

CITY OF OSKALOOSA
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS

June 30, 2022

CITY OF OSKALOOSA

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CITY OF OSKALOOSA

OFFICIALS

June 30, 2022

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
David Krutzfeldt.	Mayor.	Jan 2024
Doug Yates.	Council Member (Ended 12-31-21).	Jan 2022
Scottie Moore.	Council Member (Ended 12-31-21).	Jan 2022
Tom Walling.	Council Member (Ended 12-31-21).	Jan 2022
Joe Caligiuri.	Council Member.	Jan 2024
Steve Burnett.	Council Member.	Jan 2024
Diane Ottosson.	Council Member (Ended 12-31-21).	Jan 2022
Robert Drost.	Council Member.	Jan 2024
Janet Hermssn.	Council Member (Started 01-01-22).	Jan 2026
Ronda Almond.	Council Member (Started 01-01-22).	Jan 2026
Charlie Comfort.	Council Member (Started 01-01-22).	Jan 2026
Lisa Ossian.	Council Member (Started 01-01-22).	Jan 2026
Michael Schrock, Jr.	City Manager (Resigned 10-27-21).	Indefinite
Amal Eltahir	City Manager (Started 6-20-22).	Indefinite
Amy Miller.	City Clerk - Finance Director. Interim City Manager (10-28-21 to 06-12-22)	Indefinite
David Dixon.	City Attorney.	Indefinite
Scott Vaughan.	Fire Chief	
Ben Boeke.	Police Chief	
Marion Gaughan.	Library Director	
Shawn Christ.	Development Services Director & Interim PW Director	



MARTENS & COMPANY, CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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West Des Moines, Iowa 50266

(515)-223-4841

FAX: (515)-223-0851

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above presents fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa as of June 30, 2022, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements do not include the financial data for the City's legally separate component units. Accounting principles applicable to the cash basis of accounting require the financial data for the component unit be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity which include the financial data for its component units. The City has not issued such reporting entity financial statements. The amounts by which this departure would affect the receipts, disbursements and cash balances of the aggregate discretely presented component unit has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit", paragraph the financial statements referred to above do not present fairly the cash basis financial position of the aggregate discretely presented component unit of the City as of June 30, 2022, or the changes in cash basis financial position thereof for the year ended in accordance with the basis of accounting described in Note 1.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa as of June 30, 2022, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 3 to the financial statements, City of Oskaloosa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Oskaloosa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Oskaloosa’s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Oskaloosa’s basic financial statements. We previously audited, in accordance with the standards referred to in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of this report, the financial statements for the nine years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedule 1 through 5 is fairly stated, in all material respects, in relation of the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management’s Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the City’s Proportionate Share of the Net Pension Liability and the Schedule of the City’s Contributions on pages 8 through 14 and 48 through 57, but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2022, on our consideration of City of Oskaloosa’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Oskaloosa’s internal control over financial reporting and compliance.

Martens + Company, CPA, LLP

West Des Moines, Iowa
October 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

It is an honor to present to you the financial activities of the primary government of the City of Oskaloosa, Iowa. We offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the primary government of the City of Oskaloosa, Iowa for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The cash balances of the City at the close of the most recent fiscal year are \$24,950,175 compared to \$21,166,064 as of June 30, 2021.
- The government's total cash increased by approximately \$3,784,000.
- The City's total long-term debt decreased by approximately \$1,930,000 during the fiscal year ended June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis is intended to serve as an introduction to the City of Oskaloosa's primary government financial statements and provides an analytical overview of the City's financial activities. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-wide financial statements - The government-wide financial statement is designed to provide readers with a broad overview of the City's finances. The statement of activities and changes in cash balances presents information showing how the City's cash balance changed during the most recent fiscal year.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, community and economic development, capital projects and debt service. The business type activities of the City include the sewer, airport, Edmundson Golf Course, storm water and RACI Main Street loans.

The government-wide financial statements include only the primary government of the City. (See Note 1.B)

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

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. Governmental fund information determines whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The City maintains numerous governmental funds. Information is presented separately in the Statement of Cash Receipts, Disbursements and Changes in Cash Balances for each major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statement. The City maintains five enterprise funds. The proprietary fund financial statements provide separate information for the Sewer Fund and Airport Fund, as these funds are considered to be major funds of the City. Data from the other three enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non major enterprise funds is provided in the form of combining statements elsewhere in this report.

Internal service funds are an accounting device used to accumulate and allocate internally among the City's various functions. The City maintains three internal service funds.

Notes to financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information further explains and supports the financial statements with a comparison of the City's budget for the year and the City's proportionate share of the net pension liability and related contributions.

Supplementary information provides the combining schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and capital projects.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the City reports the activities of the funds using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The City does not report accounts receivable, accounts payable, accrued items, capital assets or depreciation on those assets as would be required by GAAP.

Table 1 highlights the City's receipts and disbursements for the fiscal years ended June 30, 2022 and 2021.

Receipts are further divided into two major components: program receipts and general receipts. Program receipts are defined as charges for services, operating and capital grants, contributions and restricted interest. General receipts include taxes and other unrestricted revenue sources.

The City's cash balance for governmental activities increased from a year ago from approximately \$15.0 million to \$15.7 million. Our analysis below focuses on this change in cash balance and changes in receipts and disbursements from the prior year.

The City's total receipts for governmental activities decreased by approximately 2.9 percent or approximately \$0.614 million. The total disbursements of governmental activities programs and services decreased by approximately \$7.68 million or approximately 28.55% percent. The decrease in disbursements was primarily the result of decreased capital project expenditures including the Early Childhood Education and Recreation Center.

Table 1 - City of Oskaloosa's Changes in Cash Balances
(Expressed in Thousands)
Year ended June 30, 2022

	Governmental Activities 2022	Business Type Activities 2022	Total 2022
Receipts:			
Program receipts:			
Charges for service	\$ 547	\$ 4,595	\$ 5,142
Operating grants, contributions and restricted interest	2,187	83	2,270
Capital grants, contributions and restricted interest	8,525	32	8,557
General receipts:			
Property taxes	5,253	-	5,253
Other taxes	2,907	-	2,907
American Rescue Plan Act	860	-	860
Investment earnings	27	7	34
Loan proceeds	-	157	157
Other general receipts	52	1,377	1,429
Total receipts	<u>20,358</u>	<u>6,251</u>	<u>26,609</u>
Disbursements:			
Public safety	3,549	-	3,549
Public works	1,580	-	1,580
Culture and recreation	1,373	-	1,373
Community and economic development	401	-	401
General government	907	-	907
Debt service	1,610	-	1,610
Capital projects	9,823	-	9,823
Sewer	-	3,055	3,055
Airport	-	298	298
Edmundson Golf Course	-	25	25
Storm water	-	204	204
Total disbursements	<u>19,243</u>	<u>3,582</u>	<u>22,825</u>
Change in cash balances before transfers	1,115	2,669	3,784
Transfers, net	<u>(400)</u>	400	-
Change in cash balances	715	3,069	3,784
Cash balances, beginning	<u>15,018</u>	<u>6,148</u>	<u>21,166</u>
Cash balances, ending	<u>\$ 15,733</u>	<u>\$ 9,217</u>	<u>\$ 24,950</u>

Table 1 - City of Oskaloosa's Changes in Cash Balances
(Expressed in Thousands)
Year ended June 30, 2021

	Governmental Activities 2021	Business Type Activities 2021	Total 2021
Receipts:			
Program receipts:			
Charges for service	\$ 610	\$ 4,252	\$ 4,862
Operating grants, contributions and restricted interest	2,387	57	2,444
Capital grants, contributions and restricted interest	7,940	43	7,983
General receipts:			
Property taxes	5,001	-	5,001
Other taxes	2,952	-	2,952
Investment earnings	9	2	11
Loan proceeds	1,936	1,737	3,673
Other general receipts	137	349	486
Total receipts	<u>20,972</u>	<u>6,440</u>	<u>27,412</u>
Disbursements:			
Public safety	2,757	-	2,757
Public works	1,628	-	1,628
Culture and recreation	1,117	-	1,117
Community and economic development	184	-	184
General government	916	-	916
Debt service	1,463	-	1,463
Capital projects	18,866	-	18,866
Sewer	-	4,949	4,949
Airport	-	1,562	1,562
Edmundson Golf Course	-	37	37
Storm water	-	218	218
Total disbursements	<u>26,931</u>	<u>6,766</u>	<u>33,697</u>
Change in cash balances before transfers	(5,959)	(326)	(6,285)
Transfers, net			
Change in cash balances	<u>(5,959)</u>	<u>(326)</u>	<u>(6,285)</u>
Cash balances, beginning	<u>20,977</u>	<u>6,474</u>	<u>27,451</u>
Cash balances, ending	<u>\$ 15,018</u>	<u>\$ 6,148</u>	<u>\$ 21,166</u>

The City's total property tax rates in 2022 increased approximately 0.90 percent. The City's tax receipts from the tax levy increased approximately \$344,000 in 2022. The increase was due to an increase in the total property valuations and the tax levy rate.

The City increased the total property tax rates in 2021 approximately 1.47 percent. The City's tax receipts from the tax levy increased approximately \$198,000 in 2021. The increase was due to an increase in the total property valuations and the tax levy rate.

Table 2 below discloses cost of services for Governmental Activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Table 2 - Governmental Activities

Programs	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
General government	\$ 906,997	\$ 606,188	\$ 916,259	\$ 604,115
Public safety	3,558,653	3,262,742	2,756,914	2,429,073
Public works	1,579,660	(119,209)	1,627,492	(202,946)
Culture and recreation	1,363,112	1,038,822	1,117,604	788,458
Community and economic development	401,185	287,028	184,001	(8,298)
Debt service	1,609,881	1,609,881	1,463,245	1,458,199
Capital projects	9,823,252	1,297,824	18,865,529	10,925,578
Total	<u>\$19,242,740</u>	<u>\$ 7,963,276</u>	<u>\$26,931,044</u>	<u>\$15,994,179</u>

Net cost of services is 41% and 59% of total cost of services in 2022 and 2021, respectively. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

Business type activities - Business type activities increased the City of Oskaloosa’s cash balances \$3,068,572. Key elements of this increase are as follows:

- Total business type activities’ receipts for the fiscal year were approximately \$6.25 million compared to \$6.44 million for 2021. This decrease in receipts was due primarily to the reduction of new debt. Disbursements decreased approximately \$3,184,000 primarily due to decreased capital project expenditures in the Sewer Fund.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City’s funds is to provide information on near-term inflows, outflows and cash balances of spendable resources. On the following page are the major reasons for the changes in cash balances from the prior year for the City’s major funds.

Individual Major Governmental Fund Analysis

- The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the cash balance of the General Fund was \$4,811,300, a decrease of \$8,630 from the prior year. This decrease was primarily due to increased public safety costs due to emergency management service costs.
- The Special Revenue Road Use Tax Fund cash balance increased by \$280,026 to \$1,283,711 during the fiscal year. This Fund’s disbursements decreased due to reduced heavy equipment purchases.
- The Special Revenue Library Maintenance Fund was established by the Local Option Sales and Service Tax Referendum to maintain the Library in future years. The funds are from the Local Option Sales and Service Tax with only interest proceeds from those funds to be expended unless otherwise authorized by the City Council. At the end of the fiscal year, the cash balance was \$1,248,500 an increase of \$2,508 due to interest earned on the accounts.
- The Special Revenue, Local Option Sales and Service Tax Revenue Funds decreased by \$60,068 to \$675,731 due to an increase in equipment purchases.

- The Debt Service Fund had an increase of \$484,875 for an ending cash balance of \$1,566,997. The increase was due to tax collections and transfers exceeding debt payments.
- The Special Revenue, Employee Benefits Fund had an increase of \$88,320 for an ending cash balance of \$301,531. This increase was due to a decrease in transfers to the general fund.
- The Capital Projects Funds had a decrease of \$631,354 for an ending cash balance of \$3,321,434 due to expenditures for the ECE/recreation project.

Individual Major Business Type Fund Analysis

- The cash balance of the Enterprise, Sanitary Sewer Fund increased \$1,834,309 to \$5,332,548, due primarily to reduced capital expenditures.
- The Enterprise, Airport Fund recorded an increase of \$1,177,766 to \$3,151,189. The increase is due to the reimbursements received related to the new airport.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearings for all funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Over the course of the year, the City amended its operating budget twice. The amendments resulted in an increase in operating disbursements related to various projects. The City had sufficient cash balances and revenue to cover the budget amendment.

The City’s receipts were \$3,045,140 less than budgeted. This was primarily due to the City receiving less in donations for ECE/recreation project than anticipated even after the amendments.

Total disbursements for the primary government were \$9,442,660 less than the amended budget. Actual disbursements for the capital projects, public safety and business type activities functions were \$4,922,734, \$221,761 and \$3,471,056, respectively, less than the amended budget. This was primarily due to the City’s capital projects not proceeding as anticipated, and disbursements for sewer systems and structures running less than were budgeted.

DEBT ADMINISTRATION

At year-end, the City had approximately \$20,887,000 in bonds and other long-term debt compared to approximately \$22,816,000 last year as shown below:

Outstanding Debt at Year-End (Expressed in Thousands)		
	2022	2021
General obligation notes, bonds and lease agreements	\$ 14,906	\$ 16,087
Revenue bonds and other notes	5,981	6,729
Total	<u>\$ 20,887</u>	<u>\$ 22,816</u>

Debt decreased as a result of required payments on debt.

The City’s general obligation bond rating has been Aa3 since 1999. The Constitution of the State of Iowa limits the amount of general obligation debt that cities can issue to five percent of the assessed value of all taxable property within the City’s corporate limits. The City’s outstanding general obligation debt of \$14,906,000 is well below the

City's \$30.6 million debt limit.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials and citizens considered many factors when setting the 2023 fiscal year budget. One of those factors is the economy, including the growth within the community (population and taxable value) and changes in funding due to property tax reform and other mandates handed down by the state and federal government.

These indicators were taken into account when adopting the budget for 2023. Budgeted intergovernmental revenues are expected to increase approximately \$318,700 and capital project disbursements are expected to decrease approximately \$11,564,300. If these estimates are realized, the City's budgeted cash balance is expected to decrease approximately \$672,000 by the close of 2023.

REQUESTS FOR INFORMATION

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the City's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Amy Miller, Finance Director, 220 South Market Street, Oskaloosa, Iowa 52577.

Basic Financial Statements

CITY OF OSKALOOSA

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2022

	<u>Disbursements</u>	<u>Program Receipts</u>		
		<u>Charges for Service</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>
Functions/Programs:				
Governmental activities:				
Public safety	\$ 3,558,653	\$ 75,896	\$ 220,015	\$ -
Public works	1,579,660	451	1,698,418	-
Culture and recreation	1,363,112	91,032	233,258	-
Community and economic development	401,185	86,224	27,933	-
General government	906,997	293,030	7,779	-
Debt service	1,609,881	-	-	-
Capital projects	<u>9,823,252</u>	-	-	8,525,428
Total governmental activities	<u>19,242,740</u>	<u>546,633</u>	<u>2,187,403</u>	<u>8,525,428</u>
Business type activities:				
Sewer	3,055,277	4,321,094	11,584	-
Airport	297,604	-	62,336	32,000
Other	<u>228,885</u>	<u>273,852</u>	<u>8,925</u>	<u>-</u>
Total business type activities	<u>3,581,766</u>	<u>4,594,946</u>	<u>82,845</u>	<u>32,000</u>
Total	<u>\$ 22,824,506</u>	<u>\$ 5,141,579</u>	<u>\$2,270,248</u>	<u>\$8,557,428</u>

General receipts and transfers:

Property and other city tax levied for:

 General purposes

 Debt service

Tax increment financing

Local option sales tax

Other taxes

American Rescue Plan Act

Unrestricted investment earnings

Issuance of debt

Miscellaneous

Sale of capital assets

Transfers

Total general receipts and transfers

Change in cash basis net position

Cash basis net position beginning of year

Cash basis net position end of year

Cash Basis Net Position

Restricted:

 Expendable:

 Streets

 Urban renewal purposes

 Debt service

 Other purposes

Unrestricted

Total cash basis net position

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
Governmental Activities	Business Type Activities	Total
\$ (3,262,742)	\$ -	\$ (3,262,742)
119,209	-	119,209
(1,038,822)	-	(1,038,822)
(287,028)	-	(287,028)
(606,188)	-	(606,188)
(1,609,881)	-	(1,609,881)
(1,297,824)	-	(1,297,824)
(7,983,276)	-	(7,983,276)
-	1,277,401	1,277,401
-	(203,268)	(203,268)
-	53,892	53,892
-	1,128,025	1,128,025
(7,983,276)	1,128,025	(6,855,251)
4,414,613	-	4,414,613
837,914	-	837,914
228,575	-	228,575
1,595,695	-	1,595,695
1,083,147	-	1,083,147
860,206	-	860,206
26,701	6,824	33,525
-	156,549	156,549
26,759	1,376,101	1,402,860
24,905	1,373	26,278
(400,000)	400,000	-
8,698,515	1,940,847	10,639,362
715,239	3,068,872	3,784,111
15,018,135	6,147,929	21,166,064
\$15,733,374	\$ 9,216,801	\$ 24,950,175
\$ 1,283,711	\$ -	\$ 1,283,711
80,190	-	80,190
1,566,997	175,000	1,741,997
7,164,181	695,311	7,859,492
5,638,295	8,346,490	13,984,785
\$15,733,374	\$ 9,216,801	\$24,950,175

CITY OF OSKALOOSA

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2022

	Special		
	General	Road Use Tax	Library Maintenance
Receipts:			
Property tax	\$ 3,039,271	\$ -	\$ -
Tax increment financing	-	-	-
Other city tax	376,107	-	-
Licenses and permits	733,652	-	-
Use of money and property	14,458	-	28,254
Intergovernmental	415,220	1,596,882	-
Charges for service	128,950	-	-
Special assessments	24,284	-	-
Miscellaneous	115,348	-	-
Total receipts	4,847,290	1,596,882	28,254
Disbursements:			
Operating:			
Public safety	3,519,886	-	-
Public works	139,061	1,116,856	-
Culture and recreation	1,154,802	-	25,746
Community and economic development	257,960	-	-
General government	983,961	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total disbursements	6,055,670	1,116,856	25,746
Excess (deficiency) of receipts over (under) disbursements	(1,208,380)	480,026	2,508
Other financing sources (uses):			
Sale of capital assets	1,276	-	-
Transfers in	1,495,306	-	-
Transfers out	(296,832)	(200,000)	-
Total other financing sources (uses)	1,199,750	(200,000)	-
Change in cash balances	(8,630)	280,026	2,508
Cash balances beginning of year	4,819,930	1,003,685	1,245,992
Cash balances end of year	\$ 4,811,300	\$1,283,711	\$1,248,500
Cash Basis Fund Balances			
Restricted for:			
Urban renewal purposes	\$ -	\$ -	\$ -
Debt service	-	-	-
Streets	-	1,283,711	-
Capital projects	-	-	-
American Rescue Plan Act Projects	-	-	-
Other purposes	-	-	1,248,500
Unassigned	4,811,300	-	-
Total cash basis fund balances	\$ 4,811,300	\$1,283,711	\$1,248,500

See notes to financial statements.

Revenue					
Local Option Sales and Service Tax Revenue	Employee Benefits	Debt Service	Capital Projects	Nonmajor	Total
\$ -	\$ 1,276,567	\$ 837,914	\$ -	\$ 98,775	\$ 5,252,527
-	-	-	-	228,575	228,575
1,595,695	48,489	31,257	-	3,750	2,055,298
-	-	-	-	-	733,652
1,592	815	6,963	7,236	15,568	74,886
-	33,905	21,850	256,459	973,905	3,298,221
-	-	-	-	8,948	137,898
-	-	-	5,068	-	29,352
-	-	-	8,256,665	102,779	8,474,792
1,597,287	1,359,776	897,984	8,525,428	1,432,300	20,285,201
-	-	-	-	38,767	3,558,653
231,783	-	-	-	101,536	1,589,236
58,800	-	-	-	123,764	1,363,112
-	-	-	-	143,225	401,185
-	-	-	-	-	983,961
-	-	1,609,881	-	-	1,609,881
-	-	-	9,823,252	-	9,823,252
290,583	-	1,609,881	9,823,252	407,292	19,329,280
1,306,704	1,359,776	(711,897)	(1,297,824)	1,025,008	955,921
-	-	-	22,219	1,411	24,906
-	-	1,196,772	645,172	21,661	3,358,911
(1,366,772)	(1,271,456)	-	(921)	(622,930)	(3,758,911)
(1,366,772)	(1,271,456)	1,196,772	666,470	(599,858)	(375,094)
(60,068)	88,320	484,875	(631,354)	425,150	580,827
735,799	213,211	1,082,122	3,952,788	1,272,026	14,325,553
\$ 675,731	\$ 301,531	\$1,566,997	\$ 3,321,434	\$1,697,176	\$14,906,380
\$ -	\$ -	\$ -	\$ -	\$ 80,190	\$ 80,190
-	-	1,566,997	-	-	1,566,997
-	-	-	-	-	1,283,711
-	-	-	3,321,434	-	3,321,434
-	-	-	-	461,933	461,933
675,731	301,531	-	-	1,155,053	3,380,815
-	-	-	-	-	4,811,300
\$ 675,731	\$ 301,531	\$1,566,997	\$ 3,321,434	\$1,697,176	\$14,906,380

CITY OF OSKALOOSA

Reconciliation of the Statement of Cash Receipts,
Disbursements and Changes in Cash Balances
to the Cash Basis Statement of Activities and Net Position -
Governmental Funds

As of and for the year ended June 30, 2022

Total governmental funds cash balances (pages 18-19) \$ 14,906,380

Amounts reported for governmental activities in the Cash Basis Statement of Activities and Net Position are different because:

The Internal Service Fund is used by management to charge the costs of employee health benefits, flex plan and copier usage to individual funds. A portion of the cash balance of the Internal Service Fund is included in governmental activities in the Cash Basis Statement of Activities and Net Position

826,994

Cash basis net position of governmental activities (pages 16-17) \$ 15,733,374

Change in cash balances (pages 18-19) \$ 580,827

Amounts reported for governmental activities in the Cash Basis Statement of Activities and Net Position are different because:

The Internal Service Fund is used by management to charge the costs of employee health benefits, flex plan and copier usage to individual funds. A portion of the change in the cash balance of the Internal Service Fund is reported with governmental activities in the Cash Basis Statement of Activities and Net Position.

134,412

Change in cash basis net position of governmental activities (pages 16-17) \$ 715,239

See notes to financial statements.

CITY OF OSKALOOSA

Statement of Cash Receipts, Disbursements and
Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2022

	Enterprise				Internal Service
	Sewer	Airport	Nonmajor	Total	
Operating receipts:					
Charges for service	\$ 4,321,094	\$ -	\$ 273,853	\$ 4,594,947	\$ 878,015
Use of money and property	11,584	62,336	8,925	82,845	1,027
Miscellaneous	-	-	-	-	38,492
Total operating receipts	<u>4,332,678</u>	<u>62,336</u>	<u>282,778</u>	<u>4,677,792</u>	<u>917,534</u>
Operating disbursements:					
Business type activities	1,438,973	283,104	140,066	1,862,143	-
Nonprogram	-	-	-	-	782,098
Total operating disbursements	<u>1,438,973</u>	<u>283,104</u>	<u>140,066</u>	<u>1,862,143</u>	<u>782,098</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>2,893,705</u>	<u>(220,768)</u>	<u>142,712</u>	<u>2,815,649</u>	<u>135,436</u>
Non-operating receipts (disbursements):					
Intergovernmental	-	32,000	-	32,000	-
Interest on investments	-	5,268	1,556	6,824	-
Miscellaneous	10	1,375,766	325	1,376,101	-
Sale of capital assets	1,373	-	-	1,373	-
Capital projects	(577,144)	(14,500)	(88,819)	(680,463)	-
Issuance of debt	156,549	-	-	156,549	-
Debt service	(1,040,184)	-	-	(1,040,184)	-
Net non-operating receipts (disbursements)	<u>(1,459,396)</u>	<u>1,398,534</u>	<u>(86,938)</u>	<u>(147,800)</u>	<u>-</u>
Excess of receipts over disbursements	<u>1,434,309</u>	<u>1,177,766</u>	<u>55,774</u>	<u>2,667,849</u>	<u>135,436</u>
Transfers in	400,000	-	-	400,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Change in cash balances	<u>1,834,309</u>	<u>1,177,766</u>	<u>55,774</u>	<u>3,067,849</u>	<u>135,436</u>
Cash balances beginning of year	<u>3,498,239</u>	<u>1,973,423</u>	<u>741,051</u>	<u>6,212,713</u>	<u>627,797</u>
Cash balances end of year	<u>\$ 5,332,548</u>	<u>\$ 3,151,189</u>	<u>\$ 796,825</u>	<u>\$ 9,280,562</u>	<u>\$ 763,233</u>
Cash Basis Fund Balances					
Restricted for:					
Debt service	\$ 175,000	\$ -	\$ -	\$ 175,000	\$ -
Capital projects	309,553	-	-	309,553	-
American Rescue Plan Act	385,758	-	-	385,758	-
Unrestricted	<u>4,462,237</u>	<u>3,151,189</u>	<u>796,825</u>	<u>8,410,251</u>	<u>\$ 763,233</u>
Total cash basis fund balances	<u>\$ 5,332,548</u>	<u>\$ 3,151,189</u>	<u>\$ 796,825</u>	<u>\$ 9,280,562</u>	<u>\$ 763,233</u>

See notes to financial statements.

CITY OF OSKALOOSA

Reconciliation of the Statement of Cash Receipts, Disbursements and
Changes in Cash Balances to the Cash Basis Statement of Activities and Net Position
Proprietary Funds

As of and for the year ended June 30, 2022

Total enterprise funds cash balances (page 21) \$ 9,280,562

*Amounts reported for business type activities in the Cash Basis Statement of
Activities and Net Position are different because:*

The Internal Service Fund is used by management to charge the costs of employee health benefits, flex plan and copier usage to individual funds. A portion of the cash balance of the Internal Service Fund is included in the business type activities in the Cash Basis Statement of Activities and Net Position.

(63,761)

Cash basis net position of business type activities (page 16-17) \$ 9,216,801

Change in cash balances (page 21) \$ 3,067,849

*Amounts reported for business type activities in the Cash Basis Statement of
Activities and Net Position are different because:*

The Internal Service Fund is used by management to charge the costs of employee health benefits, flex plan and copier usage to individual funds. A portion of the change in the cash balance of the Internal Service Fund is reported with business type activities in the Cash Basis Statement of Activities and Net Position.

1,023

Change in cash basis net position of business type activities (page 16-17) \$ 3,068,872

See notes to financial statements.

CITY OF OSKALOOSA

Notes to Financial Statements

June 30, 2022

(1) NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Nature of operations:

The City of Oskaloosa, Iowa (City), is a political subdivision of the State of Iowa located in Mahaska 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. The City provides numerous services to residents including public safety, public works, culture and recreation, community and economic development and general government services. The City also provides an airport, golf course, sewer and storm water services.

B. Reporting entity:

Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City of Oskaloosa, Iowa is a municipal corporation and has the exclusive responsibility and accountability for the decisions it makes. The City has the statutory authority to adopt its own budget, to levy taxes and to issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease or mortgage property in its own name. Based on these criteria, the City is considered a primary government.

The financial statements present only the City of Oskaloosa, Iowa (the primary government). The financial statements do not include the component unit of the City. The entity discussed below is a component unit of the City because of the significance of their operational or financial relationship with the City. Complete financial statements of the individual component unit, which issues separate audited financial statements, can be obtained from their respective administrative office.

The Oskaloosa Municipal Water Department Utility is a separate legal entity. However, it is financially accountable to the City. The Utility is governed by a five-member board appointed by the Mayor and subject to approval by the City Council and its operating budget is subject to the approval of the City Council. The Oskaloosa Municipal Water Department issues separate audited cash basis financial statements with a fiscal year-end of June 30, which are available at their administrative office.

While the South Central Regional Airport Agency did not fit the criteria to be included as a component unit, disclosure about the nature of the relationship and accountability is required. The City of Oskaloosa, City of Pella and Mahaska County have entered into a 28E Agreement known as the South Central Regional Airport Agency. The City of Oskaloosa appoints 2 of the 6 members of the board. Four votes are required for a majority to approve matters. Capital expenditures are reimbursed 90% by the Federal Aviation Authority, 5% by the City of Pella and 5% by the City of Oskaloosa. Operating expenditures are reimbursed 60% by the City of Pella and 40% by the City of Oskaloosa. The South Central Regional Airport Agency has a separate audit. Financial statements are available at the Pella City Hall, 825

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(1) NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Reporting entity - continued

Broadway Street, Pella, IA 50219 or the Oskaloosa City Hall, 220 S. Market St., Oskaloosa, IA 525277, 641-673-9431. (See Note 14)

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Emergency 911 Board, Mahaska Area Chamber & Development Group, Mahaska Community Recreation Foundation, Joint County - Mahaska Disaster Services & Emergency Planning Administration, and the Joint Law Enforcement Center Board.

C. Basis of presentation:

Government-wide Financial Statement - The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by taxes and intergovernmental receipts, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Expendable restricted net position results when constraints placed on the use of cash balances and the use of balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

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

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function. Program receipts 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 on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not included among program receipts are reported instead as general receipts.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(1) NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of presentation - continued:

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts 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 disbursements, the fixed charges and the capital improvement costs not paid from other funds. The Council has adopted a policy to maintain a minimum of three months of General Fund budgeted expenditures and transfers for the Fund.

Special Revenue:

The Road Use Tax Fund is utilized to account for the road use tax allocation from the state of Iowa, to be used for road construction and maintenance.

The Library Maintenance Fund was established with Local Option Sales and Service Tax Receipts. The fund is used to preserve and maintain the library facility and its functions and equipment.

The Local Option Sales and Service Tax Revenue Fund is utilized to account for the revenues from the State and Local Option Sales and Service Tax and the expenditure of those funds for the specific purpose as set forth in the referendum.

The Employee Benefits Fund is utilized to account for tax receipts expended for employee benefits.

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

The Capital Projects Fund, is used in the acquisition and construction of capital facilities with the exception of those that are financed through enterprise funds.

The City reports the following major proprietary funds:

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

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(1) NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of presentation - continued:

The Enterprise, Airport Fund is used to account for the operation and maintenance of the City's Airport.

The City also reports the following additional proprietary funds:

The Internal Service Funds are utilized to account for the financing of goods or services purchased by one department of the City and provided to other departments or agencies of the City on a cost-reimbursement basis.

D. Measurement Focus and Basis of Accounting:

The City of Oskaloosa maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

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

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

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

E. Property Taxes and Governmental Cash Basis Fund Balances:

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

Property tax revenues recognized in the Governmental funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects tax asking contained in the budget certified to the City Council in March 2021.

In the governmental fund financial statements, cash basis fund balances are classified as follows:

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(1) NATURE OF OPERATIONS, REPORTING ENTITY, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Property Taxes and Governmental Cash Basis Fund Balances - continued

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 imposed by law through constitutional provisions or enabling legislation.

Unassigned - All amounts not included in other spendable classifications.

Investments: Investments are stated at cost.

(2) BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds combined except for internal service funds. The annual budget may be amended during the year utilizing similar statutory prescribed procedures.

Formal and legal budgetary control is based upon eight major classes of disbursements, known as functions, not by fund or fund type. These functions are public safety, public works, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities.

Appropriations as adopted or amended lapse at the end of the fiscal year.

(3) CASH AND INVESTMENTS

The City's cash and investment accounts as of June 30, 2022 consist of the following:

Deposit and Investment Type	Investment Maturities (in years)				
	Cost	Less than 1	1 to 5	6 to 10	More than 10
Petty cash	\$ 600	\$ -	\$ -	\$ -	\$ -
Checking, savings and money market	19,586,235	-	-	-	-
Debt securities	1,498,637	213,328	509,803	362,214	413,292
Iowa Public Agency Investment Trust	3,864,703	-	-	-	-
Total	\$24,950,175	\$ 213,328	\$ 509,803	\$ 362,214	\$ 413,292

Interest rate risk: The City's investment policy limits the investment of operating funds (funds expected to be expended in 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, but the maturities shall be consistent with the needs and use of the City.

Authorized investments and credit risk: The City is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities;

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(3) CASH AND INVESTMENTS - CONTINUED

certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. The City has no policy that would further limit its investment choices.

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

The City has the following recurring fair value measurements as of June 30, 2022 considered to be Level 1 inputs:

Investment type	Moody's Investor's Service	Standard & Poor's	Cost	Fair Value
FHLB	Aaa	AA+	\$ 51,015	\$ 51,330
FHLBCB	Aaa	AA+	263,758	278,908
US Treasury Notes	Aaa	AA+	423,376	395,843
FFCBCB	Aaa	AA+	80,284	85,147
FFCB	Aaa	AA+	295,436	295,311
TVA	Aaa	AA+	384,768	396,226
			<u>\$ 1,498,637</u>	<u>\$ 1,502,765</u>

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$3,864,703 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The Iowa Public Agency Investment Trust is a common law trust established under Iowa law is registered under the Investment Company Act of 1940 and is administered by an appointed investment management company. The diversified portfolio consists of cash and short-term investments valued at amortized costs, which approximates fair value. Investment policies are followed to maintain a constant value of \$1.00 per unit for the portfolio. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City's investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk: The City's general investment policy requires the Treasurer of the City of Oskaloosa to exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the investment objectives and to consider the role that each investment or deposit plays within the portfolio of assets of the City. More than 5 percent of the City's investments are in the Iowa Public Agency Investment Trust, FHLB, FHLBCB, U.S. Treasury Notes, FFCBCB, FFCB and TVA. These investments are 72 percent, 1 percent, 5 percent, 8 percent, 1 percent, 6 percent and 7 percent, respectively, of the City's \$5,363,340 total investments. All of the debt securities investments are reported in the Library Maintenance Fund and the Library Memorial Fund, both special revenue funds.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(3) CASH AND INVESTMENTS - CONTINUED

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2022, the City's investments are held in the City's name. It is the City's policy to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. As of June 30, 2022, the City's deposits with financial institutions were entirely covered by federal depository insurance or insured by the state through pooled collateral, state sinking funds and by the state's ability to assess for lost funds.

(4) LONG-TERM DEBT

A summary of changes in bond and notes payable for the year ended June 30, 2022 is as follows:

	Beginning Balances <u>Restated</u>	Increases	Decreases	Ending Balances	Due Within One Year
Government activities:					
Fire station and refunding	\$ 2,295,000	\$ -	\$ 225,000	\$ 2,070,000	\$ 235,000
Refunding	505,000	-	250,000	255,000	255,000
Lacey roads improvements	1,245,000	-	165,000	1,080,000	170,000
ECE/recreation project	10,180,000	-	395,000	9,785,000	455,000
Meadow Creek Street Improvements	1,860,000	-	165,000	1,695,000	170,000
Lease Agreements	2,276	22,330	3,420	21,186	4,925
Government activities total	<u>\$16,087,276</u>	<u>\$ 22,300</u>	<u>\$1,203,420</u>	<u>\$14,906,186</u>	<u>\$1,289,925</u>
Business type activities					
Sewer revenue bond	\$ 764,000	\$ -	\$ 247,000	\$ 517,000	\$ 247,000
Sewer capital loan notes	5,965,488	156,549	658,000	5,464,037	658,000
Business Type Activities Total	<u>\$ 6,729,488</u>	<u>\$ 156,549</u>	<u>\$ 905,000</u>	<u>\$ 5,981,037</u>	<u>\$ 905,000</u>

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

General Obligation Bonds

A summary of the City's June 30, 2022 general obligation bonds payable is as follows:

Year Ending <u>June 30,</u>	Fire Station and Refunding Issued September 10, 2015		
	Interest		
	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2023	4.00%	\$ 235,000	\$ 60,750
2024	2.50%	240,000	51,350
2025	2.50%	245,000	45,350
2026	2.50%	255,000	39,225
2027	3.00%	260,000	32,850
2028-2032	3.00%	835,000	50,550
2033-2037	-	-	-
Total		<u>\$2,070,000</u>	<u>\$280,075</u>

Year Ending <u>June 30,</u>	Refunding Issued May 31, 2016		
	Interest		
	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2023	1.45%	\$ 255,000	\$ 3,698
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
Total		<u>\$ 255,000</u>	<u>\$ 3,698</u>

Year Ending <u>June 30,</u>	Lacey Road Improvements Issued May 22, 2018		
	Interest		
	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2023	3.00%	\$ 170,000	\$ 32,400
2024	3.00%	170,000	27,300
2025	3.00%	175,000	22,200
2026	3.00%	180,000	16,950
2027	3.00%	190,000	11,550
2028-2032	3.00%	195,000	5,850
2033-2037	-	-	-
Total		<u>\$1,080,000</u>	<u>\$116,250</u>

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

Year Ending June 30,	ECE/Recreation Project Issued May 20, 2020		
	Interest		
	Rate	Principal	Interest
2023	2.54%	\$ 455,000	\$ 248,539
2024	2.54%	590,000	236,982
2025	2.54%	605,000	221,996
2026	2.54%	620,000	206,629
2027	2.54%	635,000	190,881
2028-2032	2.54%	3,420,000	704,469
2033-2037	2.54%	<u>3,460,000</u>	<u>247,650</u>
Total		<u>\$9,785,000</u>	<u>\$2,057,146</u>

Year Ending June 30,	Meadow Creek Street Improvement Issued May 18, 2021		
	Interest		
	Rate	Principal	Interest
2023	2.00%	\$ 170,000	\$ 29,960
2024	2.00%	210,000	26,560
2025	2.00%	220,000	22,360
2026	2.00%	225,000	17,960
2027	2.00%	125,000	13,460
2028-2032	1.00-2.00%	745,000	26,090
2033-2037	-	-	-
Total		<u>\$1,695,000</u>	<u>\$136,390</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
	2023	\$ 1,285,000	\$ 375,347
2024	1,210,000	342,192	1,552,192
2025	1,245,000	311,906	1,556,906
2026	1,280,000	280,764	1,560,764
2027	1,210,000	248,741	1,458,741
2028-2032	5,195,000	786,959	5,981,959
2033-2037	<u>3,460,000</u>	<u>247,650</u>	<u>3,707,650</u>
Total	<u>\$14,885,000</u>	<u>\$2,593,559</u>	<u>\$17,478,559</u>

On September 10, 2015, the City issued \$4,125,000 of general obligation capital loan notes with interest rates ranging from 2.50% to 4.00% per annum. The notes were issued for the reconstructing, enlarging, improving, equipping and furnishing the fire station and for the refunding of the Series 2006 General Obligation Bonds. During the year ended June 30, 2022, the City paid \$225,000 of principal and \$69,750 of interest on the notes.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

On May 31, 2016, the City issued \$1,695,000 of General Obligation Refunding Capital Loan Notes with interest rates ranging from 0.75% to 1.45% per annum. The notes were issued to refund the 2008A notes which were originally issued to pay costs of improvements and construction of Fire, City Hall and Street Department facilities, acquiring land therefor and acquiring equipment, including software, for administrative departments. During the year ended June 30, 2022, the City paid \$250,000 of principal and \$6,947 of interest on the notes.

On May 22, 2018, the City issued \$1,710,000 of general obligation capital loan notes with interest rates of 3.00% per annum. The notes were issued for Lacey Street Improvements. During the year ended June 30, 2022, the City paid \$165,000 of principal and \$37,350 of interest on the notes.

On May 20, 2020, the City issued \$10,605,000 of Local Option Sales Tax Bonds with interest rates of 2.54% per annum. The bonds were issued for construction of a recreation and Early Childhood Education facility. During the year ended June 30, 2022, the City paid \$395,000 of principal and \$258,752 of interest on the notes.

On May 18, 2021, the City issued \$1,860,000 of general obligation capital loan notes with interest rates ranging from 1.00% to 2.00% per annum. The notes were issued for the opening, widening, extending, grading and draining of the right-of-way of streets, highways, avenues, alleys and public grounds, the construction, reconstruction and repairing of any street improvements, the acquisition, installation, and repair of sidewalks, storm sewers, sanitary sewers, water service lines, street lighting and traffic control devices, and the acquisition of real estate needed for any of the foregoing purposes, including for the Meadow Creek Pavement Improvement Project. During the year ended June 30, 2022, the City paid \$165,000 of principal and \$34,461 of interest on the notes.

Revenue Notes

A summary of the City’s June 30, 2022 revenue bonds and notes payable is as follows:

Year Ending <u>June 30,</u>	Sewer Revenue Bonds Issued December 6, 2002		
	Interest Rate	Principal	Interest
2023	1.75%	\$ 255,000	\$ 9,048
2024	1.75%	262,000	4,585
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028-2032	-	-	-
2033-2037	-	-	-
Total		\$ <u>517,000</u>	\$ <u>13,633</u>

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

Year Ending June 30,	Sewer Revenue Capital Loan Notes Issued May 25, 2018		
	Interest		
	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2023	1.75%	\$ 242,000	\$ 51,572
2024	1.75%	247,000	47,338
2025	1.75%	252,000	43,015
2026	1.75%	257,000	38,605
2027	1.75%	262,000	34,107
2028-2032	1.75%	1,392,000	99,890
2033-2037	-	<u>295,000</u>	<u>5,163</u>
Total		<u>\$ 2,947,000</u>	<u>\$ 319,690</u>

Year Ending June 30,	Sewer Revenue Capital Loan Notes Issued May 10, 2019		
	Interest		
	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2023	1.75%	\$ 308,000	\$ 40,040
2024	1.75%	314,000	34,650
2025	1.75%	320,000	29,155
2026	1.75%	327,000	23,555
2027	1.75%	333,000	17,832
2028-2032	1.75%	686,000	18,060
2033-2037	-	<u>-</u>	<u>-</u>
Total		2,288,000	<u>\$ 163,292</u>

Less: note proceeds not
received as of 06/30/22

(920,929)

\$1,367,071

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

Sewer Revenue Capital Loan Notes Issued May 1, 2020				
Year Ending June 30,	Interest Rate	Principal	Interest	
2023	1.75%	\$ 121,000	\$ 18,112	
2024	1.75%	123,000	15,995	
2025	1.75%	125,000	13,843	
2026	1.75%	128,000	11,655	
2027	1.75%	131,000	9,415	
2028-2032	1.75%	407,000	14,333	
2033-2037	-	-	-	
Total		<u>\$1,035,000</u>	<u>\$ 83,353</u>	

Sewer Revenue Capital Loan Notes Issued June 18, 2021				
Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	-	\$ -	\$ -	\$ -
2024	-	2,850,000	-	2,850,000
2025	-	-	-	-
2026	-	-	-	-
2027	-	-	-	-
2028-2032	-	-	-	-
2033-2037	-	-	-	-
Total		\$2,850,000	\$ -	<u>\$2,850,000</u>

Less: note proceeds not received as of 06/30/2022

(2,735,034)

\$ 114,966

Year Ending June 30,	Total		
	Principal	Interest	Total
2023	\$ 926,000	\$ 118,772	\$ 1,044,772
2024	3,796,000	102,568	3,898,568
2025	697,000	86,013	783,013
2026	712,000	73,815	785,815
2027	726,000	61,355	787,355
2028-2032	2,485,000	132,283	2,617,283
2033-2037	<u>295,000</u>	<u>5,163</u>	<u>300,163</u>
Total	\$ 9,637,000	<u>\$ 579,969</u>	<u>\$ 10,216,969</u>

Less: note proceeds not received as of 06/30/22

(3,655,963)

\$ 5,981,037

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

On December 6, 2002, the City issued \$4,017,000 of sewer revenue bonds to provide financing for the construction of water main extensions. The notes bear interest at 1.75% per annum and mature in 2024. During the year ended June 30, 2022, the City paid principal of \$247,000 and interest of \$13,370 on the bonds.

On May 25, 2018, the City issued \$3,822,000 of sewer revenue capital loan notes to provide financing for the construction of improvements to the sewer treatment plant. The notes bear interest at 1.75% per annum, and are payable through 2033. During the year ended June 30, 2022, the City paid principal of \$238,000 and interest of \$55,738 on the notes.

On May 10, 2019, the City issued \$3,176,000 of sewer revenue capital loan notes to provide financing for construction of improvements to the sewer system. The notes bear interest at 1.75% , per annum and are payable through 2031. During the year ended June 30, 2022, the City paid principal of \$302,000 and interest of \$29,033 on the notes.

On May 1, 2020, the City issued \$1,269,000 of sewer revenue capital loan notes to provide financing for construction of improvements to the sewer system. The notes bear interest at 1.75%, per annum, and are payable through 2030. During the year ended June 30, 2022, the City paid principal of \$118,000 and interest of \$20,145 on the notes.

On June 18, 2021, the City entered into a loan and disbursement agreement anticipation project note with Iowa Finance Authority (IFA) for the issuance of notes up to \$2,850,000 at no interest rate. During the year ended June 30, 2022, the City paid no principal on the loan. At June 30, 2022 the City had drawn down \$114,966 of the authorized amount.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$12,284,000 of sewer revenue bonds and notes issued. Proceeds from the bonds and notes provided financing for the construction of improvements to the sewer treatment plant. The bonds and notes are payable solely from sewer customer net receipts and are payable through 2033. Annual principal and interest payments of the notes are expected to require less than 25% of net receipts. The total principal and interest remaining to be paid on the bonds and notes is \$6,561,006. For the current year, principal and interest paid and total customer net receipts were \$1,023,284 and \$2,893,705 respectively.

The resolutions provided for the issuance of the sewer revenue bonds and revenue capital loan notes include the following provisions:

- A. The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the fund.
- B. Sufficient monthly transfers shall be made to a sewer sinking account for the purpose of making the bond principal and interest payments when due.
- C. The City must establish and maintain a sewer improvements account. Money in the improvement account, not otherwise specifically limited by other provisions, shall be used solely for the purpose of paying

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(4) LONG-TERM DEBT - CONTINUED

principal of or interest on the bonds when there is insufficient money in the sinking account and the reserve account; and to the extent not required for the foregoing, to pay the cost of extraordinary maintenance expenses or repairs, renewals and replacements not included in the annual budget; payments of rentals on any part of the system or payments due for any property purchased as part of the system and for capital improvements to the system. As of June 30, 2022, \$175,000 of cash is in the improvement account.

- D. All amounts remaining in the sanitary sewer revenue account after the payment of all maintenance and operating expenses and required transfers shall be placed in the sanitary sewer surplus revenue fund. This account is restricted for the purpose of paying for any improvement, extension or repair to the system or for bond and interest payments which the other accounts might be unable to make.

Lease Agreements

The City has entered into leases for a copier and postage meter. The original leases range from 30-60 months. The agreements require monthly payments of \$438 per month with an implicit interest rate of 1.75% and a final payment in October 2026.

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,925	\$ 332	\$ 5,257
2024	5,012	245	5,257
2025	5,101	157	5,258
2026	4,597	71	4,668
2027	<u>1,551</u>	<u>6</u>	<u>1,557</u>
Total	<u>\$ 21,186</u>	<u>\$ 811</u>	<u>\$ 21,997</u>

(5) COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate maximum liability for earned vacation and sick leave payable to employees as of June 30, 2022 primarily relating to the General, Road Use Tax and Sanitary Sewer Funds, is as follows:

Type of Benefit:	
Vacation	\$ 97,000
Sick leave	551,000
Comp time	<u>14,000</u>
Total	<u>\$ 662,000</u>

The liability has been computed based on rates of pay in effect at June 30, 2022.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(5) COMPENSATED ABSENCES (CONTINUED)

Sick leave is payable for fire and police union employees when used or upon full service retirement or death. Other union employees are payable upon retirement, 20 years of full time employment or death. Nonunion employees are payable upon twenty years of service or death. If paid upon retirement or death, half or one-quarter of the total accumulated hours are paid at the then effective hourly rate for that employee. Based on this computation, the maximum accumulated sick leave payable would be approximately \$179,000 as of June 30, 2022.

(6) PENSION PLANS

Iowa Public Employees' Retirement System (IPERS)

Plan Description - IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 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, except members with service before June 30, 2012, will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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

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

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service but not more than 30 years of service.
- The member's highest three-year average salary.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(6) PENSION PLANS - CONTINUED

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 starting July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of the covered payroll for a total rate of 15.73%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2022 totaled approximately \$136,000.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$17,245 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2022, the City's proportion was .0049953%, which was a decrease of .00025031% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022 the City pension expense, deferred outflows and deferred inflows totaled \$(85,211), \$161,437 and \$1,031,745 respectively.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(6) PENSION PLANS - CONTINUED

There were no non-employer contributing entities to IPERS.

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric 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>
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	<u>100.0%</u>	

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

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(6) PENSION PLANS - CONTINUED

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

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
City’s proportionate share of the net pension liability	\$858,389	\$17,245	\$(687,680)

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

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 Oskaloosa are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issued 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 information purposes only. Refer to the plan documents for more information.

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

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

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(6) PENSION PLANS - CONTINUED

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

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

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

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

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

Contributions - Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2022.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 26.18% for the year ended June 30, 2022.

The City's contributions to MFPRSI for the year ended June 30, 2022 totaled approximately \$356,000.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(6) PENSION PLANS - CONTINUED

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

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2022.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$865,367 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the MFPRSI relative to the contributions of all MFRPSI participating employers. At June 30, 2021, the City's proportion was .385337% which was a decrease of .078737% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City pension expense, deferred outflows of resources and deferred inflows of resources totaled \$23,946, \$519,911 and \$(1,842,599) respectively.

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2017.

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

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

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(6) PENSION PLANS - CONTINUED

Asset Class	Long-Term Expected Real Rate of Return
Large cap	7.40%
Small cap	8.10
International large cap	7.20
Emerging markets	7.90
Global infrastructure	7.50
Private non-core real estate	11.50
Private credit	6.40
Private equity	10.80
Core plus fixed income	4.00
Private core real estate	7.20

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.4% of covered payroll and the City's contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFRPSI's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on MFRPSI's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
City's proportionate share of the net pension liability	\$2,560,803	\$865,367	\$(541,747)

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

(7) DEFERRED COMPENSATION PLAN

The City offers employees a deferred compensation plan created in accordance with the provisions of Internal Revenue Code Section 457. The plan, allows employees to defer a portion of their current salary until future years. The employees become eligible to withdraw funds upon termination, retirement, death or unforeseeable emergency. The City provides neither administrative service to the plan nor investment advice for the plan.

Plan contributions for the year by the City ended June 30, 2022 were approximately \$7,000.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(8) RISK MANAGEMENT

The City of Oskaloosa 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. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) INTERFUND TRANSFERS AND BALANCES

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Employee Benefits	\$ 1,271,456
	Emergency	105,147
	Housing	830
	Tax Increment Financing	116,953
	Capital Projects	920
		<u>1,495,306</u>
Special Revenue:		
Misc Grants Fund	General Fund	<u>1,661</u>
ECE/Recreation/CTR Paint Fund	Special Revenue Local Option Sales Tax	<u>20,000</u>
Debt Service	Special Revenue:	
	Local Option Sales Tax	<u>1,196,772</u>
Capital Projects	General Fund	295,172
	Special Revenue:	
	Road Use Tax	200,000
	Local Option Sales Tax	<u>150,000</u>
		<u>645,172</u>
Enterprise	Special Revenue:	
	2021 ARPA Grant	<u>400,000</u>
Total		<u>\$ 3,758,911</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The City has made internal loans at various times from the general fund to the Urban Renewal Tax Increment Fund. Total advances made as of June 30, 2022 were approximately \$273,855. The advances were for administrative costs and construction costs on the facade improvement grants that will be repaid as the tax increment revenue receipts are received from the county.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(10) OTHER POST-EMPLOYMENT BENEFITS

The City of Oskaloosa, Iowa has a self-insured Health Care Plan for City employees accounted for in the internal service fund. A fixed monthly fee per participating employee is paid to an insurance administrative company to administer the Plan and evaluate claims. The funds of the City are charged a premium based on a range of rates recommended by the third party administrator.

The City escrows funds each month to be used to pay medical claims incurred. The maximum exposure to the City for claims incurred is limited by the "Stop-loss" feature of the Plan. The maximum exposure for one individual, excluding listed exceptions, in a twelve-month period is \$50,000. The maximum aggregate excess risk insurance is \$1,000,000 per policy period and the maximum specific excess risk insurance per covered person is \$2,000,000 per lifetime.

As of June 30, 2022, the Plan held \$729,227 in cash and investments. The estimate of the claims liability was \$60,000 for June 30, 2022 and \$51,000 for June 30, 2020, and includes claims reported but not settled and those incurred but not reported. Claim payments, net of Stop-loss reimbursements as of June 30, 2022 and 2021 were \$457,000 and \$450,000, respectively.

Employees who resign or their employment is terminated (for reasons other than gross misconduct on their part), or if work hours are reduced, and consequently the employee's dependents are no longer eligible to participate in the group health insurance are offered the following post-employment benefit option:

Health insurance - The option of continuing with the City's health insurance plan at the employee's own cost for up to eighteen months. If the employee is determined to be disabled under the Social Security Act at the time of their termination or reduction in hours, they may be entitled to continuation coverage for up to twenty-nine months.

There are 44 active and 1 retired member in the plan. Participants must be age 55 or older at retirement.

Retirees under age 65 pay the similar premiums for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. At June 30, 2022, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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 most recent active member monthly premiums for the City and plan members are \$806 for single coverage and \$1,940 for family coverage per month. The same monthly premiums apply to retirees. For the year ended June 30, 2022, the City contributed approximately \$795,000 to the plan.

The City has entered into an agreement with the City Manager which formally identifies the financial obligation of the City to her in the event of an involuntary employment termination. The severance agreement provides for a termination payment equal to seven months of salary, benefits, and deferred compensation. The compensation rate is based upon the compensation paid to the applicable employee at the time of termination.

(11) COMMITMENTS

A. The City has several construction contract commitments to be financed from capital projects funds. The total outstanding construction contract commitments of the City as of June 30, 2022 is approximately \$7,201,000 which will be paid as work on the projects progress.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(11) COMMITMENTS - CONTINUED

- B. The City has entered into various development agreements for urban renewal projects. These agreements call for the City to make economic development tax rebate payments each year out of incremental taxes received by the City. These arrangements run for 2 to 15 years. \$109,000 was paid during the year ended June 30, 2022 under these agreements. Estimated amounts to be paid in future years on development agreements totaled approximately \$3,668,000 and the amount appropriated for payments next year is \$214,000.
- C. The City entered into an agreement with the Oskaloosa Municipal Water Department (OMWD) beginning July 1, 2020 regarding wastewater service in and around the City. Under the agreement, the City is to compensate the OMWD monthly fees performed by the OMWD. During the year ended June 30, 2022, the City paid OMWD \$709,799 under the agreement.

(12) TAX ABATEMENTS

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

City Tax Abatements

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

For the year ended June 30, 2022, the City abated \$109,000 of total property tax of which \$38,835 of property tax under the urban renewal and economic development projects represents the City's portion of the abatement.

(13) LEASE REVENUE

The City has entered into two (2) long term lease agreements to lease farm land at the airport and golf facilities at the golf course. The farm lease is for seven years and matures December 2026. The farm lease also has a first right to purchase the land when it becomes available for sale. The golf facilities rent was initially for \$8,500 per year, but is indexed each year with the Midwest consumer price index. The initial lease is for 10 years but includes options for 2 successive five year renewals. The golf club lease renews automatically unless either party notifies the other party 12 months prior to the renewal date. The present value of the estimated future lease payments, using an implicit interest rate of 1%, as of June 30, 2022 is estimated at \$381,129. During the year ended June 30, 2022, the City received \$54,525 under the existing leases.

The City also has a right to use agreement with the Mahaska County YWCA for the exclusive right to use the early childhood education and recreation center for a period of 15 years beginning in January 3, 2022. The agreement automatically renews for two successive five-year terms unless either party provides written notice to the other at least twelve months prior to the expiration of the current initial or renewal term. The YMCA made an initial up front investment to assist with the construction of the facilities and thus does not have any additional financial commitment to the City for the right to use of the facilities.

CITY OF OSKALOOSA

Notes to Financial Statements - Continued

June 30, 2022

(13) LEASE REVENUE - CONTINUED

Estimated future payments to be received are as follows:

<u>Fiscal year</u> <u>Ended June 30,</u>	<u>Amount</u>
2023	\$ 54,723
2024	54,926
2025	55,133
2026	55,345
2027	32,772
2028-2032	53,340
2033-2037	59,529
2038-2042	<u>38,982</u>
Total	404,750
Estimated interest Income	<u>23,621</u>
	<u><u>\$381,129</u></u>

(14) RELATED PARTY

The City along with the City of Pella and Mahaska County entered into a 28E agreement know and the South Central Regional Airport Agency (SCRAA). The original agreement was for the purpose of joint acquisition, construction, equipping, use expansion and operation of an airport facility. Subsequent to the agreement, Mahaska sued the City of Pella and Oskaloosa to leave the 28E agreement and the Iowa Supreme Court agreed with the county, that the agreement was unconstitutional as it pertains to the County. The SCRAA was established as a separate legal entity. As of June 30, 2021, (most recent audited statements available) the SCRAA recognized an amount due from the City of \$102,860 and an advance from the City of \$1,372,821. During the year ended June 30, 2022, the City received \$16,724 of allocated rent income, reimbursements of \$1,365,341 and the City paid \$151,984 for the regional airport expenses.

(15) SUBSEQUENT EVENTS

The City has evaluated all subsequent events through October 11, 2022, the date the financial statements were available to be issued.

(16) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local regional and national economies, including that of City of Oskaloosa remains uncertain.

To date, the outbreak has not created a material disruption to the operations of the City of Oskaloosa. However, the extend of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the City of Oskaloosa.

CITY OF OSKALOOSA

Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances -
Budget and Actual - All Governmental Funds and Proprietary Funds
Other Information
Year ended June 30, 2022

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted	Total
Receipts:				
Property tax	\$ 5,252,527	\$ -	\$ -	\$ 5,252,527
Tax increment financing	228,575	-	-	228,575
Other city tax	2,055,298	-	-	2,055,298
Licenses and permits	733,652	-	-	733,652
Use of money and property	74,886	90,696	1,027	164,555
Intergovernmental	3,298,221	32,000	-	3,330,221
Charges for service	137,898	5,472,962	878,015	4,732,845
Special assessments	29,352	-	-	29,352
Miscellaneous	8,474,792	1,414,593	38,492	9,850,893
Total receipts	<u>20,285,201</u>	<u>7,010,251</u>	<u>917,534</u>	<u>26,377,918</u>
Disbursements:				
Public safety	3,558,653	-	-	3,558,653
Public works	1,589,236	-	-	1,589,236
Culture and recreation	1,363,112	-	-	1,363,112
Community and economic development	401,185	-	-	401,185
General government	983,961	-	-	983,961
Debt service	1,609,881	-	-	1,609,881
Capital projects	9,823,252	-	-	9,823,252
Business type activities	-	3,582,790	-	3,582,790
Non-program	-	782,098	782,098	-
Total disbursements	<u>19,329,280</u>	<u>4,364,888</u>	<u>782,098</u>	<u>22,912,070</u>
Excess (deficiency) of receipts over (under) disbursements	955,921	2,645,363	135,436	3,465,848
Other financing sources, net	<u>(375,094)</u>	<u>557,922</u>	<u>-</u>	<u>182,828</u>
Change in balances	580,827	3,203,285	135,436	3,648,676
Balances beginning of year	<u>14,325,553</u>	<u>6,840,510</u>	<u>627,797</u>	<u>20,538,266</u>
Balances end of year	<u>\$14,906,380</u>	<u>\$10,043,795</u>	<u>\$763,233</u>	<u>\$24,186,942</u>

(1) Budgeted items for the component unit of the Oskaloosa Municipal Water Department utility are removed because related actual receipts and disbursements are not included.

See accompanying independent auditor's report.

Budgeted Amounts				Final to Actual Variance- Positive (Negative)
Original	Final	Adjustment (1) See Page 50	Adjusted Final	
\$ 5,262,533	\$ 5,262,535	\$ -	\$ 5,262,535	\$ (10,008)
230,010	230,010	-	230,010	(1,435)
1,615,925	2,015,035	-	2,015,035	40,263
642,850	649,850	-	649,850	83,802
167,109	200,199	(33,685)	166,514	(1,959)
3,004,504	3,610,868	-	3,610,868	(280,647)
7,536,172	7,746,026	(3,150,500)	4,595,526	137,319
-	23,337	-	23,337	6,015
9,008,616	13,580,958	(711,575)	12,869,383	(3,018,490)
27,467,719	33,318,818	(3,895,760)	29,423,058	(3,045,140)
3,362,960	3,770,476	-	3,770,476	211,823
1,895,711	1,916,316	-	1,916,316	327,080
1,607,307	1,586,526	-	1,586,526	223,414
683,709	518,088	-	518,088	116,903
1,153,013	1,153,610	-	1,153,610	169,649
1,597,903	1,609,882	-	1,609,882	1
9,728,283	14,745,986	-	14,745,986	4,922,734
10,665,860	11,028,554	(3,974,708)	7,053,846	3,471,056
-	-	-	-	-
30,694,746	36,329,438	(3,974,708)	32,354,730	9,442,660
(3,227,027)	(3,010,620)	78,948	(2,931,672)	6,397,520
530,000	642,897	-	642,897	(460,069)
(2,697,027)	(2,367,723)	78,948	(2,288,775)	5,937,451
19,779,339	23,764,222	-	23,764,222	(3,225,956)
\$ 17,082,312	\$21,396,499	\$ 78,948	\$ 21,475,447	\$ 2,711,497

CITY OF OSKALOOSA

Other Information

Notes To Other Information - Budgetary Reporting

June 30, 2022

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

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except Internal Service Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital project funds and enterprise funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, two budget amendments increased budgeted disbursements by \$5,634,692. The budget amendment is reflected in the final budget amount.

- (1) Budgeted items for the component unit of the Oskaloosa Municipal Water Department utility are removed because related actual receipts and disbursements are not included, see Note 1.

City of Oskaloosa

CITY OF OSKALOOSA

Schedules of the City's Proportionate Share of the Net Pension Liability (Asset)
For the Last Eight Fiscal Years*
(In Thousands)

Other Information

Iowa Public Employees' Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City of Oskaloosa's proportion of the net pension liability (asset)	.0049953%	.200354%	.0202885%	.0189662%	.0195488%	0191567%
City of Oskaloosa's proportionate share of the net pension liability	\$ 17	\$1,407	\$1,175	\$1,200	\$1,302	\$1,206
City of Oskaloosa's covered payroll	\$1,415	\$1,592	\$1,546	\$1,429	\$1,463	\$1,383
City of Oskaloosa's proportionate share of the net pension liability as a percentage of its covered payroll	1.20%	88.38%	76.00%	83.97%	89.00%	71.87%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%	82.21%	85.19%

Municipal Fire and Police Retirement System of Iowa

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City of Oskaloosa's proportion of the net pension liability	.385337%	.464074%	.4311838%	.439719%	.483844%	.480584%
City of Oskaloosa's proportionate share of the net pension liability	\$ 865	\$3,701	\$2,828	\$2,618	\$2,838	\$3,005
City of Oskaloosa's covered payroll	\$1,252	\$1,470	\$1,305	\$1,278	\$1,370	\$1,302
City of Oskaloosa's proportionate share of the net pension liability as a percentage of its covered payroll	69.09%	251.77%	216.70%	204.85%	207.15%	230.80%
MFPRSI's net position as a percentage of the total pension liability	93.62%	76.47%	79.94%	81.07%	80.60%	78.20%

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

See accompanying independent auditor's report.

<u>2016</u>	<u>2015</u>
.0201395%	.0208363%
\$ 955	\$ 826
\$1,383	\$1,372
71.87%	60.20%
85.19%	87.61%

<u>2016</u>	<u>2015</u>
.490778%	.487962%
\$2,306	\$1,769
\$1,287	\$1,246
179.18%	141.95%
83.04%	86.27%

CITY OF OSKALOOSA

Schedules of City Contributions

For the Last 10 Fiscal Years
(In Thousands)

Other Information

Iowa Public Employees' Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 136	\$ 134	\$ 150	\$ 146	\$ 128
Contributions in relation to the statutorily required contribution	<u>(136)</u>	<u>(134)</u>	<u>(150)</u>	<u>(146)</u>	<u>(128)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Oskaloosa's covered payroll	\$ 1,436	\$ 1,415	\$ 1,592	\$ 1,546	\$ 1,429
Contributions as a percentage of covered payroll	9.44%	9.46%	9.44%	9.44%	8.95%

Municipal Fire and Police Retirement System of Iowa

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 356	\$ 317	\$ 360	\$ 340	\$ 328
Contributions in relation to the statutorily required contribution	<u>(356)</u>	<u>(317)</u>	<u>(360)</u>	<u>(340)</u>	<u>(328)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Oskaloosa's covered payroll	\$ 1,361	\$ 1,252	\$ 1,470	\$ 1,305	\$ 1,278
Contributions as a percentage of covered payroll	26.18%	25.31%	24.49%	26.05%	25.68%

See accompanying independent auditor's report.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 131	\$ 123	\$ 124	\$ 123	\$ 115
<u>(131)</u>	<u>(123)</u>	<u>(124)</u>	<u>(123)</u>	<u>(115)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,463	\$ 1,382	\$ 1,383	\$ 1,372	\$ 1,327
8.95%	8.94%	8.96%	8.93%	8.67%

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 355	\$ 362	\$ 391	\$ 375	\$ 325
<u>(355)</u>	<u>(362)</u>	<u>(391)</u>	<u>(375)</u>	<u>(325)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,370	\$ 1,302	\$ 1,287	\$ 1,246	\$ 1,246
25.91%	27.77%	30.41%	30.12%	26.12%

CITY OF OSKALOOSA

Notes to Other Information - Pension Liability

Year ended June 30, 2022

Iowa Public Employee's Retirement System

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of an experience study dated June 28, 2018.

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

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7:00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL (Unfunded Actuarial Liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

Municipal Fire and Police Retirement System of Iowa

Changes of benefit terms:

There are no significant changes of benefit terms.

Changes of assumptions:

The 2018 valuation changed postretirement mortality rates to the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

CITY OF OSKALOOSA

Notes to Other Information - Pension Liability - Continued

Year ended June 30, 2022

Changes of assumptions - Continued:

The 2017 valuation added five years projection of future mortality improvement with Scale BB.

The 2016 valuation changed postretirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1994 Group Annuity Mortality Table for post-retirement mortality. This resulted 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 Oskaloosa

Supplementary Information

CITY OF OSKALOOSA

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2022

	Emergency	Urban Renewal Tax Increment	Housing Donated Funds	Special Housing Fund
Receipts:				
Property tax	\$ 98,775	\$ -	\$ -	\$ -
Tax increment financing	-	228,575	-	-
Other city tax	3,750	-	-	-
Use of money and property	-	448	-	587
Intergovernmental	2,622	-	-	-
Charges for services	-	-	-	907
Miscellaneous	-	-	-	25,743
Total receipts	<u>105,147</u>	<u>229,023</u>	<u>-</u>	<u>27,237</u>
Disbursements:				
Operating:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Community and economic development	-	109,000	5,925	28,300
Total disbursements	<u>-</u>	<u>109,000</u>	<u>5,925</u>	<u>28,300</u>
Excess (deficiency) of receipts over (under) disbursements	105,147	120,023	(5,925)	(1,063)
Other financing sources (uses)				
Sale of capital assets	-	-	-	-
Transfers In	-	-	-	-
Transfers out	(105,147)	(116,953)	-	(830)
Total other financing sources (uses)	<u>(105,147)</u>	<u>(116,953)</u>	<u>-</u>	<u>(830)</u>
Change in cash balances	-	3,070	(5,925)	(1,893)
Cash balances beginning of year	-	77,120	24,741	241,862
Cash balances end of year	<u>\$ -</u>	<u>\$ 80,190</u>	<u>\$18,816</u>	<u>\$239,969</u>
Cash Basis Fund Balances				
Restricted for:				
Urban renewal	\$ -	\$ 80,190	\$ -	\$ -
American Rescue Plan Act	-	-	-	-
Other Purposes	-	-	18,816	239,969
Total cash basis fund balances	<u>\$ -</u>	<u>\$ 80,190</u>	<u>\$18,816</u>	<u>\$239,969</u>

See accompanying independent auditor's report.

Revenue					
Library Reading Garden Expansion	Public Library Memorial	Miscellaneous Gifts	ECE/Recreation Center Maintenance Fund	Wooden Playground Maintenance	Police Forfeiture
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
7	12,418	251	50	8	37
-	-	-	-	-	-
-	541	-	-	-	-
1,137	50,846	23,900	-	-	7,500
1,144	63,805	24,151	50	8	7,537
-	-	11,791	-	-	4,932
-	-	-	-	-	-
-	118,946	9,938	-	-	-
-	-	-	-	-	-
-	118,946	21,729	-	-	4,932
1,144	(55,141)	2,422	50	8	2,605
-	1,411	-	-	-	-
-	-	-	20,000	-	-
-	-	-	-	-	-
-	1,411	-	20,000	-	-
1,144	(53,730)	2,422	20,050	8	2,605
2,158	780,266	96,907	20,012	3,318	9,557
\$ 3,302	\$726,536	\$ 99,329	\$40,062	\$ 3,326	\$ 12,162
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,302	726,536	99,329	40,062	3,326	12,162
\$ 3,302	\$726,536	\$ 99,329	\$40,062	\$ 3,326	\$ 12,162

CITY OF OSKALOOSA

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds - Continued

As of and for the year ended June 30, 2022

	Miscellaneous Grants	Brownfield Sites Grand Fund	2021 ARPA Grant	Total
Receipts:				
Property tax	\$ -	\$ -	\$ -	\$ 98,775
Tax increment financing	-	-	-	228,575
Other city tax	-	-	-	3,750
Use of money and property	35	-	1,727	15,568
Intergovernmental	9,541	101,536	860,206	973,905
Charges for services	-	-	-	1,448
Miscellaneous	1,153	-	-	110,279
Total receipts	<u>10,729</u>	<u>101,536</u>	<u>861,933</u>	<u>1,432,300</u>
Disbursements:				
Operating:				
Public safety	12,106	-	-	28,829
Public works	-	101,536	-	101,536
Culture and recreation	4,818	-	-	133,702
Community and economic development	-	-	-	143,225
Total disbursements	<u>16,924</u>	<u>101,536</u>	<u>-</u>	<u>407,292</u>
Excess (deficiency) of receipts over (under) disbursements	(6,195)	-	861,933	1,025,008
Other financing sources (uses)				
Sale of capital assets	-	-	-	1,411
Transfers In	1,661	-	-	21,661
Transfers out	-	-	(400,000)	(622,930)
Total other financing sources (uses)	<u>1,661</u>	<u>-</u>	<u>(400,000)</u>	<u>(599,858)</u>
Change in cash balances	(4,534)	-	461,933	425,150
Cash balances beginning of year	16,085	-	-	1,272,026
Cash balances end of year	<u>\$ 11,551</u>	<u>\$ -</u>	<u>461,933</u>	<u>\$1,697,176</u>
Cash Basis Fund Balances				
Restricted for:				
Urban renewal	\$ -	\$ -	\$ -	\$ 80,190
American Rescue Plan Act	-	-	461,933	461,933
Other purposes	11,551	-	-	1,155,053
Total cash basis fund balances	<u>\$ 11,551</u>	<u>\$ -</u>	<u>\$ 461,933</u>	<u>\$1,697,176</u>

See accompanying independent auditor's report.

City of Oskaloosa

CITY OF OSKALOOSA

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Proprietary Funds

As of and for the year ended June 30, 2022

	Enterprise			
	Storm	Edmunson	RACI Main	Total
	Water	Golf Course	Street Loans	
Operating receipts:				
Charges for service	\$ 273,853	\$ -	\$ -	\$ 273,853
Use of money and property	-	8,925	-	8,925
Total operating receipts	<u>273,853</u>	<u>8,925</u>	<u>-</u>	<u>292,778</u>
Operating disbursements:				
Business type activities	135,469	4,597	-	140,066
Total operating disbursements	<u>135,469</u>	<u>4,597</u>	<u>-</u>	<u>140,066</u>
Excess of operating receipts over operating disbursements	<u>138,384</u>	<u>4,328</u>	<u>-</u>	<u>142,712</u>
Non-operating receipts (disbursements):				
Interest on investments	1,379	116	61	1,556
Miscellaneous	-	325	-	325
Capital projects	(68,372)	(20,447)	-	(88,819)
Net non-operating receipts (disbursements)	<u>(66,993)</u>	<u>(20,006)</u>	<u>61</u>	<u>(86,938)</u>
Change in cash balances	71,391	(15,678)	61	55,774
Cash balances beginning of year	<u>657,864</u>	<u>57,363</u>	<u>25,824</u>	<u>741,051</u>
Cash balances end of year	<u>\$ 729,255</u>	<u>\$ 41,685</u>	<u>\$ 25,885</u>	<u>\$ 796,825</u>
Cash Basis Fund Balances				
Unrestricted	<u>729,255</u>	<u>41,685</u>	<u>25,885</u>	<u>796,825</u>
Total cash basis fund balances	<u>\$ 729,255</u>	<u>\$ 41,685</u>	<u>\$ 25,885</u>	<u>\$ 796,825</u>

See accompanying independent auditor's report.

CITY OF OSKALOOSA

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Internal Service Funds

As of and for the year ended June 30, 2022

	Copier/Fax Revolving	Health Insurance	Flex Benefit Plan	Total
Receipts:				
Use of money and property	\$ 69	\$ 946	\$ 12	\$ 1,027
Charges for services:				
Premiums	-	873,010	-	873,010
Copier and fax services	4,655	-	-	4,655
Miscellaneous	-	-	350	350
Miscellaneous:				
Flex elections	-	-	26,192	26,192
Refunds/reimbursements	-	12,300	-	12,300
Total receipts	<u>4,724</u>	<u>886,256</u>	<u>26,554</u>	<u>917,534</u>
Disbursements:				
Nonprogram:				
Contractual and contractual services	-	754,155	23,303	777,458
Commodities	4,640	-	-	4,640
Total disbursements	<u>4,640</u>	<u>754,155</u>	<u>23,303</u>	<u>782,098</u>
Change in cash balances	84	132,101	3,251	135,436
Cash balances beginning of year	<u>27,685</u>	<u>597,126</u>	<u>2,986</u>	<u>627,797</u>
Cash balances end of year: unrestricted	<u>\$27,769</u>	<u>\$729,227</u>	<u>\$ 6,237</u>	<u>\$763,233</u>

See accompanying independent auditor's report.

CITY OF OSKALOOSA

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Capital Projects Funds

As of and for the year ended June 30, 2022

	Park Shelter Cap Improvement	City Hall Improvement Project	Rec and Early Child- hood Center	Edmunson Park Playground	Facade Improvement Grant Phase II	Facade Improvement Grant Phase III
Receipts:						
Use of money and property						
Interest on investments	\$ 2,063	\$ 211	\$ 3,117	\$ 53	\$ -	\$ 751.
Intergovernmental	-	-	-	-	-	201,033
Special assessments	-	-	-	-	-	-
Miscellaneous	-	-	7,737,199	508,190	921	4,887
Total receipts	<u>2,063</u>	<u>211</u>	<u>7,740,316</u>	<u>508,243</u>	<u>921</u>	<u>206,671</u>
Disbursements	<u>706</u>	<u>134</u>	<u>8,002,058</u>	<u>-</u>	<u>-</u>	<u>(472,941)</u>
Excess (deficiency) of receipts over (under) disbursements	<u>1,357</u>	<u>77</u>	<u>(261,742)</u>	<u>508,243</u>	<u>921</u>	<u>(266,270)</u>
Other financing sources (uses):						
Sale of capital assets	-	22,219	-	-	-	-
Transfers in	-	-	-	100,000	(921)	75,100
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>22,219</u>	<u>-</u>	<u>100,000</u>	<u>(921)</u>	<u>75,100</u>
Change in cash balances	1,357	22,296	(261,742)	608,243	-	(191,170)
Cash balances beginning of year	<u>22,719</u>	<u>74,634</u>	<u>1,270,818</u>	<u>-</u>	<u>-</u>	<u>394,356</u>
Cash balances end of year:						
Restricted	<u>\$24,076</u>	<u>\$96,930</u>	<u>\$ 1,009,076</u>	<u>\$ 608,243</u>	<u>\$ -</u>	<u>\$ 203,186</u>

See accompanying independent auditor's report.

NE Bridge Replacement Project	South D Street Reconstruction	Pavement Management	Sidewalk Improvement Project	Three Lane Conversion	Meadow Creek Street Improvements	2021 GO Bond Downtown Pavement	2021 GO Bond
\$ 105	\$ -	\$ 386	\$ 24	\$ 526	\$ -	\$ -	\$ -
55,426	-	-	-	-	-	-	-
-	-	-	5,068	-	-	-	-
1	-	3,000	2,467	-	-	-	-
55,532	-	3,386	7,559	526	-	-	-
73,642	7,759	158,172	169	60,076	1,014,499	33,096	-
(18,110)	(7,759)	(154,786)	7,390	(59,550)	(1,014,499)	(33,096)	-
-	7,759	252,184	10,129	200,000	-	674,337	-
-	-	-	-	-	(579,450)	-	-
-	-	-	-	-	-	-	(94,887)
-	7,759	252,184	10,129	200,000	(579,450)	674,337	(94,887)
(18,110)	-	97,398	17,519	140,450	(1,593,949)	641,241	(94,887)
63,453	-	193,543	4,773	238,948	1,594,657	-	94,887
\$ 45,343	\$ -	\$ 290,941	\$22,292	\$ 379,398	\$ 708	\$ 641,241	\$ -

CITY OF OSKALOOSA

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Capital Projects Funds

As of and for the year ended June 30, 2022

	Intrafund Transfers Elimination	Total
Receipts:		
Use of money and property		
Interest on investments	\$ -	\$ 7,236
Intergovernmental	-	256,459
Special assessments	-	5,068
Miscellaneous	-	8,256,665
Total receipts	<u>-</u>	<u>8,525,428</u>
Disbursements	<u>-</u>	<u>9,823,252</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>(1,297,824)</u>
Other financing sources (uses):		
Sale of capital assets	-	22,219
Transfers in	(674,337)	645,172
Transfers (out)	<u>674,337</u>	<u>(921)</u>
Total other financing sources (uses)	<u>-</u>	<u>666,470</u>
Change in cash balances	-	(631,354)
Cash balances beginning of year	<u>-</u>	<u>3,952,788</u>
Cash balances end of year:		
Restricted	<u>\$ -</u>	<u>\$ 3,321,434</u>

City of Oskaloosa

CITY OF OSKALOOSA

Schedule of Receipts by Source and Disbursements by Function -
All Governmental Funds

For the last ten years

	Years ended June 30,			
	2022	2021	2020	2019
Receipts:				
Property tax	\$ 5,252,527	\$ 5,000,629	\$ 4,796,450	\$ 4,691,851
Other city tax	2,283,873	2,130,894	1,790,046	1,457,406
Licenses and permits	733,652	705,198	651,226	766,482
Use of money and property	74,886	66,361	126,206	143,362
Intergovernmental	3,298,221	3,229,831	2,666,508	3,893,826
Charges for service	137,898	138,213	103,225	131,134
Special assessments	29,352	14,031	13,099	12,826
Miscellaneous	8,474,792	7,653,460	1,011,191	687,823
Total	<u>\$20,285,201</u>	<u>\$18,938,617</u>	<u>\$11,157,951</u>	<u>\$11,737,710</u>
Disbursements:				
Operating:				
Public safety	\$ 3,558,653	\$ 2,756,914	\$ 3,141,055	\$ 3,117,122
Public works	1,589,236	1,635,443	1,853,075	1,499,187
Culture and recreation	1,363,112	1,117,604	1,382,223	1,283,425
Community and economic development	401,185	184,002	278,560	301,218
General government	983,961	943,008	948,870	868,491
Debt service	1,609,881	1,463,245	758,818	758,283
Capital projects	9,823,252	18,865,529	3,501,454	4,259,627
Total	<u>\$19,329,280</u>	<u>\$26,965,745</u>	<u>\$11,864,055</u>	<u>\$12,087,353</u>

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
\$ 4,478,699	\$ 4,363,345	\$ 4,540,522	\$4,597,670	\$4,508,077	\$4,359,994
1,609,000	1,775,176	1,336,597	1,295,723	1,370,757	1,386,348
712,831	639,010	650,445	672,982	660,195	622,194
93,734	70,739	58,409	71,053	74,836	75,718
2,251,238	2,254,789	1,961,534	1,539,432	1,377,449	1,457,354
122,449	133,046	143,341	118,743	132,565	125,891
12,034	10,055	14,889	15,028	21,959	22,851
474,054	1,945,530	1,749,675	1,372,166	1,302,513	1,092,749
<u>\$10,034,039</u>	<u>\$11,191,490</u>	<u>\$10,445,542</u>	<u>\$9,682,797</u>	<u>\$9,448,351</u>	<u>\$9,143,099</u>
\$ 3,128,210	\$ 2,791,951	\$ 2,880,499	\$2,881,145	\$2,802,950	\$2,658,729
1,425,686	1,677,820	1,425,006	1,397,840	1,280,219	1,318,293
1,096,942	1,158,000	1,187,709	1,160,698	1,033,721	948,790
517,464	1,160,532	1,207,612	1,196,113	1,162,314	1,134,671
835,597	894,040	913,997	923,106	848,320	847,130
749,055	742,119	3,116,681	862,470	935,563	931,393
2,539,546	3,353,803	3,015,398	681,303	1,250,104	1,856,415
<u>\$10,292,500</u>	<u>\$11,778,265</u>	<u>\$13,666,902</u>	<u>\$9,102,675</u>	<u>\$9,313,191</u>	<u>\$9,695,421</u>

CITY OF OSKALOOSA

Miscellaneous Data (Unaudited)

June 30, 2022

Form of government	Mayor/Council
Area	8.06 square miles
Building permits, fiscal year ending June 30, 2022	
Permits issued	158
Estimated costs	\$10,654,390
Fire protection:	
Number of stations	1
Number of full-time fire fighters	8
Police protection:	
Number of stations	1
Number of full-time officers	16
Recreation:	
Number of parks	8
Number of acres	173.71
Number of swimming pools	1
Employees of City as of June 30, 2022	166
Schools:	
Public	3
Parochial	1
Population:	
1900	9,212
1910	9,466
1920	9,427
1930	10,123
1940	11,024
1950	11,124
1960	11,053
1970	11,224
1980	10,989
1990	10,600
2000	10,938
2010	11,463
2020	11,558

**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**



MARTENS & COMPANY, CPA, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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West Des Moines, Iowa 50266

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FAX: (515)-223-0851

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 the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Oskaloosa, Iowa as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 11, 2022. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles. Our report expressed an adverse opinion on the financial statements of the aggregate discretely presented component unit due to the omission of the Oskaloosa Municipal Water Works.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Oskaloosa's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oskaloosa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Oskaloosa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, significant deficiencies or material weaknesses may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 primary government of the City of Oskaloosa's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Oskaloosa's 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results

of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City of Oskaloosa's operations for the year ended June 30, 2022 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the City of Oskaloosa'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 of Oskaloosa'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 Oskaloosa 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.

Martens + Company, CPA, LLP

West Des Moines, Iowa
October 11, 2022

CITY OF OSKALOOSA

Schedule of Findings

Year ended June 30, 2022

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

No matters were noted.

Part II: Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget - Disbursements during the year ended June 30, 2022 did not exceed amounts budgeted.

2022-B Questionable Disbursements - No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

2022-C Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted. No travel advances to City officials or employees were noted.

2022-D Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

Name	Title	Business Connection	Transaction Description	Amount Gross
Gladys Genskow	Pool manager	Gensko Distributing Inc.	Concession supplies	\$ 270

In accordance with Chapter 362.5(3)(J) of the Code of Iowa, the transactions with the pool manager do not appear to represent a conflict of interest since total transactions with the individual were less than \$6,000 during the fiscal year.

2022-E Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2022-F Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not. The City published the minutes of the Council proceedings as required by Chapter 372.13(6) of the Code of Iowa.

2022-G Deposits and Investments - We noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City’s investment policy.

2022-H Revenue Bonds - No instances of non-compliance with the revenue bond and note resolutions were noted.

CITY OF OSKALOOSA

Schedule of Findings - Continued

Year ended June 30, 2022

Part II: Other Findings Related to Required Statutory Reporting - Continued:

- 2022-I Payment of General Obligation Bonds - General obligation bond payments were paid from the Debt Service Fund in compliance with Chapter 384.4 of the Code of Iowa.
- 2022-J Economic Development - We noted no instances of noncompliance with the public purpose provisions of Chapter 15A of the Code of Iowa pertaining to economic development.
- 2022-K Notice of Public Hearing for Public Improvements - We noted no instances of noncompliance with the Chapters 384.102 and 362.3 of the Code of Iowa.
- 2022-L Sales Tax - We noted no instances of noncompliance with Sections 701-26.71 and 701-26.72 of the Iowa Department of Revenue and Finance Administrative Rules and Regulations.
- 2022-M Urban Renewal Annual Report - The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- 2022-N Restricted Donor Activity - No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.