11.8%
Good	80 - 70	2	7.1%	2	6.1%	2	5.9%
Satisfactory	70 - 60	1	3.6%	2	6.1%	1	2.9%
Fair	60 - 50	4*	14.3%	3*	9.1%	1*	2.9%
Poor	50 - 40	0	0.0%	0	0.0%	0	0.0%
Serious	40 - 30	0	0.0%	0	0.0%	0	0.0%
Critical	30 - 20	0	0.0%	0	0.0%	0	0.0%
Imminent Failure	20 - 10	0	0.0%	0	0.0%	0	0.0%
Failed	10 - 0	0	0.0%	0	0.0%	0	0.0%
Total		28	100%	33	100%	34	100%

*Structures closed to traffic or scheduled for replacement

Overall condition index (OCI)

	2015	2017	2019
Goal	81 or greater	81 or greater	81 or greater
Actual	85.6	88.5	93.8

See accompanying independent auditor's report.

City of West Des Moines, Iowa
REQUIRED SUPPLEMENTARY INFORMATION—MODIFIED APPROACH (continued)
Year ended June 30, 2021

Levee Condition by Category as of the Last Assessment

Condition Categories Based on the Army Corp. Criteria

	2018		2019		2020	
OCI Range	Levee Items Inspected	Percent of Levee Items Inspected	Levee Items Inspected	Percent of Levee Items Inspected	Levee Items Inspected	Percent of Levee Items Inspected
Acceptable	56	91.5%	57	90.3%	33	71.7%
Minimally Acceptable	6	8.5%	6	9.7%	13	28.3%
Unacceptable	0	0.0%	0	0.0%	0	0.0%
	62	100%	63	100%	46	100%

Overall condition index (OCI)

	2018	2019	2020
Goal	Minimally Acceptable	Minimally Acceptable	Minimally Acceptable
Actual	Minimally Acceptable	Minimally Acceptable	Minimally Acceptable

Comparison of estimated prevention/maintenance costs to actual for the street network (in thousands):

Comparison of street network prevention and maintenance costs
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Estimated Costs	$6,500	$5,640	$5,430	$4,820	$4,760	$5,060	$4,041	$4,567	$6,753	$5,307
Actual Costs	$6,015	$5,162	$5,246	$4,840	$3,472	$3,784	$4,119	$4,130	$3,720	$5,119

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2021

	Police & Fire Retirement	Employee Benefits	Economic Development	Housing Programs	Human Services Child Care & Medical Clinic
ASSETS					
Cash and investments	$ 1,880,206	$ -	$ 365,750	$ 673,226	$ -
Restricted cash and investments	-	-	-	161,661	38,769
Receivables					
Property taxes	3,103,510	19,224	-	-	-
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	2,597	-
Total assets	$ 4,983,716	$ 19,224	$ 365,750	$ 837,484	$ 38,769
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITY					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 841	$ -
Accrued wages payable	150,799	-	-	26	-
Due to other funds	-	-	-	-	-
Total liabilities	150,799	-	-	867	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Succeeding year property tax	3,099,545	18,748	-	-	-
Grants and other	-	-	-	-	-
Total deferred inflows of resources	3,099,545	18,748	-	-	-
FUND BALANCES (DEFICITS)					
Restricted for					
Other purposes	1,733,372	476	365,750	836,617	38,769
Unassigned	-	-	-	-	-
Total fund balances (deficits)	1,733,372	476	365,750	836,617	38,769
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 4,983,716	$ 19,224	$ 365,750	$ 837,484	$ 38,769

See accompanying independent auditor's report.

Parks	Library	Public Safety	Dallas County Local Housing Trust	Community Development Block Grant	Totals
$ 1,814,283	$ 356,123	$ 402,809	$ -	$ -	$ 5,492,397
-	-	-	-	37,935	238,365
-	-	-	-	-	3,122,734
-	-		25,574	-	25,574
-	-	-	-	542,252	542,252
-	-	-	1,287	139,122	143,006
$ 1,814,283	$ 356,123	$ 402,809	$ 26,861	$ 719,309	$ 9,564,328
$ 36,800	$ 8,112	$ 3,045	$ 29,718	$ -	$ 78,516
-	-	-	123	282	151,230
-	-	-	22,939	147,403	170,342
36,800	8,112	3,045	52,780	147,685	400,088
-	-	-	-	-	3,118,293
-	-	-	4,862	-	4,862
-	-	-	4,862	-	3,123,155
1,777,483	348,011	399,764	-	571,624	6,071,866
-	-	-	(30,781)	-	(30,781)
1,777,483	348,011	399,764	(30,781)	571,624	6,041,085
$ 1,814,283	$ 356,123	$ 402,809	$ 26,861	$ 719,309	$ 9,564,328

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2021

	Police & Fire Retirement	Employee Benefits	Economic Development	Housing Programs	Human Services Child Care & Medical Clinic
REVENUES					
Property taxes	$ 2,576,136	$ 309,068	$ -	$ -	$ -
Other City taxes	24,044	2,882	-	-	-
Intergovernmental	109,924	13,251	11,440	115,817	-
Use of money and property	5,545	-	-	2,057	107
Miscellaneous	-	-	-	161,428	-
Total revenues	2,715,649	325,201	11,440	279,302	107
EXPENDITURES					
Current					
Public safety	3,196,965	-	-	-	-
Health and social services	-	-	-	114,380	-
Culture and recreation	-	-	-	-	-
Community & economic development	-	-	43,628	96,011	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	3,196,965	-	43,628	210,391	-
Excess (deficiency) of revenues over (under) expenditures	(481,316)	325,201	(32,188)	68,911	107
OTHER FINANCING SOURCES (USES)					
Transfers in	193,671	-	-	-	-
Transfers out	-	(329,121)	-	(741)	-
Total other financing sources (uses)	193,671	(329,121)	-	(741)	-
Net change in fund balances	(287,645)	(3,920)	(32,188)	68,170	107
Fund balances (deficit), beginning of year	2,021,017	4,396	397,938	768,447	38,662
Fund balances (deficit), end of year	$ 1,733,372	$ 476	$ 365,750	$ 836,617	$ 38,769

See accompanying independent auditor's report.

Parks	Library	Public Safety	Dallas County Local Housing Trust	Community Development Block Grant	Totals
$ -	$ -	$ -	$ -	$ -	$ 2,885,204
-	-	-	-	-	26,926
10,000	61,521	-	167,516	877,594	1,367,063
4,909	967	972	-	5,673	20,230
207,476	24,858	123,025	37,050	-	553,837
222,385	87,346	123,997	204,566	883,267	4,853,260
-	-	65,684	-	-	3,262,649
-	-	-	-	-	114,380
188,670	84,433	-	-	-	273,103
-	-	-	238,265	762,220	1,140,124
					-
-	-	-	-	33,347	33,347
-	-	-	-	5,673	5,673
188,670	84,433	65,684	238,265	801,240	4,829,276
33,715	2,913	58,313	(33,699)	82,027	23,984
-	-	-	4,949	-	198,620
-	-	-	-	(21,098)	(350,960)
-	-	-	4,949	(21,098)	(152,340)
33,715	2,913	58,313	(28,750)	60,929	(128,356)
1,743,768	345,098	341,451	(2,031)	510,695	6,169,441
$ 1,777,483	$ 348,011	$ 399,764	$ (30,781)	$ 571,624	$ 6,041,085

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF NET POSITION-INTERNAL SERVICE FUNDS
June 30, 2021

	Vehicle Replacement	Vehicle Maintenance	Health & Dental Insurance	Workers' Compensation Insurance	Technology Replacement	Total
ASSETS						
Current assets:						
Cash and investments	$ 10,568,113	$ -	$ 9,400,663	$ 4,082,222	$ 183,361	$ 24,234,359
Accounts	-	45,525	76,423	-	-	121,948
Interest	19,655	-	31,371	-	-	51,026
Due from other governments	-	19,590	-	-	-	19,590
Prepaids	784,648	-	-	-	209,601	994,249
Total current assets	11,372,416	65,115	9,508,457	4,082,222	392,962	25,421,172
Noncurrent assets, capital assets						
Equipment and vehicles	19,509,897	-	-	-	887,577	20,397,474
Accumulated depreciation	(11,601,880)	-	-	-	(224,860)	(11,826,740)
Total noncurrent assets	7,908,017	-	-	-	662,717	8,570,734
Total assets	$ 19,280,433	$ 65,115	$ 9,508,457	$ 4,082,222	$ 1,055,679	$ 33,991,906
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
Current liabilities:						
Accounts payable	$ 255,888	$ 44,887	$ -	$ -	$ -	$ 300,775
Claims payable	-	-	848,357	1,075,974	-	1,924,331
Total current liabilities	255,888	44,887	848,357	1,075,974	-	2,225,106
NET POSITION						
Investment in capital assets	7,908,017	-	-	-	662,717	8,570,734
Unrestricted	11,116,528	20,228	8,660,100	3,006,248	392,962	23,196,066
Total net position	$ 19,024,545	$ 20,228	$ 8,660,100	$ 3,006,248	$ 1,055,679	$ 31,766,800
Total liabilities and net position	$ 19,280,433	$ 65,115	$ 9,508,457	$ 4,082,222	$ 1,055,679	$ 33,991,906

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2021

	Vehicle Replacement	Vehicle Maintenance	Health & Dental Insurance	Workers' Compensation Insurance	Technology Replacement	Total
OPERATING REVENUES						
Charges for services	$ -	$ 1,097,485	$ 7,491,274	$ 213,219	$ -	$ 8,801,978
Lease revenue	1,912,232	-	-	-	-	1,912,232
Other	-	-	183,043	30,951	-	213,994
Total operating revenues	1,912,232	1,097,485	7,674,317	244,170	-	10,928,204
OPERATING EXPENSES						
Cost of sales and services	20,168	1,061,449	7,905,818	1,266,643	-	10,254,078
Depreciation	1,564,169	-	-	-	150,119	1,714,288
Total operating expenses	1,584,337	1,061,449	7,905,818	1,266,643	150,119	11,968,366
Operating income (loss)	327,895	36,036	(231,501)	(1,022,473)	(150,119)	(1,040,162)
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	67,916	-	85,786	11,465	1,124	166,291
Gain (loss) on sale of capital assets	(18,172)	-	-	-	(243,138)	(261,310)
Total nonoperating revenues (expenses)	49,744	-	85,786	11,465	(242,014)	(95,019)
Income (Loss) before transfers	377,639	36,036	(145,715)	(1,011,008)	(392,133)	(1,135,181)
Transfers in	-	-	-	-	300,000	300,000
Transfers out	-	(81,839)	-	-	-	(81,839)
Change in net position	377,639	(45,803)	(145,715)	(1,011,008)	(92,133)	(917,020)
Total net position, beginning of year	18,646,906	66,031	8,805,815	4,017,256	1,147,812	32,683,820
Total net position, ending of year	$ 19,024,545	$ 20,228	$ 8,660,100	$ 3,006,248	$ 1,055,679	$ 31,766,800

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2021

	Vehicle Replacement	Vehicle Maintenance	Health and Dental Insurance	Worker's Compensation Insurance	Technology Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ -	$ 20,411	$ 1,952,410	$ 244,170	$ -	$ 2,216,991
Receipts from interfund charges	1,912,232	1,051,344	5,645,485	-	-	8,609,061
Payments from (to) suppliers	(569,448)	(1,121,814)	-	-	(209,601)	(1,900,863)
Payments to claimants	-	-	(7,761,572)	(617,169)	-	(8,378,741)
Net cash provided (used) by operating activities	1,342,784	(50,059)	(163,677)	(372,999)	(209,601)	546,448
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	-	300,000	300,000
Transfers out	-	(81,839)	-	-	-	(81,839)
Net cash provided (used) by noncapital financing activities	-	(81,839)	-	-	300,000	218,161
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(2,375,842)	-	-	-	(539,860)	(2,915,702)
Proceeds from disposal of capital assets	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	(2,375,842)	-	-	-	(539,860)	(2,915,702)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	79,977	-	105,035	11,465	1,124	197,601
Purchase of investment securities	(3,605,886)	-	(5,755,304)	-	-	(9,361,190)
Proceeds from maturity of investment securities	3,543,055	-	5,655,020	-	-	9,198,075
Net cash provided (used) by investing activities	17,146	-	4,751	11,465	1,124	34,486
Net increase (decrease) in cash and cash equivalents	(1,015,912)	(131,898)	(158,926)	(361,534)	(448,337)	(2,116,607)
Cash and cash equivalents						
Beginning of year	6,723,512	131,898	1,801,792	4,443,756	631,698	13,732,656
End of year	$ 5,707,600	$ -	$ 1,642,866	$ 4,082,222	$ 183,361	$ 11,616,049

See accompanying independent auditor's report.

City of West Des Moines, Iowa
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (continued)
Year ended June 30, 2021

	Vehicle Replacement	Vehicle Maintenance	Health and Dental Insurance	Worker's Compensation Insurance	Technology Replacement	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	$ 327,895	$ 36,036	$ (231,501)	$ (1,022,473)	$ (150,119)	$ (1,040,162)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation	1,564,169	-	-	-	150,119	1,714,288
Change in assets and liabilities						
Receivables	-	(25,729)	(76,423)	-	-	(102,152)
Prepaid expenses	(784,648)	-			(209,601)	(994,249)
Accounts payable & other liabilities	235,368	(60,366)	-	-		175,002
Claims payable	-	-	144,247	649,474	-	793,721
Net cash provided (used) by operating activities	$ 1,342,784	$ (50,059)	$ (163,677)	$ (372,999)	$ (209,601)	$ 546,448
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO SPECIFIC ASSETS ON THE STATEMENT OF NET POSITION						
Cash and investments	$ 10,568,113	$ -	$ 9,400,663	$ 4,082,222	$ 183,361	$ 24,234,359
Less items not meeting the definition of cash equivalents	(4,860,513)	-	(7,757,797)	-	-	(12,618,310)
Cash and cash equivalents at end of year	$ 5,707,600	$ -	$ 1,642,866	$ 4,082,222	$ 183,361	$ 11,616,049
SCHEDULE OF NONCASH ITEMS						
Investing activities						
Change in fair market value of investments	$ (9,836)	$ -	$ (15,699)	$ -	$ -	$ (25,535)

See accompanying independent auditor's report.

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STATISTICAL SECTION
(UNAUDITED)

City of West Des Moines, Iowa
STATISTICAL SECTION
(UNAUDITED)

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	112 - 117
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	118 - 123
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	124 - 128
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	129 - 131
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	132-133

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

City of West Des Moines, Iowa

Schedule 1

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	$ 331,322,948	$ 348,765,036	$ 368,581,117	$ 389,657,031	$ 406,719,035	$ 419,227,002	$ 420,604,201	$ 430,463,986	$ 473,483,882	$ 486,142,713
Restricted	39,407,570	30,254,780	26,436,390	29,398,389	27,215,947	27,059,457	27,581,605	27,883,832	17,856,819	16,899,211
Unrestricted	25,616,756	38,547,866	39,963,379	1,717,321	6,274,984	10,104,781	23,032,656	30,114,670	16,951,552	19,244,151
Total governmental activities net position	$ 396,347,274	$ 417,567,682	$ 434,980,886	$ 420,772,741	$ 440,209,966	$ 456,391,240	$ 471,218,462	$ 488,462,488	$ 508,292,253	$ 522,286,075
Business-type activities:										
Net investment in capital assets	$ 71,785,215	$ 76,661,562	$ 78,214,604	$ 82,858,647	$ 88,977,720	$ 105,417,468	$ 118,747,890	$ 139,578,301	$ 144,093,261	$ 174,201,020
Restricted	462,920	-	-	1,682,523	5,566,179	5,970,731	1,365,019	5,575,952	8,939,944	4,684,464
Unrestricted	40,765,024	42,576,460	46,257,356	46,692,784	42,988,298	40,272,120	42,307,666	33,303,581	39,331,225	38,841,703
Total business-type activities net position	$ 113,013,159	$ 119,238,022	$ 124,471,960	$ 131,233,954	$ 137,532,197	$ 151,660,319	$ 162,420,575	$ 178,457,834	$ 192,364,430	$ 217,727,187
Primary government:										
Net investment in capital assets	$ 403,108,163	$ 425,426,598	$ 446,795,721	$ 472,515,678	$ 495,696,755	$ 524,644,470	$ 539,352,091	$ 570,042,287	$ 617,577,143	$ 660,343,733
Restricted	39,870,490	30,254,780	26,436,390	31,080,912	32,782,126	33,030,188	28,946,624	33,459,784	26,796,763	21,583,675
Unrestricted	66,381,780	81,124,326	86,220,735	48,410,105	49,263,282	50,376,901	65,340,322	63,418,251	56,282,777	58,085,854
Total primary government net position	$ 509,360,433	$ 536,805,704	$ 559,452,846	$ 552,006,695	$ 577,742,163	$ 608,051,559	$ 633,639,037	$ 666,920,322	$ 700,656,683	$ 740,013,262

City of West Des Moines, Iowa

Schedule 2

Changes In Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
Public safety	$ 24,796,973	$ 24,700,994	$ 26,053,563	$ 26,908,642	$ 27,553,472	$ 30,993,743	$ 31,868,522	$ 32,529,006	$ 35,785,921	$ 39,711,704
Public works	9,522,787	10,742,899	12,356,926	12,866,884	24,317,064	16,035,288	17,480,055	27,219,083	19,986,907	24,647,645
Health and social services	1,191,055	1,152,757	1,114,334	1,221,187	1,234,763	1,251,049	1,402,151	1,382,598	1,352,625	1,182,557
Culture and recreation	9,526,437	9,495,234	10,109,588	11,107,595	10,498,272	9,878,532	10,225,234	11,184,101	11,798,168	12,045,218
Community and economic development	7,587,871	7,592,235	8,658,500	21,653,257	6,980,849	7,578,127	10,593,060	8,695,124	8,329,189	9,115,077
General government	5,712,265	6,199,838	6,651,611	6,952,173	9,081,229	8,953,162	9,736,717	11,513,774	12,246,766	12,656,270
Interest on long-term debt	3,652,748	3,450,029	3,742,960	2,345,067	3,091,773	3,322,213	4,945,248	5,410,325	5,718,071	5,453,437
Total governmental activities expenses	61,990,136	63,333,986	68,687,482	83,054,805	82,757,422	78,012,114	86,250,987	97,934,011	95,217,647	104,811,908
Business-type activities:										
Sanitary sewer	8,254,719	8,372,160	8,798,820	9,349,927	9,268,656	9,815,597	10,011,946	10,688,039	10,146,423	10,720,450
Storm Water	1,310,785	1,852,241	1,598,003	1,506,777	2,243,666	3,649,618	3,714,592	3,099,584	3,342,630	3,888,435
Westcom	-	-	-	-	-	-	-	5,322,222	-	-
MidAmerican Energy RecPlex	-	-	-	-	-	-	-	98,759	773,033	1,353,607
Fiber Conduit Utility	-	-	-	-	-	-	-	-	-	892,623
Solid waste	1,730,612	1,778,179	1,839,484	1,886,538	1,783,951	1,804,263	2,007,770	2,049,135	2,298,977	2,315,193
Total business-type activities expenses	11,296,116	12,002,580	12,236,307	12,743,242	13,296,273	15,269,478	15,734,308	21,257,739	16,561,063	19,170,308
Total primary government expenses	73,286,252	75,336,566	80,923,789	95,798,047	96,053,695	93,281,592	101,985,295	119,191,750	111,778,710	123,982,216
Program revenue:										
Governmental activities:										
Charges for services:										
Public safety	4,721,074	5,608,894	6,641,203	6,792,943	8,958,481	7,923,356	7,756,927	5,220,130	5,523,533	6,216,537
Public works	956,272	104,108	207,541	322,994	423,612	550,566	707,203	318,540	403,416	276,357
Health and social services	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,392,190	1,343,505	1,384,465	1,430,723	1,512,266	1,406,066	1,515,911	1,459,931	871,763	1,277,851
Community and economic development	411,260	579,364	871,234	1,062,029	2,292,604	2,029,627	2,066,713	2,929,785	2,851,733	6,380,451
General government	1,284,718	46,383	830,713	958,624	1,317,863	1,629,751	1,580,939	1,609,865	1,818,360	1,929,871
Operating grants and contributions:										
Public safety	2,663,420	2,469,593	2,490,415	3,130,192	3,432,717	1,578,849	2,201,970	2,769,952	938,343	4,377,358
Public works	5,350,804	5,504,499	5,660,623	6,057,014	7,427,481	8,120,086	7,889,959	8,258,530	7,551,473	10,902,066
Health and social services	648,841	226,484	237,948	254,880	272,635	98,356	191,245	181,011	141,417	504,063
Culture and recreation	130,592	177,360	137,992	108,902	106,576	53,909	47,427	65,826	75,524	71,521
Community and economic development	1,046,406	934,355	768,491	740,796	449,233	540,155	3,540,262	863,053	632,488	746,524
General government	1,116,997	336,938	359,569	377,422	120,000	-	-	-	-	500,661
Capital grants and contributions	7,125,936	2,704,041	3,781,649	8,443,062	10,552,433	5,173,579	564,549	9,136,189	2,082,067	1,197,485
Total governmental activities program revenue	26,848,510	20,035,524	23,371,843	29,679,581	36,865,901	29,104,300	28,063,105	32,812,812	22,890,117	34,380,745

City of West Des Moines, Iowa

Schedule 2 (continued):

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Sanitary sewer	$ 9,225,687	$ 9,814,708	$ 10,253,778	$ 10,057,555	$ 10,443,664	$ 10,889,405	$ 11,482,770	$ 11,226,789	$ 11,633,673	$ 12,172,737
Storm water	2,156,738	2,165,281	2,201,450	2,257,315	2,458,867	2,397,491	2,465,152	2,909,546	3,339,317	3,981,788
Westcom	-	-	-	-	-	-	-	3,418,747	-	-
MidAmerican Energy RecPlex	-	-	-	-	-	-	-	-	-	154,390
Fiber Conduit Utility	-	-	-	-	-	-	-	-	-	10,338
Solid waste	1,772,291	1,762,412	1,797,486	1,817,392	1,847,148	1,877,166	1,906,217	2,039,811	2,211,891	2,277,827
Operating grants and contributions:										
Sanitary sewer	-	-	-	-	-	-	-	-	5,434	-
Storm water	-	-	-	-	-	-	-	-	-	-
Westcom	-	-	-	-	-	-	-	980,208	-	-
MidAmerican Energy RecPlex	-	-	-	-	-	-	-	-	-	-
Fiber Conduit Utility	-	-	-	-	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Sanitary sewer	1,210,579	982,089	754,686	2,793,715	1,401,630	1,862,945	2,282,371	896,472	3,026,992	4,259,887
Storm Water	390,093	3,557,677	1,500,418	2,363,627	1,206,371	1,510,166	1,923,697	1,076,358	1,502,701	1,018,583
Westcom	-	-	-	-	-	-	-	788	-	-
MidAmerican Energy RecPlex	-	-	-	-	-	-	-	2,499,850	4,250,353	4,882,972
Fiber Conduit Utility	-	-	-	-	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	14,755,388	18,282,167	16,507,818	19,289,604	17,357,680	18,537,173	20,060,207	25,048,569	25,970,361	28,758,522
Total primary government program revenues	41,603,898	38,317,691	39,879,661	48,969,185	54,223,581	47,641,473	48,123,312	57,861,381	48,860,478	63,139,267
Net (expense) revenue:										
Governmental activities	(35,141,626)	(43,298,462)	(45,315,639)	(53,375,224)	(45,891,521)	(48,907,814)	(58,187,882)	(65,121,199)	(72,327,530)	(70,431,163)
Business-type activities	3,459,272	6,279,587	4,271,511	6,546,362	4,061,407	3,267,695	4,325,899	3,790,830	9,409,298	9,588,214
Total primary government net (expense)revenue	(31,682,354)	(37,018,875)	(41,044,128)	(46,828,862)	(41,830,114)	(45,640,119)	(53,861,983)	(61,330,369)	(62,918,232)	(60,842,949)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$ 57,842,225	$ 58,568,528	$ 57,929,145	$ 57,601,375	$ 57,977,845	$ 64,302,185	$ 67,629,043	$ 74,694,466	$ 72,600,065	$ 80,048,152
Hotel motel taxes	3,071,320	3,287,208	3,457,345	3,669,278	3,963,886	4,142,183	4,180,160	4,450,774	3,363,143	2,743,692
Other taxes	879,985	869,737	855,554	930,371	839,206	927,829	885,289	3,280,857	13,864,734	10,218,296
Unrestricted grants and contributions	-	945,655	961,742	2,424,385	3,975,812	5,278,449	5,238,857	4,391,355	4,239,744	5,284,509
Investment earnings	59,397	245,879	150,053	115,683	345,601	715,264	1,748,087	3,919,058	2,783,963	543,822
Miscellaneous	1,029,403	480,641	227,310	565,066	226,417	407,737	534,749	767,822	210,573	979,582
Transfers	(3,079,696)	121,222	(852,306)	(1,103,125)	(2,000,021)	(10,684,559)	(5,832,650)	(8,310,535)	(4,904,927)	(15,393,068)
Contribution to other government	-	-	-	-	-	-	-	-	-	-
Total governmental activities	59,802,634	64,518,870	62,728,843	64,203,033	65,328,746	65,089,088	74,383,535	83,193,797	92,157,295	84,424,985
Business-type activities:										
Investment earnings	149,088	66,498	110,121	90,111	236,815	175,868	638,710	1,450,135	1,173,451	345,697
Miscellaneous	-	-	-	-	-	-	23,049	9,629	69,931	35,778
Transfers	3,079,696	(121,222)	852,306	1,103,125	2,000,021	10,684,559	5,832,650	8,310,535	4,904,927	15,393,068
Total business-type activities	3,228,784	(54,724)	962,427	1,193,236	2,236,836	10,860,427	6,494,409	9,770,299	6,148,309	15,774,543
Total primary government	63,031,418	64,464,146	63,691,270	65,396,269	67,565,582	75,949,515	80,877,944	92,964,096	98,305,604	100,199,528
Changes in net position:										
Governmental activities	24,661,008	21,220,408	17,413,204	10,827,809	19,437,225	16,181,274	16,195,653	18,072,598	19,829,765	13,993,822
Business-type activities	6,688,056	6,224,863	5,233,938	7,739,598	6,298,243	14,128,122	10,820,308	13,561,129	15,557,607	25,362,757
Total primary government	$ 31,349,064	$ 27,445,271	$ 22,647,142	$ 18,567,407	$ 25,735,468	$ 30,309,396	$ 27,015,961	$ 31,633,727	$ 35,387,372	$ 39,356,579

City of West Des Moines, Iowa

Schedule 3

Program Revenues by Function/Program

Last Ten Fiscal Years

(accrual basis of accounting)

Function / Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Public safety	$ 7,384,494	$ 8,078,487	$ 9,140,818	$ 9,926,613	$ 13,185,869	$ 9,935,158	$ 10,264,109	$ 8,400,020	$ 6,508,603	$ 10,777,322
Public works	13,433,012	8,124,895	7,233,022	9,241,752	17,487,104	13,353,278	8,856,499	17,288,113	9,984,426	12,192,481
Health and social services	648,841	226,484	237,948	254,880	272,635	98,356	191,245	186,311	141,417	504,063
Culture and recreation	1,522,782	1,520,865	1,891,722	1,625,403	1,740,593	1,459,975	1,563,338	1,530,665	953,090	1,349,372
Community and economic development	1,457,666	1,513,719	3,678,051	5,794,887	2,741,837	2,627,782	5,606,975	3,797,838	3,484,221	7,126,975
General government	2,401,715	571,074	1,190,282	2,836,046	1,437,863	1,629,751	1,580,939	1,609,865	1,818,360	2,430,532
Total governmental activities	26,848,510	20,035,524	23,371,843	29,679,581	36,865,901	29,104,300	28,063,105	32,812,812	22,890,117	34,380,745
Business-type activities:										
Sanitary sewer	10,436,266	10,796,797	11,008,464	12,851,270	11,845,294	12,752,350	13,765,141	12,123,261	14,666,099	16,432,624
Storm water	2,546,831	5,722,958	3,701,868	4,620,942	3,665,238	3,907,657	4,388,849	3,985,904	4,842,018	5,000,371
Westcom	-	-	-	-	-	-	-	4,399,743	5,144,995	-
MidAmerican Energy RecPlex	-	-	-	-	-	-	-	2,499,850	4,250,353	5,037,362
Fiber Conduit Utility	-	-	-	-	-	-	-	-	-	10,338
Solid waste	1,772,291	1,762,412	1,797,486	1,817,392	1,847,148	1,877,166	1,906,217	2,039,811	2,211,891	2,277,827
Total business-type activities	14,755,388	18,282,167	16,507,818	19,289,604	17,357,680	18,537,173	20,060,207	25,048,569	31,115,356	28,758,522
Total government	$ 41,603,898	$ 38,317,691	$ 39,879,661	$ 48,969,185	$ 54,223,581	$ 47,641,473	$ 48,123,312	$ 57,861,381	$ 54,005,473	$ 63,139,267

City of West Des Moines, IA

Schedule 4

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	22,334,719	24,843,852	25,298,338	26,202,982	31,020,437	36,712,866	40,500,687	38,853,458	35,692,159	45,728,618
Nonspendable	147,108	-	-	535,023	535,023	-	555,962	1,082,278	1,235,269	1,740,153
Total General Fund	$ 22,481,827	$ 24,843,852	$ 25,298,338	$ 26,738,005	$ 31,555,460	$ 36,712,866	$ 41,056,649	$ 39,935,736	$ 36,927,428	$ 47,468,771
All Other Governmental Funds:										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	608,615	-	-
Restricted for:										
Capital projects	$ 25,810,078	$ 18,323,593	$ 18,186,504	$ 49,225,848	$ 34,625,993	$ 38,724,528	$ 90,928,678	$ 84,707,605	$ 36,367,628	$ 30,644,568
Debt service	19,724,769	16,237,372	3,431,293	6,296,984	2,963,773	1,991,314	2,992,585	3,144,903	1,699,890	648,336
Urban renewal and development	4,244,492	4,979,438	5,107,567	5,579,040	6,665,816	6,107,167	4,942,250	3,688,356	5,710,134	8,410,923
Other purposes	5,761,817	5,625,357	5,338,145	5,218,426	5,547,731	5,562,172	5,799,544	7,246,351	10,446,795	7,839,952
Unassigned	-	(14,580)	-	-	(112,049)	(7,996,735)	(62,502)	(3,575)	(3,408,579)	(8,313,429)
Total all other governmental funds	$ 55,541,156	$ 45,151,180	$ 32,063,509	$ 66,320,298	$ 49,691,264	$ 44,388,446	$ 104,600,555	$ 99,392,255	$ 50,815,868	$ 39,230,350

City of West Des Moines, Iowa

Schedule 5

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	$ 61,793,530	$ 62,725,473	$ 62,242,044	$ 62,201,024	$ 62,780,937	$ 69,372,197	$ 72,694,492	$ 82,426,097	$ 89,827,942	$ 93,010,140
Special assessments	395,576	359,798	315,821	249,814	159,895	200,558	142,102	135,216	20,315	18,759
Licenses and permits	1,404,430	1,638,474	2,172,885	2,326,549	4,400,512	1,980,884	1,904,626	2,198,311	2,286,131	4,483,245
Intergovernmental	15,956,531	11,335,540	15,117,233	21,328,305	23,718,226	22,711,155	21,170,528	18,132,681	17,194,007	19,622,375
Charges for services	4,759,448	4,817,190	5,600,845	5,722,482	7,183,974	5,812,211	5,996,384	6,549,407	5,974,133	8,344,780
Use of money and property	110,219	231,123	241,391	224,398	439,378	674,954	1,431,402	2,946,677	2,322,224	1,112,697
Miscellaneous	2,049,561	2,045,588	2,072,539	2,060,383	2,194,102	3,660,421	3,513,358	1,993,558	1,560,047	2,756,143
Total revenues	86,469,295	83,153,186	87,762,758	94,112,955	100,877,024	104,412,380	106,852,892	114,381,947	119,184,799	129,348,139
Expenditures:										
Public safety	23,330,603	24,478,042	25,550,009	26,739,914	27,397,684	29,142,995	29,050,021	29,962,498	31,072,665	33,851,988
Public works	6,476,619	7,234,347	7,899,715	8,199,192	8,536,611	9,363,033	9,240,888	10,491,829	10,397,404	11,199,019
Health and social services	1,125,608	1,117,964	1,059,392	1,105,932	1,152,347	1,141,940	1,271,677	1,262,124	1,211,144	1,048,860
Culture and recreation	6,849,848	6,927,142	7,528,417	7,743,062	8,172,199	7,955,071	8,687,823	9,463,436	9,950,981	10,075,208
Community and economic development	7,387,617	7,497,883	8,539,842	21,691,199	6,821,846	7,367,319	10,359,086	8,444,642	8,058,579	8,858,793
General government	5,371,275	5,848,266	6,088,713	6,865,765	7,572,490	7,684,444	8,371,646	9,852,201	9,934,929	10,601,763
Capital outlay	14,975,786	16,238,960	13,670,433	19,115,297	54,187,611	39,190,028	43,414,199	56,782,109	82,244,679	42,163,766
Debt service:										
Principal	14,830,982	15,645,323	29,373,453	16,283,339	18,694,167	18,275,455	19,223,888	20,050,580	20,458,686	20,409,279
Interest	4,253,798	4,096,596	3,684,868	3,293,452	3,796,662	4,381,103	5,912,981	6,713,950	7,486,134	7,439,816
Total expenditures	84,602,136	89,084,523	103,394,842	111,037,152	136,331,617	124,501,388	135,532,209	153,023,369	180,815,201	145,648,492
Excess (deficiency) of revenues over (under) expenditures	1,867,159	(5,931,337)	(15,632,084)	(16,924,197)	(35,454,593)	(20,089,008)	(28,679,317)	(38,641,422)	(61,630,402)	(16,300,353)
Other financing sources (uses):										
Issuance of long-term debt	40,385,000	72,950	4,385,000	51,255,000	23,080,000	18,543,214	93,203,217	33,696,783	12,625,000	18,905,000
Payments to escrow agent	(11,497,739)	(2,720,000)	-	-	-	-	(3,740,105)	-	(2,775,000)	(3,640,000)
Issuance of capital lease	-	850,000	-	-	-	-	-	-	-	-
Premium (discount) on long-term debt	3,204,245	-	108,907	1,795,889	2,497,042	1,062,083	5,872,838	3,545,669	1,205,358	2,273,607
Proceeds from sale of capital assets	21,300	88,605	11,358	403,959	60,293	71,011	55,804	86,851	22,320	160,530
Transfers In	27,886,566	25,755,270	45,661,770	27,012,339	25,124,899	26,401,678	29,098,378	35,926,342	54,880,527	41,227,503
Transfers Out	(28,618,012)	(26,143,439)	(47,168,136)	(27,846,534)	(27,119,220)	(26,134,390)	(31,254,923)	(40,492,559)	(55,912,498)	(43,983,297)
Total other financing sources (uses)	31,381,360	(2,096,614)	2,998,899	52,620,653	23,643,014	19,943,596	93,235,209	32,763,086	10,045,707	14,943,343
Net changes in fund balance	$ 33,248,519	$ (8,027,951)	$ (12,633,185)	$ 35,696,456	$ (11,811,579)	$ (145,412)	$ 64,555,892	$ (5,878,336)	$ (51,584,695)	$ (1,357,010)
Debt service as a percentage of noncapital expenditures	24.9%	26.1%	35.3%	20.4%	24.0%	25.1%	25.3%	24.3%	25.4%	23.7%

City of West Des Moines, Iowa

Schedule 6

General Government Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Taxes (1)	Tax Increment Finance Revenue(TIF)	Local Option Sales Tax (LOST)	Cable Franchise	Hotel/ Motel Tax	Total
2012	46,299,204	12,219,161	-	300,737	2,974,428	61,793,530
2013	45,871,977	13,272,106	-	294,182	3,287,208	62,725,473
2014	47,675,917	10,822,378	-	286,404	3,457,345	62,242,044
2015	49,087,368	9,172,349	-	272,029	3,669,278	62,201,024
2016	49,217,966	9,323,812	-	275,273	3,963,886	62,780,937
2017	52,776,592	12,183,281	3,416	266,724	4,142,183	69,372,197
2018	54,724,849	13,531,467	3,309	254,708	4,180,160	72,694,492
2019	57,602,485	17,702,649	2,417,836	252,353	4,450,774	82,426,097
2020	57,504,510	15,674,198	13,039,868	246,223	3,363,143	89,827,942
2021	60,844,104	19,753,584	9,437,581	231,178	2,743,692	93,010,140
Change 2012-2021	31.42%	61.66%	n/a	-23.13%	-7.76%	50.52%

Source: City records:

(1) For the purposes of this schedule, Property Taxes includes miscellaneous Other City Taxes that are received in conjunction with the county's tax collections on behalf of the City.
These miscellaneous taxes include Utility Tax Replacement / Excise Tax.

City of West Des Moines, Iowa
Schedule 7
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Valuation Date Jan. 1	Fiscal Year Collected	Residential Property	Multi-Residential Property	Commercial Property	Industrial Property	Utilities	Tax Increment	Total Assessed Value	Actual Taxable Value	Total Direct Tax Rate
2010	2012	3,596,162,970		1,978,387,072	35,461,977	80,033,040	413,950,068	6,103,995,127	4,205,957,596	12.05000
2011	2013	3,599,922,685		1,871,149,143	35,687,153	82,255,886	456,215,897	6,045,230,764	4,221,370,425	12.05000
2012	2014	3,660,465,036		1,933,557,882	37,269,222	84,371,549	394,337,882	6,110,001,571	4,323,503,805	12.05000
2013	2015	3,777,274,059		1,994,723,069	39,046,340	69,014,743	364,715,578	6,244,773,789	4,379,018,663	12.05000
2014	2016	3,762,282,445		2,183,517,561	39,763,958	78,806,498	344,791,179	6,409,161,641	4,403,448,240	12.00000
2015	2017	4,102,433,391	$ 285,337,409	1,979,073,438	45,947,912	97,509,502	451,307,237	6,961,608,889	4,774,220,905	12.00000
2016	2018	4,227,989,357	311,238,983	1,977,050,072	43,836,449	98,457,678	530,420,970	7,188,993,509	4,973,828,618	12.00000
2017	2019	4,623,331,072	372,948,566	2,131,748,495	47,171,558	96,988,441	658,996,590	7,931,184,722	5,424,794,165	11.79000
2018	2020	4,836,009,809	411,674,952	2,308,602,820	51,087,084	100,086,936	580,495,302	8,287,956,903	5,738,802,153	10.99000
2019	2021	5,167,497,092	490,040,113	2,455,656,021	55,990,586	104,209,166	732,802,587	9,006,195,565	6,096,904,788	10.95000

Source: Polk, Dallas, Warren, and Madison County Auditor's Offices

Note: The tax rate collected by the City for properties in the Tax Increment Districts varies by district, ranging from a rate > the City's direct rate to a rate < the total rate for all overlapping governments

Note: Prior to FY 2017 Multi-Residential Property was included with Commercial Property and taxed at the same rate. Beginning in FY 2017 it's rollback percentage is 3.75% less than Commercial Property. The rollback percentage for Multi-Residential Property will decrease 3.75% per year until it is taxed at the same rate as Residential Property

City of West Des Moines, Iowa

Schedule 8

Direct and Overlapping Property Tax Rates - Per $1,000 of Assessed Valuation

Last Ten Fiscal Years

	City Direct Rates				Overlapping Rates					
Fiscal Year	General Fund	Debt Service	Other Levies	Total Direct	School District	County	Community College	Regional Transit	State	Total Direct & Overlapping Rates
Polk County / Des Moines Community School District:										
2012	8.09998	2.00000	1.95002	12.05000	17.64347	10.05423	0.56008	0.38830	0.00340	40.69948
2013	8.10000	2.00000	1.95000	12.05000	18.34845	10.07059	0.58466	0.55300	0.00330	41.61000
2014	8.10000	2.00000	1.95000	12.05000	18.34842	10.25715	0.69120	0.63300	0.00330	41.98307
2015	8.10000	2.00000	1.95000	12.05000	18.14592	10.60460	0.65724	0.69800	0.00330	42.15906
2016	8.10000	1.95283	1.94717	12.00000	18.42809	10.84198	0.67574	0.76300	0.00330	42.71211
2017	8.10000	1.95000	1.95000	12.00000	18.50586	10.39630	0.72334	0.78300	0.00330	42.41180
2018	8.10000	1.95000	1.95000	12.00000	18.56349	10.39541	0.67458	0.78300	0.00310	42.41958
2019	8.10000	1.95000	1.74000	11.79000	18.60074	10.37794	0.67468	0.78300	0.00290	42.22926
2020	8.10000	1.95000	0.94000	10.99000	18.60686	10.37537	0.65249	0.80800	0.00280	41.43552
2021	8.10000	1.95000	0.94000	10.99000	18.61192	10.26623	0.63533	0.81300	0.00270	41.31918
Polk County / West Des Moines Community School District:										
2012	8.09998	2.00000	1.95002	12.05000	13.94266	10.05423	0.56008	0.38830	0.00340	36.99867
2013	8.10000	2.00000	1.95000	12.05000	13.30184	10.07059	0.58466	0.55300	0.00330	36.56339
2014	8.10000	2.00000	1.95000	12.05000	13.26452	10.25715	0.69120	0.63300	0.00330	36.89917
2015	8.10000	2.00000	1.95000	12.05000	13.26572	10.60460	0.65724	0.69800	0.00330	37.27886
2016	8.10000	1.95283	1.94717	12.00000	13.24189	10.84198	0.67574	0.76300	0.00330	37.52591
2017	8.10000	1.95000	1.95000	12.00000	13.26872	10.39630	0.72334	0.78300	0.00330	37.17466
2018	8.10000	1.95000	1.95000	12.00000	13.26871	10.39541	0.67458	0.78300	0.00310	37.12480
2019	8.10000	1.95000	1.74000	11.79000	13.27000	10.37794	0.67468	0.78300	0.00290	36.89852
2020	8.10000	1.95000	0.94000	10.99000	13.16229	10.37537	0.65249	0.80800	0.00280	35.99095
2021	8.10000	1.95000	0.94000	10.99000	13.15863	10.26623	0.63533	0.81300	0.00270	35.86589
Dallas County / Waukee Community School District:										
2012	8.10000	2.00000	1.95000	12.05000	17.80292	5.23877	0.59018	0.40300	0.00320	36.08807
2013	8.10000	2.00000	1.95000	12.05000	17.61083	5.25442	0.58466	0.55300	0.00330	36.05621
2014	8.10000	2.00000	1.95000	12.05000	16.57669	4.81190	0.69120	0.63300	0.00330	34.76609
2015	8.10000	2.00000	1.95000	12.05000	16.57427	4.79944	0.65721	0.69800	0.00330	34.78222
2016	8.10000	1.95283	1.94717	12.00000	16.69522	4.79841	0.67574	0.76300	0.00330	34.93567
2017	8.10000	1.95000	1.95000	12.00000	17.64874	4.92583	0.72334	0.78300	0.00330	36.08421
2018	8.10000	1.95000	1.95000	12.00000	17.85545	4.79002	0.67458	0.78300	0.00310	36.10615
2019	8.10000	1.95000	1.74000	11.79000	17.85658	5.09038	0.69468	0.78300	0.00290	36.21754
2020	8.10000	1.95000	0.94000	10.99000	17.85609	4.90444	0.65249	0.80800	0.00280	35.21382
2021	8.10000	1.95000	0.94000	10.99000	17.80043	4.45572	0.63533	0.81300	0.00270	34.69718

City of West Des Moines, Iowa
Schedule 8 (continued):

	City Direct Rates				Overlapping Rates					
Fiscal Year	General Fund	Debt Service	Other Levies	Total Direct	School District	County	Community College	Regional Transit	State	Total Direct & Overlapping Rates
Warren County / Norwalk Community School District :										
2012	8.10000	2.00000	1.95000	12.05000	20.01224	6.16492	0.59018	0.40300	0.00320	39.22354
2013	8.10000	2.00000	1.95000	12.05000	20.57095	6.16946	0.58466	0.55300	0.00330	39.93137
2014	8.10000	2.00000	1.95000	12.05000	19.80039	6.09558	0.69120	0.63300	0.00330	39.27347
2015	8.10000	2.00000	1.95000	12.05000	19.89589	6.09176	0.65724	0.69800	0.00330	39.39619
2016	8.10000	1.95283	1.94717	12.00000	20.61029	6.15660	0.67574	0.76300	0.00330	40.20893
2017	8.10000	1.95000	1.95000	12.00000	20.48322	6.22250	0.72334	0.78300	0.00330	40.21536
2018	8.10000	1.95000	1.95000	12.00000	20.15731	6.20807	0.67458	0.78300	0.00310	39.82606
2019	8.10000	1.95000	1.74000	11.79000	19.68416	6.17961	0.67468	0.78300	0.00290	39.11435
2020	8.10000	1.95000	0.94000	10.99000	18.93926	7.30879	0.65249	0.80800	0.00280	38.70134
2021	8.10000	1.95000	0.94000	10.99000	18.86940	7.50326	0.63533	0.81300	0.00270	38.81369
Madison County / Van Meter Community School District :										
2012	8.10000	2.00000	1.95000	12.05000	18.23000	7.96054	0.59018	0.40300	0.00320	39.23692
2013	8.10000	2.00000	1.95000	12.05000	16.56006	8.65420	0.58466	0.55300	0.00330	38.40522
2014	8.10000	2.00000	1.95000	12.05000	16.00558	8.73622	0.69120	0.63300	0.00330	38.11930
2015	8.10000	2.00000	1.95000	12.05000	15.95771	8.59099	0.65724	0.69800	0.00330	37.95724
2016	8.10000	1.95283	1.94717	12.00000	15.95980	8.68862	0.67574	0.76300	0.00330	38.09046
2017	8.10000	1.95000	1.95000	12.00000	15.97798	9.20077	0.72334	0.78300	0.00330	38.68839
2018	8.10000	1.95000	1.95000	12.00000	15.98012	9.22088	0.67458	0.78300	0.00310	38.66168
2019	8.10000	1.95000	1.74000	11.79000	16.03000	9.26279	0.67468	0.78300	0.00290	38.54337
2020	8.10000	1.95000	0.94000	10.99000	15.90279	9.16522	0.65249	0.80800	0.00280	37.52130
2021	8.10000	1.95000	0.94000	10.99000	16.09271	10.23778	0.63533	0.81300	0.00270	38.77152
Madison County / Winterset Community School District :										
2012	8.10000	2.00000	1.95000	12.05000	19.61273	7.96054	0.59018	0.40300	0.00320	40.61965
2013	8.10000	2.00000	1.95000	12.05000	19.43152	8.65420	0.58466	0.55300	0.00330	41.27668
2014	8.10000	2.00000	1.95000	12.05000	19.02607	8.59634	0.69120	0.63300	0.00330	40.99991
2015	8.10000	2.00000	1.95000	12.05000	18.49000	8.59099	0.65724	0.69800	0.00330	40.48953
2016	8.10000	1.95283	1.94717	12.00000	17.49000	8.68862	0.67574	0.76300	0.00330	39.62066
2017	8.10000	1.95000	1.95000	12.00000	17.49000	9.20070	0.72334	0.78300	0.00330	40.20034
2018	8.10000	1.95000	1.95000	12.00000	17.24000	9.22088	0.67458	0.78300	0.00310	39.92156
2019	8.10000	1.95000	1.74000	11.79000	17.24000	9.26279	0.67468	0.78300	0.00290	39.75337
2020	8.10000	1.95000	0.94000	10.99000	17.22658	9.16522	0.65249	0.80800	0.00280	38.84509
2021	8.10000	1.95000	0.94000	10.99000	17.22479	10.23778	0.63533	0.81300	0.00270	39.90360

Source: Polk, Dallas, Madison and Warren County Auditor's Offices

Note: State law limits the maximum tax rate for the General Fund to $8.10 per thousand dollars of assessed valuation.

City of West Des Moines, Iowa
Schedule 9
Principal Property Taxpayers
Current Year and Nine Years Ago

	2021			2012		
Taxpayer	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Microsoft Corporation	$ 506,883,493	1	5.63%			
Wells Fargo Home Mortgage Inc	206,668,683	2	2.29%	$ 188,489,940	1	3.09%
GPG Jordan Creek LLC	184,628,520	3	2.05%	162,901,660	2	2.67%
Aviva Real Prperty Holdings LLC	49,500,000	5	0.55%	54,976,357	4	0.90%
MidAmerican Energy	48,744,282	4	0.54%			
Jordan Creek Town Center LLC	47,103,084	7	0.52%			
IFBF Property Management	46,845,180	9	0.52%	40,250,700	7	0.66%
Regency West Office	43,137,000	8	0.48%	51,125,000	5	
Valley West Mall LLC	39,276,000	6	0.44%	67,650,000	3	1.11%
MRES West Glen Holdings LP	34,567,687	10	0.38%	27,440,100	6	0.45%
CCOP I LLC				38,120,570	8	0.62%
1776 Westlakes Parkway LC				28,784,370	9	0.47%
Dallas County Partners				28,860,180	10	0.47%
Total	$ 1,207,353,929		13.41%	688,598,877		10.44%

Source: Polk, Dallas, Warren, and Madison County Assessor's Offices

City of West Des Moines, Iowa
Schedule 10
Property Tax Levies And Collections
Last Ten Fiscal Years
(Cash basis of accounting)

Fiscal Ended June 30th	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	45,901,436	45,677,788	99.51%		45,677,788	99.51%
2013	45,810,651	45,418,689	99.14%		45,418,689	99.14%
2014	47,154,213	47,130,490	99.95%		47,130,490	99.95%
2015	48,523,258	48,427,111	99.80%		48,427,111	99.80%
2016	48,748,929	48,653,263	99.80%		48,653,263	99.80%
2017	52,096,862	52,078,945	99.97%		52,078,945	99.97%
2018	54,096,896	54,097,576	100.00%		54,097,576	100.00%
2019	57,066,411	56,991,817	99.87%		56,991,817	99.87%
2020	57,410,675	56,925,867	99.16%		56,925,867	99.16%
2021	59,978,003	60,294,568	100.53%		60,294,568	100.53%

*Due to the no availability of delinquent collection detail, the City has applied a policy of applying subsequent years collections to oldest levied tax year first
Source: City's certified budget for amt. levied; monthly tax statements from Polk, Dallas, Warren, and Madison County Treasurer's Offices.

City of West Des Moines, Iowa

Schedule 11

Outstanding Debt By Type

Last Ten Fiscal Years

	Governmental Activities					Business-type Activities						
Fiscal Year	General Obligation Bonds	Tax Increment Financing Bonds	Capital Leases	Notes from Direct Borrowings & Placements	Loans Payable & Installment Contracts	Financing Agreements	General Obligation Bonds	Line of Credit	Revenue Bonds	Total Primary Government	Total Debt Per Capita	Total Debt as a Percentage of Personal Income
2012	119,400,616	-	760,022	-	3,230,493	-	-	-	1,364,000	124,755,131	2,104	4.50%
2013	101,834,010	-	559,497	-	2,833,646	-	-	-	-	105,227,153	1,707	3.63%
2014	77,725,762	-	282,867	-	1,586,823	-	-	-	-	79,595,452	1,254	2.66%
2015	113,962,258	-	109,527	-	1,416,822	-	-	-	-	115,488,607	1,788	3.69%
2016	120,494,464	-	-	-	1,651,754	-	-	-	-	122,146,218	1,905	4.15%
2017	120,541,507	-	-	-	1,879,513	-	-	-	-	122,421,020	1,896	3.93%
2018	195,765,057	-	-	-	1,595,625	-	-	-	-	197,360,682	3,008	6.07%
2019	211,537,315	-	-	608,615	3,305,023	-	-	-	-	215,450,953	3,233	6.32%
2020	201,041,375	-	-	575,599	2,552,368	-	16,050,758	-	-	220,220,100	3,243	6.09%
2021	196,867,967	-	-	542,252	1,896,435	-	43,516,236	2,500,000	-	245,322,890	3,570	6.63%

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

City of West Des Moines, Iowa

Schedule 12

Ratios of General Obligation Bonded Debt

Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities			
Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service	Net General Bonded Debt (A)	General Obligation Bonds (B)	Total General Bonded Debt (A+B)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	119,400,616	3,591,183	115,809,433	-	115,809,433	0.01897 to 1	1,953.57
2013	101,834,010	3,497,034	98,336,976	-	98,336,976	0.01627 to 1	1,595.14
2014	77,725,762	3,431,293	74,294,469	-	74,294,469	0.01216 to 1	1,170.53
2015	113,962,258	6,296,984	107,665,274	-	107,665,274	0.01724 to 1	1,666.70
2016	120,494,464	2,963,773	117,530,691	-	117,530,691	0.01834 to 1	1,833.18
2017	120,541,507	1,991,314	118,550,193	-	118,550,193	0.01703 to 1	1,836.28
2018	195,765,057	2,992,585	192,772,472	-	192,772,472	0.02681 to 1	2,938.25
2019	211,537,315	3,144,903	208,392,412	-	208,392,412	0.02628 to 1	3,127.09
2020	201,041,375	1,699,890	199,341,485	16,050,758	215,392,243	0.02599 to 1	3,172.24
2021	196,867,967	648,336	196,219,631	43,516,236	239,735,867	0.02662 to 1	3,488.44

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

City of West Des Moines, Iowa
Schedule 13
Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2021

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Polk County	$ 223,886,000	11.90%	$ 26,642,434
Dallas County	23,850,000	33.64%	$ 8,023,140
Warren County	37,425,716	7.61%	$ 2,848,097
Madison County	8,350,475	1.46%	$ 121,917
West Des Moines CSD	49,735,000	65.99%	$ 32,820,127
Waukee CSD	244,310,000	45.84%	$ 111,991,704
Des Moines Area Community College	95,175,000	11.32%	$ 10,773,810
Norwalk CSD	60,160,000	20.70%	$ 12,453,120
Winterset CSD	20,415,000	2.49%	$ 508,334
Van Meter CSD	6,565,410	0.26%	$ 17,070
Subtotal, overlapping debt			206,199,753
City Direct Debt			199,306,654
Total direct and overlapping debt			$ 405,506,407

Sources: Official Bond Offering Statement and Finance officer for each government entity listed

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

The percentage of an overlapping government's debt that is applicable to City of West Des Moines residents and businesses located within that particular government's jurisdiction is calculated based on the portion of that government's taxable value that lies within the boundaries of the city.

City of West Des Moines, Iowa

Schedule 14

Legal Debt Margin Information

Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	$ 305,199,756	$ 302,261,538	$ 305,500,079	$ 312,238,689	$ 320,461,851	$ 348,080,444	$ 359,449,675	$ 396,559,236	$ 414,397,845	$ 450,309,928
Total net debt applicable to limit	123,391,131	105,227,152	79,595,451	110,786,349	115,741,755	116,009,513	186,315,625	202,228,638	206,307,967	230,783,687
Legal debt margin	$ 181,808,625	$ 197,034,386	$ 225,904,628	$ 201,452,340	$ 204,720,096	$ 232,070,931	$ 173,134,050	$ 194,330,598	$ 208,089,878	$ 219,526,241
Total net debt applicable to the limit as a percentage of debt limit	40%	35%	26%	35%	36%	33%	52%	51%	50%	51%

Legal Debt Margin Calculation for Fiscal Year 2021:

Total Assessed Value	$ 9,006,198,565
Debt limit (5% of total assessed value)	$ 450,309,928
Less: Debt applicable to limit	
General obligation bonds	225,845,000
TIF revenue bonds	-
Notes from direct borrowings & direct placements	542,252
Note payable, installment contract, LOC	4,396,435
Legal debt margin	$ 219,526,241

City of West Des Moines, Iowa
Schedule 15
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Sewer Revenue Bonds						
		Less:		Debt Service			
Fiscal Year	Pledge Revenue*	Operating Expenses	Net Available Revenue	Principal	Interest	Total	Ratio of Coverage
2012	9,079,154	3,908,020	5,171,134	407,000	53,130	460,130	11.24
2013	9,750,097	3,450,803	6,299,294	-	-	-	-
2014	10,356,470	3,576,901	6,779,569	-	-	-	-
2015	9,972,282	3,795,272	6,177,010	-	-	-	-
2016	10,660,901	3,654,104	7,006,797	-	-	-	-
2017	11,040,485	3,758,899	7,281,586	-	-	-	-
2018	11,990,874	3,898,381	8,092,493	-	-	-	-
2019	12,112,758	4,428,739	7,684,019	-	-	-	-
2020	12,555,469	3,667,227	8,888,242	-	-	-	-
2021	12,441,901	4,511,705	7,930,196	-	-	-	-

Notes:
* Pledged Revenues include operating revenue and investment earnings.
Operating expenses excluding depreciation and amortization expenses

City of West Des Moines, Iowa
Schedule 16
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Personal Income	Per Capita Income	Unemployment Rate	Taxable Retail Sales
2012	59,281	2,771,564,593	46,753	3.8%	1,681,710,058
2013	61,648	2,901,216,528	47,061	3.4%	1,636,714,660
2014	63,471	2,987,008,731	47,061	3.2%	1,647,831,070
2015	64,598	3,131,969,432	48,484	3.3%	1,723,946,833
2016	64,113	2,942,914,926	45,902	2.8%	1,768,926,175
2017	64,560	3,118,635,360	48,306	2.4%	1,796,720,183
2018	65,608	3,252,647,816	49,577	2.3%	1,750,840,994
2019	66,641	3,407,887,458	51,138	2.0%	1,810,890,381
2020	67,899	3,613,245,285	53,215	5.6%	1,675,567,036
2021	68,723	3,701,352,057	53,859	3.6%	*unavailable*

Sources: City of West Des Moines, Community & Economic Development Department; City Demographics. Per Capita Income is based on Metropolitan Des Moines/West Des Moines and based on figures from Bureau of Economic Analysis Bond Offering Statements prepared by an independent financial advisor, U.S. Census Bureau, and Iowa Dept. of Revenue Qtrly Retail Sales and Tax Data.

City of West Des Moines, Iowa

Schedule 17

Principal Employers

Current Year and Ten Years Ago

		2021			2011		
Employer	Type of Business	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo Home Mortgage & Credit Services	Financial Services	9,763	1	15.44%	7,404	1 & 6	13.85%
Hy-Vee Inc.	Grocery Stores	1,672	2	2.64%	2,000	2	3.74%
West Des Moines Community School District	Education	1,294	3	2.05%	1,128	4	2.11%
Athene USA Corporation	Insurance	1,200	4	1.90%	-	-	0.00%
The Iowa Clinic	Medical Services	1,100	5	1.74%	-	-	0.00%
Iowa Realty Co., Inc.	Real Estate	1,100	6	1.74%	-	-	0.00%
FBL Financial Group / Iowa Farm Bureau Insurance	Insurance / Financial Services	1,050	7	1.66%	1,048	5	1.96%
City of West Des Moines	Municipal Government	786	8	1.24%	706	8	1.32%
Sammons Financial Group	Insurance / Financial Services	605	9	0.96%	-	-	0.00%
American Equity Investment Life Insurance Company	Insurance / Financial Services	554	10	0.88%	-	-	0.00%
Aviva USA	Insurance	-	-	0.00%	1,157	3	2.16%
Kum & Go	Convenience Store Chain	-	-	0.00%	779	7	1.46%
Target	Retail Store	-	-	0.00%	540	9	1.01%
MetLife	Insurance	-	-	0.00%	534	10	1.00%
All West Des Moines Employees		63,234	-	30.23%	53,466	-	28.61%

* In 2011 Wells Fargo Home Mortgage and Credit Services were counted separately. 6,534 were employed by the Home Mortgage division and 870 were employed by the Credit Services Division.

Source: Bond Offering Statements prepared by independent financial advisor and Economic Development Dept.

City of West Des Moines, Iowa

Schedule 18

Full-Time Equivalent City Government Employees By Function / Program

Last Ten Fiscal Years

Functions/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community Enrichment:										
Human Services	12.25	12.25	13.25	13.25	13.25	13.25	13.75	13.75	13.75	9.75
Library	22.50	22.50	22.50	22.50	25.25	26.25	26.50	27.50	29.00	31.00
Parks & Recreation*****	25.00	25.00	25.00	26.00	26.00	26.00	16.00	17.00	17.00	24.00
Public Safety:										
Emergency Medical Services	51.25	30.25	30.25	33.75	40.75	41.25	41.50	44.70	52.95	66.45
Fire Department	50.00	50.00	51.00	57.00	57.00	59.50	61.50	72.50	74.50	80.50
Police Department	82.75	80.75	83.25	82.25	84.00	87.50	86.00	93.00	91.00	99.00
Westcom Dispatch*	-	20.00	20.00	21.00	24.00	29.00	28.75	31.55	34.30	36.30
Westpet Animal Control**	-	3.00	3.00	4.00	4.33	4.33	4.33	4.00	4.00	4.00
Public Services:										
Community & Economic Dev	4.50	4.50	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00
Development Services	22.20	20.20	20.20	23.20	20.00	20.50	20.50	20.50	22.00	20.00
Engineering Services***	-	-	-	7.00	7.00	9.00	20.00	19.00	19.00	20.00
Public Services*****	67.80	64.80	63.80	57.80	62.00	62.00	67.00	67.00	69.00	73.00
Support Services:										
City Manager's Office	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
City Clerk****	-	1.00	1.00	1.00	1.33	1.33	1.33	1.33	2.00	3.00
Finance	9.75	8.75	9.00	8.75	9.09	9.09	9.09	9.42	8.75	8.75
Human Resources	4.00	4.00	4.50	4.50	4.50	5.50	6.50	6.50	6.50	6.50
Information Services	10.00	10.00	10.00	11.00	11.00	12.00	13.00	13.00	13.00	18.00
Legal	3.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Total	369.00	365.00	369.25	385.50	402.00	419.00	429.25	455.75	471.75	515.25

Source: City Payroll records, Budget Summary Personnel

* Westcom Dispatch included with Emergency Medical Services prior to 2013.
** Westpet Animal Control included with Police Department prior to 2013.
*** Engineering Services Department created in 2015.
**** City Clerk Included with City Manager's Office prior to 2013.
***** Departmental reorganization in 2018 resulted in a net decrease of FTE's in Parks & Recreation with a corresponding increase in FTE's split between Public Services and Engineering Services.

City of West Des Moines, Iowa

Schedule 19

Operating Indicators By Department

Last Ten Fiscal Years

Function/Program:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Emergency Medical Services										
Total ambulance calls	6,295	6,800	7,337	7,979	8,717	8,686	9,219	9,769	10,092	12,471
Fire Department										
Total incidents	2,513	2,554	2,881	2,982	3,431	3,397	3,672	3,730	3,867	3,966
Total estimated loss	$ 1,693,070	$ 1,107,070	$ 1,022,067	$ 1,467,625	$ 1,951,025	$ 7,401,799	$ 4,792,512	$ 3,011,010	$ 7,789,515	$ 4,066,765
Police Department										
Number of parking tickets issued	968	801	1,615	1,105	797	482	744	908	570	702
Percent of parking tickets paid	80.89%	77.21%	84.24%	80.36%	77.83%	76.76%	58.47%	62.33%	63.33%	62.82%
Calls for service	50,430	48,987	80,365	46,464	46,866	48,802	54,511	57,394	60,658	65,737
Case Reports	6,356	6,230	6,676	6,521	6,640	6,090	5,216	5,651	5,487	4,438
Fed UCR Part 1 Crimes	1,961	1,790	1,833	2,642	1,599	1,711	1,491	1,879	1,515	1,987
Development Services										
Total building permits issued	1,002	1,060	1,105	1,047	935	1,033	1,051	1,025	1,195	1,530
Total value of permits issued	$ 227,758,147	$ 237,701,490	$ 404,077,538	$ 471,952,558	$ 1,256,576,333	$ 288,664,683	$ 323,885,538	$ 676,118,578	$ 514,390,850	$ 1,222,269,028
Public Works										
Lane miles of streets per operato	28.00	28.00	28.00	30.08	24.59	30.11	27.53	30.93	32.35	33.08
Library										
Volumes in collection	178,509	195,915	179,755	148,942	130,648	147,726	151,899	181,751	175,056	178,158
Annual circulation	685,899	674,699	651,770	695,092	678,110	671,500	694,969*	737,975	726,096	826,648
Parks & Recreation										
Aquatic Centers	2	2	2	2	2	2	2	2	2	2
Aquatic Center attendance	112,364	91,948	76,247	88,060	90,873	90,166	70,000	82,773	53,349	37,303
Rec program registrations	6,574	6,051	6,041	6,344	6,075	7,757	10,736	9,853	4,081	4,269
Total acres of parks maintained	1,239	1,239	1,269	1,275	1,275	1,282	1,303	1,303	1,323	1,500
Total miles of trails maintained	49	49	50	50	56	58	58	60	62	66

Source: City Departmental data

* Includes physical and digital materials

City of West Des Moines, Iowa
Schedule 20
Capital Asset Statistics By Department
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Department:										
Police: Stations	1	1	1	1	1	1	1	1	1	1
Fire: Stations	5	5	5	5	5	5	5	5	5	5
Public Works:										
Streets (Miles):										
Paved	708	714	724	729	733	756	774	785	791	816
Unpaved	58	57	55	53	54	57	52	50	50	44
Wastewater (Miles):										
Storm Sewer	195	200	200	207	210	212	220	225	230	242
Sanitary Sewer	233	234	238	240	248	245	251	255	257	264
Parks & Recreation:										
Park Acreage	1,239	1,239	1,269	1,275	1,275	1,282	1,303	1,303	1,323	1,500
Parks	36	36	38	40	40	41	43	43	43	44
Parks with Playground Equipment	23	20	20	20	20	20	20	21	24	24
Miles of Trails	49	49	50	50	56	58	58	60	62	66
Baseball/Softball Diamonds	24	25	25	25	25	25	25	25	25	25
Horseshoe Courts	18	18	18	18	18	18	14	16	16	16
Sand Volleyball Courts	3	3	3	3	2	2	2	5	5	5
Soccer/Football Fields	21	21	20	20	20	20	20	20	21	21
Basketball Courts	14	14	15	15	17	17	18	18	18	18
Tennis Courts	12	12	13	13	13	15	16	16	16	16
Archery Ranges	-	-	-	-	1	1	1	1	1	1
Aquatic Centers	2	2	2	2	2	2	2	2	2	2
Wading Pools/Spray Grounds	1	1	2	2	2	2	2	2	1	1
Dog Parks	1	1	1	1	1	1	1	1	1	1
RecPlex Sports Venue										
Indoor Ice Arena	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2
Hardwood Courts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multipurpose Courts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Indoor Pickleball Courts	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Indoor Soccer Field	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Outdoor Soccer Field	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3
Indoor Batting Cages	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Esports Center	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1
Parks & Recreation / Other:										
Cemetery acres	9	9	9	9	9	9	9	9	9	9
Library:										
Facilities	1	1	1	1	1	1	1	1	1	1
Volumes in collection	178,509	195,915	179,755	148,942	130,648	147,726	151,899	181,751	175,056	178,158

Source: Department capital asset records

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INTERNAL CONTROLS

AND

COMPLIANCE SECTION

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

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of West Des Moines, Iowa
West Des Moines, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Des Moines, Iowa (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 16, 2022, which contained an emphasis of matters paragraph regarding a change in accounting principle and change in reporting entity.

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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-01, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

BKD, LLP

West Des Moines, Iowa
March 16, 2022

BKD
CPAs & Advisors

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Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of West Des Moines, Iowa
West Des Moines, Iowa

Report on Compliance for Each Major Federal Program

We have audited the City of West Des Moines, Iowa's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

BKD, LLP

West Des Moines, Iowa
March 16, 2022

City of West Des Moines, Iowa

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Pass through from the City of Des Moines			
Homeland Security Grant Program	97.067	EMW-2019-SS-0032	1,283
Pass through from the State of Iowa			
Disaster Grants - Public Assistance	97.036	PA ID# 153-83910-00, Disaster DR-4386-IA	94,224
Disaster Grants - Public Assistance	97.036	PA ID# 153-83910-00, Disaster DR-4557-IA	235,407
Total Disaster Grants Public Assistance - CFDA 97.036			329,631
Total U.S. Department of Homeland Security			330,914
U.S. Department of Treasury			
Pass through from the State of Iowa			
COVID-19 Coronavirus Relief Fund	21.019	Contract 21019 Project #00326	1,613,726
Total U.S. Department of Treasury			1,613,726
U.S. Department of Health and Human Services			
Pass through from the State of Iowa Department of Human Rights			
Division of Community Action Agencies			
Red Rock Area Community Action Program			
Low Income Home Energy Assistance Program	93.568	LIHEAP 21-12	5,000
Community Services Block Grant	93.569	CSBG 21-12	6,000
Direct Payments			
COVID-19 Provider Relief Found and American Rescue Plan (ARP) Rural Distributions	93.498	N/A	66,439
Total US Department of Health and Human Services			77,439
US Department of Justice			
Direct Payments			
Bulletproof Vest Partnership Program	16.607	N/A	5,222
Pass through from the State of Iowa			
Governor's Office of Drug Control Policy			
Public Safety Partnership and Community Policing Grants	16.710	18-HEROIN-05	369
Public Safety Partnership and Community Policing Grants	16.710	18-CAMP-12	321
Public Safety Partnership and Community Policing Grants	16.710	19-HEROIN-01	208
Public Safety Partnership and Community Policing Grants	16.710	19-CAMP-12 Meth	496
Total Public Safety Partnership and Community Policing Grants CFDA 16.710			1,394
Total U.S. Department of Justice			6,616
U.S. Department of Housing and Urban Development			
Direct Payments			
Community Development Block Grants/Entitlement Grants Cluster,			
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	97,208
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	N/A	94,467
Community Development Block Grants/Entitlement Grants	14.218	N/A	296,914
Community Development Block Grants/Entitlement Grants	14.218	N/A	281,028
Total Community Development Block Grants/Entitlement Grants CFDA 14.218			769,617

The accompanying notes are an integral part of this Schedule.

City of West Des Moines, Iowa
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Pass through from the State of Iowa Finance Authority (Homelessness Emergency Assistance and Rapid Transition to Housing (HEARTH) Act			
Emergency Solutions Grant Program	14.231	77029-20	69,532
Emergency Solutions Grant Program	14.231	77029-21	36,285
Total Emergency Solutions Grant Program CFDA 14.231			105,817
Total U.S. Department of Housing and Urban Development			875,434
US Department of Transportation			
Pass through from the State of Iowa Department of Public Safety			
Governor's Traffic Safety Bureau			
Highway Safety Cluster			
State and Community Highway Safety	20.600	21-405d-F24, Task 12	1,484
State and Community Highway Safety	20.600	20-402-MOPT, Task 44	4,044
State and Community Highway Safety	20.600	21-402-MOPT, Task 50	34,058
Total Highway Safety Cluster CFDA 20.600			39,586
Pass through from the Iowa Department of Transportation			
Federal Transit Formula Grants	20.507	IA-2021-006-00	60,466
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	FY2020 HP-CMV Grant Program	9,699
Total US Department of Transportation			109,751
Total Federal Awards			$ 3,013,880

City of West Des Moines, Iowa
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of West Des Moines, Iowa (the City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. The City did not pass through any federal awards to subrecipients during the year ended June 30, 2021.

4. The City received protective personal equipment (PPE) that were funded with federal dollars in the amount of $198,236 during the year ended June 30, 2021. The amount reported is based on the value of the property at the date it was received. (Unaudited)

City of West Des Moines, Iowa

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?	☒ Yes	☐ None reported
Material weakness(es)?	☐ Yes	☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)?	☐ Yes	☒ None reported
Material weakness(es)?	☐ Yes	☒ No

5. The opinions expressed in the independent auditor's report on compliance for major federal awards programs were:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

City of West Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

7. The City's major programs were:

Cluster/Program	CFDA Number
Community Development Block Grants/Entitlement Grants Cluster	
COVID-19 Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B programs was $750,000.

9. The City qualified as a low-risk auditee? ☐ Yes ☒ No

City of West Des Moines, Iowa

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2021-01	**Significant Deficiency** **Finding:** The City was incorrectly reporting a net investment in joint venture by the general fund as an enterprise fund of the City. **Criteria or specific requirement:** Per GASB Statement No. 14, A governmental fund shall report its share of equity interests in joint ventures as an asset. However, it is inappropriate to report the entire net investment in joint venture as an asset in a governmental fund. All or a portion of the equity interest should be reported in the government wide statement of net position. The participating government's total equity interest should be calculated in accordance with the joint venture agreement. The amount that should be reported in the government wide statement of net position is the total equity interest adjusted for any portion of the equity interest that is included in the balance sheet of a governmental fund. For example, if the general fund reports an amount payable to, or receivable from, the joint venture, the "net investment" account in the government wide statement of net position should be adjusted by that amount. Thus, the combination of amounts reported in the governmental funds and in the government wide statement of net position should equal the total equity interest in the net assets of the joint venture. Governmental fund operating statements should report changes in joint venture equity interests only to the extent that the amounts received or receivable from the joint venture or the amounts paid or payable to the joint venture satisfy the revenue or expenditure recognition criteria for governmental funds. **Condition:** The City improperly identified Westcom as a blended component unit of the City when in fact, Westcom was a joint venture of the general fund of the City. **Effect:** The City improperly reported Westcom as an enterprise fund of the City when it should have been reported as a net investment in joint venture by the general fund. **Cause:** The City acts as the coordinating agency for Westcom and employs all personnel that operate Westcom. As such, it created confusion as to the proper treatment and who had the corporate powers of the entity. **Recommendation:** The City should review investment activities and work through a detailed analysis in accordance with the guidance to verify proper treatment and inclusion in the City's financials. **Views of Responsible Officials:** The City agrees with the finding. See separate auditee document for planned corrective actions.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
	There were no findings to report.

City of West Des Moines, Iowa
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

Reference Number	Finding	Status
2020-001	**Finding:** Schedule of Expenditures of Federal Awards Preparation	
	Prior Year Recommendation: The City does not have adequate internal controls to ensure the SEFA accurately reports all federal assistance the City receives. The City's SEFA included $157,741 of state expenditures from a prior period. Total expenditures reported on the SEFA are $1.048 million.	**Implemented**
2020-002	**Finding:** Equipment and Real Property Management	
	Prior Year Recommendation: We noted the following conditions in our testing of equipment management: a.) An inventory of capital assets has not been performed by the City within the last two years. b.) The City does not maintain a fixed asset listing that contains the federal participation in the cost of the asset.	**Implemented**
2020-003	**Finding:** Procurement, Suspension and Debarment	
	Prior Year Recommendation: The City could not provide evidence that a verification was performed, nor was any language to this effect included in the contracts.	**Implemented**

City of West Des Moines, Iowa

Other Findings Related to Required Statutory Reporting

Year Ended June 30, 2021

Reference Number	Finding
2021-IA-A	**Certified Budget** - Disbursements during the year ended June 30, 2021 did not exceed the amount budgeted as per Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under and annual or continuing appropriation."
2021-IA-B	**Questionable Expenditures** - We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
2021-IA-C	**Travel Expenses** - No expenditures of City money for travel expenses of spouses or City officials or employees were noted.
2021-IA-D	**Business Transactions** - Business transactions between the City and City Officials or employees are detailed as follows: According to Chapter 362.5 of the Code of Iowa, an officer or employee of the City shall not have an interest, direct or indirect, in a contract with that City. The provision does not apply to transactions that do not exceed a cumulative total purchase price of $1,500 in a fiscal year or to contracts made by a City upon competitive bid. All the transactions with Walnut Creek Promotions, Inc. were entered into through competitive bidding. All other transactions were not entered into through competitive bidding. Those transactions were for professional services.
2021-IA-E	**Restricted Donor Activity** - No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
2021-IA-F	**Bond Coverage** - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
2021-IA-G	**City Council Minutes** - No transactions were found that we believe should have been approved in the City Council minutes but were not.
2021-IA-H	**Deposits and Investments** - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
2021-IA-J	**Annual Urban Renewal Report** - The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.

City of West Des Moines, Iowa

Other Findings Related to Required Statutory Reporting (Continued)

Year Ended June 30, 2021

Reference Number	Finding
2021-IA-K	**Separately Maintained Records** - Chapter 384.20 of the Code of Iowa states, in part, "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received, or expended for any city purpose, by any city officer, employee, or other person, and which show the receipt, use, and disposition of all city property." No such transactions were noted.
2021-IA-L	**Financial Condition** - At June 30, 2021, the City had deficit balances in the following funds:

Fund	Amount
Dallas County Local Housing Trust Fund	$ (30,781)
Road Use Tax Fund	(8,282,648)
Fiber Conduit Uitility Fund	(903,343)

See Note 5 of the financial statements for additional information about deficit balances.