



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE December 24, 2015

Contact: Andy Nielsen
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Auditor of State Mary Mosiman today released an audit report on the City of Council Bluffs, Iowa.

The City's revenues totaled \$123,105,639 for the year ended June 30, 2015, a 16.7% increase from the prior year. Revenues included \$43,103,435 in property and other city tax, \$5,966,145 for tax increment financing, \$28,796,440 from charges for service, \$14,683,571 from operating grants, contributions and restricted interest, \$8,392,730 from capital grants, contributions and restricted interest, \$11,394,035 from local option sales tax, \$2,889,262 from hotel/motel tax, \$3,091,006 from gaming wager tax, \$1,071,331 from commercial/industrial replacement, \$294,173 from unrestricted investment earnings and \$3,423,511 from other general revenues.

Expenses for City operations totaled \$112,194,216 for the year ended June 30, 2015, an 8.6% increase from the prior year, and included \$30,124,650 for public safety, \$17,476,764 for community and economic development and \$16,468,963 for public works. Expenses for business type activities totaled \$14,814,925.

A copy of the audit report is available for review in the City Finance Director's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1520-0732-B00F.pdf>.

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City of Council Bluffs, Iowa
Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2015

Prepared by:
City of Council Bluffs Finance Department

City of Council Bluffs

City of Council Bluffs
Comprehensive Annual Financial Report

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City of Council Bluffs

INTRODUCTORY SECTION



December 14, 2015

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

State law requires cities to publish a complete set of financial statements and the financial condition and transactions be examined annually by the Auditor of State or by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Council Bluffs for the fiscal year ended June 30, 2015. The financial statements are presented in conformity with the United States of America generally accepted accounting principles (GAAP).

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

The City's financial statements have been audited by the Office of Auditor of State of the State of Iowa. The objective of an independent audit is to provide reasonable assurance the basic financial statements of the City for the year ended June 30, 2015 are free of material misstatement. The independent audit involved examining evidence supporting the amounts and disclosures in the basic financial statements on a test basis. Additionally, the audit assessed the City's accounting principles, significant estimates made by management, and evaluated the overall presentation of the basic financial statements.

Based on their audit, the independent auditors concluded there was a reasonable basis to give an unmodified opinion the City's financial statements for the year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first item of the Financial Section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited governments internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the City's Single Audit for the fiscal year ended June

30, 2015 provided no instances of material weaknesses in the internal control over compliance or significant violations of applicable laws, regulations, contracts and grants. The results of the Single Audit are reported in the Financial Assistance Section of this report.

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

Profile of the City

The City of Council Bluffs is the county seat of Pottawattamie County, situated on the Missouri River in Western Iowa, adjacent to Omaha, Nebraska and 125 miles west of the State Capital, Des Moines, Iowa. The City encompasses 40.97 square miles and serves a population of 62,245 (United States Census Bureau 2014 estimate based on 2010 census). The United States Census Bureau estimate of the Omaha-Council Bluffs Metropolitan 2014 population was 904,421. The diverse business community includes gaming, railroad transportation, food processing and production, hospitality and health care.

The City is governed by a "strong-Mayor" form of government. The Mayor and five City Council members are elected on a non-partisan basis every four years. The Mayor presides at all meetings of the City Council, is responsible for the administration of the City and appoints all but two department heads. The City Council appoints the City Attorney and the City Clerk.

The City provides a full range of services including police and fire protection; solid waste collection; construction and maintenance of streets, sewers and bridges; sewage collection and treatment; planning and zoning; and culture and recreation which include two swimming pools, an eighteen and a nine hole golf course, 594 acres of parks, 40 miles of walking and biking trails and various historic landmarks. The City owns and leases two commercial buildings, one to the Bass Pro Shop and one to a restaurant facility in the Dodge Park Golf clubhouse. Council Bluffs also owns the Mid America Center, a full service convention center and a 7,000 plus seat arena facility. In addition, the City reports the Council Bluffs Airport Authority and the Council Bluffs Library Foundation as component units.

The annual budget serves as the comprehensive financial plan for each fiscal year. The budget is developed by the department heads as coordinated by the Finance Director under the direction of the Mayor. Department heads, the Mayor and the Finance Director identify key services the City intends to provide in the upcoming fiscal year. Additionally, the Community and Economic Development Director coordinates an ongoing five year capital improvement plan with department heads. Department heads and the Finance Director project revenue based on taxing information, volumes and amounts of fees for services and other revenue. The budget is presented and adopted by the City Council and then forwarded to the Iowa Department of Management prior to March 15 for the fiscal year beginning the following July 1.

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

Factors Affecting Financial Condition

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

Local Economy – Council Bluffs is not only the largest city in southwest Iowa but it also has an alternate identity as the largest suburb in the metropolitan Omaha area. The city supports a large agricultural community in Pottawattamie County, is developing as a technology center due to favorable utility rates and ready access to utility providers, and will benefit from its' strategic location at the intersection of east/west Interstate 80 and north/south Interstate 29. The City is undergoing an initiative to develop the western edge of Council Bluffs, the Missouri riverfront, to incorporate parks, housing and a corporate office center to boost the City's tax base and to highlight the City's front door from the West. A private development company has begun Phase I of a new development to establish 388 new homes on the east side of Council Bluffs. The metropolitan area has seen the unemployment rate drop to 3.0% in 2014 from 3.9% in 2010.

The City of Council Bluffs is committed to developing the riverfront into a greenspace which has enhanced the natural setting. This includes the Bob Kerry Pedestrian Bridge between Omaha and Council Bluffs and Tom Hanafan River's Edge Park. The City has received numerous awards recognizing the park for its environmental impact and design. Most recently, the park was named River City of the Year by Iowa River Revival. This award celebrates the many vibrant river communities across the state that are reclaiming the riverfronts as anchors for economic development, recreation, ecological practices, while addressing challenges and solutions related to the safety and quality of Iowa's rivers.

The tax base composition is diverse, consisting of 49.7% residential, 36.8% commercial and 3.5% industrial. The largest taxpayer accounts for 6.58% of total value and the remaining nine leading taxpayers account for a combined total of 13.37% of the taxable value.

Budget Challenges – Recent year's budget processes have faced the challenges presented by the current state and national economies. State shared revenue reductions; loss of investment income due to lower returns in the current markets; state mandated increases in public safety pension costs; increased cost of health care, and increased costs of liability and property insurance are some of the challenges. The City has also undertaken a Flood Mitigation Project to rebuild and certify the levy system which protects the City from flood waters. The City budget ensures all required expenditures are provided for. All known grants and outside funding sources are secured to aid in financing all projects.

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

- Prioritizing and scheduling capital projects and acquisitions over the next five years;
- Estimating cash flow needs and timing; and
- Identifying funding sources for capital projects and acquisitions.

Highlights of the Capital Improvement Plan are as follows:

- Building Maintenance to include window replacement at the Central Fire station and renovation of the Park Maintenance building - \$225,000
- Community Development projects to include street and utility construction of the Playland Park commercial and housing development - \$2,250,000
- Public safety purchase of a fire truck and other gear replacement - \$685,000
- Construction of a new Animal Shelter - \$750,000
- Phase I redevelopment of Fairmont Park - \$450,000
- Public Works Flood Mitigation projects - \$5,500,000
- City wide, street, sewer, pump station and bridge repairs and reconstruction - \$5,400,000

Financial Awards

The Government Finance Officers Association of the United States and Canada (GFOA) again awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Council Bluffs, Iowa for its Comprehensive Annual Financial Report for the year ended June 30, 2014. This was the fourth consecutive year the City has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements. The City will submit this report to the GFOA to determine eligibility for another certificate.

Acknowledgements

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

Respectfully submitted,



Matthew J. Walsh
Mayor



Daniel Jordet
Finance Director



Government Finance Officers Association

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

Presented to

**City of Council Bluffs
Iowa**

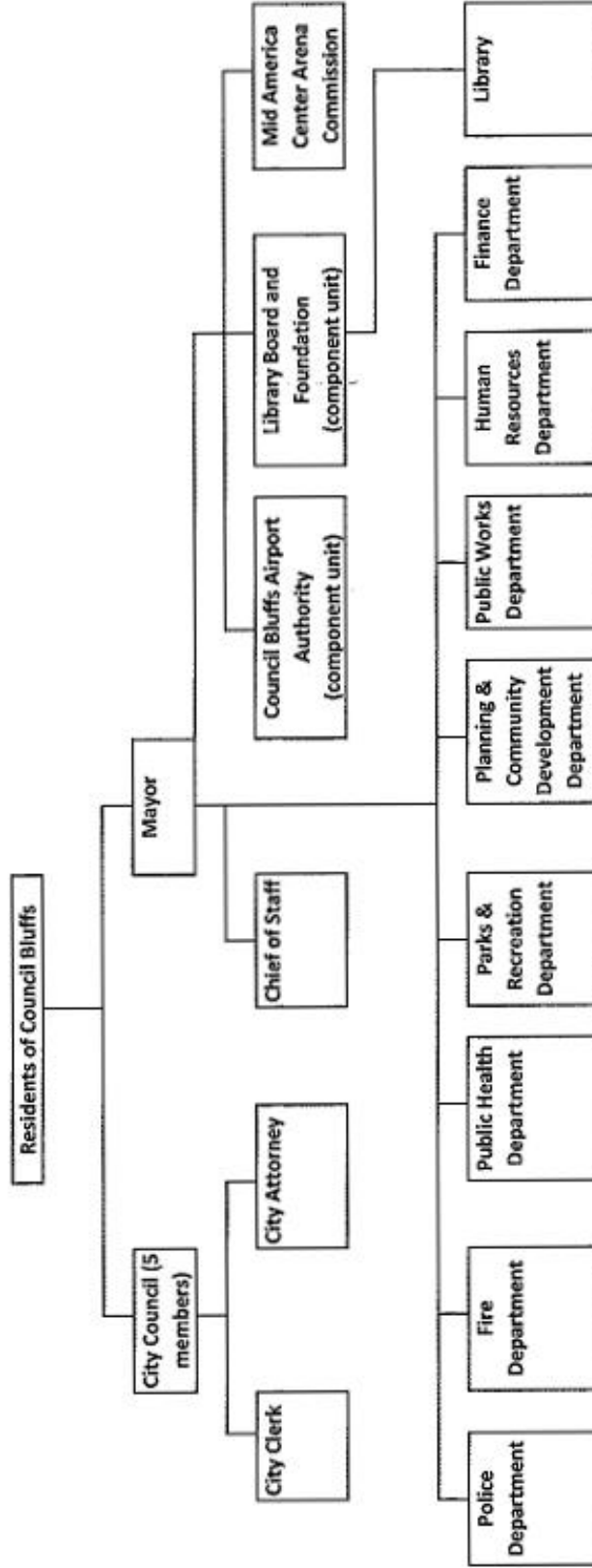
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

City of Council Bluffs, Iowa City Organizational Chart June 30, 2015



The mayor appoints trustees and commissioners to various commission in the city.
The Council Bluffs Airport Authority, and the Library Foundation are component units included in this report.
The Mid America Center Board of Trustees oversees the city owned arena and convention center.

City of Council Bluffs

Principal Officials

June 30, 2015

Mayor

Matthew Walsh

City Council Members

Lynne Branigan, Melissa Head, Albert Ringgenberg

Nate Watson, Sharon White

City Directors and Department Chiefs (indefinite terms)

Timothy Carmody – Police Chief **Justin James** – Fire Chief

Marcy Worden – City Clerk **Jon Finnegan** – Human Resources Director

Wendy Schultz – Chief of Staff **Greg Reeder** - Public Works Director

Donald Gross – Community Development Director **Richard Wade** – City Attorney

Kathy Rieger – Library Director **Larry Foster** - Parks and Recreation Director

Mark Howard – Chief Information Officer **Donn Dierks** – Public Health Director

Daniel Jordet – Finance Director

FINANCIAL SECTION



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, CPA
Auditor of State

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Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Council Bluffs, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 City'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 City'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Council Bluffs as of June 30, 2015, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 21 to the financial statements, the City of Council Bluffs adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of City Contributions, the Schedules of Funding Progress for the Retiree Health and the Supplemental Pension Plans and the Schedules of City Contributions for the Retiree Health and the Supplemental Pension Plans on pages 13 through 22 and 86 through 97 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

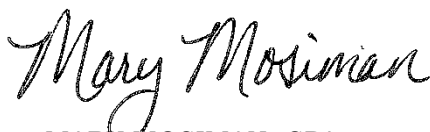
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Council Bluffs' basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information identified in the table of contents and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections on pages 2 through 8 and 107 through 149 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2015 on our consideration of the City of Council Bluffs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Council Bluffs' internal control over financial reporting and compliance.



MARY MOSIMAN, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 14, 2015

City of Council Bluffs

City of Council Bluffs, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal Year Ended June 30, 2015

This portion of the Comprehensive Annual Financial Report (CAFR) of the City of Council Bluffs, Iowa (the City) provides administration's narrative overview and analysis of the City's financial activities based on currently known facts, decisions and conditions related to the fiscal year that ended June 30, 2015. We encourage readers to consider information in this section along with information we presented in the letter of transmittal found on pages 2 through 5.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Council Bluffs exceeded the liabilities and deferred inflows of resources at June 30, 2015 by \$377,187,845.
- The City implemented Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27, during fiscal year 2015. The beginning net position for governmental activities and business-type activities were restated \$36,035,065 and \$2,676,077, respectively, to retroactively report the net pension liability as of July 1, 2014 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. The financial statement amounts for fiscal year 2014 net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the pension information needed to restate those amounts was not available.
- The City's net position decreased \$27,799,719 during the year. The net position associated with governmental activities decreased \$32,791,271 and the net position associated with business type activities increased \$4,991,552.
- The City's overall long-term liabilities increased to \$94,097,029, an increase of \$31,523,902 during the year. The general obligation bond/note portion of indebtedness increased \$1,970,000 during the year and the net pension liability was \$27,812,429, at June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

The Statement of Activities presents information regarding the revenues and expenses of the City for the current fiscal year on the accrual basis of accounting. This basis records revenue at the time it is earned rather than when it is received. Expenses are recorded at the time goods or services are received rather than at the time payment is made. Reporting activity in this way means many transactions will be recorded before the actual cash flow from those transactions.

The Statement of Activities distinguishes governmental activities from business type activities. Governmental activities are those that will be carried out using tax revenue, funds from other governments or user fees.

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

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

One of the most important questions asked about the City's finances is, "Is the City of Council Bluffs as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way which helps answer this question.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest portion of the City's net position is invested in capital assets (land, street and sewer networks, buildings, improvements and equipment), less the related debt used to acquire those assets which is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The analysis that follows shows the City's total net position at June 30, 2015 and 2014.

	Governmental Activities		Business Type Activities		Total	
	2015	2014 (not restated)	2015	2014 (not restated)	2015	2014 (not restated)
Current and other assets	\$ 113,748,731	103,332,598	9,540,314	6,849,612	123,289,045	110,182,210
Capital assets	276,715,049	279,538,459	149,540,497	144,863,921	426,255,546	424,402,380
Total assets	390,463,780	382,871,057	159,080,811	151,713,533	549,544,591	534,584,590
Deferred outflows of resources	7,783,297	-	440,720	-	8,224,017	-
Long-term liabilities	87,118,052	57,554,426	6,978,977	5,018,701	94,097,029	62,573,127
Other liabilities	23,354,498	17,189,992	1,049,506	986,989	24,404,004	18,176,981
Total liabilities	110,472,550	74,744,418	8,028,483	6,005,690	118,501,033	80,750,108
Deferred inflows of resources	61,286,077	48,846,918	793,653	-	62,079,730	48,846,918
Net position:						
Net investment in						
capital assets	234,964,843	246,057,967	144,959,497	140,083,921	379,924,340	386,141,888
Restricted	31,773,393	25,626,688	-	-	31,773,393	25,626,688
Unrestricted	(40,249,786)	(12,404,934)	5,739,898	5,623,922	(34,509,888)	(6,781,012)
Total net position	\$ 226,488,450	259,279,721	150,699,395	145,707,843	377,187,845	404,987,564

Net position of governmental activities decreased approximately \$32.8 million, or 12.6%, from fiscal year 2014. Net position of business type activities increased approximately \$5 million, or 3.4%, over fiscal year 2014. Capital assets of governmental activities decreased \$2.8 million, or 1%, from fiscal year 2014, primarily due to the completion of infrastructure projects that subsequently were contributed to business type activity funds. Capital assets of business type activities increased approximately \$4.7 million, or 3.2%, over fiscal year 2014, primarily due to ongoing improvements to the sanitary sewer and storm sewer infrastructure. Long-term liabilities

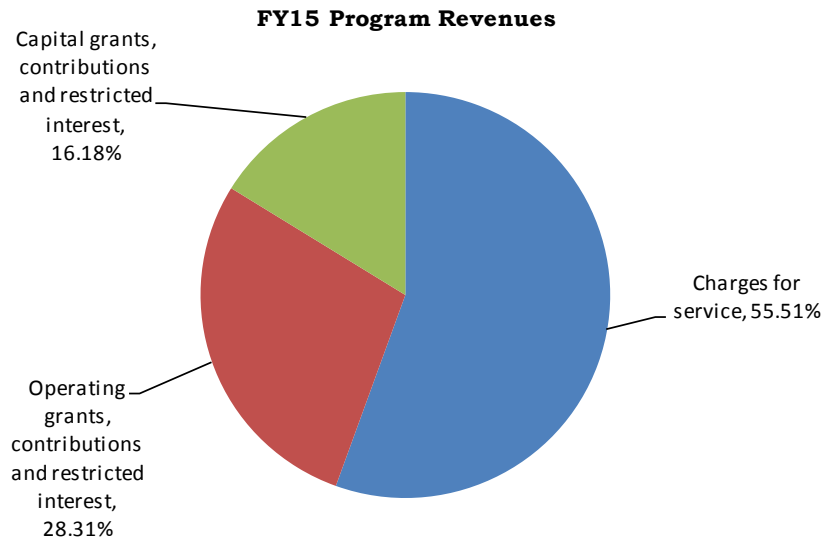
of governmental activities increased \$29.6 million, or 51.4%, from fiscal year 2014, primarily due to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment to GASB No. 27.

The largest portion of the City's net position is invested in capital assets (e.g. land, infrastructure, buildings and equipment), less the related debt. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Restricted net position increased approximately \$6.1 million, or 24%, from fiscal year 2014. This increase is primarily due to more funds held at June 30, 2015 which are restricted for debt service and street and sewer maintenance and improvements.

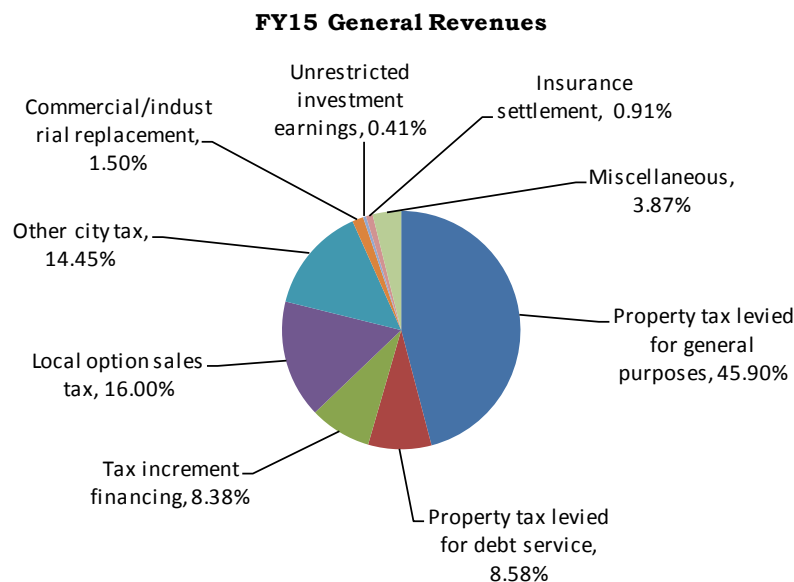
Total unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is at a deficit of approximately \$34.5 million. This is a decrease of approximately \$27.7 million under the prior year unrestricted net position, which was at a deficit of approximately \$6.8 million. The decrease in unrestricted net assets arose primarily as the City continued to make commitments to its sewer infrastructure, in part with funds generated by the local option sales tax and the issuance of general obligation bonds, as well as the implementation of GASB Statement No. 68.

	Governmental Activities		Business Type Activities		Total	
	2015	2014 (not restated)	2015	2014 (not restated)	2015	2014 (not restated)
Revenues:						
Program revenues:						
Charges for service	\$ 17,897,620	14,958,030	10,898,820	10,484,786	28,796,440	25,442,816
Operating grants, contributions and restricted interest	14,683,571	11,770,641	-	9,691	14,683,571	11,780,332
Capital grants, contributions and restricted interest	8,392,730	3,457,434	-	-	8,392,730	3,457,434
General revenues:						
Property tax levied for:						
General purposes	32,682,818	32,503,566	-	-	32,682,818	32,503,566
Debt service	6,109,993	6,327,266	-	-	6,109,993	6,327,266
Tax increment financing	5,966,145	5,466,119	-	-	5,966,145	5,466,119
Local option sales tax	11,394,035	8,921,770	-	-	11,394,035	8,921,770
Hotel motel tax	2,889,262	2,679,437	-	-	2,889,262	2,679,437
Gaming wager tax	3,091,006	3,125,722	-	-	3,091,006	3,125,722
Other city tax	4,310,624	3,490,785	-	-	4,310,624	3,490,785
Commercial/industrial replacement	1,071,331	-	-	-	1,071,331	-
Unrestricted investment earnings	294,173	266,405	-	-	294,173	266,405
Insurance settlement	650,796	1,319,001	-	-	650,796	1,319,001
Gain on disposition of capital assets	-	-	13,932	5,901	13,932	5,901
Miscellaneous	2,751,718	687,608	7,065	2,355	2,758,783	689,963
Total revenues	112,185,822	94,973,784	10,919,817	10,502,733	123,105,639	105,476,517
Program expenses:						
Public safety	30,124,650	31,070,833	-	-	30,124,650	31,070,833
Public works	16,468,963	15,609,496	-	-	16,468,963	15,609,496
Health and social services	638,134	676,455	-	-	638,134	676,455
Culture and recreation	15,348,323	14,374,266	-	-	15,348,323	14,374,266
Community and economic development	17,476,764	10,386,218	-	-	17,476,764	10,386,218
General government	15,571,464	15,094,903	-	-	15,571,464	15,094,903
Interest on long-term debt	1,750,993	1,600,705	-	-	1,750,993	1,600,705
Sewer	-	-	9,365,727	9,085,454	9,365,727	9,085,454
Refuse and disposal	-	-	5,449,198	5,394,055	5,449,198	5,394,055
Total expenses	97,379,291	88,812,876	14,814,925	14,479,509	112,194,216	103,292,385
Excess (deficiency) of revenues over (under) expenses	14,806,531	6,160,908	(3,895,108)	(3,976,776)	10,911,423	2,184,132
Transfers, net	(11,562,737)	(12,428,195)	11,562,737	12,428,195	-	-
Change in net position	3,243,794	(6,267,287)	7,667,629	8,451,419	10,911,423	2,184,132
Net position beginning of year, as restated	223,244,656	265,547,008	143,031,766	137,256,424	366,276,422	402,803,432
Net position end of year	\$ 226,488,450	259,279,721	150,699,395	145,707,843	377,187,845	404,987,564

Total revenues reported for the primary government for the year ended June 30, 2015 were \$123,105,639. Program revenues totaled \$51,872,741 for the year ended June 30, 2015. Governmental activities provided \$40,973,921 and business type activities provided \$10,898,820 of program revenues. Revenue from charges for service during fiscal year 2015 was \$28,796,440, accounting for 55.5% of total program revenues. The following charts break down program revenues by source:



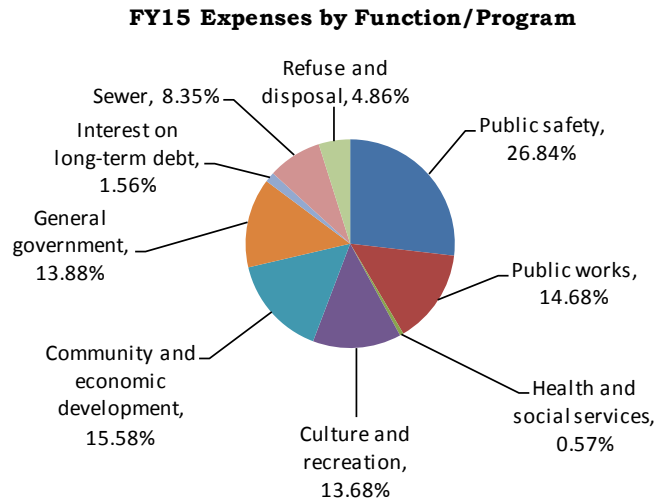
General revenues for the year ended June 30, 2015 totaled \$71,232,898. Governmental activities provided \$71,211,901 and business type activities provided \$20,997 of general revenues. Property tax revenue for fiscal year 2015 totaled \$38,792,811, accounting for 54.5% of general revenues. The following chart illustrates general revenues by source:



Overall revenues increased approximately \$17.6 million, or 16.7%, from fiscal year 2014. The change is primarily the result of an approximately \$3.4 million, or 13.2%, increase in charges for service, an increase of approximately \$2.5 million, or 27.7%, in local option sales tax, an increase of approximately \$4.9 million, or 142.7%, in capital grants. Charges for service increased materially due to permits and fees generated by major construction projects. Local option sales tax rose due to increased retail and commercial activity in the region. Capital grants increased due to a larger amount of federal and private grants related to City construction projects. The

City also received approximately \$1 million in commercial/industrial replacement claim payments for the first time in fiscal year 2015.

Expenses for the primary government for the year ended June 30, 2015 totaled \$112.2 million. This is an increase of 8.6% from the prior year total of \$103.3 million. Expenses for governmental activities totaled \$97.4 million, accounting for 86.8% of total expenses. Business type activities expenses totaled \$14.8 million, or 13.2% of the total. The following chart breaks down expenses by function/program:



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

<u>Function/Program</u>	<u>Activity</u>
Public safety	Individual and community protection, physical health
Public works	Public service, utilities and transportation
Health and social services	Health regulation and inspection
Culture and recreation	Education and recreation
Community and economic development	Environmental preservation, housing and community development
General government	Policy and administration, including in-house services provided to City departments
NOTE: In fiscal year 2014, 2011 flood costs are classified as general government costs.	

The City budgets and records expenditures based on cost centers and groups costs in functional areas. The \$8.9 million increase in expenditures is primarily due to the issuance of a \$5,950,000 loan, the proceeds of which were used to make an economic development grant in accordance with the Marketplace Urban Renewal plan.

Governmental Activities

To aid in understanding the Statement of Activities, some additional explanation is given. Of particular interest is the format which is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balances. Please note the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense) revenue calculation. This format highlights the respective financial burden each of the functions place on the taxpayers. For example, for health and social services, the City spent \$638,134 and received \$279,857 in revenue, leaving a cost to taxpayers of \$358,277, a decrease of 3% from fiscal year 2014, to be funded by various methods. This format identifies how much each function draws from general revenues or is self-sustaining through fees or grants.

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

<u>Function/Program</u>	<u>Revenues</u>
Public safety	Fines, COPS grants and block grants
Community and economic development	HUD grants, building permits and licenses
General government	Internal charges for service

The total cost of governmental activities this year was \$97,379,291. Of these costs, \$17,897,620 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations which subsidized certain programs with operating and capital grants and contributions were \$23,076,301, leaving a net expense of \$56,405,370 for governmental activities. These expenses were financed by tax revenues, interest and other general revenues. The Statement of Activities provides further detail. The net (expense) revenue for governmental activities is as follows:

Governmental activities Function/Program:	<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>2015</u>	<u>2014</u>
Public safety	\$ (23,092,358)	(26,806,248)
Public works	247,750	(7,324,783)
Health and social services	(358,277)	(369,543)
Culture and recreation	(9,618,292)	(8,965,576)
Community and economic development	(12,509,216)	(6,514,037)
General government	(9,410,304)	(7,137,237)
Interest on long-term debt	(1,664,673)	(1,509,347)
Net (expense) revenue of governmental activities	(56,405,370)	(58,626,771)
General revenues and transfers	59,649,164	52,359,484
Change in net position	<u>\$ 3,243,794</u>	<u>(6,267,287)</u>

Resources available during the year to finance governmental activities totaled \$323,867,741, consisting of net position (as restated) at July 1, 2014 of \$223,244,656, program revenues of \$40,973,921 and general revenues and transfers of \$59,649,164. During the year, governmental activities expenses totaled \$97,379,291. Governmental activities net position (as restated) increased \$3,243,794 to \$226,488,450.

Business Type Activities

The cost of all business type activities for the year was \$14,814,925 as shown in the Statement of Activities. The amount charged to users of the systems was \$10,898,820. Net expense for business type activities was \$3,916,105. The net (expense) revenue by business type activity for the years ended June 30, 2015 and 2014 is as follows:

Business Type Activities	Net (Expense) Revenue and Changes in Net Position	
	2015	2014
Sewer	\$ (4,224,285)	(4,140,148)
Refuse and disposal	308,180	155,116
Total net (expense) revenue	(3,916,105)	(3,985,032)
General revenues and transfers	11,583,734	12,436,451
Change in net position	\$ 7,667,629	8,451,419

Resources available during the year to finance business type activities totaled \$165,514,320, consisting of net position (as restated) at July 1, 2014 of \$143,031,766, program revenues of \$10,898,820 and general revenues and transfers of \$11,583,734. During the year, business type activities expenses totaled \$14,814,925 and business type activities net position (as restated) increased \$7,667,629 to \$150,699,395.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUND HIGHLIGHTS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balances may serve as a useful measure of net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$55,968,625. The combined governmental fund balances increased \$8,752,748 from the prior year.

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

- The General Fund balance increased \$2,103,775, or 10.9%, from the prior year. Revenues increased \$5,023,591, or 8.1%. Expenditures increased \$352,202, or .6%, from the prior year.

The fund balance increase is due primarily to approximately \$2.8 million of licenses and permits for major construction projects.

- The Special Revenue, Bass Pro Shop Fund balance increased \$78,026 to \$274,501, a 39.7% increase from the prior year. Revenues increased \$1,231,461, or 65.0%, and expenditures decreased \$10,511,629, or 73.3%. The increase in revenues was due to a \$1.2 million increase in the amount reimbursed by the Iowa West Foundation for costs associated with the Bass Pro Shop building. The decrease in expenditures was primarily due to the full balance of a term loan note (\$11.6 million) coming due and being refinanced in the prior year.

- The Special Revenue, Tax Increment Financing Fund balance increased \$528,082 to \$689,590. Tax increment financing revenues increased \$492,868, or 9%, due to higher valuations in certain TIF districts. Expenditures for this fund increased 126.1%, or \$5,637,406, due to an increase in economic development grants resulting from increased valuations and the issuance of a \$5,950,000 loan, the proceeds of which were used to make an economic development grant.
- The Special Revenue, City Local Option Sales Tax Fund balance increased \$2,016,945, or 22.9%, from the prior year. The increase is chiefly due to an increase in local option sales tax received.
- The Debt Service Fund balance increased \$2,524,022 from the prior year. The increase is primarily due to the issuance of \$3.6 million in general obligation refunding bonds for a crossover refunding of the general obligation bonds issued June 23, 2008. The bonds are scheduled to be called on June 1, 2016.
- The Capital Projects Fund balance decreased \$734,707 from the prior year. This was primarily due to a decrease in transfers in from other funds as well as a decline in capital projects spending during fiscal year 2015.

PROPRIETARY FUND HIGHLIGHTS

- The Enterprise, Sewer Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal year 2015 with a \$144,896,033 net position compared to the prior year ending net position (as restated) of \$137,539,439, an increase of \$7,356,594, or 5.3%. The increase is primarily due to the contribution of infrastructure completed in fiscal year 2015.
- The Enterprise, Refuse and Disposal Fund ended fiscal year 2015 with a \$5,803,362 net position compared to the prior year ending net position (as restated) of \$5,492,327, an increase of \$311,035, or 5.7%. The slight increase in net position occurred as operations continued to produce revenues in excess of operating costs despite softness in prices for recyclable material during the year. The fund balance is at an adequate level to upgrade capital equipment within the facility as needed.

BUDGETARY HIGHLIGHTS

The City adopted two budget amendments in the fiscal year ended June 30, 2015. In November 2014 and June 2015, City officials reviewed year to date operations, projected activity to the end of the year and determined adjustments to the budget were needed based on six items. They are: (1) revenues and costs related to the Flood Mitigation Project, (2) purchase of equipment delivered in the current year, budgeted in a subsequent year, (3) costs associated with building repairs and property acquisition resulting from weather related disasters, (4) costs associated with a debt transaction, (5) revenues and costs associated with the issuance of building permits for the expansion of a large international technology company and (6) revenues and costs associated with the Mid America Center.

In the fiscal year ended June 30, 2015, actual revenues of \$122,267,829 exceeded the amended budget revenue of \$118,539,323 by \$3,728,506. This variance arose because other city tax and licenses and permits came in greater than expected.

Overall, total expenditures/expenses were \$3,593,399 lower than budgeted amounts. Expenditures/expenses during the year ended June 30, 2015 totaled \$132,116,602. The amended expenditure/expense budget was \$135,710,001. At the conclusion of the fiscal year ended June 30, 2015, public safety expenditures were \$580,906 over budget and community and economic development was \$5,045,986 over budget while capital projects was \$8,776,899 under budget. Public safety was over budget due to several unanticipated workers compensation claims. Community and economic development was over budget due to a \$5.95 million loan issuance which was used to provide an economic development grant and was not budgeted.

The City is currently in the process of developing an operating budget for the fiscal year ending June 30, 2016, which will plan to have revenues approximate expenditures for all funds, including the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, including land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure, represents the value of the resources utilized to provide services to our citizens. Capital assets at June 30, 2015 were \$426,255,546 (net of accumulated depreciation). See Note 3 to the financial statements for more information about the City's capital assets.

During the fiscal year ending June 30, 2015, the City's investment in capital assets included public safety equipment (police vehicles, fire protection equipment and an ambulance), street infrastructure (south 24th street, and various ongoing neighborhood street improvements), public works (trucks, plows, snow blower and traffic equipment) and information technology infrastructure upgrades.

Capital improvements in business type activities included major investments for the 28th street pump station, Mosquito Creek sewer relocate project and ongoing neighborhood sewer improvements.

Long-term Debt

At June 30, 2015, the City had approximately \$50.49 million of general obligation bonds and notes outstanding versus approximately \$48.52 million last year. The increase resulted because the amount of new general obligation bonds issued exceeded principal payments on existing bonds by \$1.97 million. Proceeds of the bond offering are being used for streets and sewer infrastructure improvements, technology infrastructure acquisition, upgrades and renovation to existing parks and trail facilities and public safety equipment as well as refunding of previous debt issuances. The City's general obligation bonds carry an AA2 rating assigned by Moody's Investor Services. Assignment of this rating reflects the City's continued moderate tax base growth, sound financial operations and rapid debt retirement. The City continues to operate well under the State debt capacity limitation. The State limits the amount of general obligation debt outstanding to 5% of the assessed value of all taxable property in the City.

On March 24, 2015, the City issued \$11,765,000 of general obligation bonds.

More detailed information on debt administration is provided in Note 4 to the financial statements.

ECONOMIC FACTORS

The City's operating plan for fiscal year 2016 calls for revenue and other financing activity of \$129,738,963 and expenditures of \$131,614,276. Currently, City operations are approximating expected results. A large expansion project by a major international technology company is ongoing in the City. Major expansion of Interstate Highways 80 and 29 is generating a great deal of both construction activity and economic growth. The reconstruction of the Interstate System includes a new interchange onto Broadway which is the main corridor into Council Bluffs from downtown Omaha. In addition, the State of Iowa will transfer control of Broadway (a.k.a. State Highway 6) to the City of Council Bluffs which will allow the City to reconstruct the roadway. The vital interstate interchange and reconstruction of this major artery will stimulate significant development of the western edge of the City.

Changes to the State of Iowa's commercial property tax valuation formulas were enacted in 2013 by the Iowa Legislature with the objective of creating new commercial development throughout the state. Future tax planning will need to include analysis of the impact of those legislative initiatives when projecting future financial resources.

The Iowa agricultural sector will face challenges in calendar year 2016 that may have an impact on the economy of the region. Because of the City's proximity to the agricultural community and a biofuel production facility, the local economy will be attentive to future agricultural activity.

The City continues to monitor activity in this area as well as the actions of the Federal Reserve Board when considering capital projects funded by issuance of general obligation bonds.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and operating activities. If you have questions or require additional financial information, please contact Daniel Jordet, City Finance Director at 712-328-4685.

Basic Financial Statements

City of Council Bluffs
Statement of Net Position

June 30, 2015

	Primary Government		
	Governmental Activities	Business Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and pooled investments	\$ 36,815,340	6,922,681	43,738,021
U.S. Treasury Securities on deposit with escrow agent	3,804,460	-	3,804,460
Receivables:			
Property tax:			
Delinquent	145,313	-	145,313
Succeeding year	44,060,487	-	44,060,487
Succeeding year tax increment financing	4,657,997	-	4,657,997
Accounts (net of \$2,857,254 allowance for uncollectible accounts in the General Fund)	6,033,677	99,794	6,133,471
Special and drainage assessments	367,184	-	367,184
Customer accounts and unbilled usage	-	1,800,739	1,800,739
Loans	876,511	-	876,511
Due from other governments	7,966,258	381,257	8,347,515
Inventories	1,361,498	335,843	1,697,341
Prepaid items	1,079,963	-	1,079,963
Total current assets	107,168,688	9,540,314	116,709,002
Noncurrent assets:			
Note receivable	750,000	-	750,000
Land held for resale	5,830,043	-	5,830,043
Capital assets - nondepreciable	48,347,182	10,539,162	58,886,344
Capital assets - depreciable (net)	228,367,867	139,001,335	367,369,202
Total noncurrent assets	283,295,092	149,540,497	432,835,589
Total assets	390,463,780	159,080,811	549,544,591
Deferred Outflows of Resources			
Pension related deferred outflows - IPERS	1,399,133	440,720	1,839,853
Pension related deferred outflows - MFPRSI	6,384,164	-	6,384,164
Total deferred outflows of resources	7,783,297	440,720	8,224,017
Liabilities			
Current liabilities:			
Accounts payable	5,855,484	439,476	6,294,960
Salaries and benefits payable	837,918	94,924	932,842
Accrued interest payable	142,783	-	142,783
Due to other governments	176,773	4,877	181,650
Deposits	1,087,945	-	1,087,945
Unearned revenue	-	39,989	39,989
Current portion due within one year:			
General obligation bonds/notes	9,955,000	-	9,955,000
Revenue bonds/notes	-	206,000	206,000
Term loan note	2,442,105	-	2,442,105
Settlement agreement	485,033	-	485,033
HUD loan	20,000	-	20,000
Iowa Finance Authority loan	290,000	-	290,000
Capital lease	-	-	-
Line of credit	-	-	-
Notes payable	-	-	-
Compensated absences	2,061,457	264,240	2,325,697
Total current liabilities	23,354,498	1,049,506	24,404,004
Noncurrent liabilities:			
General obligation bonds/notes	40,535,000	-	40,535,000
Revenue bonds/notes	-	4,375,000	4,375,000
Term loan note	6,105,264	-	6,105,264
Settlement agreement	2,722,719	-	2,722,719
HUD loan	625,000	-	625,000
Iowa Finance Authority loan	5,660,000	-	5,660,000
Capital lease	-	-	-
Notes payable	-	-	-
Compensated absences	1,358,253	109,419	1,467,672
Net OPEB liability	1,768,570	257,430	2,026,000
Net supplemental pension liability	530,817	77,183	608,000
Net pension liability - IPERS	6,697,094	2,159,945	8,857,039
Net pension liability - MFPRSI	21,115,335	-	21,115,335
Total noncurrent liabilities	87,118,052	6,978,977	94,097,029
Total liabilities	110,472,550	8,028,483	118,501,033

Component Units	
Airport Authority	Library Foundation
447,157	8,724,099
-	-
40,584	-
-	-
-	-
2,630	-
-	-
-	-
-	-
80,652	-
-	-
15,380	-
586,403	8,724,099
-	-
-	-
2,903,141	-
21,380,870	-
24,284,011	-
24,870,414	8,724,099
27,000	-
-	-
27,000	-
84,601	-
7,070	-
7,437	-
-	-
2,667	-
-	-
-	-
-	-
-	-
-	-
1,008	-
100,000	-
195,000	-
-	-
397,783	-
-	-
1,790,000	-
-	-
-	-
-	-
-	-
2,559	-
105,000	-
-	-
-	-
-	-
117,401	-
-	-
2,014,960	-
2,412,743	-

(continued on next page)

City of Council Bluffs
Statement of Net Position
(continued)

June 30, 2015

	Primary Government		Total
	Governmental Activities	Business Type Activities	
Deferred Inflows of Resources			
Unavailable revenues:			
Succeeding year property tax	44,060,487	-	44,060,487
Succeeding year tax increment financing	4,657,997	-	4,657,997
Pension related deferred inflows - IPERS	2,582,098	793,653	3,375,751
Pension related deferred inflows - MFPRSI	9,985,495	-	9,985,495
Total deferred inflows of resources	61,286,077	793,653	62,079,730
Net Position			
Net investment in capital assets	234,964,843	144,959,497	379,924,340
Restricted for:			
Nonexpendable:			
Permanent Fund	59,920	-	59,920
Expendable:			
Debt service	5,339,743	-	5,339,743
Bass Pro Shop	274,501	-	274,501
Street and sewer maintenance and improvements	17,798,021	-	17,798,021
Community development block grant programs	1,837,127	-	1,837,127
Employee benefits	2,419,374	-	2,419,374
Insurance	986,646	-	986,646
Library	162,671	-	162,671
Other purposes	2,895,390	-	2,895,390
Unrestricted	(40,249,786)	5,739,898	(34,509,888)
Total net position	\$ 226,488,450	150,699,395	377,187,845

See notes to financial statements.

Component Units	
Airport Authority	Library Foundation
-	-
-	-
44,774	-
-	-
<u>44,774</u>	<u>-</u>
22,090,444	-
-	-
-	-
-	-
-	-
-	-
-	-
-	8,724,099
-	-
349,453	-
<u>22,439,897</u>	<u>8,724,099</u>

City of Council Bluffs

Statement of Activities

Year ended June 30, 2015

		Program Revenues		
		Charges for	Operating Grants,	Capital Grants,
	Expenses	Service	Contributions and	Contributions and
			Restricted Interest	Restricted Interest
Functions/Programs:				
Primary Government:				
Governmental activities:				
Public safety	\$ 30,124,650	6,781,118	251,174	-
Public works	16,468,963	260,674	8,063,309	8,392,730
Health and social services	638,134	204,936	74,921	-
Culture and recreation	15,348,323	5,311,670	418,361	-
Community and economic development	17,476,764	773,600	4,193,948	-
General government	15,571,464	4,565,622	1,595,538	-
Interest on long-term debt	1,750,993	-	86,320	-
Total governmental activities	97,379,291	17,897,620	14,683,571	8,392,730
Business type activities:				
Sewer	9,365,727	5,141,442	-	-
Refuse and disposal	5,449,198	5,757,378	-	-
Total business type activities	14,814,925	10,898,820	-	-
Total primary government	\$ 112,194,216	28,796,440	14,683,571	8,392,730
Component Units:				
Airport Authority	\$ 1,453,106	292,110	-	595,984
Library Foundation	174,283	-	79,420	-
Total component units	\$ 1,627,389	292,110	79,420	595,984
General Revenues and Transfers:				
Property tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Hotel motel tax				
Gaming wager tax				
Other city tax				
Commercial/industrial replacement				
Unrestricted investment earnings				
Insurance settlement				
Gain on disposition of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position beginning of year, as restated				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business Type Activities	Total	Airport Authority	Library Foundation
(23,092,358)	-	(23,092,358)		
247,750	-	247,750		
(358,277)	-	(358,277)		
(9,618,292)	-	(9,618,292)		
(12,509,216)	-	(12,509,216)		
(9,410,304)	-	(9,410,304)		
(1,664,673)	-	(1,664,673)		
(56,405,370)	-	(56,405,370)		
-	(4,224,285)	(4,224,285)		
-	308,180	308,180		
-	(3,916,105)	(3,916,105)		
(56,405,370)	(3,916,105)	(60,321,475)		
			(565,012)	-
			-	(94,863)
			(565,012)	(94,863)
\$ 32,682,818	-	32,682,818	620,584	-
6,109,993	-	6,109,993	-	-
5,966,145	-	5,966,145	-	-
11,394,035	-	11,394,035	-	-
2,889,262	-	2,889,262	-	-
3,091,006	-	3,091,006	-	-
4,310,624	-	4,310,624	-	-
1,071,331	-	1,071,331	-	-
294,173	-	294,173	360	260,165
650,796	-	650,796	-	-
-	13,932	13,932	400	-
2,751,718	7,065	2,758,783	51,331	-
(11,562,737)	11,562,737	-	-	-
59,649,164	11,583,734	71,232,898	672,675	260,165
3,243,794	7,667,629	10,911,423	107,663	165,302
223,244,656	143,031,766	366,276,422	22,332,234	8,558,797
\$ 226,488,450	150,699,395	377,187,845	22,439,897	8,724,099

City of Council Bluffs

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

General Fund – This is the City’s operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

Special Revenue, Bass Pro Shop Fund – The Special Revenue, Bass Pro Shop Fund receives rent and City, County and Iowa West Foundation contributions to pay interest and principal on the City’s urban renewal term loan note debt and maintenance of the Bass Pro Shop.

Special Revenue, Tax Increment Financing Fund – The Special Revenue, Tax Increment Financing Fund receives revenues from a tax authorized by ordinance in the urban renewal districts for repayment of debt.

Special Revenue, City Local Option Sales Tax Fund – The Special Revenue, City Local Option Sales Tax Fund receives revenues from a tax authorized by referendum to cover the costs of maintenance and improvements to the City’s sewer and street systems.

Debt Service Fund – The Debt Service Fund receives revenues from property tax and other sources for repayment of general obligation debt.

Capital Projects Fund – The Capital Projects Fund accounts for resources used in the acquisition and construction of capital facilities and other capital assets.

City of Council Bluffs

Balance Sheet
Governmental Funds

June 30, 2015

	General	Special Revenue		
		Bass Pro Shop	Tax Increment Financing	City Local Option Sales Tax
Assets				
Cash, cash equivalents and pooled investments	\$17,948,224	223,464	680,183	8,957,406
Cash in escrow	-	-	-	-
Receivables:				
Property tax:				
Delinquent	124,116	-	-	-
Succeeding year	37,691,640	-	-	-
Succeeding year tax increment financing	-	-	4,657,997	-
Accounts (net)	4,383,135	51,037	-	-
Special and drainage assessments	193,856	-	-	-
Loans	300,000	-	-	-
Note	750,000	-	-	-
Due from other governments	2,037,168	-	9,407	3,108,510
Due from other funds	396,099	-	-	-
Inventories	298,511	-	-	-
Prepaid items	691,265	-	-	-
Land held for resale	-	-	-	-
Total assets	\$64,814,014	274,501	5,347,587	12,065,916
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,759,291	-	-	1,238,241
Salaries and benefits payable	765,149	-	-	-
Due to other governments	176,289	-	-	-
Due to other funds	-	-	-	-
Deposits	1,087,945	-	-	-
Total liabilities	4,788,674	-	-	1,238,241
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	37,691,640	-	-	-
Succeeding year tax increment financing	-	-	4,657,997	-
Other	908,977	-	-	-
Total deferred inflows of resources	38,600,617	-	4,657,997	-

Debt Service	Capital Projects	Nonmajor	Total
907,968	-	8,098,095	36,815,340
3,804,460	-	-	3,804,460
21,197	-	-	145,313
6,368,847	-	-	44,060,487
-	-	-	4,657,997
-	1,596,694	2,811	6,033,677
-	-	173,328	367,184
-	-	576,511	876,511
-	-	-	750,000
93,980	648,458	2,068,735	7,966,258
-	-	-	396,099
-	-	1,062,987	1,361,498
-	388,698	-	1,079,963
-	5,384,202	445,841	5,830,043
11,196,452	8,018,052	12,428,308	114,144,830

34,669	979,750	843,533	5,855,484
-	-	72,769	837,918
-	168	316	176,773
-	396,099	-	396,099
-	-	-	1,087,945
34,669	1,376,017	916,618	8,354,219

6,368,847	-	-	44,060,487
-	-	-	4,657,997
21,197	-	173,328	1,103,502
6,390,044	-	173,328	49,821,986

(continued on next page)

City of Council Bluffs

Balance Sheet
Governmental Funds
(continued)

June 30, 2015

	Special Revenue			
	General	Bass Pro Shop	Tax Increment Financing	City Local Option Sales Tax
Liabilities, Deferred Inflows of Resources and Fund Balances (continued)				
Fund balances:				
Nonspendable:				
Cemetery perpetual care	-	-	-	-
Inventories	298,511	-	-	-
Prepaid items	691,265	-	-	-
Note receivable	750,000	-	-	-
Restricted for:				
Street and sewer maintenance and improvements	-	-	-	10,827,675
Debt service	-	-	689,590	-
Community development block grant programs	-	-	-	-
Capital projects	-	-	-	-
Other purposes	3,836,594	274,501	-	-
Unassigned	15,848,353	-	-	-
Total fund balances	21,424,723	274,501	689,590	10,827,675
Total liabilities, deferred inflows of resources and fund balances	\$64,814,014	274,501	5,347,587	12,065,916

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
-	-	59,920	59,920
-	-	1,062,987	1,361,498
-	-	-	691,265
-	-	-	750,000
-	-	6,254,120	17,081,795
4,771,739	-	-	5,461,329
-	-	1,837,127	1,837,127
-	6,642,035	-	6,642,035
-	-	2,124,208	6,235,303
-	-	-	15,848,353
4,771,739	6,642,035	11,338,362	55,968,625
11,196,452	8,018,052	12,428,308	114,144,830

Exhibit D

City of Council Bluffs
Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2015

Total governmental fund balances (page 35) \$ 55,968,625

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. The cost of capital assets is \$417,946,905 and the accumulated depreciation is \$141,231,856.

276,715,049

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.

1,103,502

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

Deferred outflows of resources - IPERS	\$ 1,399,133	
Deferred outflows of resources - MFPRSI	6,384,164	
Deferred inflows of resources - IPERS	(2,582,098)	
Deferred inflows of resources - MFPRSI	<u>(9,985,495)</u>	(4,784,296)

Long-term liabilities, including bonds/notes payable, loan payable, settlement agreement payable, compensated absences payable, net OPEB liability, net pension liabilities and accrued interest payable, are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.

General obligation bonds/notes	(50,490,000)	
Urban renewal term loan note	(8,547,369)	
Settlement agreement	(3,207,752)	
HUD loan	(645,000)	
Iowa Finance Authority loan	(5,950,000)	
Compensated absences	(3,419,710)	
Net OPEB liability	(1,768,570)	
Net supplemental pension liability	(530,817)	
Net pension liability - IPERS	(6,697,094)	
Net pension liability - MFPRSI	(21,115,335)	
Accrued interest payable	<u>(142,783)</u>	<u>(102,514,430)</u>

Net position of governmental activities (page 26) \$226,488,450

See notes to financial statements.

City of Council Bluffs

City of Council Bluffs

Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2015

	General	Special Revenue		
		Bass Pro Shop	Tax Increment Financing	City Local Option Sales Tax
Revenues:				
Property tax	\$ 33,269,752	-	-	-
Tax increment financing	-	-	5,966,145	-
Other city tax	9,156,441	-	15,987	11,394,035
Licenses and permits	7,042,718	-	-	-
Use of money and property	292,470	634,445	2	-
Intergovernmental	4,114,971	192,560	-	1,507,563
Charges for service	7,751,377	-	-	-
Special and drainage assessments	-	-	-	-
Miscellaneous	5,087,662	2,300,000	-	154,717
Total revenues	66,715,391	3,127,005	5,982,134	13,056,315
Expenditures:				
Operating:				
Public safety	32,483,718	-	-	-
Public works	1,497,216	-	-	-
Health and social services	662,595	-	-	-
Culture and recreation	12,683,766	-	-	-
Community and economic development	848,818	1,167,784	9,662,532	-
General government	15,121,711	-	-	-
Debt service:				
Principal redeemed	-	2,442,105	-	-
Interest paid	-	226,548	-	-
Miscellaneous debt expenditures	-	-	444,117	-
Capital projects	-	-	-	6,815,097
Total expenditures	63,297,824	3,836,437	10,106,649	6,815,097
Excess (deficiency) of revenues over (under) expenditures	3,417,567	(709,432)	(4,124,515)	6,241,218
Other financing sources (uses):				
General obligation bonds issued	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-
Loan proceeds	-	-	5,950,000	-
Transfers in	-	787,458	-	75,727
Transfers out	(1,313,792)	-	(1,297,403)	(4,300,000)
Total other financing sources (uses)	(1,313,792)	787,458	4,652,597	(4,224,273)
Change in fund balances	2,103,775	78,026	528,082	2,016,945
Fund balances beginning of year	19,320,948	196,475	161,508	8,810,730
Fund balances end of year	\$ 21,424,723	274,501	689,590	10,827,675

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
6,110,477	-	-	39,380,229
-	-	-	5,966,145
542,467	-	-	21,108,930
-	-	49,669	7,092,387
2,051	-	-	928,968
246,014	1,743,609	9,597,634	17,402,351
-	-	11,309	7,762,686
-	-	295,971	295,971
-	3,628,073	239,893	11,410,345
6,901,009	5,371,682	10,194,476	111,348,012
-	-	108,210	32,591,928
-	-	6,697,222	8,194,438
-	-	-	662,595
-	-	219,302	12,903,068
-	-	1,419,906	13,099,040
-	-	768,231	15,889,942
9,795,000	-	-	12,237,105
1,497,466	-	-	1,724,014
116,682	55,647	-	616,446
-	12,568,004	-	19,383,101
11,409,148	12,623,651	9,212,871	117,301,677
(4,508,139)	(7,251,969)	981,605	(5,953,665)
-	6,145,000	-	6,145,000
5,620,000	-	-	5,620,000
338,350	253,063	-	591,413
-	-	-	5,950,000
1,073,811	194,926	1,255,000	3,386,922
-	(75,727)	-	(6,986,922)
7,032,161	6,517,262	1,255,000	14,706,413
2,524,022	(734,707)	2,236,605	8,752,748
2,247,717	7,376,742	9,101,757	47,215,877
4,771,739	6,642,035	11,338,362	55,968,625

City of Council Bluffs

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances – Governmental Funds
to the Statement of Activities

Year ended June 30, 2015

Change in fund balances - Total governmental funds (page 39)

\$ 8,752,748

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

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

Expenditures for capital assets	\$ 6,612,593	
Capital assets contributed by developers	1,617,943	
Depreciation/amortization expense	<u>(11,053,946)</u>	(2,823,410)

Because some revenues will not be collected for several months after the City's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:

Property tax	4,567	
Other	<u>(722,249)</u>	(717,682)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances exceeded repayments, as follows:

Issued	(17,715,000)	
Repaid	<u>12,744,353</u>	(4,970,647)

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

IPERS	1,033,054	
MFPRSI	<u>4,689,184</u>	5,722,238

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 the governmental funds, as follows:

Compensated absences	(284,113)	
Net OPEB expense	(128,760)	
Net supplemental pension expense	(20,736)	
Pension expense - IPERS	(502,091)	
Pension expense - MFPRSI	(1,781,807)	
Interest on long-term debt	<u>(1,946)</u>	(2,719,453)

Change in net position of governmental activities (page 29)\$ 3,243,794

See notes to financial statements.

City of Council Bluffs

PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

Enterprise, Sewer Fund – The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

Enterprise, Refuse and Disposal Fund – The Enterprise, Refuse and Disposal Fund accounts for the operation and maintenance of the City's solid waste collection and recycling systems.

City of Council Bluffs
Statement of Net Position
Proprietary Funds

June 30, 2015

	Business Type Activities - Enterprise		
		Refuse and Sewer Disposal	Total
Assets			
Current assets:			
Cash, cash equivalents and pooled investments	\$ 4,078,962	2,843,719	6,922,681
Receivables:			
Accounts	61,476	38,318	99,794
Customer accounts and unbilled usage	696,116	1,104,623	1,800,739
Due from other governments	13,713	367,544	381,257
Inventories	298,422	37,421	335,843
Total current assets	5,148,689	4,391,625	9,540,314
Noncurrent assets:			
Capital assets - nondepreciable	10,144,626	394,536	10,539,162
Capital assets - depreciable (net)	136,832,809	2,168,526	139,001,335
Total noncurrent assets	146,977,435	2,563,062	149,540,497
Total assets	152,126,124	6,954,687	159,080,811
Deferred Outflows of Resources			
IPERS pension related deferred outflows	343,574	97,146	440,720
Liabilities			
Current liabilities:			
Accounts payable	52,880	386,596	439,476
Salaries and benefits payable	74,437	20,487	94,924
Due to other governments	4,798	79	4,877
Unearned revenue	-	39,989	39,989
Revenue notes	206,000	-	206,000
Compensated absences	198,803	65,437	264,240
Total current liabilities	536,918	512,588	1,049,506
Noncurrent liabilities:			
Revenue notes	4,375,000	-	4,375,000
Compensated absences	86,133	23,286	109,419
Net OPEB liability	213,975	43,455	257,430
Net supplemental pension liability	64,924	12,259	77,183
Net IPERS pension liability	1,674,263	485,682	2,159,945
Total noncurrent liabilities	6,414,295	564,682	6,978,977
Total liabilities	6,951,213	1,077,270	8,028,483
Deferred Inflows of Resources			
Unavailable revenues:			
IPERS pension related deferred inflows	622,452	171,201	793,653
Net Position			
Net investment in capital assets	142,396,435	2,563,062	144,959,497
Unrestricted	2,499,598	3,240,300	5,739,898
Total net position	\$144,896,033	5,803,362	150,699,395

See notes to financial statements.

City of Council Bluffs
Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds

Year ended June 30, 2015

	Business Type Activities - Enterprise		
		Refuse and Disposal	Total
	Sewer		
Operating revenues:			
Charges for service	\$ 5,115,491	5,248,871	10,364,362
Miscellaneous	25,951	508,507	534,458
Total operating revenues	5,141,442	5,757,378	10,898,820
Operating expenses:			
Sewer system and sewage disposal	5,741,715	-	5,741,715
Refuse disposal	-	5,202,126	5,202,126
Depreciation	3,469,159	247,072	3,716,231
Total operating expenses	9,210,874	5,449,198	14,660,072
Operating income (loss)	(4,069,432)	308,180	(3,761,252)
Non-operating revenues (expenses):			
Land rent	7,065	-	7,065
Gain on disposal of capital assets	11,077	2,855	13,932
Interest expense	(142,903)	-	(142,903)
Miscellaneous debt expense	(11,950)	-	(11,950)
Total non-operating revenues (expenses)	(136,711)	2,855	(133,856)
Net income (loss) before contributions and transfers	(4,206,143)	311,035	(3,895,108)
Contributions and transfers:			
Capital contributions	7,962,737	-	7,962,737
Transfers in	3,600,000	-	3,600,000
Total contributions and transfers	11,562,737	-	11,562,737
Change in net position	7,356,594	311,035	7,667,629
Net position beginning of year, as restated	137,539,439	5,492,327	143,031,766
Net position end of year	\$ 144,896,033	5,803,362	150,699,395

See notes to financial statements.

City of Council Bluffs

Exhibit I

City of Council Bluffs

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2015

	Business Type Activities - Enterprise		
		Refuse and Disposal	Total
	Sewer		
Cash flows from operating activities:			
Cash received from customers and users	\$ 5,010,013	5,159,892	10,169,905
Cash received from other sources	13,010	505,871	518,881
Cash paid for personal services	(4,354,615)	(1,077,175)	(5,431,790)
Cash paid to suppliers	(1,545,939)	(4,113,795)	(5,659,734)
Net cash provided by (used for) operating activities	(877,531)	474,793	(402,738)
Cash flows from noncapital financing activities:			
Land rent	7,065	-	7,065
Transfers from other funds	3,600,000	-	3,600,000
Net cash provided by noncapital financing activities	3,607,065	-	3,607,065
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(341,104)	(75,033)	(416,137)
Principal paid on sewer revenue capital loan notes	(199,000)	-	(199,000)
Interest and fees paid on sewer revenue capital loan notes	(154,853)	-	(154,853)
Net cash used for capital and related financing activities	(694,957)	(75,033)	(769,990)
Net increase in cash and cash equivalents	2,034,577	399,760	2,434,337
Cash and cash equivalents beginning of year	2,044,385	2,443,959	4,488,344
Cash and cash equivalents end of year	\$ 4,078,962	2,843,719	6,922,681

City of Council Bluffs
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2015

	Business Type Activities - Enterprise			
		Refuse and Sewer	Disposal	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (4,069,432)	308,180	(3,761,252)	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	3,469,158	247,072	3,716,230	
(Increase) decrease in accounts receivable	(37,023)	4,013	(33,010)	
(Increase) decrease in customer accounts receivable and unbilled usage	(68,455)	111,061	42,606	
Increase in due from other governments	(12,941)	(204,053)	(216,994)	
(Increase) decrease in inventories	(53,134)	4,167	(48,967)	
Increase in IPERS deferred outflows	(98,951)	(27,215)	(126,166)	
Increase (decrease) in accounts payable	(4,376)	37,259	32,883	
Increase in salaries and benefits payable	5,907	2,299	8,206	
Increase in due to other governments	1,788	79	1,867	
Decrease in unearned revenue	-	(2,636)	(2,636)	
Increase (decrease) in compensated absences	769	(1,745)	(976)	
Increase in net OPEB liability	15,540	3,700	19,240	
Increase in net supplemental pension liability	2,664	600	3,264	
Decrease in net IPERS pension liability	(651,497)	(179,189)	(830,686)	
Increase in IPERS deferred inflows	622,452	171,201	793,653	
Total adjustments	3,191,901	166,613	3,358,514	
Net cash provided by (used for) operating activities	\$ (877,531)	474,793	(402,738)	

Non-cash investing, capital and financing activities:

During the year ended June 30, 2015, capital assets of \$7,962,737 were contributed to the Enterprise, Sewer Fund by the governmental funds. The total trade-in value of equipment deleted from Enterprise Funds was \$95,889.

See notes to financial statements.

City of Council Bluffs

City of Council Bluffs

Notes to Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies

The City of Council Bluffs is a political subdivision of the State of Iowa located in Pottawattamie County. It was first incorporated in 1853 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. Council Bluffs provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. It also operates an airport and provides sewer and sanitation utilities for its citizens.

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

A. Reporting Entity

For financial reporting purposes, the City of Council Bluffs has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements present the City of Council Bluffs (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Discretely Presented Component Units

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

The Council Bluffs Public Library Foundation (Foundation) has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate exclusively for charitable, educational and literary purposes for the enhancement and improvement of the Council Bluffs Public Library. In accordance with criteria set by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented. Based on these criteria, the economic resources received or held by the Foundation are substantially for the direct benefit of the City of Council Bluffs Library.

Jointly Governed Organization

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

Related Organizations and Organizations with Joint Venture Characteristics

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

B. Basis of Presentation

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

The City reports the following major proprietary funds:

Enterprise:

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

The Refuse and Disposal Fund is used to account for the operation and maintenance of the City's solid waste collection and recycling system.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

restricted and unrestricted net position available to finance the programs. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represent taxes collected by the County but not remitted to the City at June 30, 2015 and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed

property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2014.

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

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

Due from and Due to Other Funds – During the course of its operations, the City has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

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

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

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	40-50
Land improvements	10-20
Machinery and equipment	5-30
Vehicles	5-10
Infrastructure	20-65
Intangibles	7-15

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

Deposits – The City received \$3,000,000 as part of an economic development agreement to offset project inspection costs for a large economic development project. The unearned amount of the deposit was \$1,087,945 at June 30, 2015.

Compensated Absences – City employees accumulate a limited amount of earned but unused vacation and sick leave benefits and compensatory time for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. 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 Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System (Systems') and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, expenditures exceeded the amounts budgeted in the public safety, community and economic development, and debt service functions.

(2) Cash, Cash Equivalents and Pooled Investments

Primary Government

The City's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2015, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$102, which approximates fair value, pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment of operating funds (funds reasonably expected to be expended during the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days. However, all investments of the City shall have maturities consistent with the needs and uses of the City.

Credit risk – The City's investments in the Iowa Public Agency Investment Trust are unrated.

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

Discretely Presented Component Unit – Library Foundation

The Council Bluffs Public Library Foundation's investments at June 30, 2015 consist of mutual funds with a fair value of \$8,724,099.

(3) Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Primary Government				
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 37,408,317	-	-	37,408,317
Construction in progress	18,054,258	3,174,132	(10,289,525)	10,938,865
Total capital assets not being depreciated/amortized	55,462,575	3,174,132	(10,289,525)	48,347,182
Capital assets being depreciated/amortized:				
Buildings	127,733,305	305,150	-	128,038,455
Improvements other than buildings	27,712,394	116,012	-	27,828,406
Equipment and vehicles	24,079,887	2,353,578	(452,528)	25,980,937
Infrastructure, road network and other	174,546,897	12,301,696	-	186,848,593
Intangibles	577,037	326,295	-	903,332
Total capital assets being depreciated/amortized	354,649,520	15,402,731	(452,528)	369,599,723
Less accumulated depreciation/amortization for:				
Buildings	30,786,448	2,863,435	-	33,649,883
Improvements other than buildings	15,950,829	1,324,042	-	17,274,871
Equipment and vehicles	16,831,129	1,996,612	(395,726)	18,432,015
Infrastructure, road network and other	66,467,580	4,788,505	-	71,256,085
Intangibles	537,650	81,352	-	619,002
Total accumulated depreciation/amortization	130,573,636	11,053,946	(395,726)	141,231,856
Total capital assets being depreciated/amortized, net	224,075,884	4,348,785	(56,802)	228,367,867
Governmental activities capital assets, net	\$ 279,538,459	7,522,917	(10,346,327)	276,715,049
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 6,441,912	-	-	6,441,912
Construction in progress	10,635,446	3,189,981	(9,728,177)	4,097,250
Total capital assets not being depreciated	17,077,358	3,189,981	(9,728,177)	10,539,162
Capital assets being depreciated:				
Buildings	22,798,184	-	-	22,798,184
Improvements other than buildings	6,884,135	-	-	6,884,135
Equipment and vehicles	13,730,812	634,812	(223,732)	14,141,892
Infrastructure, sewer network	135,427,958	14,378,146	-	149,806,104
Total capital assets being depreciated	178,841,089	15,012,958	(223,732)	193,630,315
Less accumulated depreciation for:				
Buildings	11,159,905	402,720	-	11,562,625
Improvements other than buildings	1,582,565	125,366	-	1,707,931
Equipment and vehicles	9,075,998	655,179	(141,777)	9,589,400
Infrastructure, sewer network	29,236,058	2,532,966	-	31,769,024
Total accumulated depreciation	51,054,526	3,716,231	(141,777)	54,628,980
Total capital assets being depreciated, net	127,786,563	11,296,727	(81,955)	139,001,335
Business type activities capital assets, net	\$ 144,863,921	14,486,708	(9,810,132)	149,540,497

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

Governmental activities:	
Public safety	\$ 1,036,033
Public works	4,869,790
Health and social services	29,689
Culture and recreation	2,718,809
Community and economic development	2,208,017
General government	191,608
Total depreciation/amortization expense - governmental activities	<u>\$ 11,053,946</u>

Business type activities:	
Sewer	\$ 3,469,159
Refuse and Disposal	247,072
Total depreciation expense - business type activities	<u>\$ 3,716,231</u>

Discretely Presented Component Unit:

Airport Authority:

Capital assets not being depreciated:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Land	\$ 2,192,064	-	-	2,192,064
Construction in progress	140,965	754,937	(184,825)	711,077
Total capital assets not being depreciated	2,333,029	754,937	(184,825)	2,903,141

Capital assets being depreciated:

Buildings	7,477,581	-	-	7,477,581
Improvements other than buildings	19,874,567	184,825	-	20,059,392
Equipment and vehicles	334,698	10,227	(3,500)	341,425
Total capital assets being depreciated	27,686,846	195,052	(3,500)	27,878,398

Less accumulated depreciation for:

Buildings	1,697,263	179,426	-	1,876,689
Improvements other than buildings	3,698,970	647,384	-	4,346,354
Equipment and vehicles	250,521	27,464	(3,500)	274,485
Total accumulated depreciation	5,646,754	854,274	(3,500)	6,497,528

Total capital assets being depreciated, net	22,040,092	(659,222)	-	21,380,870
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Discretely presented component unit

capital assets, net	<u>\$ 24,373,121</u>	<u>95,715</u>	<u>(184,825)</u>	<u>24,284,011</u>
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Total depreciation expense - discretely presented component unit				<u>\$ 854,274</u>
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(4) Long-Term Liabilities

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year, as restated	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds/notes	\$ 48,520,000	11,765,000	(9,795,000)	50,490,000	9,955,000
Term loan note	10,989,474	-	(2,442,105)	8,547,369	2,442,105
Settlement agreement	3,700,000	-	(492,248)	3,207,752	485,033
Iowa Finance Authority Loan	-	5,950,000	-	5,950,000	290,000
HUD loan	660,000	-	(15,000)	645,000	20,000
Compensated absences	3,135,597	2,519,350	(2,235,237)	3,419,710	2,061,457
Net OPEB liability	1,639,810	260,130	(131,370)	1,768,570	-
Net supplemental pension liability	510,081	81,216	(60,480)	530,817	-
Net pension liability - IPERS	9,399,680	-	(2,702,586)	6,697,094	-
Net pension liability - MFPRSI	32,104,445	-	(10,989,110)	21,115,335	-
Total	\$ 110,659,087	20,575,696	(28,863,136)	102,371,647	15,253,595
Business type activities:					
Sewer revenue capital loan notes	\$ 4,780,000	-	(199,000)	4,581,000	206,000
Compensated absences	374,635	306,084	(307,060)	373,659	264,240
Net OPEB liability	238,190	38,870	(19,630)	257,430	-
Net supplemental pension liability	73,919	12,784	(9,520)	77,183	-
Net pension liability - IPERS	2,990,631	-	(830,686)	2,159,945	-
Total	\$ 8,457,375	357,738	(1,365,896)	7,449,217	470,240

Governmental Activities:

General Obligation Bonds/Notes Payable

General obligation bonds/notes have been issued for governmental activities. The portion of unmatured general obligation bonds/notes accounted for in governmental activities and serviced by the Debt Service Fund totaled \$50,490,000 at June 30, 2015. General obligation bonds/notes bear interest at rates ranging from .50% to 5.6% per annum and mature in varying annual amounts ranging from \$50,000 to \$1,945,000, with final maturities due in the year ending June 30, 2030.

On March 24, 2015, the City issued \$8,145,000 of general obligation bonds with an interest rate of 3% per annum. \$6,145,000 is to provide funds to pay the costs related to the opening, widening, extending, grading and draining of the right-of-way of streets, highways, avenues, alleys, public grounds and market places, and the construction, reconstruction and repairing of street and sidewalk improvements; the acquisition, installation and repair of signage, street lighting and traffic control devices; and the acquisition of real estate needed for any of the foregoing purposes: the acquisition, construction, reconstruction, extension, improvement and equipping of works and facilities useful for the collection, treatment and disposal of sewage and industrial waste in a sanitary manner, and for the collection and disposal of surface waters and streams; equipping of the fire department; the acquisition of ambulances and ambulance equipment; the rehabilitation and improvement of parks already owned, including facilities, equipment, and improvements commonly found in city parks; and the acquisition, construction, reconstruction, improvement, repair and equipping of waterworks, water mains, and extensions and real and personal property, useful for

providing potable water to residents of a city. \$2,000,000 is for a current refunding of \$2,065,000 of general obligation bonds dated May 1, 2007. The City refunded the bonds to reduce its total debt service payment by approximately \$104,000 and to obtain an economic gain (difference between the present value of debt service payments on the old and new debt) of approximately \$102,000.

On March 24, 2015, the City issued \$3,620,000 of general obligation refunding bonds with interest at rates ranging from 2.00% to 4.00% per annum for a crossover refunding of the general obligation bonds issued June 23, 2008. The City entered into an escrow agreement whereby the proceeds from the general obligation refunding bonds were converted to U.S. Treasury Securities. These securities were placed in an escrow account for the express purpose of paying the \$3,680,000 of principal on the refunded general obligation bonds when they become callable on June 1, 2016 and the interest falling due on the bonds on or before June 1, 2016. After the principal and interest on all of the outstanding bonds have been paid, any remaining funds in the escrow account, together with any interest thereon, shall be returned to the City. The transactions, balances and liabilities of the escrow account are recorded by the City since the refunded debt is not considered extinguished. The City refunded the bonds to reduce its total debt service payments by approximately \$206,000 and to obtain an economic gain (difference between the present value of debt services payments on the old and new debt) of approximately \$196,000.

The City's policy is to not record the deferred inflows of resources for the gain resulting from the refunding of debt in those instances where the amounts are immaterial.

The City's policy is the gain resulting from the refunding of debt in those instances where the amounts are immaterial. During the year ended June 30, 2015, principal payments of \$9,795,000 and interest payments of \$1,497,466 were made by the City on general obligation bonds/notes.

Term Loan Note

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

Principal and interest on this note are secured as follows:

- (1) Bass Pro Shop lease rental payments,
- (2) Mortgage and Security Agreement, in favor of the holder of the note, granting a first lien on the project improvements and land,
- (3) County annual appropriation economic development grant,
- (4) Iowa West Foundation, Inc. guaranty and
- (5) Certain annual appropriations totaling \$6,693,393 to be made by the City.

During the year ended June 30, 2015, principal payments of \$2,442,105 and interest payments of \$226,548 on the note were made by the City.

The City has pledged future Bass Pro Shop lease rental income and contributions from the City, County and Iowa West Foundation, net of specified operating expenditures, to repay the term loan note issued in March 2014. Annual principal and interest payments on the note are expected to require more than 100% of net revenues. The total principal and interest remaining to be paid on the note is \$8,897,141. For the current year, principal and interest paid and total net revenues (operating revenues plus transfers in from the City, less operating expenditures) were \$2,668,653 and \$2,746,679, respectively.

Settlement Agreement

On October 17, 2013, a stipulation of dismissal with prejudice was brought before the United States District Court for the Southern District of Iowa, Central Division, which dismissed a suit against the City of Council Bluffs and others. The dismissal with prejudice resulted in a settlement agreement making the City liable for \$6,000,000, plus interest at 1.377% per annum. The settlement will be paid from the General Fund.

During the year ended June 30, 2015, the City made principal and interest payments of \$492,248 and \$36,323, respectively, on the agreement.

Details of the settlement agreement payable at June 30, 2015 are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 485,033	43,538	528,571
2017	491,616	36,955	528,571
2018	498,289	30,282	528,571
2019	505,052	23,519	528,571
2020	511,907	16,664	528,571
2021	715,855	9,716	725,571
Total	\$ 3,207,752	160,674	3,368,426

Loan from Iowa Finance Authority

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

The IFA bonds bear interest at rates ranging from 4.25% to 5.25% per annum and mature in varying annual amounts ranging from \$95,000 to \$880,000, with final maturities due in the year ending June 30, 2030. Principal payments will be applied to the first \$2,750,000 of the bonds which bear interest at 4.25% and will then be applied to the remaining \$3,200,000 of the bonds which bear interest at 5.25%. During the year ended June 30, 2015, no principal or interest payments were made by the City.

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

A summary of the City's June 30, 2015 loan from Iowa Finance Authority is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 290,000	194,478	484,478
2017	215,000	270,425	485,425
2018	245,000	260,756	505,756
2019	265,000	250,238	515,238
2020	285,000	238,763	523,763
2021-2025	1,780,000	988,919	2,768,919
2026-2028	2,870,000	453,603	3,323,603
Total	\$ 5,950,000	2,657,182	8,607,182

Sewer Revenue Capital Loan Notes

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

The City has pledged future sewer customer revenue, net of specified operating expenses, to repay the sewer revenue capital loan notes. The notes are payable solely from sewer customer net revenues. Annual principal and interest payments on the notes are expected to require more than 100% of net revenues. The total amount of principal and interest remaining to be paid on the notes at June 30, 2015 is \$5,922,600. For the current year, principal and interest paid and total net loss, (operating revenues less operating expenses plus depreciation expense), were \$342,400 and \$(600,273), respectively.

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

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

The City's net revenues for the year ended June 30, 2015 were less than the required 110% of note principal and interest falling due during the year.

Governmental Activities:

Details of general obligation bonds/notes payable at June 30, 2015 are as follows:

Obligation/Purpose	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Principal Outstanding June 30, 2015
General obligation bonds:						
Corporate purpose	Jun 23, 2008	3.250-4.000	June 1, 2021	\$ 140,000-805,000	7,615,000	\$ 4,325,000
Essential corporate purpose	Jun 9, 2009	2.100-5.600	June 1, 2024	50,000-660,000	7,165,000	4,985,000
Essential corporate purpose	Aug 11, 2010	1.000-3.650	June 1, 2025	115,000-805,000	7,300,000	4,775,000
Essential corporate purpose	Oct 12, 2011	2.000	June 1, 2019	415,000-490,000	3,165,000	1,885,000
Essential corporate purpose	Nov 28, 2012	2.000-3.000	June 1, 2027	825,000-1,945,000	14,880,000	11,280,000
Essential corporate purpose	Apr 29, 2014	2.000-3.000	June 1, 2026	570,000-1,000,000	7,630,000	7,360,000
Essential corporate purpose	Mar 24, 2015	3.000	June 1, 2030	360,000-1,535,000	8,145,000	8,145,000
Essential corporate purpose	Mar 24, 2015	2.000-4.000	June 1, 2021	660,000-775,000	3,620,000	3,620,000
General obligation capital loan notes:						
Essential corporate purpose	Apr 24, 2012	0.500-1.500	June 1, 2019	485,000-1,065,000	4,095,000	1,975,000
Essential corporate purpose	May 15, 2013	2.000	June 1, 2020	395,000-450,000	2,535,000	2,140,000
Total governmental activities						<u>\$ 50,490,000</u>

Details of the term loan note payable at June 30, 2015 are as follows:

Obligation	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Principal Outstanding June 30, 2015
Term loan note	Mar 28, 2014	2.284% *	Dec. 20, 2018	\$ 1,335,526-2,442,105	11,600,000	<u>8,547,369</u>

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

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

Year Ending June 30,	General Obligation Bonds/Notes			Term Loan Note		
	Principal	Interest	Total	Principal	Interest*	Total
2016	\$ 9,955,000	1,569,809	11,524,809	2,442,105	169,657	2,611,762
2017	5,460,000	1,232,066	6,692,066	2,442,105	113,879	2,555,984
2018	5,050,000	1,092,766	6,142,766	2,442,105	58,102	2,500,207
2019	5,015,000	961,479	5,976,479	1,221,054	8,134	1,229,188
2020	4,180,000	820,449	5,000,449	-	-	-
2021-2025	15,870,000	2,392,155	18,262,155	-	-	-
2026-2030	4,960,000	398,915	5,358,915	-	-	-
Total	<u>\$ 50,490,000</u>	<u>8,467,639</u>	<u>58,957,639</u>	<u>8,547,369</u>	<u>349,772</u>	<u>8,897,141</u>

* Annual interest payments are estimated since the interest rate on this note varies.

Business Type Activities:

Details of the sewer revenue capital loan notes payable at June 30, 2015 are as follows:

Obligation	Date of Issue	Interest Rates *	Final Due Date	Annual Payments	Amount Originally Issued	Principal Outstanding June 30, 2015
Sewer revenue capital loan note	May 2, 2012	3.00%	Jun 1, 2032	\$187,000 - 344,000	5,160,000	<u>4,581,000</u>

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

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

Year Ending June 30,	Principal	Interest	Total
2016	\$ 206,000	137,430	343,430
2017	213,000	131,250	344,250
2018	220,000	124,860	344,860
2019	227,000	118,260	345,260
2020	234,000	111,450	345,450
2021-2025	1,291,000	447,150	1,738,150
2026-2030	1,513,000	240,570	1,753,570
2031-2032	677,000	30,630	707,630
Total	<u>\$ 4,581,000</u>	<u>1,341,600</u>	<u>5,922,600</u>

At June 30, 2015, the general obligation debt issued by the City did not exceed its legal debt margin, computed as follows:

Actual assessed value as of January 1, 2013 (unaudited)	<u>\$ 4,373,755,611</u>
Debt limit - 5% of total actual valuation	\$ 218,687,781
Less debt applicable to debt limit:	
General obligation debt outstanding	(50,490,000)
Tax increment indebtedness	(12,641,733)
Legal settlement	(3,207,752)
Plus funds on hand available to service debt:	
Debt Service Fund balance	4,771,739
Tax Increment Financing Fund balance	<u>689,590</u>
Legal debt margin	<u>\$ 157,809,625</u>

(5) U.S. Department of Housing and Urban Development (HUD) Loan

HUD Loan to City

On August 20, 2007, the City entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) to borrow \$750,000 under the provisions of the HUD Section 108 Loan Guarantee Program. The loan, for the purpose discussed below, is evidenced by a promissory note with a variable interest rate equal to 20 basis points (0.2%) above the applicable London Interbank Offered Rates (LIBOR), adjusted monthly. Interest is payable quarterly on the loan and principal is due annually for twenty years, beginning August 1, 2008 and ending August 1, 2027. During the year ended June 30, 2015, the City paid \$15,000 of principal and \$3,120 of interest on the loan. Below is a summary of the annual principal and interest payments to maturity.

Year Ending June 30,	Principal	Interest *	Total
2016	\$ 20,000	3,023	23,023
2017	25,000	2,903	27,903
2018	30,000	2,757	32,757
2019	35,000	2,588	37,588
2020	40,000	2,395	42,395
2021-2025	270,000	8,296	278,296
2026-2028	225,000	1,137	226,137
Total	\$ 645,000	23,099	668,099

* Annual interest payments are estimated since the interest rate on this loan varies (the interest rate at June 30, 2015 is approximately .48% per annum).

Note Receivable to City

On September 7, 2007, the City entered into a \$750,000 leverage loan agreement with TC-Council Bluffs QEI, LLC, a Delaware limited liability company (obligor) for investment through NDC New Markets Investments XXVIII, L.P. for 117 Pearl Street, LLC, qualifying as a QALICB under section 45D of the Internal Revenue Code. The purpose of the agreement was to loan the HUD loan proceeds to assist with the redevelopment of the former NonPareil building in conjunction with the Pottawattamie County Development Corporation and J Development. The Section 108 funds were loaned through NDC New Markets Investments XXVIII, L.P. to accommodate the infusion of new market tax credits. The loan to the obligor is evidenced by a promissory note to the City with a variable interest rate equal to 20 basis points (0.2%) above the applicable London Interbank Offered Rates (LIBOR), adjusted monthly. The note is secured by an assignment and pledge for security purposes of the partnership interests of all the obligor's interest in NDC New Markets Investments XXVIII, L.P.

Under the original agreement the principal on this note receivable was fully due and payable to the City no later than June 1, 2015. Prior to that date, the obligor shall make quarterly payments of accrued interest only, commencing on September 1, 2007 and continuing until June 1, 2015. On December 15, 2014, the City accepted the assignment of the \$750,000 note and mortgage between TC-Council Bluffs QEI, LLC and 117 Pearl Street, LLC from TC-Council Bluffs QEI, LLC. 117 Pearl Street, LLC will now pay the principal and interest on this note directly to the City by December 31, 2015. During the year ended June 30, 2015, \$2,457 of interest was paid to the City on the note.

(6) Restricted Fund Balances

The detail of fund balances restricted for specific purposes at June 30, 2015 is as follows:

Purpose	Special Revenue			Total
	General	Bass Pro Shop	Nonmajor	
Insurance	\$ 1,366,208	-	-	1,366,208
Employee benefits	2,419,374	-	-	2,419,374
Home program	-	-	197,200	197,200
Drainage	-	-	762,328	762,328
Library	-	-	162,671	162,671
Levee improvement	-	-	820,958	820,958
Other	51,012	274,501	181,051	506,564
Total	<u>\$ 3,836,594</u>	<u>274,501</u>	<u>2,124,208</u>	<u>6,235,303</u>

(7) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Nonmajor (Road Use Tax)	General	<u>\$ 1,227,228</u>
Nonmajor (CDBG Grant)	General	<u>27,772</u>
Bass Pro Shop	Special Revenue:	
	Tax Increment Financing	<u>787,458</u>
City Local Option Sales Tax	Capital Projects	<u>75,727</u>
Debt Service	Special Revenue:	
	Tax Increment Financing	373,811
	City Local Option Sales Tax	700,000
		<u>1,073,811</u>
Capital Projects	General	58,792
	Special Revenue:	
	Tax Increment Financing	136,134
		<u>194,926</u>
Enterprise:	Special Revenue:	
Sewer	City Local Option Sales Tax	<u>3,600,000</u>
Total		<u>\$ 6,986,922</u>

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

During the year ended June 30, 2015, the City made a transfer from the General Fund to the Capital Projects Fund to provide partial funding for various projects.

(8) Interfund Assets/Liabilities

The detail of due to/from other funds is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 396,099

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(9) Pension Plans

Pension Plan Total Information

	IPERS					MFPSI	
	Primary Government			Discretely Presented		Primary Government	
	Governmental Business Type			Component		Governmental	
	Activities	Activities	Total	Unit	Total	Activities	Total
Net pension liability	\$ 6,697,094	2,159,945	8,857,039	117,401	8,974,440	21,115,335	30,089,775
Deferred outflows of resources related to pensions	1,399,133	440,720	1,839,853	27,000	1,866,853	6,384,164	8,251,017
Deferred inflows of resources related to pensions	2,582,098	793,653	3,375,751	44,774	3,420,525	9,985,495	13,406,020
Pension expense	502,091	154,326	656,417	10,022	666,439	1,781,807	2,448,246

Iowa Public Employees Retirement System

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

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

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, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

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

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

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

The City's total contributions to IPERS for the year ended June 30, 2015 were \$1,350,580.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of \$8,857,039 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's collective proportion was .2319287% which was an increase of .0075153% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$656,417. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to IPERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 95,796	-
Changes of assumptions	393,477	-
Net difference between projected and actual earnings on pension plan investments	-	3,361,602
Changes in proportion and differences between City contributions and proportionate share of contributions	-	14,149
City contributions subsequent to the measurement date	1,350,580	-
Total	\$ 1,839,853	3,375,751

\$1,350,580 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Amount
2016	\$ (729,567)
2017	(729,567)
2018	(729,567)
2019	(729,567)
2020	31,790
Total	\$ (2,886,478)

There were no non-employer contributing entities to IPERS.

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (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 in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.50%, as well as what the City's proportionate share of IPERS net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease	Discount Rate	1% Increase
	6.50%	7.50%	8.50%
City's proportionate share of the net pension liability	\$16,654,782	\$8,857,039	\$2,196,520

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

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

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

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

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

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

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

Disability and Death Benefits - Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% 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 states a standard formula for the increases.

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

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

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

The City's contributions to MFPRSI for the year ended June 30, 2015 was \$4,689,184.

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

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

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the City reported a liability of \$21,115,335 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2014, the City's proportion was 5.8249481% which was an increase of .029524% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense of \$1,781,807. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to MFPRSI from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	59,759
Changes of assumptions	1,560,635	-
Net difference between projected and actual earnings on pension plan investments	-	9,925,736
Changes in proportion and differences between City contributions and proportionate share of contributions	134,345	-
City contributions subsequent to the measurement date	4,689,184	-
Total	\$ 6,384,164	9,985,495

\$4,689,184 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to MFPRSI will be recognized in pension expense as follows:

Year ending June 30,	Amount
2016	\$ (2,127,900)
2017	(2,127,900)
2018	(2,127,900)
2019	(2,127,900)
2020	221,085
Total	<u>\$ (8,290,515)</u>

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

Rate of Inflation	3.00% per annum
Salary increases	4.50 to 15.11%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

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

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

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

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 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, MFPRSI'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 MFPRSI investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of MFPRSI's 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	Discount Rate	1% Increase
	6.50%	7.50%	8.50%
City's proportionate share of the net pension liability	\$40,486,962	21,115,335	5,019,255

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

(10) Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 447 active and 31 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a partially self-funded fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy - 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. The General, Special Revenue, Road Use Tax and Enterprise, Sewer and Refuse and Disposal Funds primarily fund OPEB costs.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the City's net OPEB obligation:

Annual required contribution	\$ 327,000
Interest on net OPEB obligation	94,000
Adjustment to annual required contribution	<u>(122,000)</u>
Annual OPEB cost	299,000
Contributions made	<u>(151,000)</u>
Increase in net OPEB obligation	148,000
Net OPEB obligation beginning of year	<u>1,878,000</u>
Net OPEB obligation end of year	<u>\$ 2,026,000</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the City contributed \$151,000 to the medical plan. Plan members eligible for benefits contributed \$374,000, or 71.2% of the premium costs.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 344,000	51.7%	\$ 1,694,000
2014	342,000	46.2	1,878,000
2015	299,000	50.5	2,026,000

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$2,965,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,965,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$27,778,000 and the ratio of the UAAL to covered payroll was 10.7%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods

and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% discount rate based on the City's funding policy. The projected annual medical trend rate is 7%. The ultimate medical trend rate is 5%. The medical trend rate is reduced by 1% each year until reaching the 5% ultimate trend rate. An inflation rate of 3% is assumed for purpose of this computation.

Mortality rates are from the RP2014 Group Annuity Mortality Table, applied on a gender-specific basis. Annual termination probabilities were based on Scale T-3 of the Actuary's Pension Handbook and annual retirement probabilities were based on the MFPRSI and IPERS Actuarial valuation reports.

Projected claim costs of the medical plan are \$619 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

(11) Supplemental Pension Plan

Plan Description - The City provides a single-employer defined benefit supplemental pension (severance pay) benefit to eligible employees. Currently, all union employees who have completed five years of continuous service with the City and non-union employees who have completed one year of continuous service with the City and who do not voluntarily resign and are not discharged for cause are eligible for this benefit.

There are 432 active members in the plan as of June 30, 2015. The pension benefit is defined in terms of hourly rates of pay by employee, payable in one lump sum upon retirement or termination. The benefit (severance pay) is paid based on the following continuous service requirements:

Years of Service	Amount of Severance	
	40 Hour Schedule	56 Hour Schedule
More than 1, but less than 5	40 hours pay	56 hours pay
More than 5, but less than 10	80 hours pay	112 hours pay
More than 10, but less than 15	120 hours pay	168 hours pay
More than 15	160 hours pay	224 hours pay

Funding Policy - Contribution requirements for the plan are established and may be amended by the City. Payments under the plan are made on a pay-as-you go basis. There are no invested plan assets accumulated for payment of future benefits. The General, Special Revenue, Road Use Tax and Enterprise, Sewer and Refuse and Disposal Funds are used for funding all the pension benefits. The City makes all the contributions.

Annual Pension Cost and Net Pension Obligation - The City's annual pension cost is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with GASB Statement No. 27, as amended by GASB Statement No. 50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the City's annual pension cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the City's net pension obligation:

Annual required contribution	\$ 101,000
Interest on net pension obligation	29,000
Adjustment to annual required contribution	<u>(36,000)</u>
Annual pension cost (expense)	94,000
Pension payments made	<u>(70,000)</u>
Increase in net pension obligation	24,000
Net pension obligation beginning of year	<u>584,000</u>
Net pension obligation end of year	<u><u>\$ 608,000</u></u>

For calculation of the net pension obligation, the actuary has set the transition day as July 1, 2008. The end of year net pension obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the City contributed \$70,000 to the pension plan. The City's annual pension cost, the percentage of annual pension cost contributed to the plan and the net pension obligation are summarized as follows:

Year Ended June 30,	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2013	\$ 90,000	90.0%	\$ 586,000
2014	97,000	102.3	584,000
2015	94,000	74.5	608,000

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$801,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$801,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$26,935,000 and the ratio of the UAAL to covered payroll was 3.0%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and employee retirement age. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Supplemental Pension Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 5% discount rate based on the City's funding policy. An inflation rate of 3% and rate of interest return of 5% are assumed for purposes of this computation.

Mortality rates are from the RP2014 Group Annuity Mortality Table, applied on a gender-specific basis. Annual termination probabilities were based on Scale T-3 of the Actuary's Pension Handbook and annual retirement probabilities were based on the MFPRSI and IPERS Actuarial valuation reports.

The projected salary increase rate, which includes a 3% inflation factor, was assumed to be 3% per year. The UAAL is being amortized as a level dollar amount on an open basis over 30 years.

(12) Transit Authority Agreement

The City has contracted for transit service on a regular, scheduled basis over certain routes within the City. The contract provides the City shall pay the net operating cost of service over these routes within the City. During the year ended June 30, 2015, the City paid \$495,431 under this contract.

(13) Industrial Development Revenue Bonds

The City has issued a total of \$47,780,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa. The bonds and related interest are payable solely from the rents payable by tenants of the properties constructed and the bond principal and interest do not constitute liabilities of the City.

(14) Employee Health Insurance Plan

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

Monthly payments of service fees and plan contributions to the Iowa Governmental Health Care Plan Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Liberty Bank, Council Bluffs, Iowa and Iowa Governmental Health Care Plan administers the plan funds. The City records the plan assets and related liabilities of the health plan in the General Fund. The City's contribution to the plan for the year ended June 30, 2015 was \$7,008,083.

Amounts payable from the Iowa Governmental Health Care Plan at June 30, 2015 total \$165,000, which is for incurred but not reported (IBNR) and reported but not paid claims, which is included in accounts payable in these financial statements. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has

been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liabilities for claims for the years ended June 30, 2015 and June 30, 2014 is as follows:

	2015	2014
Unpaid claims as of beginning of year	\$ 158,000	158,000
Incurred claims (including claims incurred but not reported as of June 30)	8,110,948	7,941,648
Payments on claims	(8,103,948)	(7,941,648)
Unpaid claims as of year end	\$ 165,000	158,000

(15) Construction Commitments

Construction commitments at June 30, 2015 totaled \$8,635,245 which will be paid as work on the projects progresses. These projects will be funded through general obligation notes, grants and local funds on hand.

(16) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance and \$500,000 self-insured retention on liability and auto coverage only and \$500,000 on worker's compensation. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks did not exceed commercial insurance coverage during fiscal years 2015 or 2014. However, in 2013 the City became liable under a settlement agreement for \$6,000,000 plus interest, an amount exceeding coverage limitations.

(17) CDBG Installment Loan Escrow Fund

During the year ended June 30, 1977, the City received funding for an individual housing rehabilitation loan program from the U.S. Department of Housing and Urban Development. These funds were subsequently loaned to individuals in the City. The loans receivable and loan payments received from the individuals are accounted for in the Special Revenue, CDBG Grant Fund. The Special Revenue, CDBG Installment Loan Escrow Fund receives a portion of loan payments for payment of property tax and insurance. Active loans during the year ended June 30, 2015 carry an interest rate of 3% per annum and have terms ranging from 10 to 20 years. At June 30, 2015, there were 67 active loans with a total outstanding principal balance of \$571,912, which is included in loans receivable in these financial statements.

(18) Urban Renewal Development Agreements

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$37,746,915. Certain of the agreements include provisions for payment of interest.

During the year ended June 30, 2015, the City rebated \$4,112,155 of incremental property tax to developers, which included \$4,110,756 for principal and \$1,399 for interest. The total cumulative principal amount rebated on the agreements is \$16,398,000. The outstanding balance on the agreements at June 30, 2015 was \$21,348,915.

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation. The entire outstanding principal balance of agreements not including an annual appropriation clause is subject to the constitutional debt limitation.

(19) Economic Development Agreements

Mid-American Recreation & Convention Complex

On July 24, 2001, the City entered into an agreement with the Council Bluffs Community Betterment Foundation, the Iowa West Foundation (IWF), the Southwest Iowa Foundation and Harvey's Casino Resorts to develop a project known as the Mid-American Recreation & Convention Complex. As part of this agreement, the City has agreed to dedicate certain excess hotel/motel tax receipts, up to a maximum of \$5,000,000, to reimburse the IWF for some of the project costs. Excess hotel/motel tax collections are those remaining after the City has satisfied certain other commitments of these funds. The City's obligation under this agreement will expire at the earliest of December 31, 2015 or when the IWF has been fully reimbursed. During the year ended June 30, 2015, the City paid \$400,410 to the IWF pursuant to this agreement. The total cumulative amount paid under this agreement is \$2,641,090.

Bass Pro Outdoor World, L.L.C.

On October 22, 2004, the City entered into an agreement with Pottawattamie County, the Iowa West Foundation, the Southwest Iowa Foundation and the Council Bluffs Community Betterment Foundation (CBF) to develop an outdoor world retail facility. The project was financed and constructed by the CBF for use and occupancy by Bass Pro Outdoor World, L.L.C., lessee (Bass Lease). As part of this agreement, the City will own and maintain the facility and issued a \$17,000,000 urban renewal revenue capital loan note to reimburse CBF for some of the project costs. In February 2011, the City issued a \$14,500,000 urban renewal term loan note to retire the \$17,000,000 urban renewal capital loan note. As discussed in Note 4, in March 2014, the City issued a \$11,600,000 term loan note to retire the \$14,500,000 urban renewal term loan note. The term loan note is secured in various forms by the development agreement participants. Pursuant to the agreement, the City established a Trust Account through First National Bank of Omaha as trustee. Deposits into this account include all sources of funding securing the note and all lease payments required under the Bass Lease. Funds in the trust account are to be used to pay real estate tax on the property, retire the urban renewal term loan note and pay operating and maintenance expenses related to the facility. This trust account is reported by the City in the Special Revenue, Bass Pro Shop Fund.

During the year ended June 30, 2015, the City transferred \$787,458 into this fund from the Special Revenue, Tax Increment Financing Fund to fulfill part of its obligation under the agreement.

City of Council Bluffs Area Chamber of Commerce

On December 3, 2013, the City entered into an agreement with the Council Bluffs Convention and Visitors Bureau (CVB). As part of the agreement, the City has agreed to dedicate certain excess hotel/motel tax receipts to the CVB for the purpose of promoting the City as both a convention site, a sports venue and a visitor attraction. The City's obligation under this agreement commenced on January 1, 2014 and terminated on June 30, 2015. Pursuant to the agreement, the City paid \$505,000 in the year ended June 30, 2015.

(20) Mid-America Recreation & Convention Complex

The Mid-America Recreation & Convention Complex (the Complex) provides space for conventions, concerts, sporting events, meetings and other performances. The Complex was built with funding from the Southwest Iowa Foundation and, upon completion, ownership of the Complex was transferred to the City. The City has entered into a management agreement with Harrah's Iowa Arena Management, LLC (Harrahs) to manage the operations of the Complex. The City is contractually obligated to fund all liabilities and expenses of the Complex and periodically provides funding to Harrahs to pay obligations when due. During the year ended June 30, 2015, the City paid \$1,123,304 to Harrahs as part of its obligation under the terms of the agreement. Following is a condensed operating statement for activities managed by Harrahs for the year ended June 30, 2015.

Operating revenues:	
Event revenue	\$ 905,749
Retail revenue	3,027,774
Total revenue	<u>3,933,523</u>
Operating expenses:	
Event expenses:	
Cost of sales - events	111,298
Cost of sales - other retail	1,298,274
Security	21,704
Total event operating expenses	<u>1,431,276</u>
Excess of operating revenues over operating expenses	<u>2,502,247</u>
Property expenses:	
Administrative and general	551,936
Property operations	1,087,267
Marketing and promotions	953,779
Miscellaneous	111,137
Total property expenses	<u>2,704,119</u>
Total operating expenses	<u>4,135,395</u>
Operating income (loss)	(201,872)
Non-operating expenses:	
Management fee	(253,100)
Net income (loss)	<u>\$ (454,972)</u>

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

Management Fee Calculation:

Net operating loss	\$ (201,872)
Net operating loss threshold	<u>(700,000)</u>
Net operating loss less than net operating loss threshold	<u>\$ 498,128</u>
50% of the amount the net operating income/loss exceeds the net operating loss threshold	<u>\$ 249,064</u>

The City has paid \$249,823 in management fees, \$759 of which was to pay the remaining portion of the fiscal year 2014 management fee.

(21) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27, was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities as well as the discretely presented component unit, Airport Authority were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business Type Activities			Component Unit Airport Authority
		Sewer	Refuse and Disposal	Total	
Net position June 30, 2014, as previously reported as previously reported	\$ 259,279,721	139,620,576	6,087,267	145,707,843	22,474,992
Net pension liability at June 30, 2014:					
IPERS	(9,399,680)	(2,325,760)	(664,871)	(2,990,631)	(160,056)
MFPRSI	(32,104,445)	-	-	-	-
Deferred outflows of resources related to prior year contributions made after the June 30, 2013 measurement date:					
IPERS	988,658	244,623	69,931	314,554	17,298
MFPRSI	4,480,402	-	-	-	-
Net position July 1, 2014, as restated	<u>\$ 223,244,656</u>	<u>137,539,439</u>	<u>5,492,327</u>	<u>143,031,766</u>	<u>22,332,234</u>

City of Council Bluffs

REQUIRED
SUPPLEMENTARY
INFORMATION

City of Council Bluffs

City of Council Bluffs

Budgetary Comparison Schedule
of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual – Governmental Funds and Enterprise Funds

Required Supplementary Information

Year ended June 30, 2015

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Receipts:			
Property tax	\$ 39,380,229	-	39,380,229
Tax increment financing	5,966,145	-	5,966,145
Other city tax	21,108,930	-	21,108,930
Licenses and permits	7,092,387	-	7,092,387
Use of money and property	928,968	7,065	936,033
Intergovernmental	17,402,351	-	17,402,351
Charges for service	7,762,686	10,364,362	18,127,048
Special and drainage assessments	295,971	-	295,971
Miscellaneous	11,410,345	548,390	11,958,735
Total receipts	111,348,012	10,919,817	122,267,829
Disbursements:			
Public safety	32,591,928	-	32,591,928
Public works	8,194,438	-	8,194,438
Health and social services	662,595	-	662,595
Culture and recreation	12,903,068	-	12,903,068
Community and economic development	13,099,040	-	13,099,040
General government	15,889,942	-	15,889,942
Debt service	14,577,565	-	14,577,565
Capital projects	19,383,101	-	19,383,101
Business type activities	-	14,814,925	14,814,925
Total disbursements	117,301,677	14,814,925	132,116,602
Excess (deficiency) of receipts over (under) disbursements	(5,953,665)	(3,895,108)	(9,848,773)
Other financing sources (uses), net	14,706,413	11,562,737	26,269,150
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	8,752,748	7,667,629	16,420,377
Balance beginning of year	47,215,877	143,031,766	190,247,643
Balance end of year	\$ 55,968,625	150,699,395	206,668,020

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Actual
		Variance
39,673,556	39,673,556	(293,327)
5,731,196	5,626,738	339,407
18,091,624	19,526,012	1,582,918
3,949,300	3,949,300	3,143,087
875,355	875,355	60,678
17,391,539	19,259,539	(1,857,188)
17,462,920	19,891,920	(1,764,872)
140,025	140,025	155,946
8,869,850	9,596,878	2,361,857
112,185,365	118,539,323	3,728,506
31,613,360	32,011,022	(580,906)
10,746,439	8,429,674	235,236
643,238	707,373	44,778
7,126,191	13,047,479	144,411
10,718,319	8,053,054	(5,045,986)
12,481,491	16,057,793	167,851
8,134,355	14,112,344	(465,221)
28,160,000	28,160,000	8,776,899
11,677,866	15,131,262	316,337
121,301,259	135,710,001	3,593,399
(9,115,894)	(17,170,678)	7,321,905
7,500,000	9,599,000	16,670,150
(1,615,894)	(7,571,678)	23,992,055
189,543,792	187,709,128	2,538,515
187,927,898	180,137,450	26,530,570

City of Council Bluffs

Notes to Required Supplementary Information – Budgetary Reporting

Year ended June 30, 2015

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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

Formal and legal budgetary control is based upon nine major classes of expenditures/expenses known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function expenditures/expenses required to be budgeted include expenditures/expenses for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, the Permanent Fund and the Enterprise Funds. Although the budget document presents function expenditures/expenses by fund, the legal level of control is at the aggregated functions level, not by fund. During the year, two budget amendments increased budgeted expenditures by \$14,408,742. These budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2015, expenditures in the public safety, community and economic development and debt service functions exceeded the amounts budgeted.

City of Council Bluffs

Schedule of the City's Proportionate Share of the Net Pension Liability

Last Fiscal Year*
(In Thousands)

Required Supplementary Information

Iowa Public Employees' Retirement System

	<u>2015</u>
City's collective proportion of the net pension liability (asset)	0.2319287%
City's collective proportionate share of the net pension liability (asset)	\$ 8,857
City's covered-employee payroll	\$ 15,175
City's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	58.37%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

Municipal Fire and Police Retirement System of Iowa

	<u>2015</u>
City's collective proportion of the net pension liability	5.8249481%
City's collective proportionate share of the net pension liability (asset)	\$ 21,115
City's covered-employee payroll	\$ 14,875
City's collective proportionate share of the net pension liability as a percentage of its covered-employee payroll	141.95%
Plan fiduciary net position as a percentage of the total pension liability	86.27%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

City of Council Bluffs
Schedule of City Contributions

Last 10 Fiscal Years
(In Thousands)

Required Supplementary Information

Iowa Public Employees' Retirement System

	2015	2014	2013	2012
Statutorily required contribution	\$ 1,351	1,355	1,276	1,165
Contributions in relation to the statutorily required contribution	(1,351)	(1,355)	(1,276)	(1,165)
Contribution deficiency (excess)	\$ -	-	-	-
City's covered-employee payroll	\$ 15,129	15,175	14,726	14,437
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.66%	8.07%

Municipal Fire and Police Retirement System of Iowa

	2015	2014	2013	2012
Statutorily required contribution	\$ 4,689	4,480	3,769	3,454
Contributions in relation to the statutorily required contribution	(4,689)	(4,480)	(3,769)	(3,454)
Contribution deficiency (excess)	\$ -	-	-	-
City's covered-employee payroll	\$ 15,407	14,875	14,430	13,949
Contributions as a percentage of covered-employee payroll	30.43%	30.12%	26.12%	24.76%

See accompanying independent auditor's report.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
986	958	833	741	672	640
<u>(986)</u>	<u>(958)</u>	<u>(833)</u>	<u>(741)</u>	<u>(672)</u>	<u>(640)</u>
-	-	-	-	-	-
14,202	14,403	15,981	12,138	11,524	11,090
6.94%	6.65%	5.21%	6.10%	5.83%	5.77%
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
2,722	2,335	2,358	3,057	3,256	3,156
<u>(2,722)</u>	<u>(2,335)</u>	<u>(2,358)</u>	<u>(3,057)</u>	<u>(3,256)</u>	<u>(3,156)</u>
-	-	-	-	-	-
13,679	13,738	12,577	11,999	11,612	11,188
19.90%	17.00%	18.75%	25.48%	28.04%	28.21%

City of Council Bluffs

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2015

Iowa Public Employees' Retirement System

Changes of benefit terms:

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

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 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.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.

Municipal Fire and Police Retirement System of Iowa

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

Effective July 1, 2014, two additional steps were taken to phase in the 1994 Group Annuity Mortality Table for post-retirement mortality. The two additional steps result in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Mortality Table.

City of Council Bluffs

Schedule of Funding Progress for the
Retiree Health Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2012	Jul 1, 2011	-	\$ 3,800	3,800	0.0%	\$25,611	14.8%
2013	Jul 1, 2012	-	3,472	3,472	0.0	25,955	13.4
2014	Jul 1, 2012	-	3,472	3,472	0.0	25,955	13.4
2015	Jul 1, 2014	-	2,965	2,965	0.0	27,778	10.7

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

City of Council Bluffs

Schedule of Funding Progress for the
Supplemental Pension Plan
(In Thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial			Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)			
2011	Jul 1, 2010	-	\$ 744	744	0.0%	\$ 25,794	2.9%
2012	Jul 1, 2010	-	744	744	0.0	25,611	2.9
2013	Jul 1, 2012	-	763	763	0.0	25,955	2.9
2014	Jul 1, 2012	-	763	763	0.0	25,955	2.9
2015	Jul 1, 2014	-	801	801	0.0	26,935	3.0

See Note 11 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual pension cost, net pension obligation, funded status and funding progress.

See accompanying independent auditor's report.

City of Council Bluffs

Schedule of City Contributions for the
Retiree Health Plan

Required Supplementary Information

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2012	\$ 427,000	219,000	51.3%
2013	367,000	178,000	48.5
2014	367,000	158,000	43.1
2015	327,000	151,000	46.2

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

City of Council Bluffs

Schedule of City Contributions for the
Supplemental Pension Plan

Required Supplementary Information

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contribution
2011	\$ 95,000	66,600	70.1%
2012	95,000	99,000	104.2
2013	97,000	81,000	83.5
2014	97,000	90,000	92.8
2015	101,000	70,000	69.3

See Note 11 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual pension cost, net pension obligation, funded status and funding progress.

See accompanying independent auditor's report.

City of Council Bluffs

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

Nonmajor Special Revenue Funds

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

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

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

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

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

The Levee Certification Improvement Fund accounts for costs associated with the City's long term improvements to its federal levee system as required by FEMA to maintain current flood protection status. The fund's primary revenue source will be the State of Iowa in the form of state sales tax incremental financing provided for flood protection improvements.

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

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

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

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

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

Nonmajor Permanent Fund

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

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

City of Council Bluffs
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2015

	Special Revenue				
	CDBG				
	Installment				
	Road	CDBG	HOME	Loan	Levee
	Use Tax	Grant	Program	Escrow	Certification
					Improvement
Assets					
Cash, cash equivalents and pooled investments	\$ 5,907,825	548,731	2,200	7,509	426,840
Receivables:					
Accounts	2,811	-	-	-	-
Special and drainage assessments	-	-	-	-	-
Loans	-	571,912	-	4,599	-
Due from other governments	641,816	279,522	694,265	-	450,902
Inventories	1,062,987	-	-	-	-
Land held for resale	-	445,841	-	-	-
Total assets	7,615,439	1,846,006	696,465	12,108	877,742
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 231,814	2,951	499,265	3,061	56,784
Salaries and benefits payable	66,518	5,612	-	-	-
Due to other governments	-	316	-	-	-
Total liabilities	298,332	8,879	499,265	3,061	56,784
Deferred inflows of resources:					
Unavailable revenues - other	-	-	-	-	-
Fund balances:					
Nonspendable:					
Cemetery perpetual care	-	-	-	-	-
Inventories	1,062,987	-	-	-	-
Restricted for:					
Street and sewer maintenance and improvements	6,254,120	-	-	-	-
Community development block grant purposes	-	1,837,127	-	-	-
Other purposes	-	-	197,200	9,047	820,958
Total fund balances	7,317,107	1,837,127	197,200	9,047	820,958
Total liabilities, deferred inflows of resources and fund balances	\$ 7,615,439	1,846,006	696,465	12,108	877,742

See accompanying independent auditor's report.

Drainage Districts						Permanent	
Mosquito Creek #22	Sieck #32	West Lewis #35	Lake Manawa SSMID	Library Memorials and Gifts	Total	Fairview Cemetery Perpetual Care	Total
277,745	156,547	335,917	203,250	171,611	8,038,175	59,920	8,098,095
-	-	-	-	-	2,811	-	2,811
72,063	36,365	64,900	-	-	173,328	-	173,328
-	-	-	-	-	576,511	-	576,511
615	346	1,269	-	-	2,068,735	-	2,068,735
-	-	-	-	-	1,062,987	-	1,062,987
-	-	-	-	-	445,841	-	445,841
350,423	193,258	402,086	203,250	171,611	12,368,388	59,920	12,428,308
6,196	3,276	-	31,246	8,940	843,533	-	843,533
213	213	213	-	-	72,769	-	72,769
-	-	-	-	-	316	-	316
6,409	3,489	213	31,246	8,940	916,618	-	916,618
72,063	36,365	64,900	-	-	173,328	-	173,328
-	-	-	-	-	-	59,920	59,920
-	-	-	-	-	1,062,987	-	1,062,987
-	-	-	-	-	6,254,120	-	6,254,120
-	-	-	-	-	1,837,127	-	1,837,127
271,951	153,404	336,973	172,004	162,671	2,124,208	-	2,124,208
271,951	153,404	336,973	172,004	162,671	11,278,442	59,920	11,338,362
350,423	193,258	402,086	203,250	171,611	12,368,388	59,920	12,428,308

City of Council Bluffs

Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2015

	Road Use Tax	CDBG Grant	HOME Program	CDBG Installment Loan Escrow	Levee Certification Improvement
Revenues:					
Licenses and permits	\$ 49,669	-	-	-	-
Intergovernmental	6,659,942	763,915	694,265	-	1,472,934
Charges for service	5,611	5,698	-	-	-
Special and drainage assessments	-	-	-	-	-
Miscellaneous	43,081	4,004	15,000	15,438	-
Total revenues	6,758,303	773,617	709,265	15,438	1,472,934
Expenditures:					
Operating:					
Public safety	-	-	-	-	-
Public works	6,137,221	-	-	-	560,001
Culture and recreation	-	-	-	-	-
Community and economic development	-	695,056	651,265	13,567	-
General government	768,231	-	-	-	-
Total expenditures	6,905,452	695,056	651,265	13,567	560,001
Excess (deficiency) of revenues over (under) expenditures	(147,149)	78,561	58,000	1,871	912,933
Other financing sources:					
Transfers in	1,227,228	27,772	-	-	-
Change in fund balances	1,080,079	106,333	58,000	1,871	912,933
Fund balances beginning of year	6,237,028	1,730,794	139,200	7,176	(91,975)
Fund balances end of year	\$7,317,107	1,837,127	197,200	9,047	820,958

See accompanying independent auditor's report.

Special Revenue						Permanent	
Drainage Districts						Fairview	
Mosquito Creek #22	Sieck #32	West Lewis #35	Lake Manawa SSMID	Library Memorials and Gifts	Total	Cemetery Perpetual Care	Total
-	-	-	-	-	49,669	-	49,669
-	-	-	6,578	-	9,597,634	-	9,597,634
-	-	-	-	-	11,309	-	11,309
70,544	36,439	63,988	125,000	-	295,971	-	295,971
-	-	-	-	162,370	239,893	-	239,893
70,544	36,439	63,988	131,578	162,370	10,194,476	-	10,194,476
42,043	40,149	26,018	-	-	108,210	-	108,210
-	-	-	-	-	6,697,222	-	6,697,222
-	-	-	-	219,302	219,302	-	219,302
-	-	-	60,018	-	1,419,906	-	1,419,906
-	-	-	-	-	768,231	-	768,231
42,043	40,149	26,018	60,018	219,302	9,212,871	-	9,212,871
28,501	(3,710)	37,970	71,560	(56,932)	981,605	-	981,605
-	-	-	-	-	1,255,000	-	1,255,000
28,501	(3,710)	37,970	71,560	(56,932)	2,236,605	-	2,236,605
243,450	157,114	299,003	100,444	219,603	9,041,837	59,920	9,101,757
271,951	153,404	336,973	172,004	162,671	11,278,442	59,920	11,338,362

City of Council Bluffs

Schedule of Revenues by Source and Expenditures by Function -
All Governmental Funds

For the Last Ten Years

				Modified
	2015	2014	2013	2012
Revenues:				
Property tax	\$ 39,380,229	38,953,560	38,696,748	38,829,292
Tax increment financing	5,966,145	5,466,119	5,251,749	4,780,170
Other city tax	21,108,930	18,217,714	17,857,809	17,790,350
Licenses and permits	7,092,387	4,377,773	4,213,087	3,529,560
Use of money and property	928,968	870,341	895,147	829,778
Intergovernmental	17,402,351	13,460,987	13,479,981	25,879,633
Charges for service	7,762,686	6,873,760	5,761,464	3,295,521
Special and drainage assessments	295,971	293,198	292,432	295,695
Miscellaneous	11,410,345	8,084,758	7,823,739	12,459,968
Total	<u>\$ 111,348,012</u>	<u>96,598,210</u>	<u>94,272,156</u>	<u>107,689,967</u>
Expenditures:				
Operating:				
Public safety	\$ 32,591,928	30,955,660	29,365,778	28,235,501
Public works	8,194,438	7,807,055	7,679,021	5,945,192
Health and social services	662,595	646,717	609,935	584,156
Culture and recreation	12,903,068	11,381,218	9,517,123	6,347,573
Community and economic development	13,099,040	7,365,202	6,743,807	5,399,216
General government	15,889,942	18,352,414	15,924,535	26,036,435
Debt service	14,577,565	23,968,380	15,011,523	9,346,212
Capital projects	19,383,101	23,528,484	17,602,500	21,841,438
Total	<u>\$ 117,301,677</u>	<u>124,005,130</u>	<u>102,454,222</u>	<u>103,735,723</u>

See accompanying independent auditor's report.

City of Council Bluffs

STATISTICAL SECTION

City of Council Bluffs

Statistical Section

Table of Contents

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

<u>Contents</u>	<u>Schedule</u>
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.	1-4
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	5-9
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	10-14
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.	15-16
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.	17-19

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

City of Council Bluffs

Net Position by Component
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2014	2013	2012
Governmental Activities				
Net investment in capital assets	\$ 234,964,843	246,057,967	242,739,159	239,751,252
Restricted	31,773,393	25,626,688	30,005,228	35,772,486
Unrestricted	(40,249,786)	(12,404,934)	(7,197,379)	(7,121,573)
Total governmental activities net position	<u>\$ 226,488,450</u>	<u>259,279,721</u>	<u>265,547,008</u>	<u>268,402,165</u>
Business-type activities				
Net investment in capital assets	\$ 144,959,497	140,083,921	131,121,021	131,806,236
Unrestricted	5,739,898	5,623,922	6,135,403	1,660,104
Total business-type activities net position	<u>\$ 150,699,395</u>	<u>145,707,843</u>	<u>137,256,424</u>	<u>133,466,340</u>
Primary government				
Net investment in capital assets	\$ 379,924,340	386,141,888	373,860,180	371,557,488
Restricted	31,773,393	25,626,688	30,005,228	35,772,486
Unrestricted	(34,509,888)	(6,781,012)	(1,061,976)	(5,461,469)
Total primary government net position	<u>\$ 377,187,845</u>	<u>404,987,564</u>	<u>402,803,432</u>	<u>401,868,505</u>

** Fiscal year 2009 amounts reported include prior period adjustments made in 2010 to reflect the effect of implementation of GASB Statement No. 51 for intangible assets and to reclassify local option sales tax activity.

Fiscal Year					
2011	2010	2009**	2008	2007	2006
231,096,351	219,535,725	212,224,136	191,101,228	173,378,490	159,110,952
30,061,361	23,003,392	21,301,756	18,082,904	17,765,773	12,939,617
(10,787,191)	(263,805)	(4,916,787)	(4,506,740)	758,509	3,175,451
250,370,521	242,275,312	228,609,105	204,677,392	191,902,772	175,226,020
128,435,537	118,755,228	107,488,837	101,199,118	99,533,684	88,862,559
2,448,896	5,261,436	9,469,103	6,804,540	4,146,969	5,325,013
130,884,433	124,016,664	116,957,940	108,003,658	103,680,653	94,187,572
359,531,888	338,290,953	319,712,973	292,300,346	272,912,174	247,973,511
30,061,361	23,003,392	21,301,756	18,082,904	17,765,773	12,939,617
(8,338,295)	4,997,631	4,552,316	2,297,800	4,905,478	8,500,464
381,254,954	366,291,976	345,567,045	312,681,050	295,583,425	269,413,592

City of Council Bluffs

Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2015	2014	2013	2012
Expenses				
Governmental activities:				
Public safety	\$ 30,124,650	31,070,833	30,176,722	28,913,039
Public works	16,468,963	15,609,496	13,994,363	12,088,663
Health and social services	638,134	676,455	649,660	516,001
Culture and recreation	15,348,323	14,374,266	11,472,144	8,733,154
Community and economic development	17,476,764	10,386,218	10,053,869	7,809,473
General government	15,571,464	15,094,903	21,785,632	26,117,159
Interest on long term debt	1,750,993	1,600,705	1,320,753	2,057,277
Total governmental activities expenses	97,379,291	88,812,876	89,453,143	86,234,766
Business-type activities:				
Sewer system and sewage disposal	9,365,727	9,085,454	8,511,229	8,468,164
Refuse and disposal	5,449,198	5,394,055	4,953,069	4,895,323
Other	-	-	-	-
Total business type activities expenses	14,814,925	14,479,509	13,464,298	13,363,487
Total primary government expenses	\$ 112,194,216	103,292,385	102,917,441	99,598,253
Program revenues				
Governmental activities:				
Charges for service:				
Public safety	6,781,118	4,042,165	3,714,888	3,911,323
Public works	260,674	380,451	426,878	259,818
Health and social services	204,936	214,352	223,651	106,368
Culture and recreation	5,311,670	4,480,358	3,735,755	1,176,034
Community and economic development	773,600	745,089	788,312	785,428
General government	4,565,622	5,095,615	4,351,014	3,686,329
Interest on long term debt	-	-	-	-
Operating grants and contributions	14,683,571	11,770,641	10,902,095	22,012,492
Capital grants and contributions	8,392,730	3,457,434	3,891,282	11,925,631
Total governmental activities program revenues	40,973,921	30,186,105	28,033,875	43,863,423
Business type activities:				
Charges for service:				
Sanitary sewer	5,141,442	4,945,306	5,219,683	5,033,254
Refuse and disposal	5,757,378	5,539,480	5,000,428	5,458,948
Other	-	-	-	-
Operating grants and contributions	-	9,691	-	-
Capital grants and contributions	-	-	2,182,683	750,000
Total business type activities program revenues	10,898,820	10,494,477	12,402,794	11,242,202
Total primary government program revenues	\$ 51,872,741	40,680,582	40,436,669	55,105,625
Net (Expense)/Revenue				
Governmental activities	\$ (56,405,370)	(58,626,771)	(61,419,268)	(42,371,343)
Business type activities	(3,916,105)	(3,985,032)	(1,061,504)	(2,121,285)
Total primary government net expense	\$ (60,321,475)	(62,611,803)	(62,480,772)	(44,492,628)

2011	2010	2009	2008	2007	2006
28,501,970	26,540,090	25,796,311	23,825,855	24,790,690	23,367,537
12,492,324	11,298,900	11,071,569	13,486,989	9,946,764	12,179,474
573,385	550,421	563,295	561,859	471,757	497,478
11,915,556	8,348,868	9,504,036	7,748,286	6,718,057	6,407,003
7,816,996	6,801,616	7,514,563	7,531,592	5,907,016	14,411,811
14,435,524	10,959,589	10,555,074	10,914,762	10,385,104	6,346,367
2,119,475	2,158,068	2,611,834	3,110,714	3,061,451	2,857,508
77,855,230	66,657,552	67,616,682	67,180,057	61,280,839	66,067,178
8,325,469	7,231,802	8,560,437	7,220,114	7,019,179	6,608,528
4,652,239	4,518,258	4,386,055	3,742,452	3,481,343	3,329,798
-	67,195	2,500	-	-	-
12,977,708	11,817,255	12,948,992	10,962,566	10,500,522	9,938,326
90,832,938	78,474,807	80,565,674	78,142,623	71,781,361	76,005,504
3,783,890	4,320,041	3,059,464	3,586,990	3,520,866	3,432,067
432,461	467,447	927,074	726,469	661,459	439,964
75,729	106,412	51,734	154,897	36,552	21,127
1,366,821	1,525,874	1,467,869	1,324,002	1,309,207	1,412,165
816,575	797,523	853,071	852,390	1,148,270	421,634
2,888,110	3,575,089	3,448,875	3,616,649	3,492,144	2,149,103
-	108,432	-	-	-	-
12,021,377	10,296,448	11,473,259	11,214,539	10,062,512	11,882,076
10,968,177	10,812,521	22,074,207	9,544,137	16,089,488	31,289,080
32,353,140	32,009,787	43,355,553	31,020,073	36,320,498	51,047,216
5,290,548	5,452,663	5,292,190	5,505,772	5,415,260	5,447,587
5,211,310	4,654,118	4,595,669	3,590,140	3,458,983	3,296,649
-	41,479	28,216	-	-	-
33,257	247,134	369,002	144,871	80,102	163,922
369,760	-	2,732,966	-	2,547,231	4,318,634
10,904,875	10,395,394	13,018,043	9,240,783	11,501,576	13,226,792
43,258,015	42,405,181	56,373,596	40,260,856	47,822,074	64,274,008
(45,502,090)	(34,647,765)	(24,261,129)	(36,159,984)	(24,960,341)	(15,019,962)
(2,072,833)	(1,421,861)	69,051	(1,721,783)	1,001,054	3,288,466
(47,574,923)	(36,069,626)	(24,192,078)	(37,881,767)	(23,959,287)	(11,731,496)

(continued on next page)

City of Council Bluffs

Changes in Net Position
For the Last Ten Fiscal Years
(Accrual Basis of Accounting)
(continued)

	2015	2014	2013	2012
General revenue and other changes in net position				
Governmental activities:				
Property tax levied for general purposes	\$ 32,682,818	32,503,566	31,858,165	32,146,836
Property tax levied for debt service	6,109,993	6,327,266	6,940,528	6,706,224
Tax increment financing	5,966,145	5,466,119	5,251,542	4,780,377
Local option sales tax	11,394,035	8,921,770	7,911,136	8,410,893
Hotel motel tax	2,889,262	2,679,437	2,539,232	2,579,387
Gaming wager tax	3,091,006	3,125,722	3,539,033	3,695,712
Other city tax	4,310,624	3,490,785	3,463,114	3,646,472
Commercial/industrial replacement	1,071,331	-	-	-
Unrestricted investment earnings	294,173	266,405	238,082	168,082
Miscellaneous	3,402,514	2,006,609	1,672,512	2,967,288
Gain on disposition of capital assets	-	-	-	-
Transfers	(11,562,737)	(12,428,195)	(4,849,233)	(4,698,284)
Total governmental activities	59,649,164	52,359,484	58,564,111	60,402,987
Business type activities:				
Local option sales tax	-	-	-	-
Unrestricted investment earnings	-	-	-	-
Miscellaneous	7,065	2,355	2,355	2,355
Gain on disposition of capital assets	13,932	5,901	-	2,553
Transfers	11,562,737	12,428,195	4,849,233	4,698,284
Total business type activities	11,583,734	12,436,451	4,851,588	4,703,192
Total primary government	\$ 71,232,898	64,795,935	63,415,699	65,106,179
Changes in Net Position				
Governmental activities	\$ 3,243,794	(6,267,287)	(2,855,157)	18,031,644
Business type activities	7,667,629	8,451,419	3,790,084	2,581,907
Total primary government	\$ 10,911,423	2,184,132	934,927	20,613,551

** Fiscal year 2009 amounts reported include prior period adjustments made in 2010 to reflect the effect of implementation of GASB Statement No. 51 for intangible assets and to reclassify local option sales tax activity.

2011	2010	2009**	2008	2007	2006
30,867,270	29,870,765	26,464,281	25,273,906	24,034,452	22,497,883
7,006,599	7,210,156	6,804,838	6,584,767	6,220,880	5,783,551
6,058,673	3,223,820	4,983,734	3,548,580	1,384,337	1,230,247
8,589,061	7,024,557	3,540,379	3,814,009	2,032,485	1,435,178
2,269,329	2,200,766	2,263,735	2,328,532	2,151,729	2,062,865
3,670,039	3,821,147	4,199,317	4,469,440	4,798,056	4,988,435
3,543,543	2,700,871	3,174,102	2,739,342	2,711,601	2,926,783
-	-	-	-	-	-
279,466	341,243	733,812	771,465	1,256,656	796,565
116,206	91,724	132,778	58,645	114,552	869,830
-	-	-	26,093	105,709	-
(8,802,887)	(11,320,521)	(4,104,134)	(680,175)	(3,173,334)	(1,777,675)
53,597,299	45,164,528	48,192,842	48,934,604	41,637,123	40,813,662
-	-	4,646,303	3,492,325	5,252,871	6,810,075
180	1,423	49,787	66,324	32,822	-
10,397	85,790	82,562	133,170	33,000	-
127,138	-	2,445	1,672,794	-	1,226
8,802,887	11,320,521	4,104,134	680,175	3,173,334	1,777,675
8,940,602	11,407,734	8,885,231	6,044,788	8,492,027	8,588,976
62,537,901	56,572,262	57,078,073	54,979,392	50,129,150	49,402,638
8,095,209	10,516,763	23,931,713	12,774,620	16,676,782	25,793,700
6,867,769	9,985,873	8,954,282	4,323,005	9,493,081	11,877,442
14,962,978	20,502,636	32,885,995	17,097,625	26,169,863	37,671,142

City of Council Bluffs

Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
General fund				
Unreserved	\$ -	-	-	-
Reserved	-	-	-	-
Nonspendable	1,739,776	1,773,540	1,817,606	1,814,002
Restricted	3,836,594	5,233,950	5,681,823	8,976,226
Unassigned	15,848,353	12,313,458	14,793,480	13,158,934
Total general fund	<u>\$ 21,424,723</u>	<u>19,320,948</u>	<u>22,292,909</u>	<u>23,949,162</u>
All other government funds				
Reserved	\$ -	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service fund	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable	1,122,907	1,047,663	904,790	1,121,924
Restricted	33,420,995	26,939,241	32,107,949	26,298,322
Unassigned	-	(91,975)	-	(6,134,110)
Total all other government funds	<u>\$ 34,543,902</u>	<u>27,894,929</u>	<u>33,012,739</u>	<u>21,286,136</u>
Total Governmental Funds	<u>55,968,625</u>	<u>47,215,877</u>	<u>55,305,648</u>	<u>45,235,298</u>

Note: The shift from reserved/unreserved fund balances to nonspendable, restricted and unassigned fund balances is the result of the implementation of Governmental Accounting Standards Board Statement No. 54 for the fiscal year ended June 30, 2011.

Fiscal Year					
2011	2010	2009	2008	2007	2006
-	2,727,002	2,543,090	2,536,773	2,561,128	2,216,550
-	12,639,788	7,710,769	8,538,408	7,553,502	5,508,843
2,814,123	-	-	-	-	-
7,125,557	-	-	-	-	-
10,859,733	-	-	-	-	-
20,799,413	15,366,790	10,253,859	11,075,181	10,114,630	7,725,393
-	6,662,488	13,998,654	17,843,931	13,790,062	1,857,415
-	17,211,816	15,814,057	11,734,490	7,325,141	6,951,890
-	(271,325)	-	-	-	-
-	(3,673,134)	1,640,977	665,266	2,775,806	9,122,810
1,189,228	-	-	-	-	-
23,406,432	-	-	-	-	-
(8,275,436)	-	-	-	-	-
16,320,224	19,929,845	31,453,688	30,243,687	23,891,009	17,932,115
37,119,637	35,296,635	41,707,547	41,318,868	34,005,639	25,657,508

City of Council Bluffs

Changes in Fund Balances of Governmental Funds
For the Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2015	2014	2013	2012
Revenues:				
Property tax	\$ 39,380,229	38,953,560	38,696,748	38,829,292
Tax increment financing	5,966,145	5,466,119	5,251,749	4,780,170
Other taxes	21,108,930	18,217,714	17,857,809	17,790,350
Licenses and permits	7,092,387	4,377,773	4,213,087	3,529,560
Use of money and property	928,968	870,341	895,147	829,778
Intergovernmental	17,402,351	13,460,987	13,479,981	25,879,633
Charges for service	7,762,686	6,873,760	5,761,464	3,295,521
Special and drainage assessments	295,971	293,198	292,432	295,695
Miscellaneous	11,410,345	8,084,758	7,823,739	12,459,968
Total revenue	111,348,012	96,598,210	94,272,156	107,689,967
Expenditures:				
Current:				
Public safety	32,591,928	30,955,660	29,365,778	28,235,501
Public works	8,194,438	7,807,055	7,679,021	5,945,192
Health and social services	662,595	646,717	609,935	584,156
Culture and recreation	12,903,068	11,381,218	9,517,123	6,347,573
Community and economic development	13,099,040	7,365,202	6,743,807	5,399,216
General government	15,889,942	18,352,414	15,924,535	26,036,435
Debt service				
Principal	12,237,105	22,065,526	12,746,667	7,161,667
Interest	1,724,014	1,824,213	1,989,654	2,063,224
Debt related expense	616,446	78,641	275,202	121,321
Capital projects	19,383,101	23,528,484	17,602,500	21,841,438
Total expenditures	117,301,677	124,005,130	102,454,222	103,735,723
Excess (deficit) of revenue over (under) expenditures	(5,953,665)	(27,406,920)	(8,182,066)	3,954,244
Other financing sources (uses)				
General obligation bonds issued	17,715,000	7,630,000	14,880,000	3,165,000
General obligation capital loan notes issued	-	-	2,535,000	4,095,000
Premium (discount) on general obligation bonds/notes issued	591,413	315,046	949,057	109,056
Urban renewal note issued	-	-	-	-
Term loan note issued	-	11,600,000	-	-
HUD loan proceeds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital lease purchase agreement	-	-	-	-
General obligation bonds/notes refunded	-	-	-	(3,165,000)
Urban renewal revenue note redeemed	-	-	-	-
Transfers in	3,386,922	11,490,611	9,028,345	10,910,089
Transfers out	(6,986,922)	(11,718,508)	(9,139,986)	(10,952,728)
Total other financing sources (uses)	14,706,413	19,317,149	18,252,416	4,161,417
Net change in fund balances	\$ 8,752,748	(8,089,771)	10,070,350	8,115,661
Debt service as a percentage of noncapital expenditures	12.6%	20.8%	16.0%	10.5%

2011	2010	2009	2008	2007	2006
37,867,393	37,103,962	33,308,384	31,830,399	30,233,157	28,381,903
6,059,684	3,222,809	4,983,734	3,548,580	1,384,337	1,230,247
17,937,503	15,726,929	13,203,713	13,325,303	11,720,071	11,413,261
3,289,876	3,199,381	3,345,559	3,455,394	3,510,264	1,051,748
922,602	968,615	1,422,391	1,795,827	2,073,470	1,624,075
20,417,261	13,332,409	10,693,866	16,273,844	12,020,294	12,479,002
3,561,999	3,543,339	3,827,025	3,298,632	3,317,768	3,819,763
161,225	341,278	220,241	210,925	203,542	111,622
6,059,423	7,399,559	6,319,096	7,756,828	10,863,550	11,684,092
96,276,966	84,838,281	77,324,009	81,495,732	75,326,453	71,795,713
27,054,108	25,267,311	24,800,095	24,185,898	24,010,444	23,582,483
7,116,807	6,354,312	6,974,369	7,113,721	6,826,252	8,313,984
544,420	524,986	515,800	503,210	488,102	508,110
6,188,577	6,029,643	7,180,312	5,685,981	5,349,274	5,219,482
5,525,461	4,346,981	5,181,333	4,144,240	3,481,043	22,419,715
13,862,324	10,022,944	9,146,234	9,620,991	9,426,637	5,298,251
7,354,755	10,374,393	9,518,793	8,587,544	7,793,266	6,955,077
2,077,776	2,171,805	2,604,476	3,185,539	3,199,372	2,814,874
39,243	85,635	24,157	4,800	13,471	64,445
33,015,979	29,890,156	19,216,601	21,197,403	21,149,556	18,272,003
102,779,450	95,068,166	85,162,170	84,229,327	81,737,417	93,448,424
(6,502,484)	(10,229,885)	(7,838,161)	(2,733,595)	(6,410,964)	(21,652,711)
7,300,000	3,685,000	9,600,000	7,615,000	11,115,000	8,220,000
-	-	-	-	-	-
(5,981)	60,965	16,484	51,081	139,475	46,214
14,500,000	-	-	-	-	17,000,000
-	-	-	-	-	-
-	-	-	750,000	-	-
-	-	-	30,505	197,372	-
-	-	120,302	154,651	107,353	-
-	(3,700,000)	(2,400,000)	-	-	(3,825,000)
(14,326,210)	-	-	-	-	-
9,870,682	15,429,490	18,290,724	15,721,160	18,125,900	15,510,709
(9,012,905)	(14,583,631)	(17,400,670)	(14,275,573)	(14,926,005)	(13,147,886)
8,325,586	891,824	8,226,840	10,046,824	14,759,095	23,804,037
1,823,102	(9,338,061)	388,679	7,313,229	8,348,131	2,151,326
11.3%	16.0%	17.1%	17.0%	16.7%	14.1%

City of Council Bluffs

Governmental Activities Tax Revenues By Source
For the Last Ten Fiscal Years

Fiscal Year	Property Tax	Tax Increment Financing	Local Option Sales Tax *	Hotel Motel Tax	Utility Excise Tax
2006	\$ 28,281,434	1,230,247	1,435,178	2,062,865	2,421,693
2007	30,255,332	1,384,337	2,032,485	2,151,729	2,471,168
2008	31,858,673	3,548,580	3,814,009	2,328,532	2,464,338
2009	33,269,119	4,983,734	3,540,379	2,263,735	3,195,266
2010	37,080,921	3,223,820	7,024,557	2,200,766	3,324,177
2011	37,867,393	6,058,673	8,589,061	2,269,329	3,312,717
2012	38,853,060	4,780,377	8,410,893	2,579,387	3,373,996
2013	38,798,693	5,251,542	7,911,136	2,539,232	3,374,122
2014	38,830,832	5,466,119	8,921,770	2,679,437	3,490,785
2015	38,792,811	5,966,145	11,394,035	2,889,262	4,310,624

* For fiscal year 2005 through 2009, local option sales tax was also recorded in business type activities as follows:

2006	\$6,810,075
2007	5,252,871
2008	3,492,325
2009	4,646,303

Gaming Wager Tax	Pari-mutuel Wager Tax	Total
4,988,435	92,940	40,512,792
4,798,056	94,659	43,187,766
4,469,440	96,715	48,580,287
4,199,317	72,282	51,523,832
3,821,147	35,784	56,711,172
3,670,039	96,357	61,863,569
3,695,712	135,659	61,829,084
3,539,033	88,992	61,502,750
3,059,131	66,591	62,514,665
3,007,350	83,656	66,443,883

City of Council Bluffs

Assessed and Taxable Value of Property
For the Last Ten Years
(Expressed in Millions)

All assessed values in millions of dollars

<u>Assessment Date</u> <u>January 1,</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Railroad</u>	<u>Utilities</u>
2004	2006	\$ 800.1	654.5	59.2	8.4	152.1
2005	2007	883.7	681.0	60.9	8.9	161.5
2006	2008	902.6	739.7	73.8	9.5	160.0
2007	2009	964.8	797.5	69.0	9.7	206.0
2008	2010	1,016.8	867.8	71.5	9.4	208.3
2009	2011	1,060.7	950.1	76.4	10.2	202.0
2010	2012	1,107.1	970.5	77.2	11.0	209.3
2011	2013	1,106.9	954.8	73.5	13.0	208.6
2012	2014	1,156.8	928.7	78.8	14.3	208.6
2013	2015	1,201.3	890.6	85.2	14.3	222.0

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

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

<u>Other</u>	<u>Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate *</u>	<u>Total Assessed Value</u>	<u>Total Taxable Value as % of Assessed Value</u>
-	(6.9)	1,667.4	18.3940	2,590.5	64.4%
-	(6.8)	1,789.2	18.2940	2,893.1	61.8%
-	(6.7)	1,878.9	18.1900	3,098.8	60.6%
-	(6.6)	2,040.4	18.0879	4,428.8	46.1%
-	(6.5)	2,167.3	17.9732	4,142.7	52.3%
-	(6.4)	2,293.0	17.8511	4,367.6	52.5%
-	(6.3)	2,368.8	17.8511	4,352.6	54.4%
-	(6.2)	2,350.6	17.8504	4,253.2	55.3%
1.2	(6.0)	2,382.4	17.75	4,385.5	54.3%
1.1	(5.9)	2,408.6	17.75	4,373.8	55.1%

City of Council Bluffs
Property Tax Rates
Direct and Overlapping Governments
For the Last Ten Fiscal Years

Fiscal Year ended	City of Council Bluffs, Iowa			Overlapping Pottawattamie County, Iowa		
	Operating Levy Rate *	Debt Service Levy Rate *	Total City Levy Rate *	Operating Levy Rate *	Debt Service Levy Rate *	Total County Levy Rate *
2006	\$ 14.7140	\$ 3.6800	18.3940	6.7036	\$ 0.4234	7.1270
2007	14.6140	3.6800	18.2940	6.6192	0.3854	7.0046
2008	14.5900	3.6000	18.1900	6.5521	0.3653	6.9174
2009	14.5879	3.5000	18.0879	6.4546	0.5352	6.9898
2010	14.5120	3.4612	17.9732	6.4472	0.8319	7.2791
2011	14.7430	3.1081	17.8511	6.4621	0.9279	7.3900
2012	14.9121	2.9390	17.8511	6.5070	0.8674	7.3744
2013	14.8234	3.0270	17.8504	6.6585	0.8595	7.5180
2014	15.0209	2.7291	17.7500	6.8790	0.7878	7.6668
2015	15.1607	2.5893	17.7500	8.0906	0.8342	8.9248

Year Over Year Change in Levy Rate	City of Council Bluffs	Pottawattamie County	Council Bluffs Community Schools
2006	3.5%	3.1%	4.2%
2007	-0.5%	-1.7%	4.6%
2008	-0.6%	-1.2%	0.9%
2009	-0.6%	1.0%	0.7%
2010	-0.6%	4.1%	0.0%
2011	-0.7%	1.5%	10.6%
2012	0.0%	-0.2%	0.0%
2013	0.0%	1.9%	-7.7%
2014	-0.6%	2.0%	0.0%
2015	0.0%	16.4%	-0.6%

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

* Per \$1,000 of taxable valuation

Rates

Council Bluffs Community School District

Operating Levy Rate *	Debt Service Levy Rate *	Total (CB) School Levy Rate *	Iowa Western Comm. College and other levies *	Total Direct & Overlapping Levy Rates *
15.0700	0.7400	15.8100	1.1929	42.5239
15.8600	0.6700	16.5300	1.0644	42.8930
16.0449	0.6320	16.6769	1.3002	43.0845
16.1872	0.6135	16.8007	1.2064	43.0848
16.1500	0.6503	16.8003	1.2705	43.3231
18.0591	0.5273	18.5864	1.1381	44.9656
18.0768	0.5084	18.5852	1.1498	44.9605
16.6510	0.5066	17.1576	1.4623	43.9883
16.6658	0.4918	17.1576	1.3611	43.9355
16.5767	0.4809	17.0576	1.5487	45.2811

All Other
Levies

Total Tax
Levy

4.5%	3.7%
-10.8%	0.9%
22.2%	0.4%
-7.2%	0.0%
5.3%	0.6%
-10.4%	3.8%
1.0%	0.0%
27.2%	-2.2%
-6.9%	-0.1%
13.8%	3.1%

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

Taxpayer	Also Known As	2015		
		Assessed Value 01/01/2013	Rank	% of Total Assessed Value
	formally Mid American			
Mid American Energy*	Production*	\$ 158.4	1	6.58%
HBR Reality Company, Inc.	Horseshoe Casino	84.2	2	3.50%
Ameristar Casino		58.4	3	2.42%
Harveys Iowa Management Company	Harrahs Casino	51.4	4	2.13%
KIMCO Metro Crossing	Metro Crossing	32.5	5	1.35%
Bass Pro Shops		25.0	6	1.04%
Tetra LLC	Google	20.7	7	0.86%
Black Hills Corporation	Black Hills Energy	18.1	8	0.75%
Dearborn Properties, LLC	Mall of the Bluffs	16.6	9	0.69%
Blue Star Foods	ConAgra Foods	16.5	10	0.69%
Peoples Natural Gas Pipeline		-	-	-
Griffin Pipe		-	-	-
Walmart Stores, Inc.		-	-	-
Mid American Electric*		-	-	-

Source of 2015 data: Series 2015B - Official Statement dated February 27, 2015

Source of 2006 data: Series 2006A - Official Statement dated March 17, 2006

adjusted for subsequent business combinations.

* Reporting data for 2006 listed Mid American Production and Mid American Electric as two separate companies. 2015 data is the combination of the companies.

2006			
Assessed Value			% of Total
01/01/2003	Rank	Assessed Value	
<hr/>			
\$ 63.3	1		3.80%
26.0	5		1.56%
63.2	2		3.79%
54.1	3		3.24%
-	-		-
-	-		-
-	-		-
-	-		-
39.8	4		2.39%
11.0	7		0.66%
17.5	6		1.05%
9.8	9		0.59%
9.9	8		0.59%
53.6	10		3.21%

City of Council Bluffs

Property Tax Levies and Collections
For the Last Ten Fiscal Years
(Expressed in Millions)

Assessment Date of January 1,	Fiscal Year Ended	Total Tax Levy	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	% Collected - Trailing Three Years
1/1/2004	2006	\$ 30.79	30.99	100.6%	-
1/1/2005	2007	34.69	33.00	95.1%	-
1/1/2006	2008	34.52	34.45	99.8%	98.4%
1/1/2007	2009	37.27	36.71	98.5%	97.8%
1/1/2008	2010	39.36	39.64	100.7%	99.7%
1/1/2009	2011	41.45	41.19	99.4%	99.5%
1/1/2010	2012	42.79	42.22	98.7%	99.6%
1/1/2011	2013	42.51	42.17	99.2%	99.1%
1/1/2012	2014	42.87	42.44	99.0%	99.0%
1/1/2013	2015	43.35	44.17	101.9%	100.0%

* Taxable valuations can be found in Schedule 6.

** Tax Levy rates can be found in Schedule 7.

<u>Year Over Year Change in Levied Taxes</u>	<u>Year Over Year Change In Taxable Valuation *</u>	<u>Year Over Year Change in City Levy Tax Rate **</u>
-	2.8%	3.5%
12.7%	7.3%	-0.5%
-0.5%	5.0%	-0.6%
8.0%	8.6%	-0.6%
5.6%	6.2%	-0.6%
5.3%	5.8%	-0.7%
3.2%	3.3%	0.0%
-0.7%	-0.8%	0.0%
0.8%	1.3%	-0.6%
1.1%	1.4%	0.0%

City of Council Bluffs

Ratios of Outstanding Debt by Type
For the Last Ten Fiscal Years
(Expressed in Millions)

Fiscal year ended June 30,	Governmental Activities					
	General Obligation Bonds	General Obligation Notes	Capital Leases	Urban Renewal Term Loan Note	Term Loan Note	Other Debt
2006	\$ 34.52	19.18	0.07	16.76	-	-
2007	41.00	17.05	0.13	16.26	-	-
2008	43.83	13.78	0.21	15.73	-	0.75
2009	46.49	9.36	0.25	15.17	-	0.73
2010	39.93	6.12	0.14	14.58	-	0.72
2011	43.49	3.00	0.06	14.26	-	0.70
2012	38.02	6.37	-	13.29	-	0.69
2013	41.85	8.17	-	12.33	-	6.68
2014	42.16	6.36	-	-	10.99	4.36
2015	46.38	4.11	-	-	8.55	9.80

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

* Personal income and population data can be found in Schedule 15, Demographic and Economic Statistics. These rates are calculated using personal income and population for the prior calendar year.

Business Type Activities				Total Primary Government	Percentage of Personal Income*	Debt Per Capita*	Per Capita Income*
General Obligation Bonds	General Obligation Notes	Revenue Capital Loan Notes	Capital Leases				
1.22	-	-	-	71.75	3.16%	1,207	40,476
0.48	-	-	0.14	75.06	3.08%	1,245	42,231
0.23	-	-	0.07	74.60	2.95%	1,245	43,988
-	-	-	-	72.10	2.72%	1,195	41,505
-	-	-	-	61.57	2.46%	1,020	42,606
-	-	-	-	61.56	2.32%	989	44,470
-	-	-	-	58.40	2.10%	935	44,470
-	-	4.97	-	74.00	2.68%	1,191	46,575
-	-	4.78	-	68.65	2.38%	1,108	48,821
-	-	4.58	-	73.42	2.42%	1,180	-

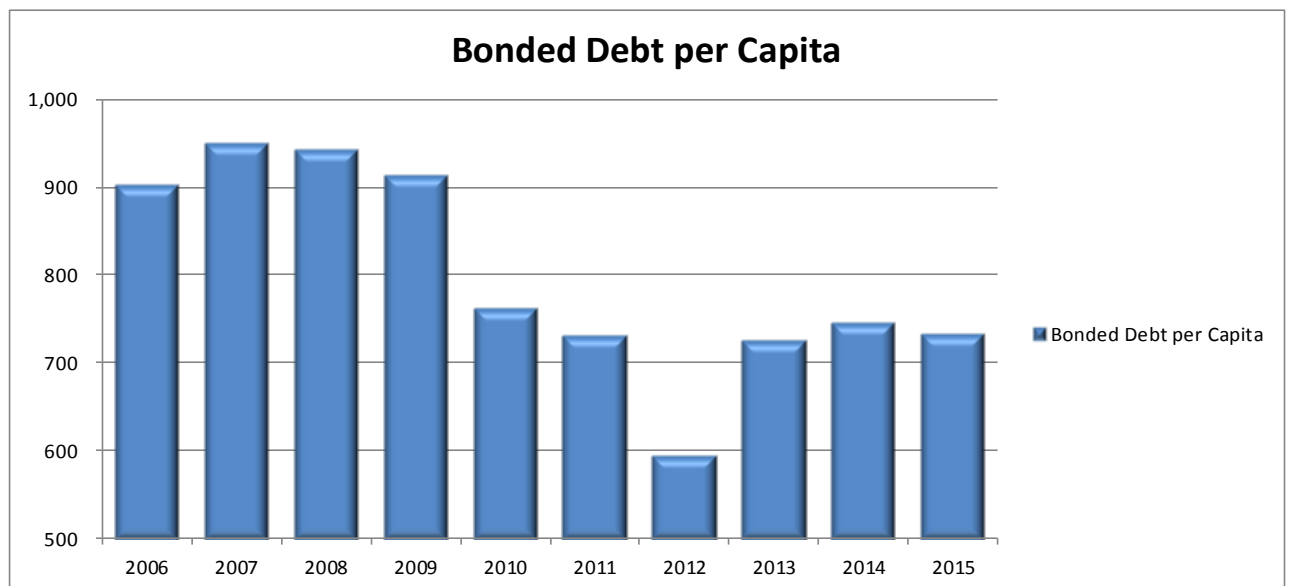
Schedule 11**City of Council Bluffs**

**Ratios of General Bonded Debt Outstanding
For the Last Ten Fiscal Years
(Expressed in Millions)**

Fiscal year ended June 30,	General Obligation Bonds/Notes	Less Amounts Available in Debt Service Fund	Net Bonded Debt	Total Taxable Assessed Value	Net Bonded Debt as % of Assessed Value	Net Bonded Debt per Capita	Population*
2006	\$ 54.92	1.15	53.77	1,667.3	3.22%	904	59,453
2007	58.53	1.24	57.29	1,789.2	3.20%	951	60,271
2008	57.84	1.26	56.58	1,878.8	3.01%	944	59,944
2009	55.85	0.72	55.13	2,040.4	2.70%	914	60,318
2010	46.05	-	46.05	2,167.3	2.12%	763	60,391
2011	46.49	0.96	45.53	2,292.9	1.99%	732	62,230
2012	44.39	7.13	37.26	2,368.8	1.57%	596	62,466
2013	50.02	4.86	45.16	2,350.6	1.92%	727	62,115
2014	48.52	2.25	46.27	2,382.4	1.94%	747	61,969
2015	50.49	4.77	45.72	2,408.6	1.90%	735	62,245

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

* Population can be found Schedule 15, Demographic and Economic Statistics.



City of Council Bluffs

Direct and Overlapping Governmental Activities Debt
As of June 30, 2014
(Expressed in Millions)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
City of Council Bluffs direct debt	\$ 63.87	100.00%	\$ 63.87
Overlapping:			
Pottawattamie County	13.85	66.8% *	9.25
Council Bluffs Community Schools	72.93	89.9% **	65.56
Lewis Central Community Schools	9.58	94.5% **	9.05
Iowa Western Community College	87.82	27.8% ***	24.41
Subtotal, overlapping debt	184.18		\$ 108.27
Total direct and overlapping debt	\$ 248.05		\$ 172.14

Source: Pottawattamie County Auditor

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

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

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

*** Percentage of residents within Iowa Western Community College's district who reside within the City of Council Bluffs. The college's district includes the following counties:

Adair, Adams, Audubon, Cass, Crawford, Fremont, Harrison, Mills, Monona, Montgomery,
Page, Pottawattamie and Shelby.

City of Council Bluffs

Legal Debt Margin Information
For the Last Ten Fiscal Years
(Expressed in Millions)

	2015	2014	2013	2012
Debt Limit	\$ 218.69	219.27	212.66	217.63
Total net debt applicable to limit	60.88	73.31	79.22	69.33
Legal debt margin	\$ 157.81	145.96	133.44	148.30
Total net debt applicable to the limit as a percentage of debt limit	27.8%	33.4%	37.3%	31.9%

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

2011	2010	2009	2008	2007	2006
218.89	207.13	221.44	155.49	145.21	144.99
81.30	70.59	79.26	83.17	87.14	70.46
137.59	136.54	142.18	72.32	58.07	74.53
37.1%	34.1%	35.8%	53.5%	60.0%	48.6%

Legal Debt Margin Calculation for Fiscal Year 2015

Actual Assessed valuation as of January 1, 2013	\$ 4,373.76
Debt Limit - 5% of assessed valuation	218.69
Debt applicable to debt limit:	
General obligation bonds/notes	50.49
Settlement agreement	3.21
Tax increment indebtedness	12.64
Balance in Debt Service Fund	(4.77)
Balance in Special Revenue, Tax Increment Financing Fund	(0.69)
Total net debt applicable to limit	60.88
Legal Debt margin	\$ 157.81

City of Council Bluffs

City of Council Bluffs

Pledged Revenue Coverage
For the Last Ten Fiscal Years
(Expressed in Thousands)

Urban Renewal Term Loan and Term Loan Notes:

Fiscal Year	Gross Revenue	Less:	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
		Applicable Operating Expenses			
2006	\$ 1,173	87	1,086	732	1.4836
2007	1,623	4	1,619	1,571	1.0306
2008	2,862	1,082	1,780	1,412	1.2606
2009	1,621	1,120	501	986	0.5081
2010	1,972	1,129	843	800	1.0538
2011	2,112	1,417	695	731	0.9508
2012	2,634	1,343	1,291	1,295	0.9969
2013	2,378	1,145	1,233	1,268	0.9724
2014	2,683	1,147	1,536	1,601	0.9594
2015	3,914	1,168	2,746	2,669	1.0290

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

Sewer Revenue Capital Loan Notes:

Fiscal Year	Gross Revenue	Less:	Net Revenue Available for Debt Service	Debt Service Requirements	Coverage
		Applicable Operating Expenses			
2013	\$ 5,220	5,374	(154)	218	-
2014	\$ 4,945	5,645	(700)	342	-
2015	\$ 5,141	5,742	(601)	343	-

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

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

City of Council Bluffs

Demographic and Economic Statistics
For the Last Ten Calendar Years

Year	Population	Per Capita Personal Income	Personal Income (Expressed in millions)	Median Age	Unemployment Rate	Council Bluffs School Enrollment
2005	59,453	\$ 38,165	2,269	35.6	4.4%	9,662
2006	60,271	40,483	2,440	35.6	3.4%	9,478
2007	59,944	42,223	2,531	35.6	3.3%	9,407
2008	60,318	43,984	2,653	35.6	3.6%	9,296
2009	60,391	41,512	2,507	35.6	5.1%	9,212
2010	62,230	42,600	2,651	35.9	5.2%	9,207
2011	62,466	44,472	2,778	37.5	5.0%	9,125
2012	62,115	44,466	2,762	37.5	4.5%	8,945
2013	61,969	46,575	2,886	36.1	4.3%	8,996
2014	62,245	48,821	3,039	36.7	3.0%	9,101

Sources:

School Enrollment Data: Certified Enrollment "Row 7" per Iowa Department of Education (educateiowa.gov)
e.g. data reported for 2014 is amount reported on October 1, 2013 for the 2013-2014 school (and fiscal) year ended June 30, 2014.

Population Data: 2010 to 2014 data from United States Census Bureau - (quickfacts.census.gov)

Population Data: 2005 to 2009 data from United States Census Bureau - (Quicklinks - Population Estimates (quickfacts.census.gov))

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

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

Median Age - City-data.com

<u>Lewis Central School Enrollment</u>	<u>Combined School Enrollment</u>
2,479	12,141
2,560	12,038
2,499	11,906
2,559	11,855
2,582	11,794
2,586	11,793
2,613	11,738
2,596	11,541
2,550	11,546
2,560	11,661

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

Employer	2015		
	Full Time Equivalent Employees	Rank	% of Total City Employment (1)
Ameristar Casino and Hotel	1,350	1	4.1%
Horseshoe and Harrah's Casinos	1,306	2	4.0%
Council Bluffs Community Schools	1,150	3	3.5%
Tyson Foods	1,100	4	3.4%
ConAgra Frozen Foods	950	5	2.9%
Alegent Health/Mercy Hospital	850	6	2.6%
Jennie Edmundson Memorial Hospital	700	7	2.2%
Iowa Western Community College	600	8	1.8%
Walmart	550	9	1.7%
City of Council Bluffs	478	10	1.5%

- (1) Based on resident total employment of 32,540
per the Iowa Department of Workforce Development, Labor Market Department
- (2) Based on resident total employment of 30,610
per the Iowa Department of Workforce Development, 2006 annual average.
- Source of 2015 data: Series 2015A - Official Statement dated February 27, 2015.
- Source of 2005 data: Series 2006A - Official Statement dated March 17, 2006,
adjusted for subsequent business combinations.

2006		
Employees	Rank	% of Total City Employment (2)
1,300	2	4.2%
1,770	1	5.8%
1,250	3	4.1%
1,052	4	3.4%
800	5/6/7	2.6%
800	5/6/7	2.6%
800	5/6/7	2.6%
512	9	1.7%
650	8	2.1%
434	10	1.4%

City of Council Bluffs

City of Council Bluffs
Full Time Equivalent City Government Employees
by Function/Program
For the Last Ten Years

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police	135.8	142.2	142.2	140.3	137.9	139.3	137.9	132.9	130.4	129.9
Fire	106.0	107.9	107.7	107.9	107.7	109.9	100.0	100.0	100.0	103.0
Animal Control	5.9	6.3	6.7	7.1	7.3	7.8	5.8	6.0	5.8	6.1
Building Inspections	8.0	7.1	7.0	6.7	7.0	5.9	8.0	8.0	8.0	8.0
Public Works	56.0	54.3	54.4	54.4	55.1	54.4	65.7	55.7	62.5	66.0
Health and Social Services	8.0	6.2	6.0	5.9	6.1	6.4	5.7	5.7	5.7	5.7
Culture and Recreation										
Library	26.0	24.1	24.0	22.6	23.1	23.1	23.0	26.1	23.7	23.2
Parks and Recreation	24.0	23.5	28.5	28.3	27.5	27.4	23.7	22.7	26.0	26.0
Community and Economic Development	9.0	9.0	9.0	9.3	10.5	10.4	9.5	10.5	10.5	10.5
General Government										
Mayor's Office	5.0	2.0	2.1	2.0	2.0	2.1	2.0	2.0	2.0	2.0
City Clerk, Finance and Treasurer	19.4	19.3	21.3	21.5	21.5	21.5	20.6	19.6	22.2	19.7
City Attorney	6.0	6.7	5.6	5.8	6.0	6.3	7.6	6.6	6.6	6.6
Human Resources	4.0	2.6	3.0	3.0	3.0	3.1	3.0	2.8	2.8	2.8
Building Maintenance	5.8	5.8	5.6	6.3	6.3	5.8	5.0	5.0	5.0	5.0
Business Type Activity										
Sewer Operations	49.0	51.0	51.6	52.4	51.4	50.1	52.3	51.8	54.5	54.0
Sanitation and Recycling	10.0	12.7	12.3	12.4	12.4	11.5	12.4	12.1	12.2	12.4
Total Full Time Equivalents	477.9	480.7	487.0	485.9	484.8	485.0	482.2	467.5	477.9	480.9

Data is based on amounts budgeted annually.

Source of 2006-2009 data: City of Council Bluffs annual budget package.

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

Source of 2015 - City of Council Bluffs Human Resource Department

Data for years 2006-2009 is based on budgeted FTE equivalents, which does not include overtime hours.

Data for years 2010-2015 is based on total hours worked, which includes overtime hours.

City of Council Bluffs

Operating Indicators
by Function/Program
(Calendar Year)

Function/Program	2014	2013	2012	2011
Public Safety				
Police:				
Traffic accidents	1,999	1,987	1,747	1,722
Traffic citations	8,372	6,848	6,807	11,277
Traffic warnings	2,953	5,459	5,911	4,777
Parking violations	2,383	4,506	3,980	3,353
Cases	1,636	1,718	1,654	1,680
Arrests and charges	5,197	5,936	5,873	6,531
Fire:				
Fire responses	310	285	345	301
Medical responses	6,135	5,799	5,842	5,215
HazMat responses	186	209	254	254
False alarms	492	461	548	522
Mutual aid responses	46	50	7	35
Other responses	1,096	731	892	874
Total responses	8,265	7,535	7,888	7,201
Responses per day	22.6	20.6	21.6	19.7
Fire Department average response time	5 min.. 23 sec.	5 min.. 22 sec.	5 min. 24 sec.	5 min. 28 sec.
Building Inspections:				
Permits issued	5,672	4,391	6,274	4,902
Value of permits (millions)	329.1	311.8	213.1	115.4
Culture and Recreation				
Library:				
Attendance	344,422	383,439	337,049	436,136
Circulation	573,557	610,165	600,736	619,326
Collection size	154,705	186,970	195,252	200,241
Registered borrowers	46,454	48,738	46,750	51,840
Meeting room use by community organizations	234	217	994	430
Reference questions	41,357	42,427	33,119	43,555
Attendance per day	944	1,051	923	1,195
Circulation per day	1,571	1,672	1,646	1,697

2010	2009	2008	2007	2006	2005
698	731	1,542	2,069	2,116	2,040
15,172	10,095	12,127	12,950	17,431	16,894
4,185	2,318	3,397	3,070	4,237	3,299
3,952	3,147	2,985	3,734	4,868	4,176
1,880	2,211	1,946	2,083	2,274	2,581
6,908	6,470	6,315	6,948	6,805	6,977
267	314	290	296	350	328
5,222	5,190	5,193	5,168	4,828	4,666
222	198	217	213	176	208
549	497	554	504	534	423
30	8	25	119	156	62
639	641	620	522	490	380
6,929	6,848	6,899	6,822	6,534	6,067
19.0	18.8	18.8	18.7	17.9	16.6
5 min. 25 sec.	5 min. 22 sec.	4 min. 54 sec.	4 min. 57 sec.	3 min. 45 sec.	4 min. 53 sec.
1,090	1,532	2,169	884	900	946
85.8	101.5	157.0	226.7	96.2	163.6
414,137	297,706	274,364	268,736	254,109	238,574
600,372	574,727	513,918	470,346	459,765	445,499
194,452	193,967	176,278	168,155	168,756	164,255
51,072	51,673	51,295	50,096	49,797	49,213
635	149	952	810	227	199
52,290	51,479	49,355	48,399	42,369	40,679
1,135	816	752	736	696	654
1,645	1,575	1,408	1,289	1,260	1,221

(continued on next page)

City of Council Bluffs

Operating Indicators
by Function/Program
(continued)

	2014	2013	2012	2011
Parks and recreation participation				
Golf complex attendance	33,527	48,789	44,370	40,000
Swimming pool attendance	50,542	55,752	55,385	58,080
Youth softball teams	111	105	110	131
Adult softball teams	102	101	106	91
Tournaments conducted	18	17	19	32
Youth soccer teams	6	8	12	-
Youth football teams	19	21	22	29
Bayliss Park concerts	25	23	14	16
Bayliss Park movie series	11	11	11	10
Zoning Board of Adjustments				
Regular meetings	11	12	8	7
Variance	13	5	9	9
Conditional Use Permit	7	8	6	7
Conditional Use Permit Revocation	-	2	1	10
Administrative Appeal	1	-	-	-
Total meetings and cases	32	27	24	33
Historic Preservation Commission				
Regular Meetings	4	6	4	6
HP Design Review	4	5	7	5
Total meetings and cases	8	11	11	11
Administrative Actions				
Lot Line Adjustments	6	15	7	18
Parcel Splits	7	2	3	4
Offers to Buy City Property	5	6	13	7
Zoning Compliants Investigated	97	145	208	234
Review of Existing CU Permits	55	-	-	-
Total administrative actions	170	168	231	263

2010	2009	2008	2007	2006	2005
90,460	-	-	-	-	-
57,794	-	-	-	-	-
98	-	-	-	-	-
110	-	-	-	-	-
34	-	-	-	-	-
378	-	-	-	-	-
31	-	-	-	-	-
10	-	-	-	-	-
10	-	-	-	-	-
7	10	6	5	8	10
8	9	3	6	6	12
3	4	6	3	4	7
2	28	33	-	-	-
-	1	-	-	-	1
20	52	48	14	18	30
9	8	9	9	5	4
10	16	15	19	11	4
19	24	24	28	16	8
16	12	20	30	34	29
3	5	1	8	4	3
7	6	9	5	4	5
159	195	236	37	-	-
147	150	154	-	-	-
332	368	420	80	42	37

(continued on next page)

City of Council Bluffs

Operating Indicators
by Function/Program
(continued)

City Planning Commission	2014	2013	2012	2011
Regular meetings	10	10	9	9
Subdivisions (Prelim, Final, Replat)	17	2	-	3
Planned Commercial	2	3	2	-
Planned Residential	-	-	1	1
Zoning Text Amendments	2	5	3	3
Subdivision Text Amendments	-	3	-	-
Rezoning	12	11	6	9
Street & Alley Vacations	8	9	6	2
Historic Preservation	-	1	-	-
Miscellaneous Cases	5	-	-	-
Urban Renewal	3	-	-	-
Urban Revitalization	4	1	-	-
Annexation	1	-	1	-
Comp Plan Amendments	-	1	-	-
Appeals	1	1	-	-
Right-of-Way Encroachemnts	1	-	-	-
Temporary Use Permits	7	-	-	-
Total CPC Meetings and Cases	73	47	28	27
Sewer				
Sewer system customers	21,842	20,428	20,386	21,499

Sources:

Police – Reports published annually by the Council Bluffs Police Department and New World Software Database.

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

Building – Council Bluffs Building Department’s “Blue Prince”, an information gathering system.

Library – City’s information filings to the State Library of Iowa.

Parks – Internal operating records based on registration data, point of sale system data and data and observations of attendance for Bayliss Park events.

Commission and Board Meetings – City of Council Bluffs Planning and Community Development Department records.

Sewer – Council Bluffs Water Works.

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

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

Data not presented was not readily available.

2010	2009	2008	2007	2006	2005
10	10	11	12	12	11
3	6	6	8	8	14
1	1	6	12	9	5
-	-	6	2	3	1
8	2	1	7	2	2
-	-	-	-	-	-
12	9	15	18	17	18
10	8	10	17	13	12
-	-	-	-	-	1
3	4	4	6	1	3
3	2	2	6	3	5
4	-	-	-	-	-
2	1	1	2	2	1
1	-	-	-	-	-
1	-	-	-	1	-
1	1	-	-	-	-
2	-	-	-	-	-
61	44	62	90	71	73
-	-	-	-	-	-

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

Function/Program	2015	2014	2013	2012	2011
Public Safety					
Police Stations	1	1	1	1	1
Fire/Ambulance					
Stations	5	5	5	5	5
Engines in service	5	4	4	4	4
Quints in service	2	3	3	3	3
Ambulances in service	3	3	3	3	3
Special use apparatus	6	6	6	6	6
Public Works					
Miles of streets - paved	301	301	301	301	297
Miles of streets - unpaved	1	1	1	1	1
Miles of Federal levees	28	28	28	28	28
Street lights	4,698 *	4599 *	4,309	4,207	4,000
Intersections with traffic signals	95	95	94	94	94
Pedestrian crossings with signals	13	13	14	14	14
Culture & Recreation					
City parks	30	39	39	26	26
Historic monuments	11	11	11	10	10
Football fields	5	5	5	4	4
Golf courses	2	2	2	2	2
Swimming pools	2	2	2	2	2
Soccer fields	23	23	23	23	23
Baseball diamonds	20	20	20	20	20
Tennis courts	15	16	16	15	15
Skate parks	2	2	2	2	2
Trails (miles)	41	40	40	37	37
Library buildings	1	1	1	1	1
Sewer					
Miles of sanitary sewer	281	281	279	279	274

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

Sources:

Police - Reports published annually by the Council Bluffs Police Department
 Fire - Data maintained by the Council Bluffs Fire Department and filed annually with the State of Iowa Fire Marshall, National Fire Protection Agency, and National Fire Association.
 Building - Council Bluffs Building Department's "Blue Prince", an information gathering system.
 Library - City's information filings to the State Library of Iowa
 Parks - Internal operating records based on registration data, point of sale system data, and observations of attendance for Bayliss Park events
 Data not presented was not readily available

2010	2009	2008	2007	2006
1	1	1	1	1
5	5	5	5	5
4	4	4	4	4
3	3	3	3	3
3	3	3	3	3
6	6	6	6	6
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
26	-	-	-	-
10	-	-	-	-
4	-	-	-	-
2	-	-	-	-
2	-	-	-	-
23	-	-	-	-
20	-	-	-	-
15	-	-	-	-
2	-	-	-	-
40	-	-	-	-
1	1	1	1	1
-	-	-	-	-

City of Council Bluffs

FINANCIAL ASSISTANCE SECTION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REPORTS ON COMPLIANCE AND INTERNAL CONTROLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

City of Council Bluffs

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Grantor / Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Housing and Urban Development:			
Community Development Block Grants/Entitlement Grants (\$177,287 provided to subrecipients)	14.218	B-13-MC-19-0005	\$ 530,961
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-19-0005	229,425
			<u>760,386</u>
U.S. Department of Justice:			
Joint Law Enforcement Operations (JLEO)	16.111	WC-NE-0213	<u>2,394</u>
U.S. Environmental Protection Agency:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-97728101-0	60,929
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-97741201	83,705
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-97741701	94,571
			<u>239,205</u>
Total direct			<u>1,001,985</u>
Indirect:			
U.S. Department of Housing and Urban Development:			
Iowa Economic Development Authority:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	08-DRH-215	<u>1,052,571</u>
City of Omaha:			
Home Investment Partnerships Program (\$72,220 provided to subrecipients)	14.239	FY2009	72,220
Home Investment Partnerships Program (\$27,780 provided to subrecipients)	14.239	FY2010	27,780
Home Investment Partnerships Program (\$216,265 provided to subrecipients)	14.239	FY2012	216,265
Home Investment Partnerships Program (\$203,000 provided to subrecipients)	14.239	FY2013	203,000
Home Investment Partnerships Program (\$80,000 provided to subrecipients)	14.239	FY2014	80,000
			<u>599,265</u>
U.S. Department of Justice:			
Governor's Office of Drug Control Policy:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12-JAG-76318	<u>71,680</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	HDP-1642(645)-71-78	<u>180,556</u>
Omaha Metro Area Transit:			
Federal Transit Formula Grants	20.507	NE-90-X094-00	<u>240,000</u>
Iowa Department of Transportation:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NE-16-X039-01	<u>74,220</u>
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 14-402, Task 02	7,748
State and Community Highway Safety	20.600	PAP 15-402, Task 01	11,881
			<u>19,629</u>

City of Council Bluffs

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	MOU-2014-TB18	300
Immunization Cooperative Agreements	93.268	5884I420	1,354
Immunization Cooperative Agreements	93.268	5885I420	1,353
			<u>2,707</u>
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	MOU-2015-ELC03	600
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	MOU-2016-ELC03	400
			<u>1,000</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	5884I-4115	3,350
HIV Prevention Activities_Health Department Based	93.940	5884AP05	11,763
HIV Prevention Activities_Health Department Based	93.940	5885AP05	8,181
			<u>19,944</u>
Executive Office of the President:			
Nebraska State Patrol:			
High Intensity Drug Trafficking Areas Program	95.001	G13MW0007A-13HD12	5,781
High Intensity Drug Trafficking Areas Program	95.001	G14MW0007A-14HD12	15,241
High Intensity Drug Trafficking Areas Program	95.001	G15MW0007A-15HD14	5,224
			<u>26,246</u>
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1998-DR-IA	255,464
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4181-DR-IA	627,328
			<u>882,792</u>
Total indirect			<u>3,174,260</u>
Total			<u>\$ 4,176,245</u>

City of Council Bluffs

Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Although there were no current year program expenditures, there is a \$645,000 loan balance in the Community Development Block Grant/Section 108 Loan Guarantee Program, CFDA Number 14.248, from previous years for which the federal government has imposed continuing requirements.

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Council Bluffs and is presented on the accrual or modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

City of Council Bluffs



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STATE OF IOWA

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Auditor of State

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Council Bluffs, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 14, 2015. The financial statements of the Council Bluffs Airport Authority are included in these financial statements as a discretely presented component unit. This report does not include the results of the testing of internal control over financial reporting or compliance and other matters reported on in the financial statements of the Council Bluffs Airport Authority.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Council Bluffs' internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Council Bluffs' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Council Bluffs' 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 a material misstatement of the City of Council Bluffs' 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 which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-15 and II-B-15, we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Council Bluffs' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

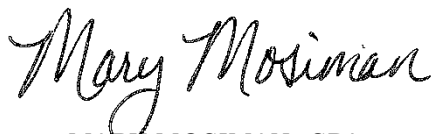
The City of Council Bluffs' Responses to the Findings

The City of Council Bluffs' responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City of Council Bluffs' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

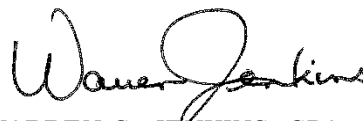
Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Council Bluffs during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



MARY MOSIMAN, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 14, 2015



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

To the Honorable Mayor and
Members of the City Council:

Report on Compliance for Each Major Federal Program

We have audited the City of Council Bluffs, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on the City of Council Bluffs' major federal programs for the year ended June 30, 2015. The City of Council Bluffs' major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of Council Bluffs' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 of Council Bluffs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination on the City of Council Bluffs' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Council Bluffs 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, 2015.

Report on Internal Control Over Compliance

The management of the City of Council Bluffs 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 of Council Bluffs' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Council Bluffs' 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 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 we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



MARY MOSIMAN, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 14, 2015

City of Council Bluffs
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

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

- (a) Unmodified opinions were issued on the financial statements.
- (b) Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were as follows:
 - CFDA Number 14.218 – Community Development Block Grants/Entitlement Grants
 - CFDA Number 14.239 – Home Investment Partnerships Program
 - CFDA Number 97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Council Bluffs did not qualify as a low-risk auditee.

City of Council Bluffs

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-15 Segregation of Duties - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One person in the Library Foundation issues receipts, handles and records cash receipts, reconciles the bank account and prepares, signs and mails the checks.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. However, the Library Foundation should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - The Foundation Board of Directors has approved internal control procedures which separate the custodial functions from the record keeping functions. This will be achieved by dividing up the custodial functions between the Board's Executive Secretary and several Foundation board members. The record keeping functions will be performed by the Foundation's Treasurer who will not have access to the Foundation's assets. These new internal control procedures will take effect December 1, 2015.

Conclusion - Response accepted.

II-B-15 Financial Reporting - During the audit, we identified a material amount of receivables, revenues and fund balances were understated in the City's financial statements. Adjustments were subsequently made by the City to properly reflect these items in the financial statements.

Recommendation - The City should implement procedures to ensure all receivables, revenues and fund balances are properly accounted for in the City's financial statements.

Response - Due to conversion of staffing at the end of the fiscal year, an item may have been overlooked. We agree with the finding and will make every effort to avoid a recurrence in the future.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

City of Council Bluffs
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over the major programs were noted.

City of Council Bluffs
Schedule of Findings and Questioned Costs
Year ended June 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-15 Certified Budget – Expenditures during the year ended June 30, 2015 exceeded the amounts budgeted in the public safety, community and economic development and debt service functions. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

Also, certain budgeted amounts published did not agree to the amounts approved by the City Council.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget. In addition, the published budget should agree to the amounts approved by the City Council.

Response – A grant agreement for the Marketplace Development was reclassified as City debt during the audit process in the community and economic development and debt service functions. The public safety function incurred a significant disability claim for a retiree and fire protection incurred overtime expense beyond budgeted amounts. Both situations will be monitored more closely in fiscal year 2016. Procedures have been implemented to ensure the budget approved by the City Council is published.

Conclusion – Response accepted.

- IV-B-15 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-15 Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-15 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Deb Miller, City Treasurer, father owns Anderson Excavating & Wrecking Corp.	Excavating services	\$216,221

The transactions with Anderson Excavating & Wrecking Corp. do not appear to represent a conflict of interest since they were entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

City of Council Bluffs

Schedule of Findings and Questioned Costs

Year ended June 30, 2015

IV-E-15 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 the coverage is adequate for current operations.

IV-F-15 City Council Minutes – Certain transfers between funds were not approved by the City Council prior to making the transfer between funds.

Recommendation – The City Council should approve all transfers prior to the actual transfer and document approval and amount(s) as part of the minutes record.

Response – In the budgeting process, anticipated transfers will be included in the original budget appropriation process. Subsequent interfund transfers will be brought before the City Council for appropriate action.

Conclusion – Response accepted.

IV-G-15 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.

IV-H-15 Revenue Notes - The City's sewer revenue capital loan note resolution, Section 19, requires the City to impose rates for all services rendered by the system that produce net revenues equal to at least 110% of the principal and interest requirements of the next succeeding fiscal year. The City's fiscal 2015 net sewer operating loss (excluding depreciation) of \$600,273 is less than 110% of the \$342,400 of sewer revenue note principal and interest due during fiscal year 2015.

The City has not made monthly transfers as required by the revenue note resolution into the established sewer revenue note sinking account.

Recommendation – The City should consult bond counsel to determine the disposition of this matter. Furthermore, the City should ensure monthly transfers are made to the sewer revenue note sinking account as required.

Response – Rate increases were imposed for fiscal year 2016 with the expectation of producing adequate revenues to allow for the required transfers to the sinking fund.

Conclusion – Response accepted.