

Urbandale, Iowa
\$4,965,000* General Obligation Bonds, Series 2020A
(federal income tax exemption)
\$11,360,000* General Obligation Urban Renewal Bonds, Series 2020B
(federal and state of Iowa income tax exemption)

(FAST Closing)
(Book Entry Only)
(Parity Bidding Available)

DATE: Tuesday, April 7, 2020
TIME: 11:00 AM Central
PLACE: Office of the Finance Director
3600 86th Street
Urbandale, IA 50322
Telephone: (515) 278-3900

Moody's Rating: "Aa1"

* Preliminary, subject to change

PIPER | SANDLER

3900 Ingersoll Ave., Suite 110
Des Moines, IA 50312
515/247-2355

OFFICIAL BID FORM – SERIES 2020A

TO: City Council of Urbandale, Iowa (the "Issuer")

Re: \$4,965,000* General Obligation Bonds, Series 2020A dated the date of delivery, of the Issuer (the "Series 2020A Bonds")

For all or none of the above Series 2020A Bonds, in accordance with the notice of sale, we will pay you \$ _____ for the Series 2020A Bonds bearing interest rates and maturing on June 1 in each of the stated years as follows:

<u>Coupon</u>	<u>Yield</u>	<u>Due June 1st</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due June 1st</u>
_____	_____	2021	_____	_____	2026
_____	_____	2022	_____	_____	2027
_____	_____	2023	_____	_____	2028
_____	_____	2024	_____	_____	2029
_____	_____	2025	_____	_____	2030

_____ We hereby elect to have the following issued as term bonds:

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____

Subject to mandatory redemption requirement in the amounts and at the times shown above

_____ We will not elect to have any bonds issued as term bonds

We represent that we are a bidder with established industry reputation for underwriting new issuances of municipal bonds.

This bid is for prompt acceptance and for delivery of said Series 2020A Bonds to use in compliance with the Official Terms of Offering, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

In order to permit bidders for the Series 2020A Bonds and other participating underwriters in the primary offering of the Series 2020A Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Series 2020A Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:\$ _____ TRUE INTEREST RATE _____ %
(Computed from the dated date)

Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the City Council of Urbandale, in the counties of Polk and Dallas, State of Iowa, this 7th day of April, 2020.

ATTEST:

City Clerk

Mayor

* Preliminary, subject to change

OFFICIAL BID FORM – SERIES 2020B

TO: City Council of Urbandale, Iowa (the "Issuer")

Re: \$11,360,000* General Obligation Urban Renewal Bonds, Series 2020B dated the date of delivery, of the Issuer (the "Series 2020B Bonds")

For all or none of the above Series 2020B Bonds, in accordance with the notice of sale, we will pay you \$ _____ for the Series 2020B Bonds bearing interest rates and maturing on June 1 in each of the stated years as follows:

<u>Coupon</u>	<u>Yield</u>	<u>Due June 1st</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due June 1st</u>
_____	_____	2021	_____	_____	2026
_____	_____	2022	_____	_____	2027
_____	_____	2023	_____	_____	2028
_____	_____	2024	_____	_____	2029
_____	_____	2025	_____	_____	2030

_____ We hereby elect to have the following issued as term bonds:

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____

Subject to mandatory redemption requirement in the amounts and at the times shown above

_____ We will not elect to have any bonds issued as term bonds

We represent that we are a bidder with established industry reputation for underwriting new issuances of municipal bonds.

This bid is for prompt acceptance and for delivery of said Series 2020B Bonds to use in compliance with the Official Terms of Offering, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

In order to permit bidders for the Series 2020B Bonds and other participating underwriters in the primary offering of the Series 2020B Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Series 2020B Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:\$ _____ TRUE INTEREST RATE _____ %
(Computed from the dated date)

Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the City Council of Urbandale, in the counties of Polk and Dallas, State of Iowa, this 7th day of April, 2020.

ATTEST: _____
City Clerk

Mayor

* Preliminary, subject to change

NOTICE OF BOND SALE

Time and Place of Sealed Bids: Bids for the sale of Bonds of the City of Urbandale, State of Iowa, hereafter described, must be received at the office of the City Manager, City Hall, 3600 - 86th Street, Urbandale, Iowa 50322; Telephone: 515-278-3900 (the "Issuer") before 11:00 A.M., on the 7th day of April, 2020. The bids will then be publicly opened and referred for action to the meeting of the City Council in conformity with the TERMS OF OFFERING.

The Bonds: The Bonds to be offered are the following:

GENERAL OBLIGATION BONDS, SERIES 2020A, in the amount of \$4,965,000*, to be dated May 6, 2020

GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2020B, in the amount of \$11,360,000*, to be dated May 6, 2020

(collectively the "Bonds")

*Subject to principal adjustment pursuant to official Terms of Offering.

Manner of Bidding: Open bids will not be received. Bids will be received in any of the following methods:

- Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Finance Director at City Hall, 3600 - 86th Street, Urbandale, Iowa 50322.
- Electronic Internet Bidding: Electronic internet bids will be received at the office of the Finance Director at City Hall, 3600 - 86th Street, Urbandale, Iowa 50322. The bids must be submitted through the PARITY® competitive bidding system.

Consideration of Bids: After the time for receipt of bids has passed, the close of sealed bids will be announced. Sealed bids will then be publicly opened and announced. Finally, electronic internet bids will be accessed and announced.

Sale and Award: The sale and award of the Bonds will be held at the Council Chambers, City Hall, 3600 - 86th Street, Urbandale, Iowa at a meeting of the City Council on the above date at 6:00 P.M.

Official Statement: The Issuer has issued an Official Statement of information pertaining to the Bonds to be offered, including a statement of the Terms of Offering and an Official Bid Form, which is incorporated by reference as a part of this notice. The Official Statement may be obtained by request addressed to the City Clerk, City Hall, 3600 - 86th Street, Urbandale, Iowa 50322; Telephone: 515-278-3900 or the Issuer's Financial Advisor, Piper Sandler & Co., 3900 Ingersoll Ave, Suite 110, Des Moines, Iowa, 50312, Telephone: 515-247-2355.

Terms of Offering: All bids shall be in conformity with and the sale shall be in accordance with the Terms of Offering as set forth in the Official Statement.

Legal Opinion: The Bonds will be sold subject to the opinion of Ahlers & Cooney, P.C., Attorneys of Des Moines, Iowa, as to the legality and their opinion will be furnished together with the printed Bonds without cost to the purchaser and all bids will be so conditioned. Except to the extent necessary to issue their opinion as to the legality of the Bonds, the attorneys will not examine or review or express any opinion with respect to the accuracy or completeness of documents, materials or statements made or furnished in connection with the sale, issuance or marketing of the Bonds.

Rights Reserved: The right is reserved to reject any or all bids, and to waive any irregularities as deemed to be in the best interests of the public.

By order of the City Council of the City of Urbandale, State of Iowa.

City Clerk, City of Urbandale, State of Iowa

OFFICIAL TERMS OF OFFERING

This section sets forth the description of certain terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Bonds. The Bonds to be offered are the following:

GENERAL OBLIGATION BONDS, Series 2020A in the principal amount of \$4,965,000* dated the Date of Delivery in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front page of the official statement

And

GENERAL OBLIGATION URBAN RENEWAL BONDS, Series 2020B in the principal amount of \$11,360,000* dated the Date of Delivery in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front page of the official statement

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of the Bonds is subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the Issuer. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering yield and Initial Reoffering price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer).

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's financial advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule. Final adjustments shall be in the sole discretion of the Issuer.

The Successful Bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Optional Redemption: The Bonds maturing in the years 2027-2030, may be called for redemption by the Issuer and paid before maturity beginning June 1, 2026 or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on the Bonds will be payable on December 1, 2020 and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Book Entry System: The Bonds will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$49,650 for the Series 2020A Bonds, payable to the order of the Issuer, is required for each bid to be considered. A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$113,600 for the Series 2020B Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Financial Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by facsimile and email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 99% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified herein. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Confidential information sent via secured portal: All confidential information exchanged between the Issuer and the Purchaser (including but not limited to closing details and good faith wire details) must be sent via a secure portal. As a condition to closing, the winning bidder will cooperate with the Issuer, its legal counsel and its financial advisor to ensure that all confidential information is sent via a secure portal.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Finance Director, 3600 86th Street, Urbandale, IA 50322.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Rates of Interest: The rates of interest specified in the bidder's proposal must conform to the limitations following:

All Bonds of each annual maturity must bear the same interest rate.

Rates of interest bid may be in multiples of 1/8th, 1/20th or 1/100th of 1%.

Establishment Of Issue Price: In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986 (the "Code"), as amended, and the Treasury Regulations promulgated thereunder, the Purchaser for each Series will be required to assist the Issuer in establishing the issue price of the Bonds and shall complete, execute, and deliver to the Issuer prior to the closing date, a written certification in a form acceptable to the Issuer and Bond Counsel (the "Issue Price Certificate") in substantially the form attached hereto as Appendix E containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (i) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) pricing wires or equivalent communications supporting such offering or sale price. Any documentation to be received by the Issuer pursuant hereto may be received on behalf of the Issuer by the Financial Advisor.

The Issuer intends that the sale of the Bonds pursuant to this Official Terms of Offering shall constitute a "competitive sale" as defined in the Regulation based on the following:

- (i) the Financial Advisor shall cause this Official Terms of Offering to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the Issuer anticipates awarding the sale of the Bonds to the bidder who provides a bid with the lowest true interest cost (TIC), as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. The Purchaser shall constitute an "underwriter" as said term is defined in the Regulation. By submitting its bid, the bidder confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a "competitive sale" are not satisfied, the Issuer shall advise the Underwriter of such fact prior to the time of award of the sale of the Bonds to the Underwriter. In such event, any bid submitted will not be subject to cancellation or withdrawal. Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Underwriter shall advise the Issuer and its Financial Advisor if a "substantial amount" (as defined in the Regulation) of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the "issue price" for such maturity, applied on a maturity-by-maturity basis. The Issuer will not require the Underwriter to comply with that portion of the Regulation commonly described as the "hold-the-offering-price" requirement for the remaining maturities, but the Underwriter may elect such option. If the Underwriter exercises such option, the Underwriter shall notify the Financial Advisor, and the Issuer will apply the initial offering price to the public provided in the Underwriter's bid as the issue price for such maturities. If the Underwriter does not exercise that option, it shall thereafter promptly provide the Issuer and the Financial Advisor the prices at which a substantial amount of such maturities are sold to the public; provided such determination shall be made and the Issuer and Financial Advisor notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

Delivery: The Bonds will be delivered to the Purchaser via FAST delivery with the Paying Agent holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within sixty days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw its bid and thereafter its interest in and liability for the Bonds will cease. (When the Bonds are ready for delivery, the Issuer may give the successful bidder five working days' notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Issuer, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide to the senior managing underwriter of the syndicate to which the Bonds are awarded one (1) pdf of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the Bonds. In no event will the Issuer be responsible for or Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Bonds shall not be cause for the purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

Responsibility of Bidder: It is the responsibility of the bidder to deliver its signed, completed bid prior to the time of sale as posted on the front cover of the official statement. Neither the Issuer nor its Financial Advisor will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

See the Official Statement section titled "**CONTINUING DISCLOSURE**" for details regarding the Issuer's compliance with past undertakings.

Bond Insurance: Application has not been made for municipal bond insurance. Should the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance on the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Issuer has requested and received a rating on the Bonds

from a municipal bond rating service, the Issuer will pay that rating fee. Any other rating service fees shall be the responsibility of the Purchaser.

Requested modifications to the Issuance Resolution or other issuance documents shall be accommodated by the Issuer at its sole discretion. In no event will modifications be made regarding the investment of funds created under the Issuance Resolution or other issuance documents without prior Issuer consent, in its sole discretion. Either the purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that require a material event notice filing by the Issuer, the purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 27, 2020

NEW ISSUE - DTC BOOK ENTRY ONLY

Moody's Rating: "Aa1"

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2020A Bonds is NOT exempt from present state of Iowa income taxes. Interest on the Series 2020B Bonds is exempt from present State of Iowa income taxes to the extent described herein. The Bonds will NOT be designated as "qualified tax-exempt obligations." See "TAX MATTERS" herein for more detailed discussion of tax implications.

Urbandale, Iowa
\$4,965,000* General Obligation Bonds, Series 2020A

(Federal income tax exempt)

\$11,360,000* General Obligation Urban Renewal Bonds, Series 2020B

(Federal and State of Iowa income tax exempt)

Dated: Date of Delivery

The General Obligation Bonds, Series 2020A (the "Series 2020A Bonds") and the General Obligation Urban Renewal Bonds, Series 2020B (the "Series 2020B Bonds") described above (collectively, the "Bonds") are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in year, beginning December 1, 2020 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing in the years 2027-2030 may be called for redemption by the Issuer and paid before maturity beginning June 1, 2026 or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE – see next page

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney P.C. Des Moines, Iowa, Bond Counsel. Ahlers & Cooney P.C. is also serving as Disclosure Counsel for the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery on or about May 6, 2020. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is _____, 2020

* Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Maturity Schedule*

Series 2020A

<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2021	\$1,445,000			917202 2M4	June 1, 2026	\$405,000			917202 2S1
June 1, 2022	405,000			917202 2N2	June 1, 2027	405,000			917202 2T9
June 1, 2023	405,000			917202 2P7	June 1, 2028	405,000			917202 2U6
June 1, 2024	405,000			917202 2Q5	June 1, 2029	405,000			917202 2V4
June 1, 2025	405,000			917202 2R3	June 1, 2030	280,000			917202 2W2

\$ Term bond due June 1 Price to yield CUSIP Num**

Series 2020B

<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>	<u>Bonds Due</u>	<u>Amount *</u>	<u>Rate *</u>	<u>Yield *</u>	<u>Cusip Num.**</u>
June 1, 2021	\$990,000			917202 2X0	June 1, 2026	\$1,145,000			917202 3C5
June 1, 2022	1,025,000			917202 2Y8	June 1, 2027	1,185,000			917202 3D3
June 1, 2023	1,050,000			917202 2Z5	June 1, 2028	1,220,000			917202 3E1
June 1, 2024	1,085,000			917202 3A9	June 1, 2029	1,255,000			917202 3F8
June 1, 2025	1,115,000			917202 3B7	June 1, 2030	1,290,000			917202 3G6

\$ Term bond due June 1 Price to yield CUSIP Num**

* Preliminary, subject to change

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT
URBANDALE, IOWA
\$4,965,000* GENERAL OBLIGATION BONDS, SERIES 2020A
\$11,360,000* GENERAL OBLIGATION URBAN RENEWAL BONDS, SERIES 2020B

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the City of Urbandale, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation Bonds, Series 2020A (the “Series 2020A Bonds”) and General Obligation Urban Renewal Bonds, Series 2020B (the “Series 2020B Bonds”) (collectively the “Bonds”). The Series 2020A Bonds are being issued to provide funds for i) capital improvement projects, and ii) paying the costs associated with the issuance of the Series 2020A Bonds. The Series 2020B Bonds are being issued to provide funds for i) to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the Downtown Urbandale Neighborhood Urban Renewal Area and the Northwest Market Center Urban Renewal Area, and ii) paying the costs associated with the issuance of the Series 2020B Bonds. See “**SOURCES AND USES OF FUNDS**” herein.

This Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all of the taxable property located within the corporate limits of the Issuer. See “**THE BONDS – Source of Security for the Bonds**” herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE BONDS

General

The Bonds are dated as of the date of delivery, and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2020 for the Bonds, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Series 2020A Bonds are being issued pursuant to the Code of Iowa, 2019 as amended, Sections 384.25, 384.26, and 384.28. The Series 2020B Bonds are issued pursuant to Iowa Code Section 384.25 and chapter 403.

Book Entry Only System

The following information concerning The Depository Trust Company (“DTC”), New York, New York and DTC’s book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

* preliminary, subject to change

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

Prepayment

Optional Prepayment. The Series 2020A Bonds and Series 2020B Bonds maturing after June 1, 2026, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Mandatory Sinking Fund Redemption. The Bonds maturing on _____ are subject to mandatory redemption (by lot, as selected by the Registrar) on ____ 1 and _____ in each of the years _____ through _____ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

____ Term Bond

<u>Mandatory Sinking Fund Date</u>	<u>Principal Amount</u>
(maturity)	\$

Selection of Bonds for Redemption. Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of a maturity is called for redemption, the Issuer will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Resolution(s), the Bond Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof.

On the dates so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, and moneys for payment of the redemption price being held by the Issuer or an Escrow Agent, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds so called for redemption shall cease to accrue; such Bonds shall cease to be entitled to any benefit hereunder, and the Bond Holders shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Bonds which have been duly called for redemption, with respect to which irrevocable instructions to call for redemption at a stated redemption have been given to the Registrar, and moneys for the payment the face amount thereof, premium, if any, and interest on are held in separate accounts by the Registrar in trust for Bondholders shall not thereafter be deemed to be outstanding under the provisions of the Resolution, other than be entitled to receive payment from such sources.

Source of Security for the Bonds

These Bonds are general obligations of the Issuer. Subject only to constitutional limitations as to aggregate amount (discussed more fully in the “Debt Limit” section herein), all taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without limitation as to amount.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Nothing in the resolutions authorizing the Bonds prohibits or limits the ability of the Issuer to use legally available moneys other than the proceeds of the general ad valorem property taxes levied as described in the preceding paragraph to pay all or any portion of the principal of or interest on the Bonds. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Bonds, the Issuer may, but shall not be required to, (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Bonds.

The Issuer’s obligation to pay the principal of and interest on the Bonds is on a parity with the Issuer’s obligation to pay the principal of and interest on any other of its general obligation debt secured by a covenant to levy taxes within the Issuer, including any such debt issued or incurred after the issuance of the Bonds. The resolutions authorizing the Bonds does not restrict the Issuer’s ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Bonds. For a further description of the Issuer’s outstanding general obligation debt upon issuance of the Bonds and the annual debt service on the Bonds, see “DIRECT DEBT” herein. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see “DEBT LIMIT” herein.

BONDHOLDERS’ RISKS

An investment in the Bonds is subject to certain risks. No person should purchase the Bonds unless such person understands the risks described below and is willing to bear those risks. There may be other risks not listed below which may adversely affect the value of the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Preliminary Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment. The factors described below, along with other matters, may affect the ability of the Issuer to pay the Bonds when due.

Financial Condition of the Issuer from time to time

No representation is made as to the future financial condition of the Issuer. Certain risks discussed herein could adversely affect the financial condition and or operations of the Issuer in the future. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “THE BONDS - Source of Security for the Bonds’ herein.

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad valorem tax levied against all of the taxable property located within the corporate limits of the Issuer. See “THE BONDS - Source of Security For The Bonds” herein for more details.

As part of the budgetary process each fiscal year, the Issuer will have an obligation to impose a debt service levy against all of the taxable property within the corporate limits of the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution authorizing the Bonds) may have to be enforced from year to year.

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Such alterations could adversely affect the Issuer’s financial condition. Historically, changes to property tax calculations and impositions are imposed on a prospective basis. However, there is no assurance future changes to property taxation by the Iowa General Assembly will not be applied

retroactively. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the Issuer's financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the "THE BONDS - Source of Security for the Bonds" herein.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or notes issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF USCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa1" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

In the future, the imposition of additional regulations on rating agencies could materially alter the methodology, rating levels, and types of ratings available, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

Tax Matters and Loss of Tax Exemption

As discussed under the heading "TAX MATTERS" herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the Issuer in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of legislation being enacted cannot be reliably predicted.

It is also possible that actions of the Issuer after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

It is possible that beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See “THE BONDS – Book-Entry Only System.”

Pending Federal Tax Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals pending in Congress that could, if enacted, alter or amend one or more of the federal (or state) tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Redemption Prior to Maturity

In considering whether to make an investment in the Bonds it should be noted that the Bonds are subject to optional redemption, as outlined herein, without Bondholder discretion or consent. See “THE BONDS – Prepayment” herein.

Federal Funds Orders, and State Funds Legislation

Various federal executive orders, and a law (SF 481) enacted in Iowa and effective July 1, 2018 (collectively “ICE Enforcement Initiatives”), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the Issuer’s overall financial position and may affect its rating. However, the Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the Issuer, and are not secured by state or federal funds. See “THE BONDS - Source of Security for the Bonds” herein.

Cybersecurity

The Issuer, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the Issuer’s operations and financial condition. The City is a member of Westcom for police, fire and public safety communications along with the communities of Clive, Norwalk, Waukee and West Des Moines, Iowa. The public safety dispatch facility for Westcom is located in West Des Moines. In December 2019, the City of West Des Moines was the subject of a malicious attempt to disrupt operations. The network was immediately shut down and an investigation into the cyber attack is on-going. Public safety services (Police, Fire, Emergency Medical Services and Westcom 911 dispatch) were operational after the attack. No City files or data was compromised as a result of the cyber attack on Westcom .

The Issuer has a \$1 million cyber-insurance policy. The Issuer cannot predict whether this policy will be sufficient in the event of a cyberattack. However the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “THE BONDS - Source of Security for the Bonds” herein.

COVID-19

The outbreak of COVID-19, a respiratory illness caused by a new strain of coronavirus has affected the globe, including the State of Iowa and the City. Efforts to contain the virus from spreading have shuttered businesses in a way that may negatively impact economies. On March 17, 2020, Iowa Governor Kim Reynolds issued a State of Public Health Disaster Emergency. The Plan takes significant steps to require social distancing and limit community spread of the virus by implementing temporary measures including moving restaurants to drive-through, carry-out, and delivery only and closures of certain entities such as bars and recreational facilities. The proclamation also allows state agencies additional flexibility in responding to the unprecedented COVID-19 situation, and supports the critical work of public health. Additional emergency declarations have continued to close more businesses, resulting in higher than normal unemployment.

The City cannot predict whether continued spread of the disease will materially impact its financial condition or ability to provide essential services. The Bonds are general obligations of the City secured by an unlimited ad valorem property tax as described more fully in the

“THE BONDS – SOURCE OF SECURITY FOR THE BONDS” herein. However, an additional State Public Health Emergency Declaration issued on March 20, 2020 temporarily suspends the provisions that require the imposition of penalty and interest for delay in property tax payments and directs that no such penalty or interest may be imposed for the duration of the proclamation and any future extension of the suspension. The proclamation currently expires on April 16, 2020, at 11:59 p.m. It is impossible to predict whether the proclamation or an extension thereof would have a material effect on the City’s ability to collect property taxes necessary for the payment of principal and interest on the Bonds.

Pensions

Pursuant to GASB 68, the Issuer reported a liability of \$7,550,817 as of June 30, 2019 for its proportional share of the IPERS net pension liability. The new pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Issuer’s proportion of the net pension liability was based on the Issuer’s share of contributions to the IPERS pension plan relative to the contributions of all IPERS participating employers. At June 30, 2018, the Issuer’s collective proportion was .1193193%, which was an increase of .005142% from its proportion measured as of June 30, 2017. Additionally, the Issuer reported a liability of \$12,492,321 as of June 30, 2019 for its proportionate share of the net MFPRSI pension liability. The new pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2018, the City’s collective proportion was 2.098127% which was an increase of .070077% from its proportion measured as of June 30, 2017. See “PENSIONS” herein for more summary information related to the Issuer’s contributions, and “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER” for additional information related to the Issuer’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity. Changes to the Issuer’s pension contributions, or available sources to fund said contributions, may adversely affect the Issuer’s financial condition. However, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “THE BONDS - Source of Security for the Bonds” herein.

Continuing Disclosure

A failure by the Issuer to comply with continuing disclosure obligations (see “CONTINUING DISCLOSURE” herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Bankruptcy

The rights and remedies available to holders of the Bonds may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor’s rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the resolutions, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the Issuer fails to comply with its covenants under the resolutions or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Summary

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

LITIGATION

The City encounters litigation occasionally, in the ordinary course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been threatened that questions the validity of the Bonds or the City’s ability to meet its financial obligations with regard to the Bonds..

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as **APPENDIX D** to this Official Statement have been examined by Eide Bailly, LLP, Dubuque, IA, to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

The Series 2020A Bonds are being purchased, subject to certain conditions, by _____ (the "2020A Underwriter"). The 2020A Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2020A Bonds at an aggregate purchase price of \$_____ plus accrued interest to the Closing Date.

The Series 2020B Bonds are being purchased, subject to certain conditions, by _____ (the "2020B Underwriter"). The 2020B Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Series 2020B Bonds at an aggregate purchase price of \$_____ plus accrued interest to the Closing Date.

(the 2020A Underwriter and the 2020B Underwriter collectively the "Underwriters" and each an "Underwriter").

The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriters) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of each series of the Bonds may be changed, from time to time, by the applicable Underwriters.

The Underwriters intend to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriters are not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

THE PROJECT

The Series 2020A Bonds are being issued to provide funds for i) capital improvement projects, and ii) paying the costs associated with the issuance of the Series 2020A Bonds. The Series 2020B Bonds are being issued to provide funds for i) to pay the costs of aiding in the planning, undertaking and carrying out of urban renewal projects under the authority of Iowa Code chapter 403 and the Urban Renewal Plan for the Downtown Urbandale Neighborhood Urban Renewal Area and the Northwest Market Center Urban Renewal Area, and ii) paying the costs associated with the issuance of the Series 2020B Bonds.

CAPITAL PROJECTS

<u>(Project Amounts in 000's)</u>	<u>2020A CIP</u>	<u>2020B TIF</u>	<u>Total</u>
Douglas Avenue Beautification/Urbanization	2,420.0		2,420.0
Parks and Public Works Maintenance Satellite Facility: 170th Street and Waterford Road	699.9		699.9
Storm Water Drainage Improvements: Various Locations	500.0		500.0
Walnut Creek Regional Park: Parking Lot and Utilities	316.3		316.3
Murphy Park Restroom	305.0		305.0
Deer Ridge West Restroom	210.0		210.0
Walnut Creek Regional Park: Trail System - Interior Access	183.0		183.0
Jackaline Dunlap Park & Arboretum	132.5		132.5
ADA Pedestrian Access Route Transition Plan	100.0		100.0
Pickelball Court Construction @ Walker Johnston Park	100.0		100.0
Urbandale Public Arts Initiative	33.3		33.3
Walnut Creek Regional Park: Outdoor Community Space design - 152 & Mer.	30.0		30.0
Parks and Public Works Maintenance Facility: 9401 Hickman Road		10,000.0	10,000.0
86th Street Preservation - Phase 2		1,200.0	1,200.0
Hickman Sidewalk Reconstruction @ railroad viaduct		250.0	250.0
Aurora Avenue Railroad Crossing Replacement near 112th Street		100.0	100.0
112th Street and Meredith Drive		20.0	20.0
TOTALS	5,030.0	11,570.0	16,600.0

FUTURE FINANCING

The City doesn't anticipate additional Bond financing within the next 12 months

SOURCES AND USES OF FUNDS *

<u>Sources of Funds</u>	<u>Series 2020A</u>	<u>Series 2020B</u>	<u>Total</u>
Bond Proceeds	\$4,965,000.00	\$11,360,000.00	16,325,000.00
Cash Balance on Hand			
Reoffering Premium	TBD	TBD	TBD
Total Sources of Funds	TBD	TBD	TBD
<u>Uses of Funds</u>			
Project Funds	5,030,000.00	\$11,570,000.00	16,600,000.00
Estimated Costs of Issuance	TBD	TBD	TBD
Estimated Underwriter's Discount	TBD	TBD	TBD
Contingency	TBD	TBD	TBD
Total Uses of Funds	TBD	TBD	TBD

* Preliminary, subject to change

TAX MATTERS

Tax Exemptions and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the Bonds. These include investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and facilities financed with bond proceeds, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

The opinion of Bond Counsel will also state that the interest on the 2020B Bonds is exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, as amended, but will be included in "adjusted current earnings" to be used in computing the "state alternative minimum taxable income" of corporations for purposes of section 422.33 of the Code of Iowa, as amended. Interest on the Bonds is subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Chapter 422 of the Code of Iowa, as amended.

The 2020A Bonds are NOT exempt from State of Iowa income taxes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. The prospective purchaser of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

NOT-Qualified Tax-Exempt Obligations: The City will NOT designate Bonds as "qualified tax-exempt obligations" under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Tax Accounting Treatment of Discount and Premium Bonds: The initial public offering price of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of Discount Bonds (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of the Bonds (the “Premium Bonds”) may be greater than the amount of such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of Premium Bonds (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes a premium to the initial purchaser of such Premium Bonds. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Other Tax Advice: In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Bonds. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Bonds.

Audits: The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Withholdings: Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Legislation: Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Judicial interpretation of state or federal laws, rules or regulations may also affect the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Current and future legislative proposals, including some that carry retroactive effective dates, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. Recent proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals or clarification of the Code may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. The prospective purchaser of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion except as expressly set forth in APPENDIX B to this Preliminary Official Statement.

Enforcement: Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution authorizing issuance of the Bonds. There is no bond trustee or similar person to monitor or enforce the terms of the Resolution for issuance of the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution for the Bonds) may have to be enforced from year to year. The enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel’s opinion.

The obligation to pay general ad valorem property taxes is secured by a statutory lien upon the taxed property, but is not an obligation for which a property owner may be held personally liable in the event of a deficiency. The owners of the Bonds cannot foreclose on property within the boundaries of the City or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel’s opinion. The opinion to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and to the exercise of judicial discretion in appropriate cases.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution for the Bonds, including principal of and interest on the Bonds.

The Opinion: The opinion expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Bond Counsel's opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel's opinions is not binding on the Service. Bond Counsel assumes no obligation to update its opinions after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

FINANCIAL CONSULTANT

The Issuer has retained Piper Sandler & Co. as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the Official Statement. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, is summarized below under the caption "**APPENDIX C - Form of Continuing Disclosure Certificate**" herein for more information

Pursuant to the Rule, the Issuer notes the following in the last five years related to its prior Disclosure Covenants:

- The FY18 Annual Report was not timely filed for the Issuer's 2010A or 2010B issues (which are the only remaining issues with 180 day after close of fiscal year filing requirement). Disclosure Covenants entered into during calendar years 2011-2017 imposed a 210 day after close of fiscal year filing requirement, and Disclosure Covenants from 2018 on impose an April 15 filing deadline. Failure to file notices were posted for the 2010A and 2010B FY18 Annual Report filings on March 27, 2019.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

PREPARATION OF THE OFFICIAL STATEMENT

Bond Counsel has not participated in the preparation of this Official Statement other than to review or prepare information describing the terms of the Bonds, Iowa and Federal law pertinent to the validity of the Bonds, and the tax status of interest on the Bonds which can be found generally under the sections "The Bonds", "The Project", and "Tax Matters". Additionally, Bond Counsel has provided its form of bond opinions and Issuer's continuing disclosure certificate, found in Appendices B and C. Ahlers & Cooney PC is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds.

All other information contained in this Official Statement has been obtained by (or on behalf of) the City from sources which the City considers to be reliable but it makes no warranty, guaranty, or other representation with respect to the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed.

I have reviewed the information contained within the Official Statement of Urbandale, Iowa, and said Official Statement does not contain any material misstatements of fact nor omissions of any material fact regarding the issue of \$4,965,000* General Obligation Bonds, Series 2020A and \$11,360,000* General Obligation Urban Renewal Bonds, Series 2020B of said Issuer to be issued under date of delivery.

URBANDALE, IOWA

/s/ Nicole Lamb
Finance Director

* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER

URBANDALE, IOWA

City Officials

MAYOR:	Robert Andeweg
COUNCIL MEMBERS:	Matt Blake Bridget Carberry Montgomery Adam Obrecht Ron Pogge David Russell
CITY MANAGER:	AJ Johnson
FINANCE DIRECTOR:	Nicole Lamb
CITY CLERK:	Nicole Lunders
CITY ATTORNEY:	Robert Laden Esq.

CONSULTANTS

BOND & DISCLOSURE COUNSEL:	Ahlers & Cooney PC Des Moines, Iowa
FINANCIAL ADVISOR:	Piper Sandler & Co. Des Moines, Iowa
REGISTRAR & PAYING AGENT:	UMB Bank, n.a. Kansas City, Missouri

General Information

The City of Urbandale is located in Polk and Dallas Counties, with the east corporate line of the City being the northwestern corporate line of the City of Des Moines. The City was incorporated in 1917 and for many years thereafter was a small suburban residential community, with a population of only 1,777 in 1950. Urbandale has been one of Iowa's fastest growing communities since the late 1950's. Its 2015 Special Census population is 42,449. The corporate limits of the City is 22.87 square miles, containing some of the finest residential and light industrial development in the Des Moines metropolitan area. Sufficient land is available to support growth to a population of approximately 69,000 persons. In 1981, Urbandale adopted nationally recognized "Fiscal Performance Goals" designed to guide the City's financial management practices and also became one of the first, if not the first, municipality in Iowa to adopt a detailed multi-year budget format.

Government

The City of Urbandale is governed under a Council-Manager form of government. The Mayor and five Council Members are elected to four-year terms with the Mayor's and two Council Members' terms expiring at the same time. The remaining three Council Members' terms expire two years later, thus ensuring continuity of experienced members. The City Manager is appointed by the Council and serves at its pleasure. The City Manager is in charge of the administration of the City Government.

Parks and Recreation

The City owns and operates a significant park system with 55 park areas, 34 playgrounds, and approximately 1,000 acres of park ground. The parks provide residents of all ages with a wide variety of facilities to engage in passive and active recreational activities, including baseball and softball diamonds, Miracle League Field, tennis/pickleball courts, playgrounds, picnic equipment, shelter houses, skateboard park, soccer fields and 48 miles of off street bike/walking paths.

In 2019, the City completed a Parks, Recreation and Open Space Master Plan which provides for the expansion and development of Urbandale's park system and recreational facilities. The City acquired 200 acres of a planned 224 total acre Walnut Creek Regional Park in the western part of the City. The Master Plan for the regional park was approved by the City Council in November 2006, and includes all of the proposed trails, facilities, and park amenities to be constructed in the park during the next 10+ years.

The recreation programs offered through the Parks and Recreation Department provide enrichment and quality of life opportunities for people of all ages. Preschoolers to senior citizens are offered a wide variety of leisure programs to meet their social, recreational, educational, and fitness needs. Each year over 6,500 people participate in the recreation programs, over 65,600 at the indoor public swimming pool and over 42,000 take advantage of the senior citizen programming.

Planning and Zoning

The City's government has for many years controlled the development of the City by the adoption of a Comprehensive Plan and Zoning Ordinance ("The Plan"). The Plan is administered by a Planning and Zoning Commission whose nine members are appointed by the Mayor and affirmed by the Council. The Plan was updated in 1988 by Camiros Ltd., a Chicago-based planning consultant, and was again updated in 2003 and partially updated in 2006 through a market study prepared by Camiros, Ltd. for the properties lying along the Interstate. The study evaluated the impacts of the Jordan Creek development and other regional and national trends to determine whether any of the City's economic development goals and policies should be altered. As adopted, the study affirmed most of the City's existing Plan, with the exception of allowing additional zoning for regional retail in the vicinity of the Highway 141 interchange.

In 2015, a subcommittee, appointed by the Mayor, reviewed The Plan to determine if any updates were appropriate. The subcommittee affirmed most of the City's existing Plan, but did designate the opportunity for additional retail land uses in the vicinity of the new 100th Street interchange.

Community Development Department

Under the direction of several full-time experienced planners, the Community Development Department administers programming for the controlled development of the area, including long range planning, development project review, permit administration, and Code Enforcement.

Economic Development

The Economic Development Department was formed in April 2013 and is comprised of two full-time staff. The Mayor appoints twelve members of the City of Urbandale Economic Development Advisory Board (EDAB) that represent key perspectives related to Urbandale's economic development. The EDAB created an Economic Development Plan which the City Council originally approved in March 2014, with revisions in November 2015 and June 2018. Staff is implementing that plan with the ultimate goal of increasing investment and employment in the community. The plan has defined actions in five major areas: existing business; investment attraction; competitive

policies; workforce development; and creating/maintaining a high performance economic development organization. The economic development department markets the “Urban Loop,” a geography anchored by Interstate 35/80 and comprising the main interstate-served commercial development areas in Urbandale. Since the launch of the Urban Loop brand in late 2017, at least twenty-four commercial investment projects have been announced, commenced or completed in the area.

Engineering and Public Works Department

The City operates a complete Engineering and Public Works Department with 45 employees headed by a registered engineer. The Engineering Division has three additional registered engineers, a GIS Coordinator, a Storm Water Technician and seven Engineering Technicians. This group is responsible for review of all plans and specification for public infrastructure and also inspects public infrastructure when it is being installed. This group also keeps the City’s GIS infrastructure current. The Public Works Division is responsible for the maintenance of all public infrastructure, which includes sanitary sewer, storm sewer, streets, street lighting and traffic signals. This division also provides Solid Waste and Yard Waste collection for all residential properties in Urbandale. Water distribution is provided and maintained by the Urbandale Water Utility. The Urbandale Sanitary Sewer District and Urbandale-Windsor Heights Sanitary District provide sanitary sewer service, with sanitary wastes treated in the Des Moines Treatment facility.

The engineering staff works closely with the Community Development Department, the City Manager, Capital Improvement Committee (a group of community leaders appointed by the Mayor and Council), and Finance Director to annually update and develop a long-term capital improvement program for the City.

Library

The City’s current library was completed in 2000, and is located at 86th Street and Douglas Avenue. Private donations brought the total project cost to approximately \$9.1 million. The 55,000 square foot building, which underwent renovation in 2015, contains a 700 square foot children’s reading area, 10 meeting, conference, and study rooms, a digital media lab, an art gallery, a 10,278 square foot adult collection space and 4,540 square foot of youth collection space. The library is managed and controlled by a Board of Trustees consisting of seven members appointed by the Mayor with the approval of the Council. The library currently has over 220,000 items, 48 computers available for public use, and the annual circulation is approximately 669,000.

Public Safety

Public safety is secured by an excellent Police Department consisting of 53 full-time police officers, nine civilian support staff, eight police reserve volunteers, and three volunteer police chaplains. The department has modern communication equipment and operates thirteen marked patrol cars and eighteen unmarked cars. The police station was constructed in 1982. Expansions of the facility in 2008 effectively doubled the square footage of the station as well as remodeled the older section of the building to match the new addition. The Urbandale Police Department continues to be a leader in integrating new technologies into the law enforcement workforce. In February 2010, the police department converted to an electronic case management system that includes an integrated booking system (Live Scan). U.P.D. also received special acknowledgement from the Iowa Ombudsman’s Office for their efforts in advancing a model policy pertaining to “Iowa Open Records.” In November 2013, the department achieved national accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA) and was reaccredited in November 2016. In 2014, the City’s analog emergency services radio system partnership, WestCom, converted to a P-25 compliant digital system. In 2017, the department and its WESTCOM partners purchased a new records management and computer aided dispatching system.

The City of Urbandale is currently participating with the Cities of Clive, West Des Moines, Waukee, and Norwalk in the operation of a joint dispatch center and shared radio system called WestCom. WestCom provides improved service as the communities continue to grow. The five cities entered into an intergovernmental agreement to jointly manage and fund the dispatch center. In addition, Urbandale, West Des Moines and Clive have been instrumental in a collaboration of resources for the Suburban emergency response team (SERT). This special tactical response unit has eight agencies participating including the police departments of Altoona, Ankeny, Johnston, Waukee, and the Dallas County Sheriff’s Office.

The department works in partnership with other police and sheriff departments to investigate illegal drug trafficking. The Mid Iowa Narcotics Enforcement (MINE) Task Force has established itself as the premier drug task force in Iowa. Comprised of 18 agencies, MINE works illegal drug investigations at the federal, state, and local level. The Urbandale Police Department has been part of this collaborative effort since the inception of MINE in 2002.

The City of Urbandale also participates in WESTPET Animal Control with the cities of Clive and West Des Moines, in which the City of West Des Moines provides animal control for the three cities. A private contractor has been approved through a 28E agreement to provide sheltering and adoption services for the animal control operations. WESTPET has become a template for efficient, collaborative animal control services.

The City is served with a full service Fire Department that provides fire and rescue services including emergency medical services (EMS). As part of EMS services, the department does provide advanced life support ambulance transport services. The department is staffed with

full-time personnel and does utilize cadre of part-time staffing. The department staffs two stations and when all positions are filled, deployment is six personnel at both stations on a 24-hour basis staffing both a fire apparatus and an ambulance at both stations. In 1997, Fire station #42, a three bay 12,500 square foot fire station located west of I-80/35 was completed to enhance the public safety within the community. In FY09-10, the department completed a fire training facility at the Station 42 site, which is a shared training resource with two other neighboring communities. In FY10-11, the facilities at Station 41 were renovated to accommodate 24 hour staffing of that station. The facility at Station 42 was renovated in FY14-15 to enhance 24 hour operations. The City conducted a referendum in November of 2017 which approved a third fire station to provide better service coverage to the City’s western side. Construction of Station 43 is underway and it is anticipated that the station will open in early 2020. When opened, the new station will house a fire apparatus and an ambulance staffed with six personnel per day serving the western portions of both the City of Clive and Urbandale. The City of Urbandale currently enjoys an ISO fire insurance rating of 2/2x.

Utilities

The following utilities operate within Urbandale providing the services indicated:

Electric/Natural Gas:	MidAmerican Energy
Telephone:	Century Link
Water:	Urbandale Water Department ¹
Sanitary Waste:	Urbandale Sanitary Sewer District and Urbandale-Windsor Heights Sanitary District
Telegraph:	Western Union
Express:	Railway Express

Source: City of Urbandale

¹ Previously introduced legislation in the Iowa Legislature that would have placed water utility boards under the direct oversight of their respective cities is no longer under consideration. However, there continues to be significant discussion throughout the greater Des Moines metropolitan area on the establishment of a regional water utility. The Urbandale Water Utility is reviewing several options concerning a regional approach. Regardless of the outcome of that review and subsequent action by the utility, outstanding Water Utility obligations necessarily remain secured solely and only by the Net Revenue of the Water Utility, and would not constitute an indebtedness of the City, nor would be payable by taxation or any other funds of the City in the event Net Revenue proved insufficient. The City (through the Water Utility) has covenanted to set, impose and adjust rates and charges sufficient to create revenues necessary to maintain and operate the system, and provide a balance to pay principal and interest on outstanding revenue obligations.

Pensions

The City participates in two public pension systems, Iowa Public Employees’ Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Summary descriptions of each Plan follow, for more detail as to each available see “APPENDIX D- AUDITED FINANCIAL STATEMENTS OF THE ISSUER”

IPERS Plan Description. IPERS membership is mandatory for employees of the City. City employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. A City employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If a City employee retires before normal retirement age, the employees’ monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to City employees and benefits to the employees’ beneficiaries upon the death of the eligible employee.

IPERS Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the City and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2019 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2019, pursuant to the IPERS’ required rate, the City’s employees contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%. The City’s contributions to IPERS for the year ended June 30, 2019 were \$886,237, which amount is not less than its actuarially determined calculated annual actuarial valuation. For fiscal year 2020, the employee contribution will be 6.29% and

the City contribution rate of 9.44% for a total rate of 15.73%. The City has currently budgeted a contribution of \$947,995 to IPERS for the year ended June 30, 2020. The City's share of the contribution, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the City and its employees to IPERS for the period indicated. The City cannot predict the levels of funding that will be required in the future.

City and Its Employees Contributions to IPERS

<u>Fiscal Year</u>	<u>Amount Contributed</u>	<u>City Contribution % of Covered Payroll</u>	<u>City Employees' Contribution % of Covered Payroll</u>
2019	\$886,237	9.44%	6.29%
2018	818,824	8.93	5.95
2017	776,981	8.93	5.95
2016	743,667	8.93	5.95
2015	686,035	8.93	5.95

Source: The Issuer

The City cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2019 through, and including, 2015 (collectively, the "IPERS CAFRs (2015-2019)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2015-2019)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Funding Status of IPERS (Dollars in thousands)

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u> {a}	<u>Market Value of Assets</u> {b}	<u>Actuarial Accrued Liability</u> {c}	<u>Unfunded Actuarial Accrued Liability (Actuarial Value)</u> {c}-{a}	<u>Funded Ratio (Actuarial Value)</u> {a}/{c}	<u>Unfunded Actuarial Accrued Liability (Market Value)</u> {c}-{b}	<u>Funded Ratio (Market Value)</u> {b}/{c}	<u>Covered Payroll</u> {d}	<u>UAAL as a Percentage of Covered Payroll (Actuarial Value)</u> {[c-a]}/{[d]}
2019	33,324,327,606	34,010,680,731	39,801,338,797	6,477,011,191	83.73	5,790,658,066	85.45	8,151,043,468	79.46
2018	31,827,755,864	32,314,588,595	38,642,833,653	6,815,077,789	82.39	6,328,245,058	83.62	7,983,219,527	85.37
2017	30,472,423,914	30,779,116,326	37,440,382,029	6,967,958,115	81.39	6,661,265,703	82.21	7,863,160,443	88.62
2016	29,033,696,587	28,326,433,656	34,619,749,147	5,586,052,560	83.86	6,293,315,491	81.82	7,556,515,720	73.92
2015	27,915,379,103	28,439,834,829	33,370,318,731	5,454,939,628	83.65	4,940,483,902	85.19	7,326,348,141	74.46

SOURCE: IPERS Actuarial Reports

* For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year noted herein, see IPERS CAFRs.

According to IPERS, the market value investment return on program assets is as follows:

<u>Fiscal Year Ended June 30</u>	<u>Investment Return %</u>
2015	3.96
2016	2.15
2017	11.70
2018	7.97
2019	8.35

The IPERS Reports outline the assumptions made in the above valuations.

See “APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER” for additional information on IPERS.

Net IPERS Pension Liabilities.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The City was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2019, the City reported a liability of \$7,550,817 for its proportional share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2018, the City’s collective proportion was 0.1193193%, which was an increase of 0.005142% from its proportion measured as of June 30, 2017. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER – NOTE 6 – Iowa Public Employees Retirement System (IPERS)**” for additional information related to the City’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

Detailed information about the IPERS pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or on IPERS’ website at www.ipers.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Defined Benefit Pension Plan - Municipal Fire and Police Retirement System of Iowa

The Municipal Fire and Police Retirement System of Iowa (MFPRSI), established pursuant to Chapter 411.35 of the Code of Iowa and the administrative rules thereunder, is the administrator of a multiple-employer, cost sharing, defined benefit pension plan for the exclusive benefit of eligible employees of participating cities (substantially all full-time employees of the respective fire and police departments). It is governed by a nine-member board of trustees who are elected by the employers and participants of MFPRSI. The City’s responsibility is limited to payment of contributions.

Member contribution rates are established by State statute. For the fiscal year ending June 30, 2019, members contributed 9.40% of earnable compensation, and that rate remains the same for fiscal year 2020/21.

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 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer’s contribution rate cannot be less than 17.00% of earnable compensation.

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

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

The contribution paid by the City for the fiscal year ended June 30, 2019 totaled \$1,718,369, which represents 26.02% of earnable compensation. For fiscal year beginning July 1, 2019, the City’s contribution will be 24.41% of the earnable compensation of each member. The City has currently budgeted a contribution of \$1,864,332 to MFPRSI for the year ended June 30, 2020.

Net MFPRSI Pension Liabilities – At June 30, 2019, the City reported a liability of \$12,492,321 for its proportionate share of the net MFPRSI pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net MFPRSI pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net MFPRSI pension liability was based on the City’s share of contributions to the MFPRSI pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2018, the City’s collective proportion was 2.098127% which was an increase of .070077% from its proportion measured as of June 30, 2017. See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER – NOTE 6 – Municipal Fire and Police Retirement Systems of Iowa (MFPRSI)**” for additional information related to the City’s deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

Detailed information about the MFPRSI pension plan’s fiduciary net position is available in the separately issued MFPRSI financial report which is available to the public by mail at 7155 Lake Drive, Suite 201, West Des Moines, Iowa 50366 or on MFPRSI’s website at www.mfprsi.org. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Bond Counsel, Disclosure Counsel, the Issuer and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the MFPRSI or IPERS discussed above or included on the MFPRSI or IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the MFPRSI or IPERS websites. Information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Other Postemployment Benefits (OPEB)

Plan Description - The City operates a partially self-insured single-employer benefit plan which provides medical/prescription drug benefits for active employees, qualified retirees, and their spouses/families. Participants must meet IPERS/MFPRS retirement system eligibility requirements, or be age 55 or older at retirement to participate in the retiree benefit plan. Plan benefits are not available for retirees past age 65.

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	227
Total	<u>235</u>

OPEB Benefits - The medical/prescription drug coverage is provided through a partially self-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability. The City also offers qualified retirees one month of single health insurance coverage, free of charge, for each full year of continuous employment with the City, thus resulting in an explicit subsidy and additional OPEB liability.

Total OPEB Liability – The City’s total OPEB liability of \$1,998,768 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

Changes to the Total OPEB Liability

Total OPEB liability beginning of year, as restated	\$1,858,406
Changes for the year:	
Services cost	140,125
Interest	73,716
Differences between expected and actual experiences	(38,963)
Changes in assumptions	-
Benefit payments	<u>(34,516)</u>
Net changes	<u>140,362</u>
Total OPEB liability end of the year	<u>\$1,998,768</u>

See “**APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER – NOTE 7 – Other Post Employment Benefits (OPEB)**” for additional information related to the City’s deferred outflows and inflows of resources related to OPEB, actuarial assumptions, discount rate and discount rate sensitivity.

Population

The following table sets forth population trends for the City of Urbandale.

<u>Year</u>	<u>Population</u>
2015 - Special	42,449
2010	39,463
2005 - Special	35,904
2000	29,072
1996 – Special	27,565
1990	23,500
1985 – Special	19,443
1980	17,869
1975 – Special	16,410
1970	14,434
1965 – Special	10,310
1960	5,821

Source: Bureau of the Census

Population by Age

Presented below are the 2010 Census figures according to age group for the City of Urbandale, Polk and Dallas Counties and the State of Iowa:

<u>Age Group</u>	<u>City of Urbandale</u>	<u>Polk County</u>	<u>Dallas County</u>	<u>State of Iowa</u>
Under 19 years of age	28.0%	28.1%	30.7%	26.9%
20 to 24 years of age	4.4	6.7	4.5	7.0
25 to 44 years of age	28.9	29.5	23.8	24.5
45 to 64 years of age	26.9	24.9	31.2	26.7
65 to 85 years of age	10.0	9.2	8.4	12.4
85 and over	1.8	1.6	1.4	2.3
Median Age	37.8	34.7	34.3	38.1

Source: U.S. Census

Employment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (December 2019)

National Average	3.50%*
State of Iowa	2.70%
Des Moines MSA	2.70%
City of Urbandale	2.20%

* Seasonally adjusted

Source: Iowa Workforce Development

Historical Employment Statistics

Presented below are the historical unadjusted unemployment rates for the years indicated for the City of Urbandale, Des Moines MSA and the State of Iowa.

<u>Calendar Year</u>	<u>City of Urbandale</u>	<u>Des Moines MSA</u>	<u>State of Iowa</u>
2018	2.00%	2.40%	2.50%
2017	2.30	2.90%	3.10
2016	2.50	3.40	3.70
2015	2.70	3.50	3.80
2014	3.00	4.20	4.30

Source: Iowa Workforce Development

Major Employers

Some of the more prominent employers within the City include:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Employees</u>
Marsh & McLennan Companies	Insurance	1,600
Urbandale CSD	Education	720
MidAmerican Energy	Utilities	623
U.S. Postal Service	Government	562
Quality Manufacturing Corporation	Manufacturing	550
John Deere Intelligent Solutions	Engineering & Design	500
Unity Point at Home	Health services	450
Homemakers Furniture	Retail furniture sales	355
Pepsi-Cola Bottling Co.	Beverage manufacturing	340
Continental Western Group	Insurance	250
Berkley Technologies	IT Services	250
Rain and Hail	Insurance	250
Bob Brown Chevrolet	Retail vehicle sales	245
YRC Freight	Customer support & inside sales	200
DHI	Employment services/info tech	200
Ventech Solutions	IT Services	200
Stew Hansen Chrysler Jeep Dodge Ram	Retail vehicle sales	194
Delta Dental of Iowa	Insurance	155
Interstate Batteries	Distribution & Call Center	150
Compressor Controls Corporation	Turbomachinery controls	98

SOURCE: Urbandale Department of Economic Development

Legislation – Collective Bargaining

The City has three bargaining units, police, fire and laborers. Approved contracts with each are in place through June 30, 2021.

Local Option Sales and Services Tax

Once approved, a LOSST can only be repealed through a public referendum at which a majority voting approve the repeal or tax rate change (or upon motion of the governing body), provided no obligations secured by the LOSST are outstanding. If a LOSST is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. A LOSST may not be repealed within one year of the effective date.

The State of Iowa Department of Revenue (the "Department") administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax presently assessed at 6%. The Department is required by statute to remit at least 95% of the estimated tax receipts to a county board of supervisors (for taxes imposed in unincorporated areas) and to each incorporated city. Such remittances are on a monthly basis. Once a year the Department reconciles its monthly estimated payments and makes an adjustment payment or debit at the November 10 payment date. Remittance of collections within a county are based upon the following statutory formula for county-wide collections:

75 percent: Based on a pro rata share of population (the most recent certified federal census) of those incorporated or unincorporated areas in a county which have approved a LOSST.

25 percent: Based on a pro rata share of total property tax dollars levied during the three year period beginning July 1, 1982, through June 30, 1985, for those incorporated or unincorporated areas of a county which have approved a LOSST.

Local Option Sales and Services Tax – Dallas County

On November 7, 2017, a referendum was held for imposition of a one percent (1%) local option sales and services tax (LOSST) to be collected within Dallas County. Imposition of the LOSST was approved by the voters within a contiguous block of cities, including the Issuer, within Dallas County, by a vote of approximately 61.21% in favor.

The LOSST became effective on July 1, 2018. The Issuer's LOSST receipts are to be utilized for as follows:

50% for property tax relief;

50% for Capital Improvement Projects which may include, but is not limited to, public safety facilities, aquatic center, street improvements, park and trail improvements, storm water improvements, and related debt retirement as mandated in the referendum.

To date, the City has received \$696,905 of additional funds through imposition and collection of LOSST in Dallas County.

Local Option Sales and Services Tax – Polk County

On August 6, 2019, a referendum was held for imposition of a one percent (1%) local option sales and services tax (LOSST) to be collected within Polk County. Imposition of the LOSST was approved by the voters within Polk County, by a vote of approximately 65.2% in favor.

The LOSST became effective on January 1, 2020. The Issuer's LOSST receipts are to be utilized for as follows:

50% for property tax relief;

50% for Capital Improvement Projects which may include, but is not limited to, public facilities, street improvements, park and trail improvements, stormwater improvements, and related debt service, public safety, economic development, equipment and any lawful purpose of the City of Urbandale. All expenditures will be subject to regular audit, public comment, and review.

Retail Sales

Part of one of the largest shopping centers in the State of Iowa, the Merle Hay Mall, is within the corporate limits of Urbandale. Since the larger part of this commercial complex is not located within the City, taxes collected on retail sales are not included in the computation of sales taxes collected in Urbandale as set forth below:

<u>Year Ended</u>	<u>Retail Sales</u>	<u># of Permits</u>
2019	\$817,621,969	1,089
2018	804,971,715	1,065
2017	790,710,349	1,058
2016	752,452,126	1,037
2015	732,119,796	1,022
2014	672,013,925	1,018
2013	630,794,708	1,023
2012	619,399,037	1,015
2011	605,922,097	989
2010	591,433,940	1,001

Source: Iowa Department of Revenue

Banking Statistics

Urbandale has thirteen banks and 2 credit unions serving the financial needs of the community. In addition, the banks and savings banks operating throughout the Des Moines Metropolitan Area are readily available to provided financial service to the citizens of Urbandale.

Building Permits

Presented below are the building permits issued in the City during the past eighteen calendar years:

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Value</u>
2020	53	\$28,126,332
2019	904	97,830,410
2018	943	\$140,223,231
2017	894	110,893,989
2016	869	68,664,218
2015	864	104,908,779
2014	833	93,305,482
2013	934	135,815,315
2012	914	121,275,156
2011	755	87,792,489
2010	696	70,483,100
2009	638	49,033,265
2008	741	73,810,544
2007	856	134,939,042
2006	1,028	128,273,953
2005	1,302	146,747,310

* Year to Date as of January 31, 2020

Source: City of Urbandale

Residential Growth

A Special Census conducted in the Fall 2015 resulted in a population of 42,449 persons and 17,609 housing units. Urbandale's 2010 Census population was 39,463 persons (16,319 housing units), compared to 29,072 persons (11,869 housing units) in the 2000 Census. In the 2000 to 2010 timeframe, the 10,391-person increase made Urbandale the second-fastest growing city in Iowa by absolute population gain.

Urbandale continues to have a significant land supply remaining for residential growth in new neighborhoods west of Interstates 35/80, and is exploring the possibility of annexing additional territory. Most of the growth areas within the Corporate Limits are already served by City infrastructure, notably the major water mains and sanitary sewer trunks that are essential for development. Developers continue to acquire additional land for residential development in Urbandale and are developing new subdivisions, and therefore, Urbandale continues to be advantageously positioned for near-term subdivision development that will place it among the leaders for new housing construction.

In 2019 only one preliminary plat and two final plats were approved, due primarily to the unusually large number of lots platted in 2018. The new 2019 plats will add 28 single-family detached lots and 56 single-family attached (townhouse) units. In 2018, seven final subdivision plats created 278 single-family detached lots and 62 single-family attached (townhouse) units, and six preliminary plats adding another 675 single-family detached lots, and 186 single-family attached (townhomes) lots were approved. Six new subdivisions were approved in 2017 creating 223 new lots. Nine new subdivisions were approved in 2016, creating a total of 252 lots.

In 2019 residential permits decreased to 122 single-family detached permits being issued, along with 8 single-family attached (townhouse) units. Builders were severely impacted by a prolonged winter season and a very wet spring. In 2018 residential permits increased for the 3rd consecutive year with 177 single-family residential detached permits being issued, along with 15 single-family attached (townhouse) units and 36 multi-family (apartment) units. In 2017 there were 165 single-family detached, 4 single-family attached, 48 unit multi-family (apartment) permits issued. In 2016, permits were issued for 158 new single-family homes. In 2015 permits were issued for 196 new single-family homes and 84 apartment units.

Commercial Growth

Urbandale continues to have sufficient land to support commercial and industrial development for decades, and nearly all of it is owned by successful, long-time developers of commercial real estate. Significant, established commercial and industrial parks include the Paragon Office Park, Urbandale Marketplace, Northpark Business Centre, Crossroads Business Park, the Walnut Ridge Business Park, Highland Pointe Office Park, Landmark Office Park, and Center Pointe Business Park, on 100th Street just north of Interstates 35/80, where a new Casey's General Store, the initial building in the retail portion of the development, recently opened for business.

The Interstate 35/Interstate 80 new interchange at 100th Street has been completed and opened to traffic. The Highway 141 interchange and the Meredith Drive interchange remain under construction and are anticipated to be completed in the Fall of 2020. This infrastructure investment significantly enhances economic development efforts and provides improved interstate access to over 700 acres of land available for commercial and industrial development.

The average of office, retail and industrial space constructed in Urbandale annually over the past five years increased to 249,193 square feet.

In 2019, plans were approved for 321,988 square feet of new office, retail and industrial development, and includes a 25,150 square foot new facility for Royal Flooring in the Heritage Park development; a new 13,867 square foot medical clinic in the Center Pointe development; an 8,000 square foot addition to Johnstone Supply; a new 1,369 square foot storage building for Hummel's Nissan, and a 5,000 square foot storage building for Ramsey Auto; and a 3,161 square foot addition to the former Arby's restaurant for new owner Broken Arrow. Also approved in 2019 were plans for a new 82,200 square foot office building for Worldwide Logistics, the 13,461 Primrose daycare, also in the Heritage Park development, a 7,350 square foot Kwik Star convenience store, a 6,500 square foot Hy-Vee Fast and Fresh at 128th Street and Meredith Drive as well as a 930 square foot Aisles On-Line building for the Urbandale store, and construction began on a new 154,600 square foot maintenance facility for the City's Parks and Public Works departments.

2018 construction plans totaled 234,732 square feet, and included the 4,686 square foot Casey's General Store, a new 134,000 square-foot Deere ISG headquarters, the 46,170 square-foot first phase of the Paradigm Office building for R&R Realty, a 25,900 square-foot initial phase of a facility for Crescent Electric, a 7,589 square foot building for the relocated Value Vet and two other tenants, additions to the MidAmerican Energy (2,800 sq. ft.) and Koalaty Time Child Care (1,685 sq. ft.) buildings, and the new 11,902 square foot Urbandale Fire Station #43.

2017 construction plans totaled 355,494 square feet, and included a 7,500 square foot Walnut Crest retail building, a 3,342 square foot Skinner Dental office, a 8,762 square foot restaurant and golf simulator business, a 5,125 square foot Mister Car Wash, a 20,840 square foot Handle University athletic training facility, a 65,918 square foot addition to Van Meter Inc., a 10,320 square foot addition to Ramsey Automotive, a 51,200 square foot Hickman Commercial retail and business park building, a 86,337 square foot Highline Mini Storage facility, and the new 96,150 square foot Radiant Elementary School.

Construction in 2016 totaled 83,245 square feet, and included a new 7,400 square foot Discount Tire store, a 6,120 square foot paint shop addition at Charles Gabus automotive, a 466 sq. ft. Scooters Coffee (infill development), and a 5,313 sq. ft. multi-purpose addition at the Deerfield Retirement Community, along with several smaller commercial and industrial projects.

Legislation – Property Tax Matters

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “Act”), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) that begins in the 2015 assessment year, and assigns a declining rollback percentage to such properties for each subsequent year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to fiscal year 2018, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2018 the standing appropriation cannot exceed the actual 2017 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for multi-residential properties from the commercial rollback percentage (90% of market value) to the residential rollback percentage (currently 56% of market value), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State’s discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal 2018, the impact of the Act on the Issuer’s future property tax collections is uncertain and the Issuer has not attempted to quantify the financial impact of the Act’s provisions on the Issuer’s future operations. It has been projected by Moody’s Investor Service that local governments in Iowa are likely to experience modest reductions in property tax revenues starting in fiscal 2015 as a result of the Act, with sizeable reductions possible starting in fiscal 2018¹. According to Moody’s, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of multi-residential developments (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “[t]he governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the Issuer.

Property Tax Assessment

In compliance with section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for various classes of property have been as follows:

¹ US Public Finance Weekly Credit Outlook, May 30, 2013, Moody’s Investors Service.

<u>Fiscal Year</u>	<u>Agricultural</u>	<u>Residential</u>	<u>Railroad</u>	<u>Commercial</u>	<u>Multi-Residential</u>
2020-21	55.0743	81.4832	90.0000	90.0000	71.2500
2019-20	56.1324	56.9180	90.0000	90.0000	75.0000
2018-19	54.4480	55.6209	90.0000	90.0000	78.7500
2017-18	47.4996	56.9391	90.0000	90.0000	82.5000
2016-17	46.1068	55.6259	90.0000	90.0000	86.2500
2015-16	44.7021	55.7335	90.0000	90.0000	N/A
2014-15	43.3997	54.4002	95.0000	95.0000	N/A
2013-14	59.9334	52.8166	100.0000	100.0000	N/A
2012-13	57.5411	50.7518	100.0000	100.0000	N/A
2011-12	69.0152	48.5299	100.0000	100.0000	N/A
2010-11	66.2715	46.9094	100.0000	100.0000	N/A
2009-10	93.8568	45.5893	100.0000	100.0000	N/A
2008-09	90.1023	44.0803	99.7312	99.7312	N/A
2007-08	100.0000	45.5596	100.0000	100.0000	N/A
2006-07	100.0000	45.9960	99.1509	99.1509	N/A
2005-06	100.0000	47.9642	100.0000	100.0000	N/A
2004-05	100.0000	48.4558	99.2570	99.2570	N/A
2003-04	100.0000	51.3874	100.0000	100.0000	N/A
2002-03	100.0000	51.6676	97.7701	97.7701	N/A

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2017 are used to calculate tax liability for the tax year starting July 1, 2018 through June 30, 2019. Presented on the next page are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation						
Valuation as of January	2019	2018	2017	2016	2015	2014
Fiscal Year	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Residential:	4,099,964,779	3,782,494,279	3,697,771,503	3,405,750,992	3,283,297,060	3,106,862,049
Agricultural Land:	4,139,230	5,808,700	5,997,182	6,577,790	6,941,187	7,315,680
Ag Buildings:	48,910	71,560	71,560	100,000	111,340	150,750
Commercial:	855,776,021	783,418,809	798,143,033	751,991,496	742,192,808	784,070,702
Industrial:	25,184,237	22,856,511	13,702,135	12,893,330	14,065,294	12,111,933
Multiresidential:	111,655,309	86,100,417	90,294,788	83,077,207	89,483,404	
Personal RE:	0					0
Railroads:	0	0	0	0	0	0
Utilities:	4,639,212	5,629,057	5,061,554	4,800,480	5,216,199	5,603,991
Other:	0	0	0	0	0	0
Total Valuation:	5,101,407,698	4,686,379,333	4,611,041,755	4,265,191,295	4,141,307,292	3,916,115,105
Less Military:	2,811,336	2,929,864	3,005,796	3,118,768	3,220,885	3,333,600
Net Valuation:	5,098,596,362	4,683,449,469	4,608,035,959	4,262,072,527	4,138,086,407	3,912,781,505
TIF Valuation:	316,759,604	307,600,351	276,395,861	234,684,993	230,220,914	210,159,296
Utility Replacement:	227,242,350	196,254,900	150,144,185	129,016,679	108,220,162	96,139,108
Taxable Valuation						
Valuation as of January	2019	2018	2017	2016	2015	2014
Fiscal Year	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Residential:	2,257,557,770	2,151,627,003	2,056,114,055	1,938,995,919	1,826,185,787	1,731,011,635
Agricultural Land:	3,372,783	3,260,545	3,265,354	3,124,413	3,200,365	3,270,264
Ag Buildings:	39,854	40,168	38,965	47,496	51,337	67,388
Commercial:	740,256,446	676,262,876	691,797,525	654,020,762	645,669,568	685,204,344
Industrial:	21,466,687	19,553,451	11,757,825	11,108,190	12,122,854	10,468,603
Multiresidential:	78,317,025	63,004,592	70,268,546	68,271,352	76,983,925	
Personal RE:	0					0
Railroads:	0	0	0	0	0	0
Utilities:	4,639,212	5,629,057	5,061,554	4,800,480	5,216,199	5,603,991
Other:	0	0	0	0	0	0
Total Valuation:	3,105,649,777	2,919,377,692	2,838,303,824	2,680,368,612	2,569,430,035	2,435,626,225
Less Military:	2,811,336	2,929,864	3,005,796	3,118,768	3,220,885	3,333,600
Net Valuation:	3,102,838,441	2,916,447,828	2,835,298,028	2,677,249,844	2,566,209,150	2,432,292,625
TIF Valuation:	316,759,604	307,600,351	276,395,861	234,684,993	230,220,914	210,159,296
Utility Replacement:	115,066,090	110,442,452	86,573,206	72,766,224	66,613,653	64,918,772

	Actual	% Change in	Total	% Change in
Valuation	Valuation	Actual	Taxable Value	Taxable
Year	w/ Utilities	Valuation	w/ Utilities	Valuation
2019	5,642,598,316	8.78%	3,534,664,135	6.00%
2018	5,187,304,720	3.03%	3,334,490,631	4.26%
2017	5,034,576,005	8.84%	3,198,267,095	7.16%
2016	4,625,774,199	3.33%	2,984,701,061	4.25%
2015	4,476,527,483	6.10%	2,863,043,717	5.75%
2014	4,219,079,909	4.63%	2,707,370,693	3.63%

Source: Iowa Department of Management

Tax Rates

The City Council levied the following taxes for collection during the fiscal years indicated: (Source: Local Division, Iowa State Comptroller, Office)

Fiscal Year	General Fund	Outside	Emergency Levy	Debt Service	Employee Benefits	Capital Improve	Total Levy	Ag Levy
2020	8.10000	0.00000	0.00000	2.00000	0.42000	0.00000	10.52000	3.00375
2019	7.24000	0.00000	0.00000	2.20000	0.58000	0.00000	10.02000	3.00375
2018	7.24000	0.00000	0.00000	2.20000	0.58000	0.00000	10.02000	3.00375
2017	7.17000	0.00000	0.00000	2.18000	0.57000	0.00000	9.92000	3.00375
2016	7.17000	0.00000	0.00000	2.15000	0.50000	0.00000	9.82000	3.00375
2015	7.17000	0.00000	0.00000	2.15000	0.40000	0.00000	9.72000	3.00375

Source: Iowa Department of Management & City of Urbandale

Combined Historic Tax Rates

Presented below are the tax rates by taxing district for the major school district in the City (presented as within the Urbandale Sanitary Sewer District, small portion of City is within the Urbandale-Windsor Heights Sanitary District):

Dallas Center-Grimes CSD – Polk County

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	SanSewer	County	Transit	Total Levy Rate
2020	10.52000	17.68118	0.65249	0.00280	0.25455	0.03689	2.77513	0.15929	7.30880	0.70700	40.09813
2019	10.02000	19.29561	0.69468	0.00290	0.25471	0.03690	2.77513	0.06438	7.30880	0.68200	41.13511
2018	10.02000	19.99644	0.67458	0.00310	0.27177	0.03939	2.77545	0.06856	7.30880	0.68200	41.84009
2017	9.92000	19.11244	0.72334	0.00330	0.27220	0.03985	2.77545	0.06151	7.30880	0.68200	40.89889
2016	9.82000	17.95314	0.67574	0.00330	0.27920	0.04102	3.21296	0.05484	7.30880	0.66200	40.01100
2015	9.72000	17.85093	0.65724	0.00330	0.27750	0.04061	3.11769	0.05699	7.16880	0.59700	39.49006

Johnston CSD – Polk County

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	SanSewer	County	Transit	Total Levy Rate
2020	10.52000	18.35192	0.65249	0.00280	0.25455	0.03689	2.77513	0.15929	7.30880	0.70700	40.76887
2019	10.02000	18.35111	0.69468	0.00290	0.25471	0.03690	2.77513	0.06438	7.30880	0.68200	40.19061
2018	10.02000	18.32361	0.67458	0.00310	0.27177	0.03939	2.77545	0.06856	7.30880	0.68200	40.16726
2017	9.92000	18.35317	0.72334	0.00330	0.27220	0.03985	2.77545	0.06151	7.30880	0.68200	40.13962
2016	9.82000	18.35491	0.67574	0.00330	0.27920	0.04102	3.21296	0.05484	7.30880	0.66200	40.41277
2015	9.72000	18.36026	0.65724	0.00330	0.27750	0.04061	3.11769	0.05699	7.16880	0.59700	39.99939

Urbandale CSD – Polk County

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	SanSewer	County	Transit	Total Levy Rate
2020	10.52000	17.98413	0.65249	0.00280	0.25455	0.03689	2.77513	0.15929	7.30880	0.70700	40.40108
2019	10.02000	17.99999	0.69468	0.00290	0.25471	0.03690	2.77513	0.06438	7.30880	0.68200	39.83949
2018	10.02000	17.75055	0.67458	0.00310	0.27177	0.03939	2.77545	0.06856	7.30880	0.68200	39.59420
2017	9.92000	17.74689	0.72334	0.00330	0.27220	0.03985	2.77545	0.06151	7.30880	0.68200	39.53334
2016	9.82000	17.75435	0.67574	0.00330	0.27920	0.04102	3.21296	0.05484	7.30880	0.66200	39.81221
2015	9.72000	17.55495	0.65724	0.00330	0.27750	0.04061	3.11769	0.05699	7.16880	0.59700	39.19408

West Des Moines CSD – Polk County

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	SanSewer	County	Transit	Total Levy Rate
2020	10.52000	13.16229	0.65249	0.00280	0.25455	0.03689	2.77513	0.15929	7.30880	0.70700	35.57924
2019	10.02000	13.27000	0.69468	0.00290	0.25471	0.03690	2.77513	0.06438	7.30880	0.68200	35.10950
2018	10.02000	13.26871	0.67458	0.00310	0.27177	0.03939	2.77545	0.06856	7.30880	0.68200	35.11236
2017	9.92000	13.26872	0.72334	0.00330	0.27220	0.03985	2.77545	0.06151	7.30880	0.68200	35.05517
2016	9.82000	13.24189	0.67574	0.00330	0.27920	0.04102	3.21296	0.05484	7.30880	0.66200	35.29975
2015	9.72000	13.26572	0.65724	0.00330	0.27750	0.04061	3.11769	0.05699	7.16880	0.59700	34.90485
2014	9.57000	13.26452	0.69120	0.00330	0.27822	0.03945	2.99567	0.06911	6.94381	0.53200	34.38728

Wauke CSD – Dallas County

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	SanSewer	County	Transit	Total Levy Rate
2020	10.52000	17.85609	0.65249	0.00280	0.27842	0.06314	0.39971	0.15929	4.16317	0.70700	34.80211
2019	10.02000	17.85658	0.69468	0.00290	0.25251	0.06898	0.54001	0.06438	4.22888	0.68200	34.41092
2018	10.02000	17.85545	0.67458	0.00310	0.27309	0.06979	0.54001	0.06856	3.90713	0.68200	34.09371
2017	9.92000	17.64874	0.72334	0.00330	0.32072	0.07569	0.54055	0.06151	3.98887	0.68200	33.96472
2016	9.82000	16.69522	0.67574	0.00330	0.31371	0.07934	0.54042	0.05484	3.86494	0.66200	32.70951
2015	9.72000	16.57427	0.65724	0.00330	0.31423	0.08002	0.57912	0.05699	3.82607	0.59700	32.40824

Source: Iowa Department of Management

Tax Collection History

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2020	\$32,433,323	In collection	NA
2019	28,994,598	\$29,434,125	98.57%
2018	28,049,246	28,087,312	100.14%
2017	26,597,054	26,556,460	99.85%
2016	24,951,755	24,887,676	99.74%
2015	23,710,456	23,729,138	100.08%
2014	23,063,528	22,794,448	98.83%
2013	22,215,288	22,230,226	100.07%
2012	22,603,765	22,514,293	99.60%
2011	21,672,527	21,658,531	99.94%

Average Percentage Collected: 99.73%

Source: City of Urbandale

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2019 largest taxpayers within the City, as provided by the Polk and Dallas County Assessor’s Offices. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. The City’s mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

Taxpayer	2019 Taxable Valuation	Percent of Total
Mid American Energy (1)	\$114,267,001	3.23%
Aurora Business Park I LLC	42,457,441	1.20%
Homemakers Plaza Inc	33,747,480	0.95%
Marsh I LLC	26,190,000	0.74%
Deerfield Retirement Community Inc	20,212,268	0.57%
Terraza 18 LLC	20,160,000	0.57%
BAP 2018 LLC	19,548,000	0.55%
Berkley Holdings Corp	18,473,400	0.52%
Westpointe Owner LLC	18,240,000	0.52%
Hy-Vee Inc.	16,876,679	0.48%

Total of Top 10 Taxpayers: 9.34%

Sources: County Auditor Offices

(1) Utility Property Taxes

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the Issuer’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds..

Notwithstanding the foregoing, Iowa Code 76.2 provides that when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Public Funds Investments

As of January 31, 2020, the City held investments in the following amounts:

<u>Amount</u>	<u>Investment</u>
\$42,158,018	CD’s
0	Savings
25,855,239	Money Market

Source: City of Urbandale

Direct Debt

Presented below is the principal on the City’s outstanding general obligation bonds, including the Bonds:

<u>Fiscal Year</u>	<u>Principal Existing</u>	<u>Plus: 2020A</u>	<u>Plus: 2020B</u>	<u>Total Principal</u>
2020	9,115,000	0	0	9,115,000
2021	7,745,000	1,445,000	990,000	10,180,000
2022	7,595,000	405,000	1,025,000	9,025,000
2023	7,030,000	405,000	1,050,000	8,485,000
2024	7,140,000	405,000	1,085,000	8,630,000
2025	7,055,000	405,000	1,115,000	8,575,000
2026	7,150,000	405,000	1,145,000	8,700,000
2027	6,810,000	405,000	1,185,000	8,400,000
2028	5,695,000	405,000	1,220,000	7,320,000
2029	4,735,000	405,000	1,255,000	6,395,000
2030	2,240,000	280,000	1,290,000	3,810,000
2031	1,610,000	0	0	1,610,000
2032	1,305,000	0	0	1,305,000
2033	1,100,000	0	0	1,100,000
2034	280,000	0	0	280,000
Totals:	76,605,000	4,965,000	11,360,000	92,930,000

Presented below is the principal and interest on the City’s outstanding general obligation bonds, including the Bonds:

Source: City of Urbandale

Other Debt – TIF-backed Agreements

From time to time the City, pursuant to Chapter 403 of the Code of Iowa and the Issuer’s urban renewal plans, has entered into Development Agreements which contain payment obligations from the Issuer to a third party. The Issuer’s payment requirements under these contracts are not structured as general liabilities of the Issuer, but rather are exclusively secured by and payable from a pledge of the City’s incremental property tax revenues (TIF) to be derived from the taxable properties (or some subset thereof) contained within an urban renewal area of the Issuer pursuant to Section 403.19 of the Code of Iowa. The City’s payment obligations under these contracts are routinely contingent upon development or redevelopment performance requirements of the developer and at times are made subject to annual appropriation rights by the City Council.

A summary of the City’s current Development Agreements is listed in the following table:

<u>Party</u>	<u>Approved by City Council</u>	<u>Date Agreement ends</u>	<u>Anticipated total value of agreement</u>	<u>Balance remaining to be paid as of 2/28/20</u>
R & R REALTY	11/24/2015	6/1/2022	750,000	375,000.00
DISCOUNT TIRE OF IOWA, INC.	6/20/2017	12/31/2021	67,810	48,658.00
DEERE AND COMPANY	12/5/2017	12/31/2031	4,123,707	4,123,707.00
HY-VEE, INC.	9/26/2017	12/31/2022	269,226	426,723.00
PARAGON SOUTH, LLC	11/21/2017	12/31/2032	1,284,076	819,278.00
URBAN TOWN CENTER, LLC	9/26/2017	12/31/2023	406,333	416,788.00
8851 NORTHPARK DRIVE, LLC	7/31/2018	12/31/2026	89,155	85,000.00
ANDERSON HOLDINGS LLC	10/9/2018	12/31/2026	225,900	225,900.00
9400 PLUM LLC	11/6/2018	12/31/2031	543,423	555,000.00
SOURCE ALLIES, INC.	12/4/2018	12/31/2025	114,605	108,065.00
THOMAS CAPITAL ADVISORS, LLC	1/16/2019	12/31/2024	56,271	50,635.00
HICKMAN STORAGE LLC	12/4/2018	12/31/2026	244,072	244,072.00
ERICKSON FAMILY L.C.	8/28/2018	12/31/2026	56,414	65,000.00
D.R.A. PROPERTIES, L.C.	10/8/2019	12/31/2025	256,949	256,949.00
MEREDITH POINTE LLC	10/8/2019	12/31/2026	453,798	453,798.00
MEREDITH POINTE LLC	10/8/2019	12/31/2026	338,603	338,603.00
Urbandale Little League	3/1/2016	5 year term 4.0%		-
Urbandale Girls Recreation Assoc.	10/23/2018	5 year term 5.25%		-
J-Hawk Soccer Club	9/27/2016	7 year term 4.24%		-
DICE, LLC				2,124.74
Delta Dental of Iowa				23,173.08
Dallas Center Grimes School District	6/26/2001	6/1/2020	167,000	25,814.00
Mark Anderson Properties				13,193.22
PJJP, LLC				7,165.85
Shade Saver, Inc.				33,367.16
A.M. Anderson Properties, LC				44,852.39
				8,742,866.43

Self-Supporting Debt

Portions of the direct debt are self-supported by various financing districts within the City as reflected in the following table, including the Bonds:

Principal Portion:

Fiscal Year	NW Market	DUNA	Westover	Gen Fund	LOST	Total
2020	2,740,000	70,000	0	250,000	311,671	3,371,671
2021	3,805,000	180,000	0	155,000	327,255	4,467,255
2022	3,965,000	185,000	0	155,000	343,617	4,648,617
2023	4,125,000	190,000	0	160,000	360,798	4,835,798
2024	4,295,000	200,000	0	165,000	369,818	5,029,818
2025	4,440,000	210,000	0	0	379,064	5,029,064
2026	4,595,000	215,000	0	0	394,226	5,204,226
2027	4,730,000	220,000	0	0	406,053	5,356,053
2028	3,885,000	230,000	0	0	418,235	4,533,235
2029	3,325,000	135,000		0	430,782	3,890,782
2030	1,155,000	135,000		0	443,705	1,733,705
2031				0	457,016	457,016
2032				0	471,298	471,298
2033				0	485,437	485,437
Totals:	41,060,000	1,970,000	0	885,000	5,598,975	49,513,975

Principal & Interest Portion:

Fiscal Year	P & I NW Market	P & I DUNA	P & I Westover	P & I Gen Fund	P & I LOST	P&I Total
2020	3,913,767	101,550	0	269,013	500,000	4,784,329
2021	5,141,781	246,710	0	168,513	500,000	6,057,004
2022	5,124,675	242,300	0	165,413	500,000	6,032,388
2023	5,121,975	240,250	0	167,313	500,000	6,029,538
2024	5,122,475	242,950	0	168,713	500,000	6,034,138
2025	5,115,250	245,250	0	0	500,000	5,860,500
2026	5,116,250	243,050	0	0	500,000	5,859,300
2027	5,118,075	241,600	0	0	500,000	5,859,675
2028	4,135,950	245,000	0	0	500,000	4,880,950
2029	3,459,400	143,100	0	0	500,000	4,102,500
2030	1,189,650	139,050	0	0	500,000	1,828,700
2031	0	0	0	0	500,000	500,000
2032	0	0	0	0	500,000	500,000
2033	0	0	0	0	500,000	500,000
Totals	48,559,248	2,330,810	0	938,963	7,000,000	58,829,021

Source: City of Urbandale

General Fund Obligations

Debt service on the following outstanding General Obligation Bonds is paid from the General Fund. Presented below is the principal and interest on those obligations, presented by series and fiscal year:

Fiscal Year	GO's 2010B	GO's 2014C	Total	Interest Total	P&I Total
2020	100,000	150,000	250,000	19,013	269,013
2021		155,000	155,000	13,513	168,513
2022		155,000	155,000	10,413	165,413
2023		160,000	160,000	7,313	167,313
2024		165,000	165,000	3,713	168,713
Totals:	100,000	785,000	885,000	53,963	938,963

Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits as of the Closing date, taken from the last County Tax list. The Issuer's debt limit, based upon said valuation, amounts to the following:

1/1/2018 Actual Valuation:	5,187,304,720
X	0.05
Statutory Debt Limit:	259,365,236
Total General Obligation Debt:	92,930,000
Total General Fund Capital Loan Notes:	0
Rebates**:	8,742,886 ¹
Capital Leases:	0
Total Urban Renewal Revenue Debt:	0
Total Debt Subject to Limit:	101,672,866
Percentage of Debt Limit Obligated:	39.20%

¹ As reported by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403 or other intergovernmental agreements (under chapter 28E, etc.). The Iowa Supreme Court has not formally ruled on the question of whether contracts to rebate the tax increment generated by a particular development constitutes indebtedness of a City for constitutional debt limit purposes. The amount reported above includes amounts payable under rebate agreements that may not be debt. Some development agreements are subject to the right of annual appropriation by the City, thereby limiting the extent of possible debt to only amounts currently due and appropriated in the current fiscal year. Amounts payable under a particular development agreement may not constitute legal indebtedness, but are memorialized in the table above to conservatively state the City's possible financial exposure. Payment of future installments may be dependent upon undertakings by the developers, which may have not yet occurred. The City actively pursues opportunities consistent with the development goals of its various urban renewal plans, which may be amended from time to time, and the City may enter into additional development agreements committing to additional rebate incentive in calendar year 2020 or after. See "OTHER DEBT – TIF-backed Agreements" table herein for more information.

Source: Iowa Department of Management, and the City

** Rebates payable based on property valuations as of January 31, 2020

Overlapping Debt

Presented below is a listing of the overlapping and underlying debt outstanding of other municipal issuers within the City.

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2018 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
Dallas Center-Grimes CSD	42,655,158	1,117,522,121	211,083,317	18.89%	\$8,056,925
Des Moines Independent CSD	0	8,589,317,667	19,747,804	0.23%	0
Johnston CSD	51,030,000	2,654,845,614	465,606,628	17.54%	8,949,638
Urbandale CSD	54,815,000	1,417,063,936	1,416,175,770	99.94%	54,780,644
Waukee CSD	161,885,000	4,839,976,349	771,747,030	15.95%	25,812,991
West Des Moines CSD	10,235,000	5,135,384,695	450,130,082	8.77%	897,125
Urbandale Sanitary Sewer	0	3,107,617,924	2,327,506,990	74.90%	0
Urbandale-Windsor Heights Sanitary Sewer	0	447,648,965	28,813,440	6.44%	0
Dallas County	28,780,000	6,658,042,902	772,730,934	11.61%	3,340,200
Polk County	260,481,887	27,109,439,531	2,254,159,346	8.32%	21,659,160
Des Moines Area Regional Transit	400,000	27,870,096,026	2,254,159,346	8.09%	32,352
Des Moines Area Community College	70,010,000	50,504,396,751	3,334,490,631	6.60%	4,622,324
AEA #11 - Heartland	0	50,504,396,751	3,334,490,631	6.60%	0

Total Overlapping & Underlying Debt: \$128,151,359

Source: Iowa Department of Management

Financial Summary

Actual Value of Property, 2019:	\$5,642,598,316
Taxable Value of Property, 2019:	3,534,664,135
Direct General Obligation Debt:	\$92,930,000
Less Self-Supported General Obligation Debt:	-49,513,975
Net Direct General Obligation Debt:	\$43,416,025
Overlapping Debt:	128,428,843
Net Direct & Overlapping General Obligation Debt:	\$171,844,869
Population, 2015 Special US Census:	42,449
Direct Debt per Capita:	\$2,189.22
Total Debt per Capita:	\$4,048.27
Net Direct Debt to Taxable Valuation:	1.23%
Total Debt to Taxable Valuation:	4.86%
Net Direct Debt to Actual Valuation:	0.77%
Total Debt to Actual Valuation:	3.05%
Actual Valuation per Capita:	\$132,927
Taxable Valuation per Capita:	\$83,268

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINIONS

FORM OF LEGAL OPINION – SERIES 2020A

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Urbandale, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2020A, by said City, dated May 6, 2020, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

FORM OF LEGAL OPINION – SERIES 2020B

DRAFT

We hereby certify that we have examined a certified transcript of the proceedings of the City Council and acts of administrative officers of the City of Urbandale, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Urban Renewal Bonds, Series 2020B, by said City, dated May 6, 2020, in the denomination of \$5,000 or multiples thereof, in the aggregate amount of \$ _____ (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.
5. Interest on the Bonds is exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, as amended (the "Iowa Code"); it should be noted, however, that interest on the Bonds is required to be included in adjusted current earnings to be used in computing the "state alternative minimum taxable income" of corporations for purposes of Sections 422.33 of the Iowa Code. Interest on the Bonds is subject to the taxes imposed by Division V (Taxation of Financial Institutions) of Chapter 422 of the Iowa Code. We express no opinion regarding other State tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C – CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Urbandale, State of Iowa (the "Issuer"), in connection with the issuance of \$_____ General Obligation Bonds, Series 2020A and \$_____ General Obligation Urban Renewal Bonds, Series 2020B (the "Bonds") dated May 6, 2020. The Bonds are being issued pursuant to a Resolution of the Issuer approved on April 21, 2020 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate; Interpretation. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5). This Disclosure Certificate shall be governed by, construed and interpreted in accordance with the Rule, and, to the extent not in conflict with the Rule, the laws of the State. Nothing herein shall be interpreted to require more than required by the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with S.E.C. Rule 15c2-12.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _____, 2020.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (S.E.C.) under the Securities Exchange Act of 1934, and any guidance and procedures thereunder published by the S.E.C., as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

- a. The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April each year, commencing with information for the 2019/2020 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may

be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

- b. If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibits A-1 and A-2.
- c. The Dissemination Agent shall:
 - i. each year file Annual Financial Information with the National Repository; and
 - ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

- a. The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.
- b. A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the caption "Property Valuations", "Tax Rates", "Combined Historic Tax Rates", "Tax Collection History", "Outstanding Debt", "Debt Limit" and "Financial Summary".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

- a. Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:
 - i. Principal and interest payment delinquencies;
 - ii. Non-payment related defaults, if material;
 - iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
 - v. Substitution of credit or liquidity providers, or their failure to perform;
 - vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
 - vii. Modifications to rights of Holders of the Bonds, if material;
 - viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
 - ix. Defeasances of the Bonds;
 - x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
 - xi. Rating changes on the Bonds;
 - xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
 - xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

- xv. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
 - xvi. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.
- b. Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.
- c. If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate with respect to each Series of Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of that Series or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- a. If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- b. The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- c. The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect,

consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Rescission Rights. The Issuer hereby reserves the right to rescind this Disclosure Certificate without the consent of the Holders in the event the Rule is repealed by the S.E.C. or is ruled invalid by a federal court and the time to appeal from such decision has expired. In the event of a partial repeal or invalidation of the Rule, the Issuer hereby reserves the right to rescind those provisions of this Disclosure Certificate that were required by those parts of the Rule that are so repealed or invalidated.

Date: 6th day of May, 2020.

CITY OF URBANDALE, STATE OF IOWA

By: _____
Mayor

ATTEST:

By: _____
City Clerk

EXHIBIT A-1

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Urbandale, Iowa.

Name of Bond Issue: \$ _____ General Obligation Bonds, Series 2020A

Dated Date of Issue: May 6, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20____.

CITY OF URBANDALE, STATE OF IOWA

By: _____
Its: _____

EXHIBIT A-2

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Urbandale, Iowa.

Name of Bond Issue: \$ _____ General Obligation Urban Renewal Bonds, Series 2020B

Dated Date of Issue: May 6, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by _____.

Dated: _____ day of _____, 20____.

CITY OF URBANDALE, STATE OF IOWA

By: _____
Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

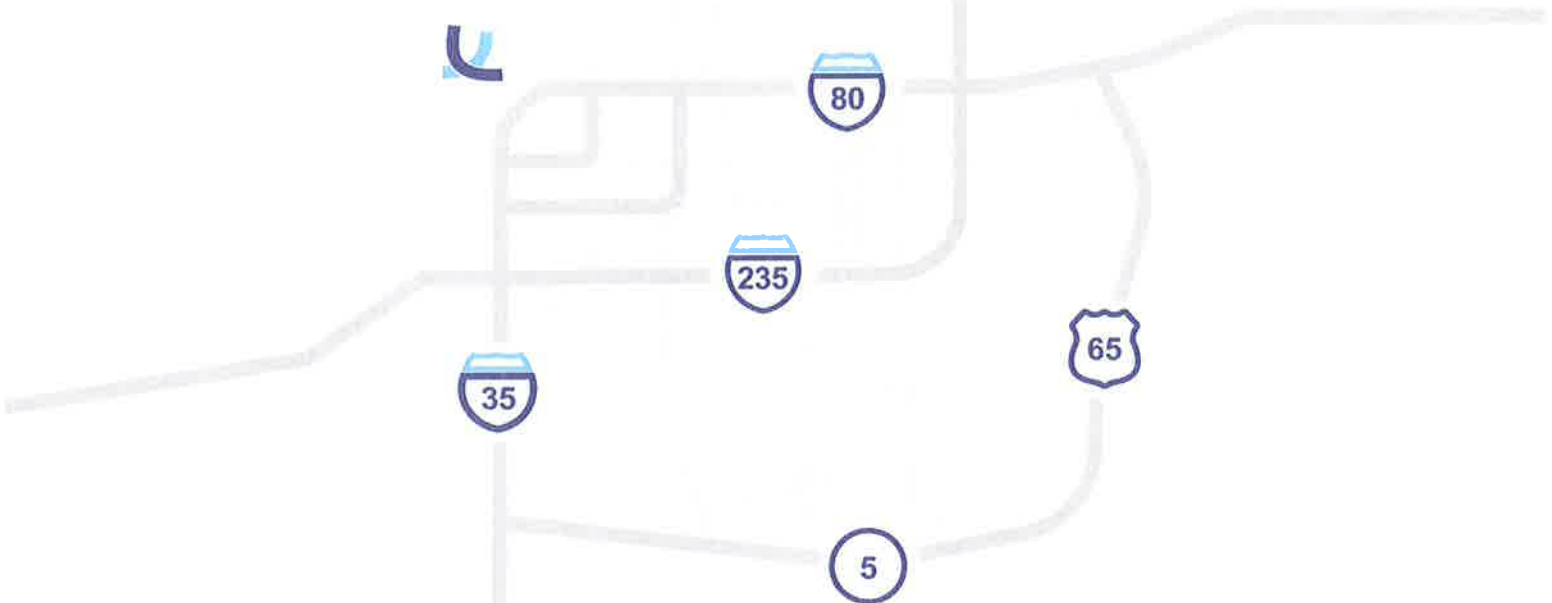
This Appendix contains the entire 2019 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link <http://auditor.iowa.gov/reports/index.html>.

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Urban Loop

TURNING ACCESS INTO OPPORTUNITY



CITY OF URBAN DALE, IOWA
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR THE FISCAL YEAR ENDED JUNE 30, 2019



Sixty years ago, Interstate 35/80 with its iconic ninety-degree turn in the freeway was constructed in Urbandale between Merle Hay Road and Hickman Road. Today, over 100,000 vehicles per day use Urbandale's transportation network to reach great jobs, markets, recreation and home.

Mayor Robert D. Andeweg unveiled the Urban Loop brand, logo and tagline for the I-35/80 corridor at a public event at Urbandale High School on September 26, 2017.

The Urban Loop is defined by the access points that connect Urbandale to the world. The Urban Loop will soon have seven I-35/80



TURNING ACCESS INTO OPPORTUNITY

interchanges in Urbandale with access reaching from the Rio Grande to Lake Superior, and from the Atlantic to the Pacific. In the Des Moines Metropolitan Area, the Urban Loop serves routes locally and throughout the region including Interstate 235 and the Iowa Highway 5/U.S. Highway 65 bypass.

The Urban Loop is an economic development area and Urbandale is the center of opportunity for business investment and workforce talent. The Urban Loop brand has been elevated with recent announcements by developers and businesses planning to invest in projects that will take advantage of the development areas served by the Interstate. These projects are supported by the competitive environment created by the City of Urbandale's infrastructure planning, fiscal policies, and economic development incentives.

The City's Capital Improvements Program for 2018 to 2023 and beyond includes tens of millions of dollars in infrastructure to enhance development areas and neighborhoods in the Urban Loop and throughout the entire City. The City's tax levy is among the lowest in the State compared to comparable cities, and citizen survey responses consistently rank municipal services very high. The Fiscal Year 2018 – 2019 Budget reflects the City's priorities to fund the services, programs and assets which make Urbandale an attractive community for residential and commercial investment. The City has earned the Certificate of Achievement for Excellence in Financial Reporting for over 30 consecutive years for its Comprehensive Annual Financial Report.

Please visit www.UrbanLoop.org for more information on the Urban Loop and access to Urbandale's economic development assets and advantages. To learn more about City services and programs, please visit www.Urbandale.org



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019
City of Urbandale, Iowa

Prepared by the Finance and Records Department



Introductory Section
June 30, 2019

City of Urbandale, Iowa



Introductory Section

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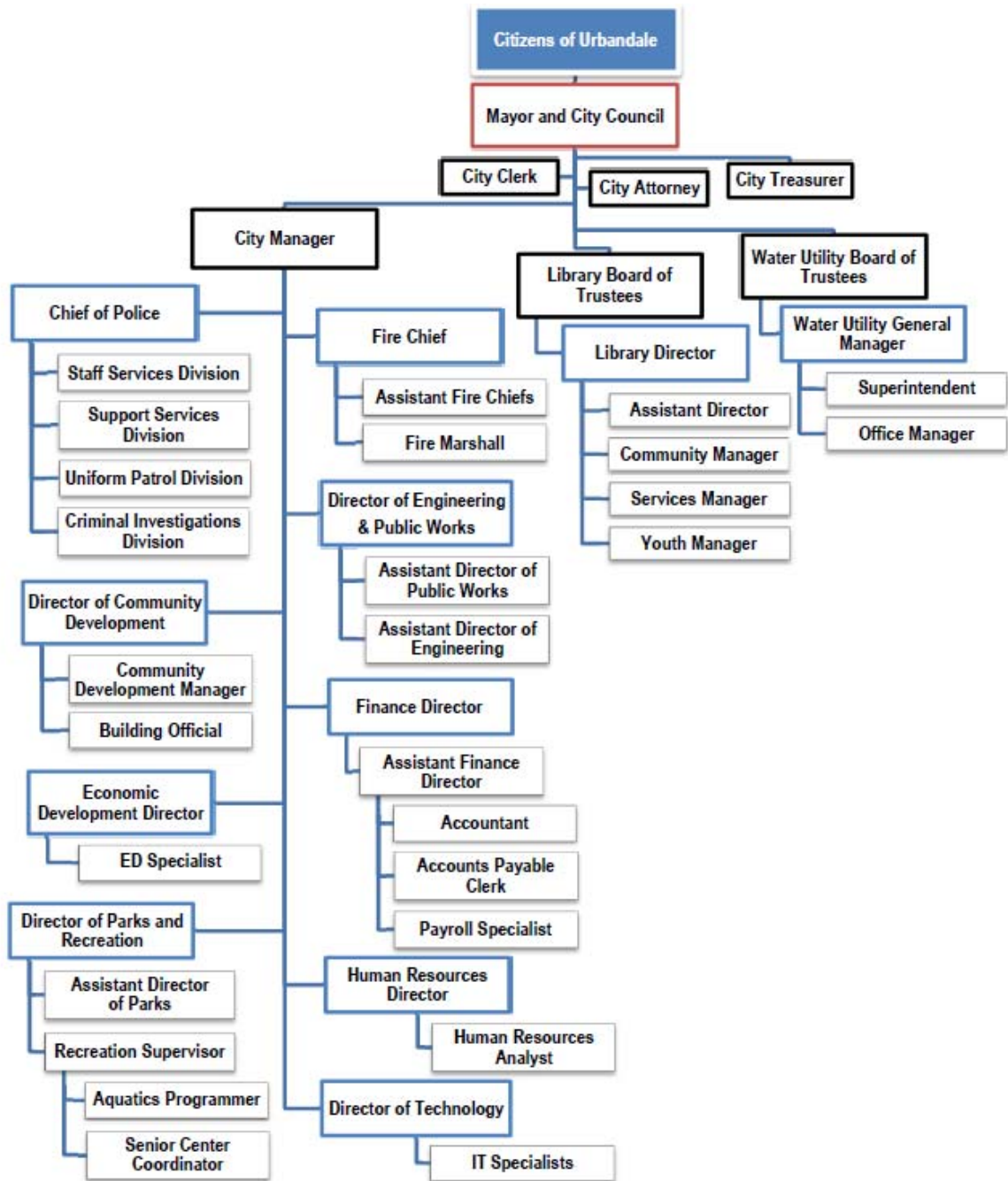
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Name	Title
Robert D. Andeweg	Mayor
Mike Carver	Mayor Pro Tem
Dave Russell	Council Member
Creighton Cox	Council Member
Ron Pogge	Council Member
Tom Gayman	Council Member
A. J. Johnson	City Manager
Nicole Lamb	Finance Director
Kim Keisler	Assistant Finance Director



Government Finance Officers Association

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

Presented to

**City of Urbandale
Iowa**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Urbandale, Iowa, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This represents the City's 36th consecutive year of receiving this distinguished award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, which contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.





November 15, 2019

The Honorable Mayor and
Members of the City Council
City of Urbandale, Iowa

We are pleased to submit the Comprehensive Annual Financial Report of the City of Urbandale, Iowa, (the City) for the fiscal year ended June 30, 2019 (FY19), consistent with the requirements of Chapter 11 of the Code of Iowa that requires the City to publish within nine months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019.

The City is responsible for the accuracy of the data presented in the Comprehensive Annual Financial Report. To the best of our knowledge and belief, the government-wide financial statements, fund financial statements, budgetary comparison, pension and health plan schedule, management's discussion and analysis and statistical tables included in this report, present fairly the financial condition of the City. To provide a reasonable basis for making these representations, internal controls have been established within the Finance and Records Department. The internal control framework is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the City's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the City's internal accounting controls are adequate to ensure the continued integrity of the City's financial management practices.

The Comprehensive Annual Financial Report includes all governmental activities, organizations, and functions controlled by or dependent upon the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The Urbandale Water Utility (Water Utility) is reported as a discretely presented component unit of the City. While the Water Utility is legally separate, it provides water service exclusively to the citizens of Urbandale on behalf of the City, its three-member governing board is appointed by the Mayor and the Water Utility's operating budget is subject to the approval of the City Council.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records, and transactions of all administrative departments of the City by the State Auditor or by a certified public accountant selected by the City Council. Eide Bailly LLP, Certified Public Accountants, conducted the audit for FY19. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audits, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for FY19 are fairly presented in conformity with GAAP. The independent auditors' report has been included in this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal was designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Urbandale, incorporated in 1917, is located in central Iowa, adjacent to the City of Des Moines. The City also shares common borders with five other communities. The City occupies a land area of 22.87 square miles in Polk and Dallas Counties.

The City's 2015 Special Census population rose to 42,449 persons. The 2010 Census population was 39,463 persons, and its numerical population gain during the 2000 decade ranked second among all Iowa cities. Urbandale's 2000 Census population was 29,072 persons.

In 1965, the City Council adopted the Mayor-Council, with City Manager, form of government by ordinance. The policy making and legislative authority is vested in the City Council, which consists of five members. The City Council Members are elected on an at-large basis and serve four-year staggered terms. The Mayor serves as the chief executive officer for the City and presides over the City Council meetings. The City Council is responsible for adopting ordinances and resolutions, appointing board and commission members, adopting the annual operating budget and capital improvements program, authorizing contracts and hiring the City Manager, City Attorney and City Clerk. The City Manager serves as the chief administrative officer and is responsible for executing the policies of the City Council, supervising the day-to-day operations of the organization and hiring, firing and disciplining the organization's employees. However, the City Manager does not directly supervise the activities of the Water Utility and Library. These operations are governed by separate boards, which are appointed by the Mayor and City Council. Each board appoints a director to oversee the administrative operations of the department.

The City provides a wide range of public services, including police, fire and emergency medical service, library, parks and recreation, animal control, street maintenance, solid waste collection, code enforcement, water, and sanitary and storm sewer. Additionally, the organization is supported by several administrative operations, including technology, community development, economic development, city manager, human resources, finance and records, marketing, and legal. The annual budget represents the operating plan for all of these functions. Additionally, this document serves as a financial planning and control mechanism for the City. All departments are required to submit budget requests to the City Manager's office by early December. These requests are reviewed by the City Manager and a recommended operating budget is formulated for the City Council's consideration. In January and February, the Mayor and City Council participate in a series of work sessions to review the budget recommendations and to formulate a final budget document. The Code of Iowa requires the City Council to conduct a public hearing on the proposed budget and to adopt the final document by March 15. The City's expenditures are grouped into functions. The expenditure levels approved in the budget may not be exceeded on a function level unless a budget amendment is approved by the City Council. To assist the City Council in the monitoring of expenditures and revenues, monthly budget summaries are prepared by the Finance and Records Department. Budget to actual comparisons are provided in the required supplementary information section of this report.

ASSESSMENT OF ECONOMIC CONDITION

To better understand the context of the City's financial statements, the following background information is provided for the reader.

Local Economy

Urbandale's residential construction in FY19 increased with 237 new single-family detached homes, and 55 single family attached (townhouse) homes constructed, which is above the City's historical annual mean of 185 single-family attached and detached units. FY19's valuation for residential construction also increased, for the third consecutive year, to a valuation of \$59.08 million. FY 2018's valuation was

\$54.88 million. FY17's valuation was \$53.86 million. Rezoning and platting activity has slowed slightly but is still active, and the construction of public improvements nearing completion in three new developments creating another 65 single-family detached homes and 56 townhouse units, along with the unusually large number of lots that were approved with preliminary plats in FY18, will provide an opportunity for another increase in single-family detached and single-family attached permitting and valuation for FY20.

After four consecutive year over year increases, FY19's total valuation for commercial and industrial permits decreased slightly to \$55.89 million, due in large part to a prolonged winter season and a very wet early spring. FY18's total valuation for commercial and industrial permits was \$61.66 million. The total valuation for FY17 was \$39.83 million.

Permit and valuation data for the previous two fiscal years are summarized in the following table:

	Fiscal Year 2019		Fiscal Year 2018	
	# of Permits	Valuation	# of Permits	Valuations
Residential	297	\$ 59,079,622	270	\$ 54,875,497
Nonresidential	104	55,888,202	138	61,655,274
Miscellaneous Minor	458	1,298,886	529	1,427,813
	<u>859</u>	<u>\$ 116,266,710</u>	<u>937</u>	<u>\$ 117,958,584</u>

Long-Term Financial Planning

In 1981, the City Council approved fiscal performance goals for the City's operations. These goals concentrated on revenue, expenditure, reserve, investment, capital improvement, debt and financial reporting performance and were designed to maintain or improve the City's financial position. In approving the fiscal performance goals, the City Council emphasized the need for balancing current economic conditions in the community with the residents' demands for effective service delivery. In 2008, and again in 2016, these goals were updated to reflect current financial performance standards and benchmarks. The preparation of the City's annual operating budget and the five-year capital improvements program are governed by the fiscal performance goals. As a result of these goals, the annual operating budget has been prepared on a two-year basis, fund balances have been maintained at adequate levels and the property tax levy rate has remained relatively stable for many years. To further assist the planning process for the operating budget, the City Council has approved long term staffing and long-term financial plans and adopted a strategic plan for technology.

The long-term improvement of the City's infrastructure is outlined in the five-year capital improvements program (CIP). The 2019-24+ CIP was adopted by the City Council in January 2019. The approved 2019 CIP anticipated the expenditure of \$90,200,800 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, equipment, technology, and water system improvements. Property tax supported general obligation bonds would provide approximately \$6,196,100 of the needed funding, with the remaining funds to come from local operating revenues, tax increment debt, and other public and private sources.

The 2020-2025+ CIP is currently under development and will be reviewed by a citizen's advisory committee in November and December 2019, with final adoption by the City Council anticipated in January 2020. This preliminary 2020 CIP proposes the expenditure of \$45,187,500 for various art, park, bridge, sidewalk, storm sewer, street, street lighting, traffic signal, public building, technology, equipment, and water system improvements in 2020. Property tax supported general obligation bonds would provide approximately \$5,029,000 of needed funding. Since the new CIP for 2020-2025+ is still under development, the above referenced amounts may change as a result of updating the program. It is anticipated that the 2020-2025+ CIP will be substantially completed before the development of the FY21-22 annual operating budget.

FY19 and FY20 Initiatives

The Mayor and City Council implemented programs and policies in FY19 and FY20 that will influence the City's financial operations during these two fiscal years and into the future. While many of the key initiatives reflect specific City projects and benefits, many reinforce the efforts by the Mayor and City Council to enhance the City's quality of life and to build cooperative partnerships on a local and regional basis. The key recognitions and initiatives include the following:

- July, 2018, approved a project to replace the City's network infrastructure in its entirety. The contract is with OneNeck IT Solutions for \$197,925.
- October, 2018, approved the Urbandale Strategic Plan for 2018-2023-2033.
- February, 2019, signed an agreement with Confluence to complete the Urbandale Signage Master Plan for \$480,000.
- August, 2019 the City held a special election for a 1% Local Option Sales and Service Tax in Polk County, which was approved. This tax will start January 1, 2020.

Economic Development:

- Approved the following development agreements during the year:
 - July, 2018, 8851 Northpark Drive LLC for 8851 Northpark Drive
 - August 2018, Erickson Family, L.C. for 2435 106th Street
 - October, 2018, Anderson Holdings, LLC for 4401 NW Urbandale Drive
 - November 2018, 9400 Plum LLC for 9400 Plum Drive
 - December, 2018, Source Allies, Inc. for 10800 Meredith Drive
 - December, 2018, Hickman Storage, LLC for 6715 Hickman Road
 - January, 2019, Thomas Capital Advisors, for 4020 121st Street
 - October, 2019, Meredith Pointe, for 4601-4645 NW Urbandale Drive
 - October, 2019, Meredith Pointe, for 4701-4745 NW Urbandale Drive
 - October, 2019, D.R.A. Properties, L.C. for 2601 104th Street
- July, 2018, approved an IEDA HQJP application with ProbioFerm to expand its headquarters with a new 9,000 square foot manufacturing and warehouse facility.
- January, 2019, approved Amendment #2 to the Amended and Restated Northwest Market Center Urban Renewal District.
- May, 2019, the City signed a Minimum Assessment agreement with Merle Hay Anchors and Polk County to set an assessment value of \$1,500,000 for the land and Younkers property.
- May, 2019, approved a Revolving Loan Fund Agreement with iEmergent Group for \$22,500 with a 5 year term.
- November 2019, public hearing to approve adoption of Amended and Restated Westover Urban Renewal District.

Finance:

- November 2018, approved debt service trust agreement with Bankers Trust to establish an escrow to retire \$14.235 million in outstanding TIF supported bonds.
- March, 2019, approved updated bond disclosure policy and approved Ahlers & Cooney as bond disclosure counsel for the city's bond issues.
- April, 2019, approved \$6,250,000 as general obligation bond Series 2019A. The funds will be used for the FY2019-20 CIP projects.

- April, 2019, approved \$18,960,000 as general obligation urban renewal bond Series 2019B. The funds will be used for the FY2019-20 CIP projects designated for TIF funding.
- July 2019, approved the purchase of Executime Timeclock and Scheduling System from Tyler Technologies. The total three year cost is \$76,689.

Public Safety:

- August, 2018 awarded the contract for the construction of Fire Station #43 and associated fuel station to Rochon Corp for \$5,856,600.
- September, 2018, approved a 28E with City of Clive for Fire and EMS services related to Fire Station #43 staffing.
- June 2019, approved a 28E agreement between the City and Polk County to prosecute motor vehicle violations and simple misdemeanors within the City's corporate limits. This is similar to an expired 28E agreement between Polk County and the City.
- August, 2019, approved a 28E agreement with Polk County and the City of Johnston for joint enforcement of panhandling ordinances.
- September 2019, approved a 28E agreement with seven metro Cities and Dallas County for joint SERT Response.

Parks, Recreation and Public Art:

- December, 2018, approved to be a guarantor for Urbandale Girls Rec Association. The \$45,000 loan is with Central Bank.
- January, 2019, the City took over ownership and maintenance of the Urbandale Miracle League complex. The complex was originally owned by the Miracle League Committee.
- February, 2019, accepted bid for Jackaline Baldwin Dunlap Park and Arboretum Master Plan with Munro Construction for \$70,880.
- Park projects final approvals – the City Council accepted the following major projects as completed during the year:
 - September 2018, final approval to Concrete Connection for construction of a pedestrian trail through Bent Creek Ridge for \$84,890.
 - February, 2019, final approval to Paco Construction for the paving of the loop road within McDivitt Grove Cemetery in the amount of \$37,710.
- Park projects awarded – the City Council awarded contracts for the following major projects that are not yet completed:
 - August, 2019, accepted bid from Outdoor Recreation for installation of playground equipment at Waterford Park for \$59,626.
 - February, 2019, accepted bid from Munro Construction to construct open air shelters for Bestland Park and Days Run Park for \$33,773.
 - April, 2019, accepted design services agreement with Shive Hattery for the design of 4 pickle ball courts at Walker Johnston Regional Park.
 - July, 2019, accepted bid from Landscape Structures for playground equipment at the Northview Park All Inclusive Playground for \$285,426.
 - July, 2019, accepted bid from Caliber Concrete for the concrete work at Northview Park All Inclusive Playground for \$194,558.

Facilities Maintenance improvements:

- March, 2019, the City approved a bid for a Citywide Building Security Project with Walsh Door & Security in the amount of \$429,585.
- Facilities Maintenance projects final approvals - the City Council accepted the following major projects as completed during the year:
 - August, 2018, Completed the flood clean up at the police station, at a total cost of \$154,725.
- Facilities Maintenance projects awarded - the City Council awarded contracts for the following major projects that are not yet completed:
 - March, 2019, accepted bid from Royal Flooring for \$24,989 and National Lift Installation for \$22,388 for the Library carpet replacement project.
 - June, 2019 Accept purchase of a HVAC upgrade for Fire Station #41 with Baker Group for \$68,235.

Public Works:

- December, 2018, the City submitted a FY2023 Surface Transportation Block Grant (STBG) to the Des Moines MPO for the US Highway 6 and 128th Street project. This would be a joint project with Clive.
- April, 2019, approved Complete Streets Masterplan design services with Toole Design in the amount of \$36,627.
- June, 2019, approved a 28E agreement with the City of Johnston for \$1,373,557. This agreement is for the reconstruction of NW 54th Avenue from NW 88th Street in Johnston to 1,000 feet east of 100th Street. Under the agreement the City of Johnston would be the lead agency on this project.
- Street projects final approvals - the City Council accepted the following major projects as completed during the year:
 - July, 2018, installation of 10,550 feet of new communication fiber optic along Meredith Drive, at a total cost of \$117,609.
 - July, 2018, constructed a sidewalk from the intersection of Deer Creek Trail and Hickman Road to the Raccoon Valley Trail, including a bridge crossing at Walnut Creek, at a total cost of \$221,120.
 - August, 2018, traffic signal project installed new traffic cameras, pedestrian countdown heads and 13 battery backup units for a final cost of \$161,173 to Voltmer, Inc.
 - January, 2019, reconstruction of Aurora Avenue paving between 109th St to Railroad crossing, for a final cost of \$487,311 to JDA Construction.
 - March, 2019, trail construction from 156th to Waterford Road for a cost of \$333,642 to Absolute Concrete Construction.
- Street projects awarded – the City Council awarded contracts for the following major projects that are not yet completed:
 - January, 2019, approved reconstruction of 72nd Street bid from Sternquist Construction for \$1,677,450.
 - January, 2019, approved 104th Street Reconstruction Project bid from Concrete Technologies for \$5,142,662.
 - February, 2019, approved the paving of 156th Street to 170th Street bid from Concrete Technologies for \$4,422,772.
 - February, 2019, approved the 2019 PCC Reconstruction program bid from Iowa Civil Contracting Inc. for \$795,343.

- February, 2019 approved the 86th Street Preservation Phase 2 Project bid, which will overlay 86th Street from Aurora to Hickman from OMG Midwest, Inc. for \$2,273,546.
- May, 2019, approved the 2019 Sanitary Sewer Lining Program bid, a joint project with Windsor Heights, from Municipal Pipe and Tool Company for \$338,844.

Cash Management Policies and Practices

Cash temporarily idle for operations for more than thirty days was invested in time certificates of deposit at least at the minimum rate as prescribed monthly by the State Treasurer's office and in financial instruments of the federal government. The City Council's investment policy is to offer these investments to local banks. During FY19, all temporarily idle cash was accepted by local banks. If not accepted by local banks, the investments would have been offered to banks in Des Moines, Iowa. Interest income from investments in FY19, exclusive of the Component Unit, was \$1,391,425, compared to \$654,244 in FY18.

Risk Management

In 1983, the City converted to a self-funded group health insurance plan. This program was designed to reduce health insurance costs through the assumption of additional risk. During the past thirty years, the City has realized a significant savings from self-funding and has been able to establish an insurance reserve fund. The City has seen an increase in health insurance reinsurance renewal rates in each of the last four years, and has had significant claims experience that has drawn down the reserve funds. The City has again increased both City and employee contributions to the fund, and will continue to do so until the reserve has been replenished.

The City has participated in the Iowa Communities Assurance Pool since 1989. This program combines traditional insurance coverage with a risk pooling arrangement. The City's comprehensive general liability, automobile, police, property and public official's liability coverage are provided directly by the pool. The remaining portion of the City's insurance program, workers compensation, was once again placed with the Iowa Municipalities Workers Compensation Association (IMWCA). This program also utilizes a pooling concept to provide cities and counties with workers compensation coverage. Both public sector pools are in sound financial condition and should present the City with long-term premium savings. Starting in FY13, the City opted to self-insure for the public safety uniformed staff's workers compensation coverage, but will continue to use IMWCA to service and process these claims.

The City's risk management program also involves a loss control and accident review program. Through the property and casualty insurance pools, the City receives loss control services. The pools review City operations on a periodic basis and submit recommendations for safety improvements. All claims submitted against the City are also reviewed to determine if changes are needed in the safety program. The City created a Director of Risk Management position in FY18 to oversee and refine the City's safety program. This includes creating various City-wide committees of management and non-management staff to review all employee near-miss incidents, accidents and to review and establish a consolidated safety policy manual. All of these actions should reduce the City's potential for personal injury, property damage and liability claims.

Pension Benefits

The City contributes to the Municipal Fire and Police Retirement System of Iowa for its sworn officers in the Police Department and full-time staff in the Fire Department. The City contributes to the Iowa Public Employees Retirement System for all other employees. Both of these State-wide systems provide retirement, disability and death benefits for its members and beneficiaries, which are established by State statute. The City is required to contribute a percentage of an employee’s annual income, as established by the systems. Additional information regarding the two retirement systems is contained in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for FY18. This is the highest form of recognition in the area of governmental financial reporting and is the 36th consecutive year the City has received this prestigious award. The Comprehensive Annual Financial Report for the year ended June 30, 2019 will be submitted to GFOA for review.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the Finance and Records Department. We would like to express our appreciation to all members of the department, as well as staff throughout the City who assisted with the audit process and contributed to the preparation of this report. We also wish to thank the Mayor and members of the City Council for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



A.J. Johnson
City Manager



Nicole M. Lamb
Finance Director

Financial Section
June 30, 2019

City of Urbandale, Iowa





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Urbandale, Iowa's financial statements. The introductory section, combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2019 on our consideration of the City of Urbandale, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Urbandale, Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Urbandale, Iowa's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
November 15, 2019

This section of the City of Urbandale's (the City) Comprehensive Annual Financial Report presents management's discussion and analysis of the City's fiscal performance during the fiscal year that ended on June 30, 2019 (FY19). It should be read in conjunction with the transmittal letter at the front of this report and the City's financial statements, which immediately follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Urbandale exceeded its liabilities and deferred inflows of resources at the close of FY19 by \$196,564,568 (net position). The total unrestricted net position of the City was \$302,884. This was comprised of unrestricted governmental net position of (\$4,039,783) and business type activities net position of \$4,342,667.
- The City's total net position increased by \$13,487,971 in FY19. This increase was mostly attributable to increased property tax revenues, donated infrastructure, interest income and federal grant revenue.
- For FY19, the City's governmental funds reported combined ending fund balances of \$63,841,913. The FY19 fund balance represented an increase of \$6,071,357 and was primarily attributed to a \$13.6 million increase in the capital projects fund, offset by tax increment financing fund decrease of \$8.2 million. At the end of FY19, unassigned fund balance for the general fund was \$10,357,893 or 35.6% of total general fund expenditures.

Overview of the Financial Statements

The basic financial statements consist of four parts:

- Management's Discussion and Analysis (this section),
- Government Wide Financial Statements,
- Fund Financial Statements, and
- Notes to the Financial Statements.

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

The Statement of Net Position presents information on all of the City of Urbandale's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net Position may indicate whether the City's financial Position is improving or deteriorating.

The Statement of Activities shows how the City's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

The government-wide financial statements report on functions of the City of Urbandale that are principally supported by taxes and intergovernmental revenues, known as governmental activities. The governmental activities of the City include Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government and interest and fiscal charges.

The government-wide financial statements also report the functions that are intended to recover all or a significant portion of their costs through user fees and charges, known as business-type activities. The City of Urbandale has one business-type activity to report for fiscal year 2019.

The government-wide financial statements include not only the City of Urbandale itself, known as the primary government, but also a legally separate Water Utility for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. See footnote 1 to the financial statements for further information.

The government-wide financial statements can be found on pages 15 and 16 of this report.

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 of Urbandale, 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 three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Most of the City's basic services are included in governmental funds, which focus on:

1. The inflows and outflows of cash and other financial assets that can be readily converted to cash, and
2. The balances left at year-end that are available for spending.

The governmental funds statements provide a detailed short-term view of the City of Urbandale's finances, indicating whether more or fewer financial resources can be spent in the near future to finance the City's programs. Since this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in a reconciliation following the governmental funds statements that explains the relationship (or differences) between them.

The City of Urbandale maintains 22 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund, road use fund, tax increment financing fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

Proprietary funds

The City maintains two different types of proprietary funds. An enterprise fund is used to report the same function presented as the business-type activity in the government-wide financial statements. The City uses an enterprise fund to account for its Storm Water Utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Urbandale uses internal service funds to account for equipment replacement, technology, building maintenance, risk management and the general liability insurance program. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The City maintains five internal service funds, which are presented individually in the combining proprietary fund statements. The summary proprietary fund financial statements can be found on pages 21 through 23 of this report.

Fiduciary funds

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

The summary fiduciary funds financial statements can be found on page 24 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 55 of this report.

Required Supplementary Information

The City of Urbandale presents required supplementary information which further explains and supports the financial statements with a comparison of the City's budget for the year, the City's proportionate share of the net pension liability and related contributions for both of the City's pension plans, as well as presenting the Schedule of Changes in the City's Total OPEB Liability and Related Ratios. These items are presented on pages 56 through 63 of this report.

Other information

In addition to the financial statements and the accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information section. Combining fund statements can be found on pages 65 through 71 of this report. Statistical information related to the City's financial position can be found on pages 73 through 90 of this report.

Government Wide Financial Analysis

The following condensed financial information serves as the key financial data and indicators for management, monitoring, and planning. Financial data for FY19 and FY18 is presented for comparative purposes.

City of Urbandale, Iowa
Management's Discussion and Analysis

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 121,205,664	\$ 108,090,805	\$ 4,576,947	\$ 3,478,455	\$ 125,782,611	\$ 111,569,260
Capital Assets	215,082,243	204,291,818	-	-	215,082,243	204,291,818
Total assets	<u>336,287,907</u>	<u>312,382,623</u>	<u>4,576,947</u>	<u>3,478,455</u>	<u>340,864,854</u>	<u>315,861,078</u>
Deferred Outflows of Resources	6,936,061	6,787,414	63,596	68,530	6,999,657	6,855,944
Long-term Liabilities	92,558,400	86,311,706	246,361	243,632	92,804,761	86,555,338
Other Liabilities	15,976,093	14,418,158	40,733	38,060	16,016,826	14,456,218
Total liabilities	<u>108,534,493</u>	<u>100,729,864</u>	<u>287,094</u>	<u>281,692</u>	<u>108,821,587</u>	<u>101,011,556</u>
Deferred Inflows of Resources	42,467,574	38,625,034	10,782	3,835	42,478,356	38,628,869
Net Position						
Net investment in capital assets	171,826,998	159,170,156	-	-	171,826,998	159,170,156
Restricted	24,434,686	34,723,554	-	-	24,434,686	34,723,554
Unrestricted	(4,039,783)	(14,078,571)	4,342,667	3,261,458	302,884	(10,817,113)
Total net position	<u>\$ 192,221,901</u>	<u>\$ 179,815,139</u>	<u>\$ 4,342,667</u>	<u>\$ 3,261,458</u>	<u>\$ 196,564,568</u>	<u>\$ 183,076,597</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Urbandale, assets exceeded liabilities by \$196,564,568 and \$183,076,597 at the close of FY19 and FY18, respectively.

The largest portion of the City's net position in FY19 (87.4%) reflects its investment in capital assets (e.g. land, buildings, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; therefore they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's investment in capital assets increased by \$12,656,842 from FY18 to FY19.

An additional portion of the City's net position (12.4%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a positive \$302,884. There is a negative unrestricted net position in the governmental activities primarily due to the GASB 68 pension liability for both IPERS and MFPRSI, which represent the City's share of unfunded liability of the two pension funds. The balance is also attributable to a large portion of the City's 2017 and 2018 bond issuances that were issued to pay for the 100th Street bridge over I-35/I-80 and the related interchange ramps, which will be owned by the State, thus not able to be capitalized as part of net investment in capital assets portion of net position. The business type activity has a positive unrestricted net position. The governmental activities funds have a negative position balance that requires additional future resources to fulfill ongoing obligations to the citizens and creditors of the governmental-type activities. In FY18, restricted assets represented (19.0%) of the City's net position and unrestricted net position totaled (\$10,817,113).

At the end of the current fiscal year, the City is able to report positive balances in the net position for the government as a whole, which comprises its governmental activities and business-type activity. The same situation held true for the prior fiscal year.

As noted above, the City's net position, when compared to the FY18 net position balance, increased by \$13,487,971 from FY18 to FY19. This increase can be attributed primarily to the increase in capital projects fund balance due to timing of bond issuance, offset with the fund balance decrease in the TIF fund to defeasance of debt, which are both included in the restricted net position total.

Changes in Net Position

The following table depicts that change in net Position.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charge for services	\$ 6,947,024	\$ 6,225,833	\$ 2,294,039	\$ 2,232,502	\$ 9,241,063	\$ 8,458,335
Operating grants & contributions	6,029,810	5,784,009	-	-	6,029,810	5,784,009
Capital grants & contributions	6,046,425	4,092,824	-	-	6,046,425	4,092,824
General revenues:						
Taxes	42,156,992	38,400,517	-	-	42,156,992	38,400,517
Other	1,498,317	759,182	74,365	23,714	1,572,682	782,896
Total revenues	62,678,568	55,262,365	2,368,404	2,256,216	65,046,972	57,518,581
Expenses:						
Public safety	15,851,573	14,400,945	-	-	15,851,573	14,400,945
Public works	18,467,773	18,559,959	495,595	477,178	18,963,368	19,037,137
Culture and recreation	8,606,410	8,477,600	-	-	8,606,410	8,477,600
Community & econ development	2,443,513	2,432,459	-	-	2,443,513	2,432,459
General government	3,591,303	4,091,368	-	-	3,591,303	4,091,368
Interest and fiscal charges	2,102,834	1,768,098	-	-	2,102,834	1,768,098
Total expenses	51,063,406	49,730,429	495,595	477,178	51,559,001	50,207,607
Increase in net position before transfers	11,615,162	5,531,936	1,872,809	1,779,038	13,487,971	7,310,974
Transfers	791,600	695,000	(791,600)	(695,000)	-	-
Net position – beginning	179,815,139	173,588,203	3,261,458	2,177,420	183,076,597	175,765,623
Net position – ending	\$ 192,221,901	\$ 179,815,139	\$ 4,342,667	\$ 3,261,458	\$ 196,564,568	\$ 183,076,597

Governmental activities

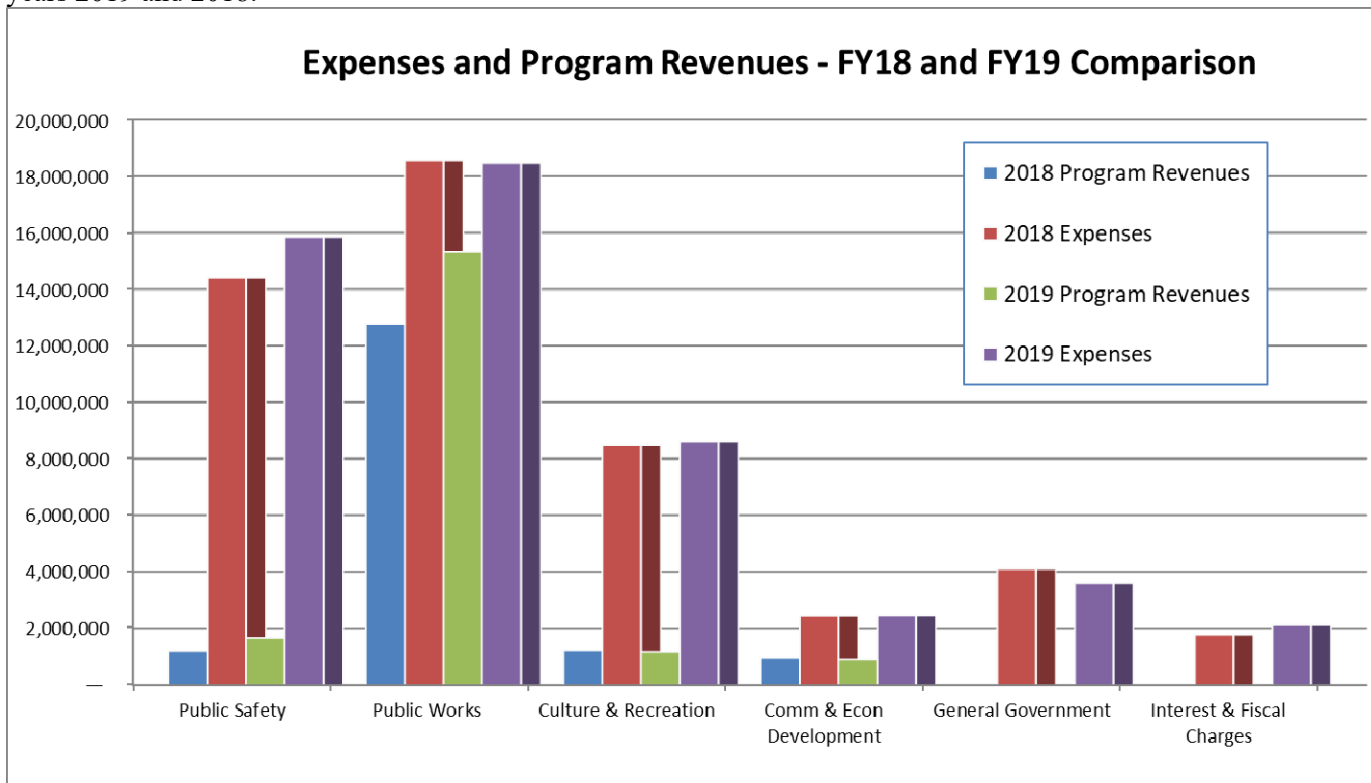
Governmental activities increased the City's net position by \$12,406,762 for FY19. Key elements of the increase in net position are as follows:

- Total taxes increased by \$3,756,475 (9.8%) during FY19. The receipts for FY19 reflect a 6.25% growth in taxable valuation of property throughout the City, which resulted in an overall property tax increase of \$1,620,108. The increase was bolstered by additional tax increment financing district revenues collected of \$1,149,244 as well as new local option sales and service taxes being collected for the first time in Dallas County totaling \$1,238,762.
- Capital Grants and Contributions increased by \$1,953,601 (47.8%) in FY19 due primarily to fluctuation in infrastructure constructed by private parties (e.g. developers) and donated to the City. The value of items can fluctuate based on the timing and number of projects completed in any given year. The donations have increased net position by \$2,829,010 and \$1,562,570 in FY19 and FY18, respectively.
- Total expenses were higher in FY19 by \$1,332,977 (2.7%), primarily in the public safety function due to the hiring of 9 new firefighters to prepare for the opening of a third fire station in Fall 2019.
- FY19 showed a transfer of \$791,600 into capital projects fund from the business-type fund, Storm Water Utility. This transfer reflects the movement of funds contributed towards larger storm water projects being built with multiple funding sources.

Business-type activities

A Storm Water Utility was created in July 2010 as the City's first enterprise fund. This fund encompasses the activities formerly handled by the City's street cleaning and storm sewer departments, as well as storm water run-off inspections. As the fund matures and funding becomes available, more construction projects related to storm water drainage throughout the City are being handled. In order to fund these activities, a storm water user fee was established for all businesses and residences in Urbandale. The rates since July 1, 2016 are \$6 per ERU/per month for residential properties. Commercial property rates are also \$6 for the first 100 ERUs, then at \$5 per ERU over 100. These user fees are the sole source of funding in the charges for services line, generating \$2,294,039 and \$2,232,502 in revenue for FY19 and FY18, respectively. Business-type activities increased the City's net position by \$1,081,209 for FY19.

The following charts depict the expenses and program revenues attributed to each budgetary function for fiscal years 2019 and 2018:



Financial Analysis of the Government's Funds

The City of Urbandale uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

In FY19 and FY18, the City's governmental funds reported combined fund balances of \$63,841,913 and \$57,770,556, respectively. The fluctuations in fund balance can primarily be attributed to the timing of bond issuances and related capital improvement projects payments from year to year. In addition, the following changes in fund balances should be noted:

- The general fund balance increased by \$227,473 (2.24%) in FY19. The City experienced an overall increase in taxable property value of approximately 6.25% for FY19 which resulted in \$1,204,729 of additional general levy tax revenue for the year. Additional building permit revenues and federal grants helped raise additional revenue. The higher revenues were mostly offset by increased expenditures in the

public safety, public works, culture and recreation and the community and economic development functions. These increases were related to the addition of new positions in the fire and engineering departments, and a city-wide increase per employee for self-funded health insurance costs.

- The road use tax fund balance decreased by \$762,847 (17.0%) in FY19. The fund experienced higher road use tax receipts due to stabilizing gas prices with stable expense levels but saw an increase of \$1.46 million in transfers out to capital projects fund to provide funding for various street improvement projects.
- The fund balance for the tax increment financing (TIF) fund decreased \$8,158,021 (69.7%) in FY19. Over the past several years, as TIF supported bonds become callable, TIF funds are being used to call and pay off those bonds instead of refinancing them. The large decrease this year reflects the City's move to escrow and legally retire \$14.4 million in TIF supported bonds that were callable in FY19 through FY21. In FY18, \$3,150,000 of TIF bonds were called and paid off.
- The fund balance of the debt service fund increased by \$442,145 (77.5%) in FY19. The FY19 increase is due primarily to increased special assessment collections and property valuation increase.
- For FY19, the \$13,621,245 (46.0%) increase in the capital projects fund balance is primarily attributable to timing of bond issuances and related project payments associated with those projects. The City conducts its annual bond offering in the spring, which results in less time to draw down new bond funds. The City's spring 2019 bond offering was the largest ever issued at \$25.21 million. Project expenditures were up \$6,892,321 from FY18, reflecting the timing of project payments.
- The nonmajor governmental funds fund balance increased \$701,362 (55.9%) due to the increased property taxes received in the police and fire retirement fund, the new local option sales and service tax revenue from Dallas County and the corresponding increase in pension costs paid using those funds.

Proprietary funds

Unrestricted net position of the proprietary funds was \$11,216,375 and \$9,462,074 in FY19 and FY18, respectively. An additional \$4,368,771 and \$4,159,596 in FY19 and FY18, respectively, of net position was restricted for funds invested in capital assets within the equipment replacement and building maintenance funds. In FY19, the net increase of \$1,963,476 in net position for the proprietary funds resulted primarily from higher interest income and equipment replacement contributions offset by lower reinsurance reimbursements received in the risk management fund. These revenues were bolstered by lower claims in the general liability internal service fund.

Budgetary Highlights (FY19)

Differences between the original budget and the final amended budget amounted to a \$29,580,200 increase in appropriations and can be briefly summarized as follows:

- \$14,400,000 for unbudgeted debt service related to escrow and payoff of 4 outstanding TIF bonds
- \$14,400,000 for transfers out from TIF to debt service to pay off the TIF bonds
- \$500,000 for additional group insurance expenditures
- \$223,000 for culture and recreation related expenditures
- \$18,000 for public safety related expenditures
- \$36,000 for general government related expenditures
- \$3,200 in community and economic development function related expenditures.

The revised expenditures were offset by \$23,000 in intergovernmental revenue, \$336,000 in interest income, \$14,400,000 for offsetting transfers between TIF and debt service funds, \$171,200 from miscellaneous revenue and donations, \$14,400,000 from available TIF fund balance, and \$250,000 from general fund balance. These revenue sources were not anticipated in the adopted fiscal year operating budget.

Including these adjustments, actual disbursements were \$21,597,732 less than final budget amounts. The major factor for this was timing of actual capital project payments. The City did not exceed budgeted expenditures in any of its functions.

On the revenue side, the actual receipts were \$450,645 less than budgeted. This was primarily due to timing of special assessments and federal grant revenue in FY19.

Budget to actual schedule for the City is located on page 56 of this report.

Capital Asset and Debt Administration

Capital assets

In FY19 and FY18, the City had invested \$304,503,514 and \$286,434,291, respectively, in a broad range of capital assets, including land, public buildings and improvements, machinery and equipment, art work, and infrastructure (streets, parks, trails, and traffic safety equipment). This amount represents a net increase, including additions and deletions, of \$18,069,223 and \$9,684,635, respectively. The value of these capital assets, net of depreciation at June 30, 2019 and 2018, is depicted below.

City of Urbandale's Capital Assets (net of depreciation)		
	Governmental Activities	Governmental Activities
	2019	2018
Land	\$ 6,653,857	\$ 6,653,857
Buildings and Improvements	35,247,668	34,639,716
Machinery and Equipment	16,728,080	16,274,847
Artwork	504,260	499,101
Infrastructure	230,616,397	214,970,284
Share of Undivided Equity Interest Assets	2,649,931	2,733,053
Construction in Progress	12,103,321	10,663,433
Total	304,503,514	286,434,291
Accumulated Depreciation	(89,421,271)	(82,142,473)
	\$ 215,082,243	\$ 204,291,818

This year's major capital asset additions included:

- The completion of Waterford Road from 156th to 170th. (\$3,600,000)
- The donation of construction improvements by private parties (\$2,829,010)
- The ongoing construction of the third fire station (\$2,682,700)
- The ongoing construction of a replacement Public Works maintenance facility (\$1,651,300)
- The ongoing construction of 86th Street from Aurora to North Corp. limit (\$830,390)
- The ongoing construction of Meredith Drive 156th to 170th (\$800,150)
- The ongoing construction of 86th Street between Aurora and Hickman (\$683,900)
- The ongoing construction of the 75th and Douglas Intersection (\$573,400)

- The completion of Douglas & 142nd Street Roundabout (\$549,500)
- The purchase of a fire pumper truck for new fire station (\$522,700)
- The ongoing construction of 104th Street from Douglas to Hickman (\$412,700)
- The completion of Waterford Park Trail (\$351,900)
- The completion of Meredith Drive from 128th to 142nd (\$214,750)

Additional information on the City's capital assets can be found on page 35 (footnote 4) of this report.

Long-term debt

In FY19 and FY18 the City had total long-term debt of \$76,605,000 and \$73,430,000, respectively. Of these amounts, \$76,605,000 and \$73,430,000, represented general obligation bond debt.

	Balance June 30, 2018	Issued	Retired	Balance June 30, 2019
General Obligation Bonds	\$ 73,430,000	\$ 25,210,000	\$ 22,035,000	\$ 76,605,000
Premium on Bonds	1,647,495	1,529,660	148,538	3,028,617
	<u>\$ 75,077,495</u>	<u>\$ 26,739,660</u>	<u>\$ 22,183,538</u>	<u>\$ 79,633,617</u>

	Balance June 30, 2017	Issued	Retired	Balance June 30, 2018
General Obligation Bonds	\$ 67,425,000	\$ 18,575,000	\$ 12,570,000	\$ 73,430,000
Premium on Bonds	994,625	737,873	85,003	1,647,495
	<u>\$ 68,419,625</u>	<u>\$ 19,312,873</u>	<u>\$ 12,655,003</u>	<u>\$ 75,077,495</u>

During FY19, the City's total debt increased by a net \$4,556,122, including unamortized bond premiums. The key factors in this net increase were the escrow and early retirement of \$14,235,000 of TIF supported bonds, the routine debt service of \$7,800,000 and offset by the issuance of \$25,210,000 in new general obligation bonds.

In FY19, the projects funded by the Series 2019 A and B bond issues included:

Construction of:

- Parks & Public Works Maintenance Facility (TIF)
- All Inclusive Playground – Northview Park
- Pickleball Court
- Northpark Drive Sidewalk – 86th Street to 100th Street (TIF)
- Meredith Drive: 156th Street to 170th Street
- 104th Street Reconstruction Project – Hickman Road to Douglas Avenue (TIF)
- Signal – 112th Street and Meredith Drive (TIF)
- Community Entrance Signage at Various Locations

Purchase of:

- Fire Station 43: Pumper Truck for New Station
- ADA Pedestrian Access Route Transition Plan
- Various Public Art Projects Throughout the City of Urbandale

The City of Urbandale maintains an Aa1 rating from Moody's Investors Service for its general obligation debt. This rating was most recently affirmed on March 19, 2019.

State statutes limit the amount of debt that a governmental entity may issue to 5% of the actual value of property within the corporate limits. The current maximum debt limitation for the City of Urbandale is \$251,728,800, which is in excess of the City's current outstanding debt. Additional information on the City's long-term debt can be found in note 5 on pages 36 through 39 of this report.

Economic Factors and Next Year's Budget and Rates

Urbandale continues to have a significant land supply remaining for residential growth in new neighborhoods west of Interstates 35/80, and is explore the possibility of annexing additional territory. Most of the growth areas within the current Corporate Limits are already served by City infrastructure. As of the end of June, 2019, three final subdivision plats that will add 65 single-family detached homes and 56 townhouse units had been approved and were under development, and two additional preliminary plats had been approved that would add another 328 single-family lots. Five new subdivisions were approved in 2018 creating 286 new lots. Six new subdivision plats were approved in 2017 creating a total of 233 lots, and nine new subdivisions were approved in 2016 creating a total of 252 lots.

Through the end of June, 2019, permits had been issued for 72 new single-family homes. In 2018 a total of 177 new single-family homes and 15 single-family attached (townhome) units were constructed, and in 2017 a total of 165 and 4 single -family attached (townhome) units were constructed along with a 48-unit multi-family building. In 2016 a total of 158 new single-family homes were constructed. In 2015 a total of 181 new single-family homes were constructed, along with 16 townhomes and 84 multi-family units. In 2014, a total of 156 new single-family homes were constructed, down from 303 new single-family homes that were built in 2013. However 2013's total was the 6th highest in the City's history. A total of 120 apartment units were also constructed in 2014, which is the largest number of multi-family units to be constructed since 2006.

Urbandale also has a sufficient land supply to support continued commercial and industrial growth for at least the next 20 to 40 years, depending on the sector and historic trend line selected. An average of 234,359 square feet of commercial and industrial space has been constructed annually in Urbandale over the past five years.

Construction permitted through June, 2019, totals 129,840 square feet of new commercial and office-development, including the 43,198 square-foot second phase of R&R Realty's Paradigm office building, a new 12,620 square –foot office building for Landmark Development, a 7,589 square foot retail building in Northpark Business Center for Value Vet and two additional tenants, a new 25,146 square foot addition to the Urbandale High school and additions to three other existing businesses. However, the City has approved site plans for an additional 331,468 square feet of commercial and industrial projects that are expected to be permitted yet in 2019, or in early 2020, which includes a new 154,614 square foot City Parks & Public Works maintenance facility, and a new 128,794 square foot elementary school. Construction in 2018 totaled 351,093 square feet of primarily office development and construction in 2017 totaled 355,494 square feet of retail, office and industrial projects. Construction in 2016 totaled only 83,245 square feet of retail, office and industrial projects however, construction in 2015 totaled 250,504 square feet.

The 100th Street Interchange project on Interstate 35/80 was completed last fall and is open to the public. Construction on the follow-up phases of the overall project, which includes the Highway 141 flyover ramp and the half-diamond interchange at Meredith Drive is continuing with an anticipated completion date in the fall of 2020. These projects along with the previously completed 100th Street Interchange will provide increased access/functionality, and encourage construction within Urbandale's economic development corridors.

The City held and passed a local option sales and service tax (LOSST) for the Dallas County portion of Urbandale in November 2017, which took effect July 1, 2018. Revenues from the LOSST resulted in \$1,238,762 in the first year. Council elected to utilize the Dallas County LOSST funds to service and retire the debt for the new fire station No. 43, which was also voted on and approved in the November 2017 election. This new \$6 million facility is under construction with a planned opening of fall 2019. A similar LOSST election was held for the Polk County portion of Urbandale, on August 6, 2019. The LOSST vote was passed with an effective date of January 1, 2020. These funds will be used 50% for property tax relief and 50% for capital projects or other lawful purpose. The City was also awarded a federal SAFER grant in fall 2018 to fund the advance hiring of 9 new firefighter/EMT positions to bring the new station up to full staffing right away, instead of staggering hiring over the upcoming 3 years. The station was budgeted to open with 9 staff, and now will open with all 18. The new station will also provide fire/EMS services through a joint 28E agreement for the City of Clive.

All of these factors were considered in preparing the City of Urbandale's budget for fiscal year 2020. The fiscal year 2020 budget anticipated an increase of \$4,673,264 (7.17%) in operating expenditures over the fiscal year 2019 adopted budget. The adopted expenditures and anticipated revenues for fiscal year 2019 resulted in a \$0.50 increase for the City's combined tax levy rate resulting in a rate of \$10.52/\$1,000 valuation. The general tax levy rate increased from \$7.24 to \$8.10, the Debt Service Levy lowered from \$2.20 to \$2.00, and the Chapter 411 Fire, & Police pension levy decreased \$0.26 to \$0.32. A new levy, Employee Benefits, will be utilized for the first time, at \$0.10.

For the FY20 budget, the property tax changes approved by the State legislature in 2014 will continue to affect valuations and resulting property tax revenue the City relies on to fund a majority of its operations. Under the approved State legislature changes, the rollback for Commercial and Industrial properties decreased 5% annually affecting taxes payable in 2015 and 2016, and has stabilized thereafter at 90% of the assessed value. The State promised to backfill this lost valuation revenue to cities at 100% for 2 years, then the backfill was capped at FY2016-17 levels. To date, no legislative action has been taken to remove or reduce the commercial property tax backfill standing appropriation despite legislative indication that it is likely to occur in the future.

Despite the 10% rollback on commercial property, the City still saw overall taxable valuation growth of 3.6% for FY19-20. Other factors impacting the FY19-20 budget include the continued improvement of local economic conditions spurring construction permit growth, the continued financing of infrastructure maintenance and improvement projects, the addition of 5 full-time positions, the introduction of new technologies in a number of departments, and operating equipment purchases in several departments.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City Manager's Office, 3600 86th Street, Urbandale, Iowa, 50322.

City of Urbandale, Iowa
Statement of Net Position
June 30, 2019

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
Assets				
Current assets				
Cash and pooled cash investments	\$ 74,367,393	\$ 4,545,123	\$ 78,912,516	\$ 83,898
Cash equivalents	-	-	-	8,957,205
Restricted cash	-	-	-	324,461
Accounts receivable	966,160	-	966,160	1,429,482
Taxes receivable				
Current	1,167,693	-	1,167,693	-
Succeeding year	41,788,223	-	41,788,223	-
Special assessments receivable				
Current	989,889	-	989,889	-
Succeeding year	318,318	-	318,318	-
Accrued interest	285,581	-	285,581	10,226
Due from other governments	826,632	-	826,632	-
Due from component unit	29,881	31,824	61,705	-
Due from primary government	-	-	-	15,275
Loan receivable	187,991	-	187,991	134,375
Inventories	277,903	-	277,903	-
Restricted assets - due from primary government	-	-	-	440
Prepaid expense and other assets	-	-	-	77,702
Total current assets	<u>121,205,664</u>	<u>4,576,947</u>	<u>125,782,611</u>	<u>11,033,064</u>
Noncurrent assets				
Capital assets				
Equipment	16,728,080	-	16,728,080	919,492
Buildings	24,971,191	-	24,971,191	1,181,173
Distribution system	-	-	-	35,596,116
Improvements other than building	10,276,477	-	10,276,477	-
Land and right of way	6,653,857	-	6,653,857	2,198,900
Construction in progress	12,103,321	-	12,103,321	251,404
Artwork	504,260	-	504,260	-
Infrastructure	230,616,397	-	230,616,397	-
Share of undivided equity interest assets	2,649,931	-	2,649,931	-
Accumulated depreciation	(89,421,271)	-	(89,421,271)	(14,371,283)
Total capital assets	<u>215,082,243</u>	<u>-</u>	<u>215,082,243</u>	<u>25,775,802</u>
Total assets	<u>336,287,907</u>	<u>4,576,947</u>	<u>340,864,854</u>	<u>36,808,866</u>
Deferred Outflows of Resources				
Pension related deferred outflow	6,881,919	62,202	6,944,121	26,482
OPEB related deferred outflow	54,142	1,394	55,536	313,151
Total deferred outflows of resources	<u>6,936,061</u>	<u>63,596</u>	<u>6,999,657</u>	<u>339,633</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa
Statement of Net Position
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 4,538,694	\$ 14,827	\$ 4,553,521	\$ 129,246
General obligation bonds payable	9,115,000	-	9,115,000	-
Capital loan notes payable	-	-	-	386,000
Interest payable	212,806	-	212,806	9,583
Compensation and payroll taxes	881,971	15,051	897,022	84,842
Compensated absences - current	972,569	10,855	983,424	101,774
Unearned revenue	255,053	-	255,053	-
Due to City of Urbandale	-	-	-	61,705
Due to other governments	-	-	-	747,724
Customer deposits payable - restricted	-	-	-	92,230
Total current liabilities	<u>15,976,093</u>	<u>40,733</u>	<u>16,016,826</u>	<u>1,613,104</u>
Noncurrent liabilities				
General obligation bonds payable	70,518,617	-	70,518,617	-
Capital loan notes payable	-	-	-	3,471,000
Net pension liability	19,849,078	194,056	20,043,134	1,099,795
Net OPEB liability	1,948,641	50,127	1,998,768	238,391
Compensated absences	242,064	2,178	244,242	203,207
Total noncurrent liabilities	<u>92,558,400</u>	<u>246,361</u>	<u>92,804,761</u>	<u>5,012,393</u>
Total liabilities	<u>108,534,493</u>	<u>287,094</u>	<u>108,821,587</u>	<u>6,625,497</u>
Deferred Inflows of Resources				
Succeeding year property taxes	41,788,223	-	41,788,223	-
OPEB related deferred inflow	35,840	911	36,751	-
Pension related deferred inflow	643,511	9,871	653,382	68,303
Total deferred inflows of resources	<u>42,467,574</u>	<u>10,782</u>	<u>42,478,356</u>	<u>68,303</u>
Net Position				
Net investment in capital assets	171,826,998	-	171,826,998	22,821,802
Restricted				
For capital projects	14,616,164	-	14,616,164	-
Purpose restricted by legislation	9,420,084	-	9,420,084	-
Donor restricted purposes	398,438	-	398,438	-
Unrestricted	(4,039,783)	4,342,667	302,884	7,632,897
Total net position	<u>\$ 192,221,901</u>	<u>\$ 4,342,667</u>	<u>\$ 196,564,568</u>	<u>\$ 30,454,699</u>

City of Urbandale, Iowa
Statement of Activities
For the fiscal year ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities Total	Business-type Activities		
Primary Government								
Governmental activities								
Public safety	\$ 15,851,573	\$ 1,469,151	\$ 185,778	\$ 457	\$ (14,196,187)	\$ -	\$ (14,196,187)	\$ -
Public works	18,467,773	3,756,678	5,517,168	6,045,968	(3,147,959)	-	(3,147,959)	-
Culture and recreation	8,606,410	821,025	323,631	-	(7,461,754)	-	(7,461,754)	-
Community and economic development	2,443,513	900,170	3,233	-	(1,540,110)	-	(1,540,110)	-
General government	3,591,303	-	-	-	(3,591,303)	-	(3,591,303)	-
Interest and fiscal charges	2,102,834	-	-	-	(2,102,834)	-	(2,102,834)	-
Total governmental activities	<u>51,063,406</u>	<u>6,947,024</u>	<u>6,029,810</u>	<u>6,046,425</u>	<u>(32,040,147)</u>	<u>-</u>	<u>(32,040,147)</u>	<u>-</u>
Business-type activities								
Storm Water Utility	495,595	2,294,039	-	-	-	1,798,444	1,798,444	
Total primary government	<u>\$ 51,559,001</u>	<u>\$ 9,241,063</u>	<u>\$ 6,029,810</u>	<u>\$ 6,046,425</u>	<u>(32,040,147)</u>	<u>1,798,444</u>	<u>(30,241,703)</u>	
Component Unit								
Urbandale Water Utility	<u>\$ 8,553,051</u>	<u>\$ 9,689,239</u>	<u>\$ 655,626</u>	<u>\$ 340,117</u>				<u>2,131,931</u>
General Revenues								
Taxes								
Property tax				\$ 28,921,125				
Tax increment financing district tax				8,364,435				
Local option sales and service tax				1,238,762				
Hotel Motel tax				1,535,431				
State property tax replacement funds				968,191				
Franchise taxes				265,366				
Utility excise tax				863,682				
Total taxes					42,156,992	-	42,156,992	-
Interest					1,391,425	74,365	1,465,790	118,931
Miscellaneous					106,892	-	106,892	125,181
Transfers					791,600	(791,600)	-	-
Total general revenues and transfers					<u>44,446,909</u>	<u>(717,235)</u>	<u>43,729,674</u>	<u>244,112</u>
Changes in net position					12,406,762	1,081,209	13,487,971	2,376,043
Net Position - beginning					179,815,139	3,261,458	183,076,597	28,078,656
Net Position - ending					<u>\$ 192,221,901</u>	<u>\$ 4,342,667</u>	<u>\$ 196,564,568</u>	<u>\$ 30,454,699</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Road Use Tax Fund	Tax Increment Financing Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled cash investments	\$ 11,083,778	\$ 3,237,482	\$ 3,504,787	\$ 977,325	\$ 45,963,438	\$ 2,048,403	\$ 66,815,213
Taxes receivable							
Current	98,275	438,190	34,885	32,017	-	564,326	1,167,693
Succeeding year	24,491,105	-	9,364,803	6,662,390	-	1,269,925	41,788,223
Special assessments receivable							
Current	-	-	-	976,062	13,827	-	989,889
Succeeding years	-	-	-	311,773	6,545	-	318,318
Accounts receivable	606,689	309	-	-	146,796	122,492	876,286
Accrued interest	105,002	-	12,522	3,500	164,557	-	285,581
Due from component unit	28,275	1,606	-	-	-	-	29,881
Due from other governments	267,500	-	-	-	552,474	-	819,974
Loan receivable	-	-	-	-	105,491	82,500	187,991
Inventories	8,453	269,450	-	-	-	-	277,903
Total assets	<u>\$ 36,689,077</u>	<u>\$ 3,947,037</u>	<u>\$ 12,916,997</u>	<u>\$ 8,963,067</u>	<u>\$ 46,953,128</u>	<u>\$ 4,087,646</u>	<u>\$ 113,556,952</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 546,547	\$ 168,356	\$ 8,307	\$ -	\$ 3,077,876	\$ 93,770	\$ 3,894,856
Compensation and payroll taxes	715,765	49,304	-	-	-	-	765,069
Employee benefits	112,356	4,546	-	-	-	-	116,902
Unearned revenue	-	-	-	-	27,952	227,101	255,053
Total liabilities	<u>1,374,668</u>	<u>222,206</u>	<u>8,307</u>	<u>-</u>	<u>3,105,828</u>	<u>320,871</u>	<u>5,031,880</u>
Deferred inflows of resources							
Succeeding year property taxes	24,491,105	-	9,364,803	6,662,390	-	1,269,925	41,788,223
Unavailable revenue - special assessments	-	-	-	1,287,835	20,372	-	1,308,207
Unavailable revenue - other	456,958	-	-	-	589,258	540,513	1,586,729
Total deferred inflows of resources	<u>24,948,063</u>	<u>-</u>	<u>9,364,803</u>	<u>7,950,225</u>	<u>609,630</u>	<u>1,810,438</u>	<u>44,683,159</u>
Fund balances							
Nonspendable	8,453	269,450	-	-	-	-	277,903
Restricted	-	3,455,381	3,543,887	1,012,842	42,674,536	1,536,962	52,223,608
Committed	-	-	-	-	-	419,375	419,375
Assigned	-	-	-	-	563,134	-	563,134
Unassigned	10,357,893	-	-	-	-	-	10,357,893
Total fund balances	<u>10,366,346</u>	<u>3,724,831</u>	<u>3,543,887</u>	<u>1,012,842</u>	<u>43,237,670</u>	<u>1,956,337</u>	<u>63,841,913</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,689,077</u>	<u>\$ 3,947,037</u>	<u>\$ 12,916,997</u>	<u>\$ 8,963,067</u>	<u>\$ 46,953,128</u>	<u>\$ 4,087,646</u>	<u>\$ 113,556,952</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
June 30, 2019

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total fund balances – governmental funds		\$ 63,841,913
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental funds:		
Capital assets	\$ 294,958,253	
Less accumulated depreciation	<u>(84,244,781)</u>	210,713,472

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds 2,894,936

Debt issuance-related premiums are reported as "other financing sources" in the governmental funds, but as unamortized liabilities in the statement of net position (3,028,617)

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	6,892,508	
Deferred inflows of resources	<u>(671,947)</u>	6,220,561

Internal service funds are used by management to charge the costs of equipment replacement, technology, building maintenance, general liability insurance, and the risk management program to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

Cash	7,552,180	
Due from customers	96,532	
Capital assets, net of accumulated depreciation	4,368,771	
Deferred outflows - pension and OPEB	43,550	
Deferred inflows of resources - pension and OPEB	(7,403)	
Net pension liability	(132,894)	
Net OPEB liability	(34,421)	
Accounts payable	<u>(643,836)</u>	11,242,479

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

General obligation bonds payable	76,605,000	
Accrued interest on the bonds and notes	212,806	
Other postemployment benefits	1,914,220	
Net pension liability	19,716,184	
Compensated absences	<u>1,214,633</u>	<u>(99,662,843)</u>
Net position of governmental activities		<u>\$ 192,221,901</u>

City of Urbandale, Iowa
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2019

	General Fund	Road Use Tax Fund	Tax Increment Financing Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 21,353,639	\$ -	\$ 8,364,435	\$ 7,008,177	\$ -	\$ 4,588,707	\$ 41,314,958
Special assessments	-	-	-	316,379	310,788	-	627,167
Licenses and permits	1,161,861	-	-	-	-	-	1,161,861
Use of money and property	201,132	-	138,348	60,156	758,268	36,445	1,194,349
Intergovernmental	1,268,172	5,517,168	-	212,577	1,265,797	73,218	8,336,932
Charges for services	4,728,698	-	-	-	-	13,320	4,742,018
Miscellaneous	327,657	-	-	-	1,339,369	132,635	1,799,661
Total revenues	<u>29,041,159</u>	<u>5,517,168</u>	<u>8,502,783</u>	<u>7,597,289</u>	<u>3,674,222</u>	<u>4,844,325</u>	<u>59,176,946</u>
Expenditures							
Current operating expenditures							
Public safety	12,502,663	-	-	-	-	1,754,155	14,256,818
Public works	4,530,588	3,584,115	-	-	-	-	8,114,703
Culture and recreation	6,865,333	-	-	-	-	1,205,384	8,070,717
Community and economic development	2,002,303	-	332,039	-	-	-	2,334,342
General government	3,221,711	-	-	-	-	-	3,221,711
Capital outlay	-	-	-	-	20,380,137	-	20,380,137
Debt service							
Principal	-	-	-	22,035,000	-	-	22,035,000
Interest	-	-	-	2,223,421	-	-	2,223,421
Total expenditures	<u>29,122,598</u>	<u>3,584,115</u>	<u>332,039</u>	<u>24,258,421</u>	<u>20,380,137</u>	<u>2,959,539</u>	<u>80,636,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(81,439)</u>	<u>1,933,053</u>	<u>8,170,744</u>	<u>(16,661,132)</u>	<u>(16,705,915)</u>	<u>1,884,786</u>	<u>(21,459,903)</u>
Other financing sources (uses)							
General obligation bond issuance	-	-	-	-	25,210,000	-	25,210,000
Premium on bond issuance	-	-	-	-	1,529,660	-	1,529,660
Transfers in	593,424	-	-	17,103,277	3,587,500	10,000	21,294,201
Transfers out	(284,512)	(2,695,900)	(16,328,765)	-	-	(1,193,424)	(20,502,601)
Total other financing sources (uses)	<u>308,912</u>	<u>(2,695,900)</u>	<u>(16,328,765)</u>	<u>17,103,277</u>	<u>30,327,160</u>	<u>(1,183,424)</u>	<u>27,531,260</u>
Net changes in fund balances	227,473	(762,847)	(8,158,021)	442,145	13,621,245	701,362	6,071,357
Fund balances at beginning of year	10,138,873	4,487,678	11,701,908	570,697	29,616,425	1,254,975	57,770,556
Fund balances at end of year	<u>\$ 10,366,346</u>	<u>\$ 3,724,831</u>	<u>\$ 3,543,887</u>	<u>\$ 1,012,842</u>	<u>\$ 43,237,670</u>	<u>\$ 1,956,337</u>	<u>\$ 63,841,913</u>

See accompanying notes to financial statements.

City of Urbandale, Iowa
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental
 Funds to the Statement of Activities
 For the fiscal year ended June 30, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net change in fund balances – governmental funds	\$	6,071,357
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.</p>		
Capital outlays	\$	18,153,402
Depreciation expense		<u>(7,545,530)</u>
		10,607,872
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		26,622
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		476,806
<p>In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (the amount actually paid). The current year differences are</p>		
Compensated absences - Sick leave and vacation		(101,672)
Other postemployment benefits		<u>(172,887)</u>
		(274,559)
The net effect of pension related activity, consisting of employer contributions which are reported as expenditures in the governmental funds, but reported as a deferred outflow of resources in the Statement of Net Position, and the pension expenses reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(746,286)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		22,035,000
Issuance of bond principal is an “other financing source” in the governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.		(26,739,660)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however interest expense is recognized as the interest accrues, regardless of when it is due.		(27,951)
Bond issuance-related premiums/discounts are reported as “other financing uses” and expenditures in the governmental funds at the time of issuance in the government-wide financial statements, these costs are amortized over the life of the debt issue.		148,538
An internal service fund is used by the City's management to charge the costs of equipment replacement, technology, general liability insurance, building maintenance and the risk management program to the individual funds. The net loss of the internal service funds is reported with governmental activities.		<u>882,267</u>
Change in net position of governmental activities	\$	<u><u>12,460,006</u></u>

City of Urbandale, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Non-Major Enterprise Fund Storm Water Utility Fund	Governmental Activities Internal Service Funds
Assets		
Current assets		
Cash and pooled cash investments	\$ 4,545,123	\$ 7,552,180
Accounts receivable	-	89,874
Due from component unit	31,824	-
Due from other governments	-	6,658
Total current assets	<u>4,576,947</u>	<u>7,648,712</u>
Noncurrent assets		
Capital assets, net	-	4,368,771
Total assets	<u>4,576,947</u>	<u>12,017,483</u>
Deferred Outflows of Resources		
Pension related deferred outflows	62,202	42,597
OPEB related deferred outflows	1,394	953
Total deferred outflows of resources	<u>63,596</u>	<u>43,550</u>
Liabilities		
Current liabilities		
Accounts payable	14,827	643,836
Compensation and payroll taxes	14,027	-
Employee benefits	1,024	-
Compensated absences - current	10,855	-
Total current liabilities	<u>40,733</u>	<u>643,836</u>
Noncurrent liabilities		
Net pension liability	194,056	132,894
Net OPEB liability	50,127	34,421
Compensated absences	2,178	-
Total noncurrent liabilities	<u>246,361</u>	<u>167,315</u>
Total liabilities	<u>287,094</u>	<u>811,151</u>
Deferred Inflows of Resources		
Pension related deferred inflows	9,871	6,760
OPEB related deferred inflows	911	643
Total deferred outflows of resources	<u>10,782</u>	<u>7,403</u>
Net Position		
Net investment in capital assets	-	4,368,771
Unrestricted	4,342,667	6,873,708
Total net position	<u>\$ 4,342,667</u>	<u>\$ 11,242,479</u>

See accompanying notes to the financial statements.

City of Urbandale, Iowa
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2019

	Business-Type Activities - Non-Major Enterprise Fund	Governmental Activities
	Storm Water Utility Fund	Internal Service Funds
Operating Revenues		
Charges for services	\$ 2,294,039	\$ 6,558,687
Other	-	1,119,049
Total operating revenues	2,294,039	7,677,736
Operating Expenses		
Insurance premiums and claims	-	5,435,658
Building maintenance	-	561,795
Data processing	-	20,000
Storm water operations	495,595	-
Administration	-	14,179
Depreciation	-	960,916
Total operating expenses	495,595	6,992,548
Operating income	1,798,444	685,188
Nonoperating Revenues		
Interest income	74,365	197,079
Income before transfers	1,872,809	882,267
Transfers out	(791,600)	-
Change in net position	1,081,209	882,267
Net Position at Beginning of Year	3,261,458	10,360,212
Net Position at End of Year	\$ 4,342,667	\$ 11,242,479

City of Urbandale, Iowa
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2019

	Business-Type Activities - Non-Major Enterprise Fund	Governmental Activities
	Storm Water Utility Fund	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 2,296,955	\$ 7,598,610
Payments to employees	(347,023)	(224,949)
Payments to suppliers	(131,290)	(5,627,729)
Net cash provided by operating activities	1,818,642	1,745,932
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	(791,600)	-
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	-	(1,170,091)
Cash Flows from Investing Activities		
Interest on investments	74,366	197,080
Net increase in cash and cash equivalents	1,101,408	772,921
Cash and Cash Equivalents at Beginning of Year	3,443,715	6,779,259
Cash and Cash Equivalents at End of Year	\$ 4,545,123	\$ 7,552,180
Reconciliation of Operating Income to		
Net Cash provided by Operating Activities		
Operating income	\$ 1,798,444	\$ 685,188
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	960,916
Change in deferred inflows related to pension	6,036	4,125
Change in deferred inflows related to OPEB	912	642
Change in deferred outflows related to pension	4,848	3,484
Change in deferred outflows related to OPEB	86	61
Change in due from customers and users	2,916	(79,126)
Change in net pension liability	551	(30)
Change in accounts payable and accrued liabilities	4,849	170,672
Net cash provided by operating activities	\$ 1,818,642	\$ 1,745,932

City of Urbandale, Iowa
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Total Agency Funds</u>
Assets	
Cash and pooled cash investments	<u>\$ 1,001,291</u>
Liabilities	
Due to component unit	\$ 15,715
Due to other governments	402,245
Deposits and remittances due	<u>583,331</u>
Total liabilities	<u>\$ 1,001,291</u>

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

Reporting Entity

The City of Urbandale, Iowa, (the City) is located in Polk County and was incorporated in 1917 under the laws of the state of Iowa (the State), later amended in July 1975 under the Home Rule City Act. The City operates by ordinance under the mayor-council-manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

In accordance with the *Codification of Governmental Accounting and Financial Reporting Standards*, the basic financial statements include all funds, organizations, agencies, boards, commissions, and authorities for which the City is financially accountable. The reporting entity includes those of the City of Urbandale (the Primary Government) and its Component Unit. The City has also considered all other potential organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. The Urbandale Water Utility meets each of these financial accountability criteria. Based on these criteria, there are no organizations or agencies other than the Water Utility which should be included in these basic financial statements.

Discretely Presented Component Unit

The Water Utility column in the financial statements presents the financial data of the Urbandale Water Utility (the Water Utility). The Water Utility is governed by a three-member board appointed by the City Council (the Council), and the Water Utility's operating budget is subject to the approval of the Council. Accordingly, financial accountability, as defined in the preceding paragraph, exists and the Water Utility is presented in the reporting entity, although it is legally separate from the City. The Water Utility provides water service exclusively to the citizens of Urbandale on behalf of the City. Complete financial statements of the Water Utility can be obtained directly from its administrative office at the following address:

Urbandale Water Utility
3720 86th Street
Urbandale, Iowa 50322

Measurement Focus, Basis of Accounting and Basis of Presentation:

Under GASB 34, the annual financial report includes two separate sets of statements, the government-wide financial statements and the fund financial statements. The measurement focus, basis of accounting and basis of presentation differ between the government-wide financial statements and the fund financial statements. These differences, along with an explanation of the differing purposes and information provided by these separate financial statements, are described in the sections below.

Government-wide Financial Statements

The government-wide financial statements use the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Any interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services. The structure of the government-wide financial statements is described in the following two paragraphs.

Statement of Net Position – presents the City’s nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories.

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

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

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

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

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

Fund Financial Statements

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Governmental Funds

Governmental Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The current financial resources measurement focus results in the reporting of only near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after year-end. Other revenues are considered to be available if they are expected to be received within 60 days. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes, investment earnings, and charges for services. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Fines, forfeitures, licenses, and permit revenues are recorded when the City receives cash because they are generally not measurable until actually received. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met as long as they have met the available and measurable criteria.

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

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

The City reports the following major governmental funds:

General Fund – used to account for the general operations of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City’s general service departments, street and highway maintenance, public safety, sanitation, parks, library, and recreation programs, are accounted for in this fund.

Road Use Tax Fund – utilized to account for the operations of street maintenance. Financing is provided by the City’s share of state gasoline taxes, which are received on a per capita basis. State law requires these revenues to be received and disbursed in a special revenue fund.

Tax Increment Financing Fund – used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

Debt Service Fund – utilized to account for the funding and payment of interest and principal of general obligation debt of the City.

Capital Projects Fund – used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through internal service funds.

Proprietary Funds

The proprietary funds are used to account for a government's ongoing operations and activities which are similar to those often found in the private sector. The proprietary funds use the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus results in the reporting of all inflows, outflows, and balances affecting or reflecting the fund net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items.

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses include the cost of services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The following comprises the City's proprietary funds, none of which are designated as major funds:

General Liability Fund – an internal service fund utilized to finance and account for the City's property and casualty and workers compensation insurance transactions.

Risk Management Fund – an internal service fund utilized to finance and account for the transactions related to the City's dental, life, long-term disability and self-insured employee health insurance plans.

Equipment Replacement Fund – an internal service fund utilized to finance and account for the acquisition of capital assets for designated departments within the City.

Building Maintenance Fund – an internal service fund utilized to finance and account for the various non-routine maintenance and large-scale repair activities associated with any City-owned buildings within the City.

Technology Fund – an internal service fund utilized to finance and account for the acquisition of major technology-related capital assets that are not funded through the Capital Projects or Equipment Replacement funds.

Storm Water Utility Fund – an enterprise fund utilized to account for the operations and maintenance of the City's storm water program and improvements to the storm water system that are not funded through the Capital Projects fund.

Fiduciary Funds

The fiduciary funds are used to account for assets held as an agent for others in an agency capacity. The agency funds are custodial in nature and do not present results of operations. The funds are accounted for using the accrual basis of accounting, with no measurement focus. The City has the following fiduciary funds:

Collections and Deposits Fund— an agency fund utilized to finance and account for refundable deposits and other flow-through funds collected by the City to be paid out to another party.

Escrow Fund – an agency fund utilized to finance and account for refundable escrows from developers for capital improvement projects.

Use of Estimates

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

Encumbrances

The fund balances in the governmental funds are charged for encumbrances when commitments are made. Fund balances are reserved for outstanding encumbrances, because the City intends to honor these purchase commitments. The City does not treat encumbrances as expenditures for GAAP purposes.

Fund Balance

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

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

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

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action, ordinance or resolution, which it originally employed to commit those amounts.

Assigned – Amounts which the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. These amounts are designated by City Council through informal processes, such as by City policy.

Unassigned – All amounts not included in other spendable classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Components of Governmental Fund Balance

As of June 30, 2019, fund balances are composed of the following:

	General	Debt Service	Capital Projects	Special Revenues	Total
Nonspendable					
Inventory	\$ 8,453	\$ -	\$ -	\$ 269,450	\$ 277,903
Restricted for					
Debt service	-	1,012,842	-	3,543,887	4,556,729
Public works	-	-	-	3,455,381	3,455,381
Capital projects	-	-	42,674,536	-	42,674,536
Public safety retirement	-	-	-	191,725	191,725
Police activities	-	-	-	61,543	61,543
Fire activities	-	-	-	33,472	33,472
LOSST - Tax Relief - Dallas	-	-	-	123,953	123,953
LOSST - CIP - Dallas	-	-	-	625,363	625,363
Cultural programs	-	-	-	358,198	358,198
Parks activities	-	-	-	(28,197)	(28,197)
Recreational programs	-	-	-	170,905	170,905
Total restricted	<u>-</u>	<u>1,012,842</u>	<u>42,674,536</u>	<u>8,536,230</u>	<u>52,223,608</u>
Committed for					
Economic development	-	-	-	419,375	419,375
Assigned to					
Capital Projects	-	-	563,134	-	563,134
Unassigned	<u>10,357,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,357,893</u>
Total fund balance	<u>\$10,366,346</u>	<u>\$ 1,012,842</u>	<u>\$43,237,670</u>	<u>\$ 9,225,055</u>	<u>\$63,841,913</u>

Cash and Pooled Cash Investments

Except for the Water Utility, the City maintains a cash and investment pool that is available for use by all funds. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition. These pooled deposits are invested on a short-term basis, and interest income is generally allocated to each participating fund based upon the percentage of its average balance.

For purposes of the statement of cash flows, the proprietary funds consider all investments with a maturity of three months or less when purchased to be cash equivalents.

Cash equivalents of the Water Utility include a money market account and an investment in the Iowa Public Agency Investment Trust (IPAIT), which is valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940, and is not subject to risk categorization. IPAIT was established under Iowa law to authorize cities, counties, and municipal utilities to jointly invest. IPAIT invests only in permitted investments as specified for public agencies by Iowa law. The board of trustees of IPAIT meets quarterly to monitor investment compliance and performance.

Inventories

Inventories of materials and supplies are valued at average cost. Inventories are recorded as expenditure at the time of consumption.

Unbilled Revenues

Utilizing the first billing subsequent to year-end, the Water Utility accrues unbilled revenues for services rendered subsequent to the last billing date and prior to year-end based upon the number of days unbilled.

Capital Assets

Capital assets, which include real property, equipment and vehicles, artwork, buildings, infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), and the City’s share of assets in an undivided equity interest, are reported in the governmental activities column in the government-wide Statement of Net Position and in the Proprietary Funds Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Reportable capital assets, other than intangible assets, are defined by the City as assets with initial, individual costs in excess of \$2,000 and estimated useful lives in excess of one year. The City defines intangible assets as those items with costs in excess of \$100,000.

Capital assets are depreciated using the straight-line method over their estimated useful lives. Capital assets not being depreciated include land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	Years
Building	40 - 50
Improvements Other than Buildings	5 - 30
Vehicles and Equipment	3 - 20
Distribution System	50
Artwork	20
Infrastructure	10 - 65
Share of Undivided Equity Interest Assets	5 - 15

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which they are levied, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and other unrecognized items not yet charged to pension and OPEB expense.

Long-Term Debt

In the government-wide financial statements, long-term debt obligations are reported as liabilities in the statement of net position. If deemed material, bonds payable are reported net of the applicable bond premium or discount.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the period issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. Interest is reported as expenditure in the period in which the related payment is made.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two pension systems, and additions to/deductions from the pensions' fiduciary net position have been determined on the same basis as they are reported by each respective pension system.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Total OPEB Liability

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

Compensated Absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Accumulated vacation and sick leave are reported as an expense and an accrued liability as the benefits accrue to employees in the government-wide financial statements as well as in the Water Utility. An estimate for the amount due in one year is reported as a current liability, and reflects management's best estimate of anticipated use of these types of leave hours in the next year, based on a 3 year trend. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements.

Self-insurance

The City is partially self-insuring for employee health insurance through stop-loss insurance, which provides coverage for claims in excess of \$50,000 per employee and \$4,154,188 in the aggregate for June 30, 2019. The operating funds are charged premiums (based upon historical claim experience) by the Risk Management Fund, which is accounted for as an Internal Service Fund. The accrued liability for estimated claims represents an

estimate of the eventual loss on claims arising prior to year-end, including claims incurred but not yet reported, and is classified with accounts payable.

The table below presents the changes in claim liabilities for the past two fiscal years for the City's employee health insurance.

	2019	2018
Unpaid Claims and Claim Adjustment Expenses at Beginning of the Fiscal Year	\$ 300,000	\$ 495,000
Incurred Claims and Claim Adjustment Expenses	2,856,960	3,580,421
Payments	(2,756,960)	(3,775,421)
Total unpaid claims and claim adjustment expenses at end of the fiscal year	\$ 400,000	\$ 300,000

Note 2 - Cash and Pooled Cash Investments and Cash Equivalents

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

The investment interest income of the Road Use Tax Fund has been assigned to the City's General Fund.

The City is authorized by state statute to invest public funds in interest bearing savings, money market, or checking accounts at a bank, savings and loan association or credit union in the State of Iowa that is approved by the Council and the Treasurer of the State of Iowa, in obligations of the United States government, its agencies, and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Council and the Treasurer of the State of Iowa; The Iowa Public Agency Investment Trust (IPAIT), perfected repurchase agreements; and certain registered open-end management investment companies.

Certificates of deposit and money market accounts are classified as cash and pooled cash investments in the financial statements and are included with bank deposits in this note. The cash equivalents of the City's non-fiduciary funds at June 30, 2019 are \$78,912,516. The City's agency funds had cash and pooled cash investments of \$1,001,291 at June 30, 2019.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standard Board Statement No. 72.

At June 30, 2019 cash and cash equivalents balance of the Water Utility include a money market account of \$3,867,677 and an investment in the Iowa Public Agency Investment Trust (IPAIT) \$5,181,758, which is valued at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The IPAIT pool is unrated. Additionally, there is one Certificate of Deposit in the amount of \$173,176 and checking accounts with \$142,953 as of June 30, 2019.

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) in 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.

Credit risk. The City's investment policy prohibits investments in commercial paper and other corporate debt. The Water Utility's investment in Iowa Public Agency Investment Trust is unrated. IPAIT was established under Iowa law to authorize cities, counties, and municipal utilities to jointly invest. IPAIT invests only in permitted investments as specified for public agencies by Iowa law. The board of trustees of IPAIT meets quarterly to monitor investment compliance and performance. All other investments held by the City at June 30, 2019 are in certificates of deposit, money market accounts, money market mutual funds, and obligations of the United States government held with depository institutions approved by the Council.

Concentration of credit risk. The City places dollar limits, currently \$30 million, on the amount that may be invested in any one approved depository institution. The City also has a diversification policy to reduce risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities.

Custodial credit risk - deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits and investments held at year end are entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City held no such investments during the year.

Note 3 - Restricted Assets

Customer deposits, a sinking fund and a reserve fund as defined by the Water Utility's water revenue bond covenants are separately disclosed in the balance sheet of the Water Utility.

Note 4 - Capital Assets

Capital assets activity for the Primary Government for the year ended June 30, 2019 is as follows:

	July 1, 2018			June 30, 2019
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 5,466,383	\$ 1	\$ 1	\$ 5,466,383
Construction in progress	10,663,433	15,103,673	13,663,785	12,103,321
Right of way	1,187,474	-	-	1,187,474
Total Capital Assets Not Being Depreciated	<u>17,317,290</u>	<u>15,103,674</u>	<u>13,663,786</u>	<u>18,757,178</u>
Capital Assets Being Depreciated				
Equipment	16,274,847	1,590,122	1,136,889	16,728,080
Buildings	24,971,191	-	-	24,971,191
Improvements other than buildings	9,668,525	615,326	7,374	10,276,477
Artwork	499,101	5,159	-	504,260
Infrastructure	214,970,284	15,646,113	-	230,616,397
Share of undivided equity interest assets	2,733,053	26,885	110,007	2,649,931
Total Capital Assets Being Depreciated	<u>269,117,001</u>	<u>17,883,605</u>	<u>1,254,270</u>	<u>285,746,336</u>
Less Accumulated Depreciation for				
Equipment	9,038,035	1,593,630	1,111,355	9,520,310
Buildings	8,193,913	550,543	-	8,744,456
Improvements other than buildings	3,921,364	633,735	6,873	4,548,226
Artwork	282,754	24,732	-	307,486
Infrastructure, as restated	59,077,582	5,442,617	-	64,520,199
Share of undivided equity interest assets	1,628,825	261,189	109,420	1,780,594
Total Accumulated Depreciation	<u>82,142,473</u>	<u>8,506,446</u>	<u>1,227,648</u>	<u>89,421,271</u>
Total Capital Assets, Net	<u>\$ 204,291,818</u>	<u>\$ 24,480,833</u>	<u>\$ 13,690,408</u>	<u>\$ 215,082,243</u>

Depreciation expense of \$8,506,446 for the year ended June 30, 2019, was charged to the following governmental functions:

	<u>2019</u>
Public Safety	\$ 1,234,568
Public Works	6,061,337
Culture and Recreation	984,426
Community and Economic Development	58,913
General Government	167,202
Total depreciation expense	<u>\$ 8,506,446</u>

Capital asset activity for the Water Utility for the years ended June 30, 2019 is as follows:

	June 30, 2018 Balance	Increases	Decreases	June 30, 2019 Balance
Capital Assets Not Being Depreciated				
Land	\$ 2,198,900	\$ -	\$ -	\$ 2,198,900
Construction in progress	103,312	251,404	103,312	251,404
Total Capital Assets Not Being Depreciated	<u>2,302,212</u>	<u>251,404</u>	<u>103,312</u>	<u>2,450,304</u>
Capital Assets Being Depreciated				
Equipment	853,937	123,590	58,035	919,492
Buildings	1,181,173	-	-	1,181,173
Distribution system	34,794,072	833,531	31,487	35,596,116
Total Capital Assets Being Depreciated	<u>36,829,182</u>	<u>957,121</u>	<u>89,522</u>	<u>37,696,781</u>
Less Accumulated Depreciation for				
Equipment	706,663	64,354	58,035	712,982
Buildings	744,511	30,617	-	775,128
Distribution system	12,168,302	720,539	5,668	12,883,173
Total Accumulated Depreciation	<u>13,619,476</u>	<u>815,510</u>	<u>63,703</u>	<u>14,371,283</u>
Total Capital Assets, Net	<u>\$ 25,511,918</u>	<u>\$ 393,015</u>	<u>\$ 129,131</u>	<u>\$ 25,775,802</u>

Note 5 - Long-Term Obligations

General Obligation Bonds

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

	Date of Issue	Interest Rates	Final Due Date	Annual Principal Payments	Amount Originally Issued	Amount Outstanding June 30, 2019
Streets/Bridges/Parks/Trails	10/01/10	2.50 to 3.00	6/22	675,000 to 750,000	\$ 8,535,000	\$ 2,050,000
Refunding Bond	10/01/10	2.50	6/20	100,000	2,955,000	100,000
Streets/Bridges/Parks/Trails	09/01/11	2.00 to 3.00	6/26	255,000 to 400,000	8,935,000	2,515,000
Streets/Bridges/Parks/Trails	09/01/12	2.00 to 2.25	6/27	250,000 to 500,000	9,765,000	2,860,000
Streets/Parks/Trails/Bridges	09/01/13	2.25 to 3.25	6/28	250,000 to 490,000	8,090,000	2,425,000
Streets/Parks/Trails/Bridges	10/01/14	2.0 to 3.0	6/29	300,000 to 340,000	5,610,000	3,350,000
Refunding Bond	09/01/14	2.00 to 2.25	6/24	150,000 to 165,000	3,950,000	785,000
Streets/Parks/Library/Storm Sewer	09/17/15	2.00 to 2.75	6/30	590,000 to 605,000	10,000,000	6,730,000
Streets/Parks/Trails/Fire/Police	05/17/16	2.00 to 2.75	6/31	120,000 to 155,000	2,990,000	1,825,000
Streets/Trail/Parks/Fire/Software	04/11/17	2.00 to 5.00	6/32	200,000 to 1,035,000	9,580,000	6,270,000
Streets/Bridge	04/11/17	2.00 to 5.00	6/27	720,000 to 955,000	7,985,000	6,855,000
Fire/Streets/Bridge/Sidewalks	04/10/18	2.50 to 5.00	6/33	610,000 to 2,445,000	12,220,000	9,775,000
Streets/Interchange/Pub Works	04/10/18	3.00 to 5.00	6/28	500,000 to 755,000	6,355,000	5,855,000
Streets, parks, fire pumper truck	4/07/19	3.00 to 5.00	6/34	280,000 to 1,615,000	6,250,000	6,250,000
Street, PW facility	4/07/19	3.00 to 4.00	6/29	1,540,000 to 2,205,000	18,960,000	18,960,000
					<u>\$ 122,180,000</u>	<u>\$ 76,605,000</u>

The annual principal and interest requirements to maturity for the City's obligations at June 30, 2019 are as follows:

Years Ending <u>June 30,</u>	General Obligation Bonds	
	Principal	Interest
2020	\$ 9,115,000	\$ 2,553,671
2021	7,745,000	2,138,399
2022	7,595,000	1,842,669
2023	7,030,000	1,576,294
2024	7,140,000	1,338,819
2025-2029	31,445,000	3,529,994
2030-2034	6,535,000	454,444
	\$ 76,605,000	\$ 13,434,290

Water Revenue Refunding Capital Loan Notes

On June 1, 2015, the Water Utility issued \$1,963,000 in Water Revenue Refunding Capital Loan Notes. Interest is payable each December 1 and June 1 at a rate of 1.99%. Principal payments are due each June 1 and range from \$201,000 to \$236,000 with final maturity in 2024. The proceeds were used to refund outstanding 2005 Water Revenue Bonds which had an interest rate of 3.90%. At June 30, 2019 the restricted cash on the balance sheet \$20,750 in the Sinking Fund. The debt is owned by Regions Bank and; therefore, constitutes a direct borrowing.

The annual principal and interest requirements to maturity for the Water Utility's water revenue capital loan note at June 30, 2019 are as follows:

Years Ending <u>June 30,</u>	Water Revenue Refunding Capital Loan Note	
	Principal	Interest
2020	\$ 218,000	\$ 22,567
2021	222,000	18,228
2022	227,000	13,811
2023	231,000	9,293
2024	236,000	4,696
	\$ 1,134,000	\$ 68,595

Drinking Water State Revolving Fund

The Water Utility applied for and received a capital loan note from the Drinking Water State Revolving Fund on February 17, 2010 in the amount of \$1,671,000. The funds were used solely for a meter replacement project as defined in the application. Funds were disbursed from the Iowa Finance Authority when invoices were submitted by the Utility and approved for the project. The first \$332,000 disbursed to the Utility represents the forgivable portion of the loan. The remaining \$1,339,000 was disbursed over the next 24 months and will be repaid semi-annually over a twenty-year period. A loan servicing fee is payable each June 1 at a rate of .25% of the principal amount of the loan outstanding. Interest is payable each December 1 and June 1 at a rate of 3.0%. Principal payments are due June 1 of each year, and range from \$49,000 to \$89,000 with final maturity in 2031. At June 30, 2019 the restricted cash on the balance sheet includes \$23,068 in the Sinking Fund.

Principal and interest requirements to maturity for obligations at June 30, 2019 are as follows:

Years Ending	SRF Capital Loan	
June 30,	Principal	Interest
2020	\$ 63,000	\$ 27,090
2021	65,000	25,200
2022	67,000	23,250
2023	69,000	21,240
2024	71,000	19,170
2025-2029	479,000	62,370
2030-2032	89,000	7,920
	\$ 903,000	\$ 186,240

Water Revenue Capital Loan Notes

On December 4, 2012 the Urbandale Water Utility issued \$2,285,000 in Taxable Water Revenue Capital Loan Notes. The notes were issued for system improvements and land acquisitions. Interest is payable semi-annually, each December 1 and June 1, at 3.59%. Principal payments are due June 1 of each year starting in 2015, and range from \$85,000 - \$160,000, with the final maturity in 2033. At June 30, 2019 the restricted cash balance sheet includes \$15,236 in the Sinking Fund and \$173,176 in the Reserve Fund. The debt is owned by Bank Iowa and; therefore, constitutes a direct borrowing.

Principal and interest requirements to maturity for obligations at June 30, 2019 are as follows:

June 30,	Principal	Interest
2020	\$ 105,000	\$ 65,338
2021	105,000	61,569
2022	110,000	57,799
2023	115,000	53,850
2024	120,000	49,722
2025-2029	655,000	181,474
2030-2034	610,000	55,645
	\$ 1,820,000	\$ 525,397

Changes in long-term obligation for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within 1 Year
Primary Government					
Bonds payable					
General obligation bonds	\$ 73,430,000	\$ 25,210,000	\$ 22,035,000	\$ 76,605,000	\$ 9,115,000
Premium on bonds	1,647,495	1,529,660	148,538	3,028,617	-
Total bonds payable	<u>75,077,495</u>	<u>26,739,660</u>	<u>22,183,538</u>	<u>79,633,617</u>	<u>9,115,000</u>
Compensated absences	1,112,961	1,154,004	1,052,332	1,214,633	972,569
	<u>\$ 76,190,456</u>	<u>\$ 27,893,664</u>	<u>\$ 23,235,870</u>	<u>\$ 80,848,250</u>	<u>\$ 10,087,569</u>
Business-Type Activities					
Compensated absences	<u>\$ 10,899</u>	<u>\$ 10,941</u>	<u>\$ 8,807</u>	<u>\$ 13,033</u>	<u>\$ 10,855</u>
Component Unit					
Water revenue bonds	\$ 1,348,000	\$ -	\$ 214,000	\$ 1,134,000	\$ 218,000
Capital loan note	2,884,000	-	161,000	2,723,000	168,000
Compensated absences	292,096	12,885	-	304,981	101,774
	<u>\$ 4,524,096</u>	<u>\$ 12,885</u>	<u>\$ 375,000</u>	<u>\$ 4,161,981</u>	<u>\$ 487,774</u>

Typically, the general fund has been used in prior years to liquidate long-term liabilities other than debt.

2017 Actual Value of Property (Unaudited)	<u>\$ 5,034,576,005</u>
Debt Limit - 5% of Assessed Valuation	\$ 251,728,800
Amount of Debt Applicable to Debt Limit	
General obligation bonds	(76,605,000)
Legal debt margin	<u>\$ 175,123,800</u>

Note 6 - Pension Plan

The primary government participates in two public pension systems, Iowa Public Employees' Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The component unit Water Utility participates in IPERS only. The following sections outline the pension related disclosures for each pension of both entities. The aggregate amount of recognized pension expense for the period associated with the net pension liability for all plans is \$3,364,969 for the primary government and \$135,298 for the Water Utility. Other aggregate amounts related to pension are separately displayed in the financial statements.

Iowa Public Employees' Retirement System – IPERS

Plan Description – IPERS membership is mandatory for employees of the City and the Water Utility, except for those covered by another retirement system. Throughout this IPERS disclosure, all references to the City will incorporate both the City and the Water Utility, unless otherwise noted.

Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement Plan (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail 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, any time after reaching age 62 with 20 or more years of covered employment or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member’s first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member’s monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member’s highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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

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

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

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member’s lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November 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 that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protective occupation members contributed 6.81% of covered payroll and the City contributed 10.21% of covered payroll, for a total rate of 17.02%.

The City's total contributions to IPERS for the year ended June 30, 2019 totaled \$886,237. The Water Utility's total contributions to IPERS for the year ended June 30, 2019 totaled \$129,041.

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.0%	6.01%
International Equity	15.0%	6.48%
Global smart beta equity	3.0%	6.23%
Core plus fixed income	27.0%	1.97%
Public Credit	3.5%	3.93%
Public Real Assets	7.0%	2.91%
Cash	1.0%	-0.25%
Private equity	11.0%	10.81%
Private real assets	7.5%	4.14%
Private credit	3.0%	3.11%
	<u>100%</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 contractually required rates, actuarially determined. Based on those assumptions, the IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPER's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

City Specific IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a liability of \$7,550,817 for its proportionate share of the net pension liability. The new pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the City’s collective proportion was 0.1193193% which was an increase of 0.005142% over its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$1,236,934. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 41,824	\$ 172,053
Changes in Assumptions	1,095,415	656
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	211,379
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	396,835	-
City Contributions Subsequent to the Measurement Date	886,237	-
Total	\$ 2,420,311	\$ 384,088

The \$886,237 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2020	\$ 671,299
2021	393,024
2022	25,573
2023	52,375
2024	7,715
	\$ 1,149,986

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 % lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
City’s Proportionate Share of the Net Pension Liability	\$ 12,924,128	\$ 7,550,817	\$ 3,043,571

Payable to the IPERS – At June 30, 2019 the City reported payables to IPERS of \$0 for legally required City contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Water Utility Specific IPERS Disclosures

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the Water Utility reported a liability of \$1,099,795 for its proportionate share of the net pension liability. The new pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Water Utility’s proportion of the net pension liability was based on the Water Utility’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the Water Utility’s collective proportion was 0.173791% which was an increase of 0.000489% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Water Utility recognized pension expense of \$135,298. At June 30, 2019, the Water Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 6,030	\$ 24,857
Changes of Assumptions	156,891	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	30,216
Changes in Proportion and Differences Between Utility Contributions and Proportionate Share of Contributions	21,189	13,230
Utility Contributions Subsequent to the Measurement Date	129,041	-
Total	\$ 313,151	\$ 68,303

The \$129,041 reported as deferred outflows of resources related to pensions resulting from the Water Utility contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2020	\$ 72,610
2021	43,139
2022	(4,088)
2023	3,735
2024	409
	\$ 115,805

Sensitivity of the Utility's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Water Utility's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Water Utility's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Utility's Proportionate Share of the Net Pension Liability:	\$ 1,866,572	\$ 1,099,795	\$ 456,582

Payable to IPERS – At June 30, 2019, the Utility reported payables to IPERS of \$9,837 for legally required employer contributions and \$6,554 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Municipal Fire and Police Retirement System of Iowa – MFPRSI

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

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

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

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 choose the basic benefit with a 50% surviving spouse benefit.

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

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

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

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

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2019.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa, the City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 26.02% for the year ended June 30, 2019.

The City's contributions to MFPRSI for the year ended June 30, 2019 totaled \$1,718,369.

If approved by the state legislature, state appropriations 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 Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*.

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

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a liability of \$12,492,321 for its proportionate share of the net pension liability. The new pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers. At June 30, 2018, the City’s collective proportion was 2.098127% which was an increase of .070077% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expenses of \$2,128,035. At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Results	\$ 335,358	\$ 169,465
Changes of Assumptions	1,066,971	99,829
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	611,052	-
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	792,060	-
City Contributions Subsequent to the Measurement Date	1,718,369	-
Total	\$ 4,523,810	\$ 269,294

The \$1,718,369 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2020	\$ 1,431,358
2021	848,508
2022	1,528
2023	211,050
2024	43,703
	\$ 2,536,147

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

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

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

Postretirement mortality 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 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	5.5%
Small Cap	5.8
International Large Cap	7.3
Emerging Markets	9.0
Emerging Market Debt	6.3
Private Non-Core Real Estate	8.0
Master Limited Partnerships	9.0
Private Equity	9.0
CorePlus Fixed Income	3.3
Private Core Real Estate	6.0
Tactical Asset Allocation	6.4

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. 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 MFPRSI’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on MFPRSI investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of 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 7.5%, 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-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate Share of the Net Pension Liability:	\$ 20,843,012	\$ 12,492,321	\$ 5,578,230

Payables to the Pension Plan – At June 30, 2019, the City reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

Money Purchase Plan

The Water Utility also offers its employees a money purchase plan created and administered in accordance with Internal Revenue Code Section 401(a). The plan, available to all full-time Water Utility employees, permits them to contribute up to 8% of their salary with the Water Utility matching 60% of the employee’s contribution.

All assets and income of the plan are held in trusts established for the exclusive benefit of eligible participants and their beneficiaries in accordance with Internal Revenue Code Section 401(a). No part of the trusts shall revert to the Water Utility or be used for or diverted to purposes other than the exclusive benefit of participants and their beneficiaries. Third-party administrators who act in a trustee capacity manage the plans. Accordingly, these plan assets are not reported in the Water Utility’s financial statements. The Water Utility made contributions to the plan of \$55,705 the year ended June 30, 2019. The Water Utility’s employees made contributions to the plan of \$92,841 for the year ended June 30, 2019.

Note 7 - Other Postemployment Benefits (OPEB)

Plan Description - The City operates a partially self-insured single-employer benefit plan which provides medical/prescription drug benefits for active employees, qualified retirees, and their spouses/families. Participants must meet IPERS/MFPRS retirement system eligibility requirements, or be age 55 or older at retirement to participate in the retiree benefit plan. Plan benefits are not available for retirees past age 65.

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	227
Total	235

OBEB Benefits - The medical/prescription drug coverage is provided through a partially self-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Total OPEB Liability – The City’s total OPEB liability of \$1,998,768 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	3.00% per annum
Rates of salary increase (effective June 30, 2018)	0.00% per annum (OPEB is directly determined by years, not salary)
Discount Rate (effective June 30, 2018)	3.72%, compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2018)	6.00% per annum

Discount Rate – The discount rate used to measure the total OPEB liability was 3.72% which reflects the index rate for 20-year tax –exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the RP-2014 Mortality Table for Males and Females, as appropriate.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes to the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 1,858,406
Changes for the year:	
Service cost	140,125
Interest	73,716
Differences between expected and actual experiences	(38,963)
Changes in assumptions	-
Benefit payments	(34,516)
Net changes	<u>140,362</u>
Total OPEB liability end of year	<u>\$ 1,998,768</u>

Sensitivity of the City’s Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.72%) or 1% higher (4.72%) than the current discount rate.

	<u>1% Decrease (2.72%)</u>	<u>Discount Rate (3.72%)</u>	<u>1% Increase (4.72%)</u>
Total OPEB Liability	\$ 2,118,116	\$ 1,998,768	\$ 1,913,916

Sensitivity of the City’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00%)	Health Care Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	\$ 1,818,882	\$ 1,998,768	\$ 2,235,819

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2019, the City recognized OPEB expense of \$215,039. At June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 55,536	\$ 36,751
Changes in assumptions	-	-
Total	\$ 55,536	\$ 36,751

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

Year ending June 30,	Amount
2020	\$ 1,198
2021	1,198
2022	1,198
2023	1,198
2024	1,198
Thereafter	12,794
	\$ 18,784

Note 8 - Deferred Compensation Plan

The City offers its employees two options for deferred compensation plans created and administered in accordance with Internal Revenue Code Section 457. The plans, which are available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All assets and income of the plans are held in trusts established for the exclusive benefit of eligible participants and their beneficiaries in accordance with Internal Revenue Code Section 457(g). No part of the trusts shall revert to the City or be used for or diverted to purposes other than the exclusive benefit of participants and their beneficiaries. Third-party administrators who act in a trustee capacity manage the plans. Accordingly, these plan assets are not reported in the City’s financial statements.

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains a Risk Management Fund (an Internal Service Fund) to account for its uninsured risks of loss. The Risk Management Fund provides employee health and group life insurance coverage for City employees. Workers compensation and general liability and auto liability coverages are provided through the City's participation in self-insurance risk pools as described in the subsequent paragraphs. Commercial insurance is purchased for all other risks of loss. Settlements have not exceeded coverages for each of the past three fiscal years.

Iowa Municipalities Workers' Compensation Association

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

Each member pays annual premiums determined by using applicable standard rates for the exposure to risk and applicable experience modification factors of the National Council on Compensation Insurance. Each member may be subject to additional premiums to pay its pro rata share of claims which exceeds the Association's resources available to pay such claims. A distribution to members may also be made if the Association has excess monies remaining after payment of claims and expenses. The Association uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. Claims exceeding \$850,000 are reinsured in an amount not to exceed \$2,000,000 per occurrence. Members may withdraw from the Association at any time provided they provide assets for settlement of all pending claims.

The City's premium contributions to the Association are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Association for the year ended June 30, 2019 were \$103,319.

Iowa Communities Assurance Pool

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 775 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The City's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2019 were \$284,216. The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss incurred.

The City does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2019, no liability has been recorded in the City's financial statements. As of June 30, 2019, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

Note 10 - Commitments

Joint Operation

In August of 2000, the City entered into a joint operation of a centralized emergency dispatch center (Westcom) with two other Des Moines suburbs. Westcom was established as an undivided interest ownership arrangement, whereby titles to assets in Westcom are held individually by the City and the other two Des Moines suburbs. The City's share of equity interest in the assets, as shown on the financial statements, represents a proportionate share of the assets owned by the Westcom entity, which are comprised of dispatch related equipment, technology, software and the dispatch building. Since inception, the Westcom operations have expanded the service area to provide dispatch to two additional communities. These two communities are not equity partners, but subscribers to the services provided. The City showed expenditures of \$789,925 and has an undivided interest in assets of the operation, net of depreciation, totaling \$869,335 as of June 30, 2019. Westcom does not issue separate financial statements. Their operations are included in the financial statements of the City of West Des Moines.

Conduit Debt

From time to time, the City has issued Industrial Development Revenue Bonds, under the provisions of Chapter 419 of the Code of Iowa, to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there were two series of revenue bonds outstanding, with an aggregate principal amount payable of \$4,779,736.

Iowa Events Center

In 2006, the City Council committed \$640,000 for the Iowa Events Center project, over a 20-year period. The City’s contribution will be utilized for the payment of debt service on the bonds issued by Polk County to finance the construction of the downtown arena. The City made payments totaling \$32,000 for the year ended June 30, 2019.

Loan Guarantees

The City is providing loan guarantees for the J-Hawk Soccer Club, the Urbandale Little League, and Urbandale Girls Recreation Assoc. which approximated \$99,000 at June 30, 2019.

Development Agreement Commitments

In order to encourage development within designated Urban Renewal Areas, the City Council has approved development rebate agreements related to several different projects. Rebates are to be paid only after certain conditions have been met by each project developer, and are to be paid over many years in the form of a rebate of a predetermined percentage of future property taxes generated by the property. It is estimated that outstanding commitments of approximately \$7.97 million exist, of which \$416,000 is likely to be eligible to be paid in the next fiscal year. The payments will be expensed in the period in which they are paid. No liability for these obligations is recognized due to the fact that the agreements are conditional and the payments are to be funded by future property taxes received on the project.

Construction and Purchase Commitments

At June 30, 2019, the following construction and purchase commitments had been made:

Project	Total Contracts	Amount Remaining on Contracts
Capital Projects Fund	\$ 81,196,374	\$ 42,077,519
General Fund	176,909	65,380
Sanitary Sewer	404,290	378,854
Cemetery	38,439	6,224
Equipment Replacement Fund	897,626	897,626
Road Use Tax Fund	211,546	129,456
Internal Service Fund - Building Maintenance	491,210	251,124
Total	<u>\$ 83,416,394</u>	<u>\$ 43,806,183</u>

Central Iowa Regional Drinking Water Commission

The Water Utility, in conjunction with 23 other governmental entities that provide water services, created a Central Iowa Regional Drinking Water Commission (the Commission). The Commission was created to (1) jointly plan and coordinate implementation for water supply, treatment, distribution, and storage facilities; (2) enable the participants in the Commission to jointly provide services in a cost-effective manner; and (3) enable the participants in the Commission to undertake joint or coordinated procurement of goods and services. The Commission has not set a budget for expenditures. The Water Utility will be responsible for its proportional share of the budgeted expenses, which will be determined on the basis of the ratio of its retail customer accounts to the total retail customers of all participants, using the most recent information available each year.

Des Moines Water Works

The Urbandale Water Utility has entered into agreements with Des Moines Water Works for the construction of Des Moines Water Works-owned booster stations, treatment plant, feeder mains, and a storage tank, which will enhance service to the City. Des Moines Water Works designed, constructed, and financed the booster stations, a treatment plant, feeder mains, and a storage tank through the issuance of revenue bonds. The Urbandale Water Utility has commitments outstanding at June 30, 2019 to contribute to Des Moines Water Works \$6,551,538.

Future minimum payments in conjunction with these commitments are as follows:

Years Ending <u>June 30,</u>	<u>Saylorville Treatment Plant</u>
2020	\$ 1,082,977
2021	1,087,067
2022	1,091,121
2023	1,092,131
2024	1,094,083
2025-2027	<u>1,104,157</u>
	<u><u>\$ 6,551,536</u></u>

Note 11 - Deficit Balances

At June 30, 2019, funds with deficit fund balances were as follows:

Risk Management	\$ 37,178
Dunlap Arboretum	31,815

The deficit fund balance in the Risk Management Fund is the result of accruals for health insurance payments issued after June 30, 2019.

The deficit balance in the Dunlap Arboretum Fund was the result of an accrual for a payment made after year end related to work completed in June 2019.

Note 12 - Transfer Reconciliation

The following is a schedule of transfers of the City for the years ended June 30, 2019:

Transfer to General Fund from Nonmajor governmental funds	<u>\$ 593,424</u>
Transfer to Capital Projects Fund from	
Road use fund	2,695,900
Storm water utility fund	791,600
Nonmajor governmental funds	<u>100,000</u>
Total transfers to Capital Projects Fund	<u>3,587,500</u>
Transfer to Debt Service Fund from	
General fund	274,512
Nonmajor governmental funds	500,000
Tax increment financing fund	<u>16,328,765</u>
Total transfer to debt service fund	<u>17,103,277</u>
Transfer to Nonmajor Governmental Funds from	
General fund	<u>10,000</u>
	<u>\$ 21,294,201</u>

Transfers are primarily used to (1) move revenue from the fund that statute or budget requires them to be collected in to the fund that statute or budget requires them to be expended from, and (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

Note 13 - Tax Abatements

The City adopted the Governmental Accounting Standards Board Statement No. 77, Tax Abatement Disclosures. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements.

The pronouncement 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 benefit the governments or the citizens of those governments.

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

For the year ended June 30, 2019, the City abated \$332,039 of property tax under the urban renewal and economic development projects. Property tax revenues of the City were reduced by \$0 for the year ended June 30, 2019 under agreements entered into by other entities.



Financial Section
Required Supplementary Financial Schedules
June 30, 2019
City of Urbandale, Iowa



City of Urbandale, Iowa

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances Budget and Actual (Cash Basis) – Governmental and Business-Type Funds
For the fiscal year ended June 30, 2019

	Governmental	Enterprise	Total	Budgeted Amounts		Final to Actual
	Funds Actual	Fund Actual		Original	Final	Variance
Receipts:						
Property tax	\$ 28,880,775	\$ -	\$ 28,880,775	\$ 28,994,598	\$ 28,994,598	\$ (113,823)
Tax increment financing	8,335,464	-	8,335,464	8,486,297	8,486,297	(150,833)
Other city tax	3,912,446	-	3,912,446	4,072,492	4,072,492	(160,046)
Licenses and permits	1,174,628	-	1,174,628	1,273,800	1,273,800	(99,172)
Use of money and property	1,047,814	74,366	1,122,180	146,000	482,000	640,180
Intergovernmental	8,424,448	-	8,424,448	9,810,000	9,833,000	(1,408,552)
Charges for services	4,792,718	2,296,955	7,089,673	6,831,768	6,831,768	257,905
Special assessments	627,167	-	627,167	1,307,000	1,307,000	(679,833)
Miscellaneous	2,010,029	-	2,010,029	575,300	746,500	1,263,529
Total receipts	59,205,489	2,371,321	61,576,810	61,497,255	62,027,455	(450,645)
Disbursements:						
Public safety	14,145,956	-	14,145,956	14,555,073	14,573,073	427,117
Public works	8,120,322	-	8,120,322	8,484,412	8,484,412	364,090
Culture and recreation	8,014,669	-	8,014,669	8,596,144	8,819,144	804,475
Community and economic development	2,344,361	-	2,344,361	2,768,664	2,771,864	427,503
General government	3,221,719	-	3,221,719	3,475,828	4,011,828	790,109
Debt Service	24,258,421	-	24,258,421	14,519,614	28,919,614	4,661,193
Capital projects	18,449,361	-	18,449,361	32,500,000	32,500,000	14,050,639
Total disbursements	78,554,809	-	78,554,809	84,899,735	100,079,935	21,525,126
Business-type activities	-	473,374	473,374	545,980	545,980	72,606
Total all disbursements	78,554,809	473,374	79,028,183	85,445,715	100,625,915	21,597,732
Excess (Deficiency) of Receipts Over (Under) Disbursements	(19,349,320)	1,897,947	(17,451,373)	(23,948,460)	(38,598,460)	(21,147,087)
Other financing sources, net	27,531,260	(791,600)	26,739,660	15,300,600	15,300,600	(11,439,060)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	8,181,940	1,106,347	9,288,287	(8,647,860)	(23,297,860)	(32,586,147)
Fund Balances at Beginning of Year	58,378,591	3,435,051	61,813,642	63,030,910	63,030,910	1,217,268
Fund Balances at End of Year	\$ 66,560,531	\$ 4,541,398	\$ 71,101,929	\$ 54,383,050	\$ 39,733,050	\$ (31,368,879)

	Governmental Funds			Enterprise Fund		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Full Accrual Basis
Revenues	\$ 59,205,489	\$ (28,543)	\$ 59,176,946	\$ 2,371,321	(2,917)	\$ 2,368,404
Expenditures/Expenses	78,554,809	2,082,040	80,636,849	473,374	22,221	495,595
Net	(19,349,320)	(2,110,583)	(21,459,903)	1,897,947	(25,138)	1,872,809
Other Financing Sources, Net	27,531,260	-	27,531,260	(791,600)	-	(791,600)
Beginning Fund Balances/Net Position	58,378,591	(608,035)	57,770,556	3,435,051	(173,593)	3,261,458
Ending Fund Balances/Net Position	\$ 66,560,531	(2,718,618)	\$ 63,841,913	\$ 4,541,398	(198,731)	\$ 4,342,667

The budgetary comparison is presented as Required Supplementary Information in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund. In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 9 major classes of disbursements known as functions, not by fund or fund type. These 9 functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. However, emphasis is placed on monitoring budgets by individual funds and by major classifications within functions, such as personnel, operations and maintenance, and capital outlay. Deviations from budgeted amounts by major classifications within programs must be approved by the City Manager. Monthly reports are prepared by Department and program to monitor program expenditures and legally budgeted amounts. All appropriations lapse at the end of the fiscal year.

State law mandates that annual budgets for funds other than Agency and Internal Service for the fiscal year beginning July 1 must be certified to the county auditor no later than March 15, preceding the beginning of the fiscal year. The Council also annually adopts a five-year capital improvement plan. The review and adoption of a budget is handled in accordance with state laws, as there is no City ordinance governing the budget process. Preliminary review of all operating budget requests is conducted by the City manager (the Manager) at a Departmental level. The Manager's budget, considered as a plan of financial operation along with proposed sources of revenues, is presented to the Council at least two months prior to certification. The Council holds hearings with the Manager, department heads, boards, and commissions, as well as a public hearing prior to adopting a budget. By resolution, the Council adopts a budget effective July 1 and certifies it to the county auditor, who, in turn, certifies the City's budget to the State Department of Management. This budget becomes the appropriation and is prepared on a cash basis (budget basis).

Amendments to the budget are considered annually only if revenue sources are available (i.e., unanticipated revenues and budget surpluses). There can be no additional levy of property taxes. The actual amendment process, as prescribed by state law, is identical to the procedures followed for the original budget, including certification. The budget for the fiscal year ended June 30, 2019 was amended twice during the year to allow the City to increase disbursements, by a total of \$29,580,200 and increased receipts by \$14,930,200, including transfers. The budget amendments are reflected in the final budgeted amounts.

The actual expenditures of the Water Utility were \$18,369,192 compared to a legal budget of \$19,456,971 for the year ended June 30, 2019.

City of Urbandale, Iowa
Schedule of Changes in the City of Urbandale's Total OPEB Liability and Related Ratios
As of June 30, 2019
Required Supplementary Information

	<u>2019</u>	<u>2018</u>
Service cost	\$ 140,125	\$ 140,336
Interest cost	73,716	65,090
Differences between expected and actual experiences	(38,963)	62,354
Changes in assumptions	-	-
Benefit payments	<u>(34,516)</u>	<u>(44,325)</u>
Net change in total OPEB liability	140,362	223,455
Total OPEB liability beginning of year	<u>1,858,406</u>	<u>1,634,951</u>
Total OPEB liability end of year	<u>\$ 1,998,768</u>	<u>\$ 1,858,406</u>
Covered-employee payroll	\$ 15,369,269	\$ 14,385,608
Total OPEB liability as a percentage of covered -employee payroll	13.0%	12.9%

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

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

There were no significant changes in assumptions.

City of Urbandale, Iowa
Schedule of the City's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System – IPERS
As of June 30, 2019
Required Supplementary Information

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's Proportion of the Net Pension Liability (Asset)	0.1071528%	0.1077769%	0.1130740%	0.1141771%	0.1193193%
City's Proportion of the Net Pension Liability (Asset)	\$ 4,249,584	\$ 5,324,699	\$ 7,116,101	\$ 7,605,638	\$ 7,550,817
City's Covered Payroll	\$ 7,459,941	\$ 7,651,554	\$ 8,312,473	\$ 8,680,732	\$ 9,148,116
City's Proportionate Share of the Net Pension Liability as Percentage of its Covered Payroll	56.97%	69.59%	85.61%	87.62%	82.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.61%	85.19%	81.82%	82.21%	83.62%

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

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

City of Urbandale, Iowa
Schedule of City Contributions
Iowa Public Employees' Retirement System – IPERS
Last Ten Fiscal Years
Required Supplementary Information

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Statutorily Required Contribution	\$ 424,496	\$ 459,705	\$ 566,352	\$ 595,703	\$ 670,248	\$ 686,035	\$ 743,668	\$ 776,981	\$ 818,824	\$ 886,237
Contributions in Relation to the Statutorily Required Contribution	<u>424,496</u>	<u>459,705</u>	<u>566,352</u>	<u>595,703</u>	<u>670,248</u>	<u>686,035</u>	<u>743,668</u>	<u>776,981</u>	<u>818,824</u>	<u>886,237</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$6,286,066	\$6,499,677	\$6,946,515	\$6,805,250	\$7,459,941	\$7,651,554	\$8,312,473	\$8,680,732	\$9,148,116	\$9,379,664
Contributions as a Percentage of Covered Payroll	6.75%	7.07%	8.15%	8.75%	8.98%	8.97%	8.95%	8.95%	8.95%	9.45%

See accompanying notes to required supplementary information.

Changes of benefit terms

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

Changes of assumptions

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

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

The 2017 valuation implemented the following refinements as a result of a demographic assumption 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 3.5% per year.
- Decreased the discount rate from 7.5% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%

The 2014 valuation implemented the following retirements 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 account from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

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

City of Urbandale, Iowa
Schedule of the City's Proportionate Share of the Net Pension Liability
Municipal Fire and Police Retirement System of Iowa – MFPRSI
As of June 30, 2019
Required Supplementary Information

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's Proportion of the Net Pension Liability (Asset)	1.809265%	1.892653%	1.936615%	2.028049%	2.098126%
City's Proportion of the Net Pension Liability (Asset)	\$ 6,558,490	\$ 8,891,955	\$ 12,108,897	\$ 11,894,002	\$ 12,492,321
City's Covered Payroll	\$ 4,620,089	\$ 4,955,565	\$ 5,240,225	\$ 5,663,067	\$ 5,934,150
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	142.0%	179.4%	231.1%	210.0%	210.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.	86.27%	83.04%	78.20%	80.60%	81.07%

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

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

City of Urbandale, Iowa
Schedule of City Contributions
Municipal Fire and Police Retirement System of Iowa – MFPRSI
Last Ten Fiscal Years
Required Supplementary Information

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Statutorily Required Contribution	\$ 602,396	\$ 792,776	\$ 1,130,266	\$ 1,145,706	\$ 1,391,627	\$ 1,506,988	\$ 1,455,011	\$ 1,467,867	\$ 1,523,891	\$ 1,718,369
Contributions in Relation to the Statutorily Required Contribution	602,396	792,776	1,130,266	1,145,706	1,391,627	1,506,988	1,455,011	1,467,867	1,523,891	1,718,369
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 3,543,504	\$ 3,985,258	\$ 4,513,434	\$ 4,386,317	\$ 4,620,089	\$ 4,955,565	\$ 5,240,225	\$ 5,663,067	\$ 5,934,150	\$ 6,604,031
Contributions as a Percentage of Covered Payroll	17.00%	19.89%	25.04%	26.12%	30.12%	30.41%	27.77%	25.92%	25.68%	26.02%

Notes to Required Supplementary Information - Pension Liability:

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

Changes of assumptions:

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

The 2017 valuation 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 postretirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994

Other Supplementary Information
June 30, 2019

City of Urbandale



Nonmajor Governmental Funds - Special Revenue Funds

Hotel/Motel Fund - to account for revenues and expenditures of hotel/motel tax restricted by local ordinance for the promotion of convention and tourism.

Employee Benefits – to account for the revenues generated by the Employee Benefit property tax levy, which can be used to pay employee benefits.

Police and Fire Retirement – to account for the revenues generated by the Police & Fire Retirement property tax levy, which can be used to pay the City’s share of MFPRSI pension contributions.

LOSST – Dallas County Tax Relief – to account for 50% of the 1% local option sales tax collected in Dallas County. In compliance with voter approved restrictions, this portion will be used for property tax relief.

LOSST – Dallas County Capital Projects – to account for 50% of the 1% local option sales tax collected in Dallas County. In compliance with voter approved restrictions, this portion will be used for Capital Projects.

Economic Development Revolving Loan Fund – to account for economic development loans and account for repayments of principal and interest from borrowers. This fund was created in the current fiscal year through a reallocation from the former Revolving Loan agency fund, as those funds became de-obligated from its original restriction.

Miracle League Complex Donations – to account for donated monies held for the further development of the Miracle League field and playground area at Northpark.

Library Donations – to account for donated monies held for specific library projects.

Dunlap Arboretum – to account for funds received from Jackaline Baldwin Dunlap Foundation for the ongoing maintenance of the Jackaline Baldwin Dunlap Park and Arboretum.

Fire Donations – to account for donated monies held for specific fire projects or equipment purchases.

Fire Training Tower – to account for funds received for the usage and rental of the Fire Department’s jointly owned live-fire training facility at Station #42, and related maintenance expenditures that result.

Evidence and Forfeited Property – to account for forfeited funds and property received by the City from drug enforcement efforts, police action or investigation. The City must use these forfeited funds and property to enhance law enforcement.

Federal Forfeited Property – to account for funds and property received by the City from federal investigations.

Police Donations – to account for money received to be used on specific police projects.

Tobacco Inspection – to account for funds received from the State for tobacco enforcement activities and held for specific tobacco related projects and programs through the police department.

Making a Connection – to account for money received through a local grant and private donations to support a cultural diversity camp operated by the Recreation Department.

Senior Center Activities – to account for monies received from donations and proceeds from special ear-marked activities, intended for the specified projects of the Urbandale Senior Recreation Center.

City of Urbandale, Iowa
Schedule 1 – Combining Balance Sheet Information
Nonmajor Governmental Funds
June 30, 2019

	Hotel Motel	Employee Benefits	Police and Fire Retirement	LOSST-Dallas Co-Tax Relief	LOSST-Dallas Co- Capital Projects	Economic Development Revolving Loan	Miraale League Complex	Library Donations	Dunlap Arboretum	Fire Donation	Fire Training Tower	Evidence and Forfeited Property	Federal Forfeited Property	Police Donations	Tobacco Inspection	Making A Connection - MAC	Senior Center Activites	Total
Assets																		
Cash and Pooled Cash Investments	\$ 170,905	\$ -	\$ 194,295	\$ 65,336	\$ 566,746	\$ 336,875	\$ 219,455	\$ 190,103	\$ 29,531	\$ 14,556	\$ 17,807	\$ 26,114	\$ 464	\$ 18,136	\$ 16,829	\$ 155,505	\$ 25,746	\$ 2,048,403
Taxes Receivable																		
Current	439,321	-	7,771	58,617	58,617	-	-	-	-	-	-	-	-	-	-	-	-	564,326
Succeeding year	-	302,370	967,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,269,925
Loans Receivable	-	-	-	-	-	82,500	-	-	-	-	-	-	-	-	-	-	-	82,500
Accounts Receivable	-	-	-	-	-	-	50,000	-	71,192	-	1,200	-	-	-	-	-	100	122,492
Total assets	<u>\$ 610,226</u>	<u>\$ 302,370</u>	<u>\$ 1,169,621</u>	<u>\$ 123,953</u>	<u>\$ 625,363</u>	<u>\$ 419,375</u>	<u>\$ 269,455</u>	<u>\$ 190,103</u>	<u>\$ 100,723</u>	<u>\$ 14,556</u>	<u>\$ 19,007</u>	<u>\$ 26,114</u>	<u>\$ 464</u>	<u>\$ 18,136</u>	<u>\$ 16,829</u>	<u>\$ 155,505</u>	<u>\$ 25,846</u>	<u>\$ 4,087,646</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances																		
Liabilities																		
Accounts payable	\$ -	\$ -	\$ 10,341	\$ -	\$ -	\$ -	\$ 8,736	\$ 383	\$ 61,346	\$ 91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,915	\$ 5,958	\$ 93,770
Unearned revenue	-	-	-	-	-	-	227,101	-	-	-	-	-	-	-	-	-	-	227,101
Total liabilities	<u>-</u>	<u>-</u>	<u>10,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,837</u>	<u>383</u>	<u>61,346</u>	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,915</u>	<u>5,958</u>	<u>320,871</u>
Deferred Inflows of Resources																		
Succeeding year property taxes	-	302,370	967,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,269,925
Unavailable revenue - other	439,321	-	-	-	-	-	30,000	-	71,192	-	-	-	-	-	-	-	-	540,513
Total deferred inflows of resources	<u>439,321</u>	<u>302,370</u>	<u>967,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>71,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,810,438</u>
Fund Balances																		
Restricted	170,905	-	191,725	123,953	625,363	-	3,618	189,720	(31,815)	14,465	19,007	26,114	464	18,136	16,829	148,590	19,888	1,536,962
Committed	-	-	-	-	-	419,375	-	-	-	-	-	-	-	-	-	-	-	419,375
Total fund balances	<u>170,905</u>	<u>-</u>	<u>191,725</u>	<u>123,953</u>	<u>625,363</u>	<u>419,375</u>	<u>3,618</u>	<u>189,720</u>	<u>(31,815)</u>	<u>14,465</u>	<u>19,007</u>	<u>26,114</u>	<u>464</u>	<u>18,136</u>	<u>16,829</u>	<u>148,590</u>	<u>19,888</u>	<u>1,956,337</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 610,226</u>	<u>\$ 302,370</u>	<u>\$ 1,169,621</u>	<u>\$ 123,953</u>	<u>\$ 625,363</u>	<u>\$ 419,375</u>	<u>\$ 269,455</u>	<u>\$ 190,103</u>	<u>\$ 100,723</u>	<u>\$ 14,556</u>	<u>\$ 19,007</u>	<u>\$ 26,114</u>	<u>\$ 464</u>	<u>\$ 18,136</u>	<u>\$ 16,829</u>	<u>\$ 155,505</u>	<u>\$ 25,846</u>	<u>\$ 4,087,646</u>

City of Urbandale, Iowa
Schedule 2 – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2019

	Hotel Motel	Employee Benefits	Police and Fire Retirement	LOSST-Dallas Co-Tax Relief	LOSST-Dallas Co-Capital Proj	Economic Development Revolving Loan	Miracle League Complex	Library Donations	Dunlap Arboretum	Fire Donation	Fire Training Tower	Evidence & Forfeited Property	Federal Forfeited Property	Police Donations	Tobacco Inspection	Making A Connection - MAC	Senior Center Activites	Total	
Revenues																			
Taxes	\$ 1,661,588	\$ -	\$ 1,688,357	\$ 619,381	\$ 619,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,588,707
Use of Money and Property	-	-	7,289	4,572	5,982	7,025	1,916	3,832	903	314	356	257	10	297	326	2,803	563	36,445	
Intergovernmental	-	-	56,043	-	-	-	-	-	-	-	-	-	-	-	2,175	15,000	-	73,218	
Charges for Services	-	-	-	-	-	-	-	-	-	-	3,150	-	-	-	-	-	10,170	13,320	
Miscellaneous	-	-	-	-	-	-	-	26,809	32,000	5,981	-	-	-	17,051	-	50,794	-	132,635	
Total revenues	1,661,588	-	1,751,689	623,953	625,363	7,025	1,916	30,641	32,903	6,295	3,506	257	10	17,348	2,501	68,597	10,733	4,844,325	
Expenditures																			
Current Operating Expenditures																			
Public safety	-	-	1,728,710	-	-	-	-	-	-	5,215	1,338	3,679	-	15,025	188	-	-	1,754,155	
Culture and recreation	1,013,102	-	-	-	-	-	10,800	20,398	87,596	-	-	-	-	-	-	58,853	14,635	1,205,384	
Total expenditures	1,013,102	-	1,728,710	-	-	-	10,800	20,398	87,596	5,215	1,338	3,679	-	15,025	188	58,853	14,635	2,959,539	
Excess (Deficiency) of Revenues Over (Under) Expenditures																			
(Under) Expenditures	648,486	-	22,979	623,953	625,363	7,025	(8,884)	10,243	(54,693)	1,080	2,168	(3,422)	10	2,323	2,313	9,744	(3,902)	1,884,786	
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000	
Transfers Out	(693,424)	-	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,193,424)	
Total transfers	(693,424)	-	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	10,000	-	(1,183,424)	
Net Changes in Fund Balances																			
Balances	(44,938)	-	22,979	123,953	625,363	7,025	(8,884)	10,243	(54,693)	1,080	2,168	(3,422)	10	2,323	2,313	19,744	(3,902)	701,362	
Fund Balances - Beginning	215,843	-	168,746	-	-	412,350	12,502	179,477	22,878	13,385	16,839	29,536	454	15,813	14,516	128,846	23,790	1,254,975	
Fund Balances - Ending	\$ 170,905	\$ -	\$ 191,725	\$ 123,953	\$ 625,363	\$ 419,375	\$ 3,618	\$ 189,720	\$ (31,815)	\$ 14,465	\$ 19,007	\$ 26,114	\$ 464	\$ 18,136	\$ 16,829	\$ 148,590	\$ 19,888	\$ 1,956,337	

City of Urbandale, Iowa
Schedule 3 – Combining Statement of Net Position – Proprietary Funds – Internal Service Funds
June 30, 2019

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Total Governmental activities - Internal Service Funds
Assets						
Current Assets						
Cash and pooled cash investments	\$ 396,862	\$ 735,679	\$ 5,263,714	\$ 151,513	\$ 1,004,412	\$ 7,552,180
Due from other governments	6,658	-	-	-	-	6,658
Accounts receivable	83,046	3,983	-	2,845	-	89,874
Total current assets	<u>486,566</u>	<u>739,662</u>	<u>5,263,714</u>	<u>154,358</u>	<u>1,004,412</u>	<u>7,648,712</u>
Non-current Assets						
Capital assets, net	-	-	3,085,791	-	1,282,980	4,368,771
Total assets	<u>486,566</u>	<u>739,662</u>	<u>8,349,505</u>	<u>154,358</u>	<u>2,287,392</u>	<u>12,017,483</u>
Deferred Outflows of Resources						
Pension related deferred outflows	-	-	-	-	42,597	42,597
OPEB related deferred outflow	-	-	-	-	953	953
Total assets and deferred outflows of resources	<u>\$ 486,566</u>	<u>\$ 739,662</u>	<u>\$ 8,349,505</u>	<u>\$ 154,358</u>	<u>\$ 2,330,942</u>	<u>\$ 12,061,033</u>
Liabilities						
Current Liabilities						
Accounts payable	\$ 523,744	\$ 862	\$ 19,034	\$ -	\$ 100,196	\$ 643,836
Noncurrent Liabilities						
Net pension liability	-	-	-	-	132,894	132,894
Net OPEB liability	-	-	-	-	34,421	34,421
Total liabilities	<u>523,744</u>	<u>862</u>	<u>19,034</u>	<u>-</u>	<u>267,511</u>	<u>811,151</u>
Deferred Inflows of Resources						
Pension related deferred inflows	-	-	-	-	6,760	6,760
OPEB related deferred inflows	-	-	-	-	643	643
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,403</u>	<u>7,403</u>
Net Position						
Invested in capital assets	-	-	3,085,791	-	1,282,980	4,368,771
Unrestricted	(37,178)	738,800	5,244,680	154,358	773,048	6,873,708
Total net position	<u>\$ (37,178)</u>	<u>\$ 738,800</u>	<u>\$ 8,330,471</u>	<u>\$ 154,358</u>	<u>\$ 2,056,028</u>	<u>\$ 11,242,479</u>

City of Urbandale, Iowa

Schedule 4 – Combining Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds – Internal Service Funds
For the fiscal year ended June 30, 2019

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Total Governmental Activities - Internal Service Funds
Operating Revenues						
Charges for services	\$ 3,638,589	\$ 585,000	\$ 1,221,496	\$ -	\$ 1,113,602	\$ 6,558,687
Other	1,074,342	20,180	-	21,490	3,037	1,119,049
Total operating revenues	<u>4,712,931</u>	<u>605,180</u>	<u>1,221,496</u>	<u>21,490</u>	<u>1,116,639</u>	<u>7,677,736</u>
Operating Expenses						
Insurance premiums and claims	4,909,492	526,166	-	-	-	5,435,658
Building maintenance	-	-	-	-	561,795	561,795
Data processing	-	-	-	20,000	-	20,000
Administration	5,426	8,753	-	-	-	14,179
Depreciation	-	-	884,076	-	76,840	960,916
Total operating expenses	<u>4,914,918</u>	<u>534,919</u>	<u>884,076</u>	<u>20,000</u>	<u>638,635</u>	<u>6,992,548</u>
Operating income	<u>(201,987)</u>	<u>70,261</u>	<u>337,420</u>	<u>1,490</u>	<u>478,004</u>	<u>685,188</u>
Nonoperating Revenues						
Interest income	30,750	16,408	118,359	2,995	28,567	197,079
Total nonoperating revenues	<u>30,750</u>	<u>16,408</u>	<u>118,359</u>	<u>2,995</u>	<u>28,567</u>	<u>197,079</u>
Change in net position	(171,237)	86,669	455,779	4,485	506,571	882,267
Net Position at Beginning of Year	134,059	652,131	7,874,692	149,873	1,549,457	10,360,212
Net Position at End of Year	<u>\$ (37,178)</u>	<u>\$ 738,800</u>	<u>\$ 8,330,471</u>	<u>\$ 154,358</u>	<u>\$ 2,056,028</u>	<u>\$ 11,242,479</u>

City of Urbandale, Iowa
Schedule 5 – Combining Statement of Cash Flows – Proprietary Funds – Internal Service Funds
For the fiscal year ended June 30, 2019

	Risk Management	General Liability	Equipment Replacement	Technology	Building Maintenance	Total Governmental activities - Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 4,638,121	\$ 601,511	\$ 1,221,496	\$ 20,843	\$ 1,116,639	\$ 7,598,610
Payments to employees	-	-	-	-	(224,949)	(224,949)
Payments to suppliers	(4,815,101)	(535,484)	19,034	(30,429)	(265,749)	(5,627,729)
Net cash (used in) provided by operating activities	<u>(176,980)</u>	<u>66,027</u>	<u>1,240,530</u>	<u>(9,586)</u>	<u>625,941</u>	<u>1,745,932</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	-	-	(755,125)	-	(414,966)	(1,170,091)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(755,125)</u>	<u>-</u>	<u>(414,966)</u>	<u>(1,170,091)</u>
Cash Flows from Investing Activities						
Interest on investments	<u>30,750</u>	<u>16,408</u>	<u>118,359</u>	<u>2,995</u>	<u>28,568</u>	<u>197,080</u>
Net (decrease) increase in cash and cash equivalents	(146,230)	82,435	603,764	(6,591)	239,543	772,921
Cash and Cash Equivalents at Beginning of Year	543,092	653,244	4,659,950	158,104	764,869	6,779,259
Cash and Cash Equivalents at End of Year	<u>\$ 396,862</u>	<u>\$ 735,679</u>	<u>\$ 5,263,714</u>	<u>\$ 151,513</u>	<u>\$ 1,004,412</u>	<u>\$ 7,552,180</u>
Reconciliation of Operating (Loss) Income to Net Cash (used in) provided by Operating Activities						
Operating (loss) income	\$ (201,987)	\$ 70,261	\$ 337,420	\$ 1,490	\$ 478,004	\$ 685,188
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities						
Depreciation	-	-	884,076	-	76,840	960,916
Change in deferred inflows related to pension	-	-	-	-	4,125	4,125
Change in deferred inflows related to OPEB	-	-	-	-	642	642
Change in deferred outflows related to pension	-	-	-	-	3,484	3,484
Change in deferred outflows related to OPEB	-	-	-	-	61	61
Change in due from customers and users	(74,810)	(3,669)	-	(647)	-	(79,126)
Change in net pension liability	-	-	-	-	(30)	(30)
Change in accounts payable and accrued liabilities	99,817	(565)	19,034	(10,429)	62,815	170,672
Net cash (used in) provided by operating activities	<u>\$ (176,980)</u>	<u>\$ 66,027</u>	<u>\$ 1,240,530</u>	<u>\$ (9,586)</u>	<u>\$ 625,941</u>	<u>\$ 1,745,932</u>

City of Urbandale, Iowa
Schedule 6 – Combining Statement of Fiduciary Net Position
June 30, 2019

	Agency Funds		
	Collections and Deposits	Escrow Fund	Total Agency Funds
Assets			
Cash and pooled cash investments	\$ 859,785	\$ 141,506	\$ 1,001,291
Liabilities			
Due to component unit	\$ 15,715	\$ -	\$ 15,715
Due to other governments	402,245	-	402,245
Deposits and remittances due	441,825	141,506	583,331
Total liabilities	\$ 859,785	\$ 141,506	\$ 1,001,291

City of Urbandale, Iowa
Schedule 7 – Combining Statement of Changes in Assets and Liabilities – Agency Funds
For the fiscal year ended June 30, 2019

<u>Collections and Deposits Fund</u>	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Assets				
Cash and pooled cash investments	\$ 529,293	\$ 1,347,932	\$ 1,017,440	\$ 859,785
Liabilities				
Due to component unit	\$ 15,821	\$ 206,738	\$ 206,844	\$ 15,715
Due to other governments	26,596	739,508	363,859	402,245
Deposits and remittances due	486,876	401,686	446,737	441,825
	<u>\$ 529,293</u>	<u>\$ 1,347,932</u>	<u>\$ 1,017,440</u>	<u>\$ 859,785</u>
<u>Escrow Fund</u>				
Assets				
Cash and pooled cash investments	\$ 615,045	\$ 2,000	\$ 475,539	\$ 141,506
Liabilities				
Deposits and remittances due	\$ 615,045	\$ 2,000	\$ 475,539	\$ 141,506
Total Agency Funds Assets	<u>\$ 1,144,338</u>	<u>\$ 1,349,932</u>	<u>\$ 1,492,979</u>	<u>\$ 1,001,291</u>
Total Agency Funds Liabilities	<u>\$ 1,144,338</u>	<u>\$ 1,349,932</u>	<u>\$ 1,492,979</u>	<u>\$ 1,001,291</u>

Statistical Section (Unaudited)
June 30, 2019

City of Urbandale



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

Financial Trends

These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

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

City of Urbandale, Iowa
Table I – Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Public Safety	\$ 8,357,868	\$ 8,823,407	\$ 9,244,524	\$ 10,495,044	\$ 10,148,920	\$ 10,213,439	\$ 13,060,310	\$ 13,711,161	\$ 14,400,945	\$ 15,851,573
Public Works	9,827,801	10,051,485	11,504,121	10,748,591	12,927,731	11,959,081	17,141,268	21,572,809	18,559,959	18,467,773
Health and social services	550	-	-	-	-	-	-	-	-	-
Culture and recreation	6,207,147	6,508,690	6,631,394	6,511,719	7,500,581	7,525,248	8,027,471	8,366,654	8,477,600	8,606,410
Community and economic development	2,288,562	3,038,267	3,126,449	3,050,530	2,741,489	2,829,958	2,223,681	2,227,462	2,432,459	2,443,513
General government	2,360,518	2,466,342	2,842,395	2,755,325	3,035,256	3,878,000	3,759,857	3,749,253	4,091,368	3,591,303
Interest on long-term debt	1,687,888	1,703,156	1,623,105	1,572,214	1,539,732	1,359,609	1,355,431	1,569,295	1,768,098	2,102,834
Total governmental activities expenses	<u>30,730,334</u>	<u>32,591,347</u>	<u>34,971,988</u>	<u>35,133,423</u>	<u>37,893,709</u>	<u>37,765,335</u>	<u>45,568,018</u>	<u>51,196,634</u>	<u>49,730,429</u>	<u>51,063,406</u>
Business-type activities:										
Storm Water Utility	N/A	451,339	295,295	390,230	312,724	387,436	445,086	436,735	477,178	495,595
Total primary government expenses	<u>30,730,334</u>	<u>33,042,686</u>	<u>35,267,283</u>	<u>35,523,653</u>	<u>38,206,433</u>	<u>38,152,771</u>	<u>46,013,104</u>	<u>51,633,369</u>	<u>50,207,607</u>	<u>51,559,001</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	755,056	854,143	934,695	1,058,641	1,206,724	1,253,859	1,143,001	1,197,530	1,067,671	1,469,151
Public works	2,610,131	2,724,097	2,569,959	2,327,015	2,843,648	2,831,893	3,098,436	3,472,677	3,410,773	3,756,678
Culture and recreation	757,723	750,178	832,949	634,281	624,342	640,601	665,413	769,155	797,805	821,025
Community and economic development	780,839	495,454	705,479	819,023	892,908	967,109	773,572	702,716	949,584	900,170
Operating grants and contributions	3,732,397	4,406,337	4,565,604	4,581,952	4,552,475	4,652,132	5,332,419	5,835,645	5,784,009	6,029,810
Capital grants and contributions	3,401,631	2,402,438	3,767,023	5,134,833	4,125,329	6,025,728	6,370,070	13,288,301	4,092,824	6,046,425
Total governmental activities program revenues	<u>12,037,777</u>	<u>11,632,647</u>	<u>13,375,709</u>	<u>14,555,745</u>	<u>14,245,426</u>	<u>16,371,322</u>	<u>17,382,911</u>	<u>25,266,024</u>	<u>16,102,666</u>	<u>19,023,259</u>
Business-type activities:										
Storm Water Utility:										
Charges for services	N/A	501,127	597,750	698,093	707,086	716,496	1,472,836	2,236,760	2,232,502	2,294,039
Operating grants and contributions	N/A	27,495	-	-	-	-	-	-	-	-
Total business-type activities revenues	<u>N/A</u>	<u>528,622</u>	<u>597,750</u>	<u>698,093</u>	<u>707,086</u>	<u>716,496</u>	<u>1,472,836</u>	<u>2,236,760</u>	<u>2,232,502</u>	<u>2,294,039</u>
Total primary government revenues	<u>12,037,777</u>	<u>12,161,269</u>	<u>13,973,459</u>	<u>15,253,838</u>	<u>14,952,512</u>	<u>17,087,818</u>	<u>18,855,747</u>	<u>27,502,784</u>	<u>18,335,168</u>	<u>21,317,298</u>
Net primary government (expense)/revenue	<u>(18,692,557)</u>	<u>(20,881,417)</u>	<u>(21,293,824)</u>	<u>(20,269,815)</u>	<u>(23,253,921)</u>	<u>(21,064,953)</u>	<u>(27,157,357)</u>	<u>(24,130,585)</u>	<u>(31,872,439)</u>	<u>(30,241,703)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	20,190,515	21,048,199	21,899,812	21,621,787	22,263,631	23,005,604	24,308,599	25,952,518	27,301,017	28,921,125
Tax increment financing district tax	3,369,190	3,912,690	4,502,606	7,009,867	6,563,268	6,473,494	6,414,658	7,083,382	7,215,191	8,364,435
Local option sales and service tax	-	-	-	-	-	-	-	-	-	1,238,762
Hotel Motel tax	1,140,672	1,277,102	1,418,700	1,577,149	1,606,923	1,806,508	1,822,440	1,905,262	1,922,107	1,535,431
State property tax replacement funds	-	-	-	-	-	425,787	984,612	976,769	967,568	968,191
Franchise fees	307,738	311,755	312,006	299,346	298,039	287,041	282,851	273,809	264,239	265,366
Utility excise tax	568,203	539,895	591,200	599,831	590,809	632,362	627,323	642,269	730,395	863,682
Investment earnings	305,456	197,978	129,415	113,401	134,473	131,496	142,201	203,241	654,244	1,465,790
Miscellaneous	1,025,743	99,506	179,892	228,567	163,893	111,006	158,875	147,592	128,652	106,892
Total governmental activities	<u>26,907,517</u>	<u>27,387,125</u>	<u>29,033,631</u>	<u>31,449,948</u>	<u>31,621,036</u>	<u>32,873,298</u>	<u>34,741,559</u>	<u>37,184,842</u>	<u>39,183,413</u>	<u>43,729,674</u>
Change in Net Position	<u>\$ 8,214,960</u>	<u>\$ 6,505,708</u>	<u>\$ 7,739,807</u>	<u>\$ 11,180,133</u>	<u>\$ 8,367,115</u>	<u>\$ 11,808,345</u>	<u>\$ 7,584,202</u>	<u>\$ 13,054,257</u>	<u>\$ 7,310,974</u>	<u>\$ 13,487,971</u>

City of Urbandale, Iowa
Table II – Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	TIF Tax	Hotel Motel Tax	State Property Tax Replacement Funds	Franchise Tax	Utility Excise Tax	Local Option Sales Tax	Total
2010	\$ 20,190,515	\$ 3,369,190	\$ 1,140,672	\$ -	\$ 307,738	\$ 568,203	\$ -	\$ 25,576,318
2011	21,048,199	3,912,690	1,277,102	-	311,755	539,895	-	27,089,641
2012	21,899,812	4,502,606	1,418,700	-	312,006	591,200	-	28,724,324
2013	21,621,787	7,009,867	1,577,149	-	299,346	599,831	-	31,107,980
2014	22,263,631	6,563,268	1,606,923	-	298,039	590,809	-	31,322,670
2015	23,005,604	6,473,494	1,806,508	425,787	287,041	632,362	-	32,630,796
2016	24,308,599	6,414,658	1,822,440	984,612	282,851	627,323	-	34,440,483
2017	25,952,518	7,083,382	1,905,262	976,769	273,809	642,269	-	36,834,009
2018	27,301,017	7,215,191	1,922,107	967,568	264,239	730,395	-	38,400,517
2019	28,921,125	8,364,435	1,535,431	968,191	265,366	863,682	1,238,762	42,156,992

City of Urbandale, Iowa
Table III – Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
							(as restated)	(as restated)		
Governmental activities:										
Net investment in capital assets	\$ 96,574,657	\$ 98,056,010	\$105,840,450	\$115,175,557	\$120,983,068	\$133,910,904	\$140,066,000	\$155,160,879	\$159,170,156	\$171,826,998
Restricted	9,480,569	12,393,039	11,354,737	15,536,580	18,312,214	17,671,962	29,014,284	30,924,056	34,723,554	24,434,686
Unrestricted	20,339,398	21,651,861	22,342,654	19,696,744	19,459,695	5,719,010	(7,071,446)	(12,352,149)	(14,078,571)	(4,039,783)
Total governmental activities net position	<u>\$126,394,624</u>	<u>\$132,100,910</u>	<u>\$139,537,841</u>	<u>\$150,408,881</u>	<u>\$158,754,977</u>	<u>\$157,301,876</u>	<u>\$162,008,838</u>	<u>\$173,732,786</u>	<u>\$179,815,139</u>	<u>\$192,221,901</u>
Business-type activities:										
Unrestricted	N/A	\$ 77,283	\$ 380,159	\$ 689,252	\$ 710,271	\$ 456,238	\$ 888,148	\$ 2,177,420	\$ 3,261,458	\$ 4,342,667
Primary government:										
Net investment in capital assets	\$ 96,574,657	\$ 98,056,010	\$105,840,450	\$115,175,557	\$120,983,068	\$133,910,904	\$140,066,000	\$155,160,879	\$159,170,156	\$171,826,998
Restricted	9,480,569	12,393,039	11,354,737	15,536,580	18,312,214	17,671,962	29,014,284	30,924,056	34,723,554	24,434,686
Unrestricted	20,339,398	21,651,861	22,722,813	20,385,996	20,169,966	6,175,248	(6,183,298)	(10,174,729)	(10,817,113)	302,884
Total governmental activities net position	<u>\$126,394,624</u>	<u>\$132,100,910</u>	<u>\$139,918,000</u>	<u>\$151,098,133</u>	<u>\$159,465,248</u>	<u>\$157,758,114</u>	<u>\$162,896,986</u>	<u>\$175,910,206</u>	<u>\$183,076,597</u>	<u>\$196,564,568</u>

City of Urbandale, Iowa
Table IV – Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 24,286	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	8,121,932	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	\$ 11,580	\$ 13,877	\$ 13,580	\$ 10,773	\$ 15,526	\$ 15,752	\$ 14,050	\$ 12,814	\$ 8,453
Unassigned	N/A	8,840,426	10,481,934	9,090,452	9,504,302	9,660,480	10,272,752	10,476,684	10,126,059	10,357,893
Total general fund	<u>\$ 8,146,218</u>	<u>\$ 8,852,006</u>	<u>\$ 10,495,811</u>	<u>\$ 9,104,032</u>	<u>\$ 9,515,075</u>	<u>\$ 9,676,006</u>	<u>\$ 10,288,504</u>	<u>\$ 10,490,734</u>	<u>\$ 10,138,873</u>	<u>\$ 10,366,346</u>
All other governmental funds										
Reserved	\$ 7,662,953	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	4,001,037	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital projects funds	919,628	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonspendable	N/A	\$ 431,915	\$ 401,673	\$ 192,155	\$ 268,966	\$ 210,648	\$ 223,584	\$ 223,050	\$ 325,077	\$ 269,450
Restricted	N/A	12,918,903	11,158,064	15,450,325	18,043,248	17,461,314	28,790,700	35,836,192	46,764,881	52,223,608
Committed	N/A	-	-	-	-	254,040	409,285	409,924	412,350	419,375
Assigned	N/A	1,526,187	1,215,951	1,150,672	664,060	45,014	12,451	8,503	129,375	563,134
Total all other governmental funds	<u>\$ 12,583,618</u>	<u>\$ 14,877,005</u>	<u>\$ 12,775,688</u>	<u>\$ 16,793,152</u>	<u>\$ 18,976,274</u>	<u>\$ 17,971,016</u>	<u>\$ 29,436,020</u>	<u>\$ 36,477,669</u>	<u>\$ 47,631,683</u>	<u>\$ 53,475,567</u>

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

City of Urbandale, Iowa
Table V – Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 25,515,528	\$ 27,068,725	\$ 28,659,637	\$ 31,046,110	\$ 31,315,290	\$ 32,569,230	\$ 33,479,126	\$ 35,817,096	\$ 37,433,602	\$ 41,314,958
Special assessments	1,763,620	425,305	1,643,468	167,444	264,089	311,596	879,283	508,857	1,960,823	627,167
Licenses and permits	520,744	590,584	857,111	1,039,129	1,081,782	987,725	982,423	905,226	1,260,628	1,161,861
Use of money and property	220,898	159,598	101,276	100,595	102,954	100,091	113,206	173,207	561,365	1,194,349
Intergovernmental	4,258,723	6,180,149	4,887,361	6,418,693	4,992,899	6,061,930	7,829,819	9,415,612	6,934,921	8,336,932
Charges for services	3,272,348	3,404,728	3,618,859	3,629,760	4,077,685	4,071,893	4,235,819	4,892,130	4,403,990	4,742,018
Miscellaneous	1,730,712	1,610,229	1,164,331	1,539,132	1,461,132	1,367,612	1,736,985	2,427,024	873,052	1,799,661
Total revenues	37,282,573	39,439,318	40,932,043	43,940,863	43,295,831	45,470,077	49,256,661	54,139,152	53,428,381	59,176,946
Expenditures:										
Public safety	8,369,034	9,059,928	9,130,755	10,570,625	10,037,003	10,713,963	11,009,936	12,361,920	12,982,185	14,256,818
Public works	6,753,079	6,171,697	5,947,701	6,408,925	6,594,104	6,546,508	6,848,767	7,803,301	7,753,279	8,114,703
Culture and recreation	6,091,288	6,052,003	6,080,117	6,195,495	6,566,551	6,775,727	7,137,266	7,681,048	7,884,163	8,070,717
Community and economic development	1,540,209	3,038,784	3,107,702	3,007,417	2,735,148	2,840,531	2,185,244	2,117,875	2,334,931	2,334,342
General government	2,225,451	2,400,295	2,431,684	2,267,059	2,715,863	2,684,144	2,867,948	3,233,944	3,837,163	3,221,711
Capital outlay	9,661,236	9,004,108	12,277,796	11,714,865	11,406,564	17,534,609	23,901,998	18,464,048	13,487,816	20,380,137
Debt service										
Principal	6,465,000	6,995,000	7,520,000	9,605,000	8,775,000	8,355,000	7,765,000	9,440,000	12,570,000	22,035,000
Interest	1,643,386	1,672,427	1,612,686	1,558,511	1,489,504	1,366,428	1,321,243	1,581,680	1,819,906	2,223,421
Total expenditures	42,748,683	44,394,242	48,108,441	51,327,897	50,319,737	56,816,910	63,037,402	62,683,816	62,669,443	80,636,849
Excess of revenues over (under) expenditures	(5,466,110)	(4,954,924)	(7,176,398)	(7,387,034)	(7,023,906)	(11,346,833)	(13,780,741)	(8,544,664)	(9,241,062)	(21,459,903)
Other financing sources (uses):										
General obligation bond and loan proceeds	6,570,000	8,535,000	6,610,000	9,765,000	8,960,000	9,875,000	25,660,000	14,334,408	18,610,342	25,210,000
Refunding bond issuance	-	2,955,000	2,325,000	-	2,670,000	3,950,000	4,230,000	3,230,592	-	-
Current refunding of general obligation debt	-	(2,925,000)	(2,330,000)	-	(2,670,000)	(4,045,000)	(5,350,000)	(3,275,000)	-	-
Premium/discounts on bonds	(66,992)	111,238	113,886	247,719	283,071	247,506	720,743	1,023,543	737,873	1,529,660
Transfers in	2,895,290	2,850,448	3,705,148	6,018,702	5,541,657	5,812,715	6,908,448	7,250,954	10,506,543	21,294,201
Transfers out	(2,895,290)	(2,850,448)	(3,705,148)	(6,018,702)	(5,166,657)	(5,337,715)	(6,310,948)	(6,775,954)	(9,811,543)	(20,502,601)
Total other financing sources (uses)	6,503,008	8,676,238	6,718,886	10,012,719	9,618,071	10,502,506	25,858,243	15,788,543	20,043,215	27,531,260
Net change in fund balances	\$ 1,036,898	\$ 3,721,314	\$ (457,512)	\$ 2,625,685	\$ 2,594,165	\$ (844,327)	\$ 12,077,502	\$ 7,243,879	\$ 10,802,153	\$ 6,071,357
Debt service as a percentage of expenditures, net of capital outlay	24.51%	24.49%	25.49%	28.18%	26.62%	29.54%	23.22%	24.92%	29.26%	38.82%

City of Urbandale, Iowa
Table VI –Governmental Fund Tax Revenue By Source
Last Ten Fiscal Years
(modified basis of accounting)

Fiscal Year	Property Tax	TIF Tax	Hotel Motel Tax	Property Tax Replacement	Franchise Tax	Utility Excise Tax	Local Option Sales Tax	Total
2010	\$ 20,190,515	\$ 3,369,190	\$ 1,079,882	\$ -	\$ 307,738	\$ 568,203	\$ -	\$ 25,515,528
2011	21,048,199	3,912,690	1,256,186	-	311,755	539,895	-	27,068,725
2012	21,899,812	4,502,606	1,354,015	-	312,005	591,199	-	28,659,637
2013	21,621,787	7,009,867	1,515,279	-	299,346	599,831	-	31,046,110
2014	22,263,631	6,563,268	1,599,543	-	298,039	590,809	-	31,315,290
2015	23,005,604	6,473,494	1,744,940	425,788	287,041	632,363	-	32,569,230
2016	24,308,600	6,414,658	1,845,694	984,612	282,851	627,323	-	34,463,738
2017	25,952,518	7,083,382	1,865,118	976,769	273,809	642,269	-	36,793,865
2018	27,301,017	7,215,191	1,922,761	967,568	264,239	730,394	-	38,401,170
2019	28,921,125	8,364,435	1,661,588	938,191	265,366	863,682	1,238,762	42,253,149

City of Urbandale, Iowa

Table VII –Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Utilities	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles**						
2010 *	\$ 2,793,199,470	\$ 875,536,520	\$ -	\$ 86,825,196	\$ -	\$ 3,755,561,186	9.22	\$ 2,174,306,380	172.72%
2011 *	2,820,955,730	901,211,090	-	88,502,951	-	3,810,669,771	9.22	2,243,885,770	169.82%
2012 *	2,852,687,450	882,669,790	-	91,300,257	-	3,826,657,497	9.52	2,283,349,399	167.59%
2013 *	2,831,336,240	749,332,170	-	93,646,739	-	3,674,315,149	9.62	2,202,420,645	166.83%
2014 *	2,888,578,496	761,368,774	-	96,637,055	-	3,746,584,325	9.57	2,303,557,107	162.64%
2015 *	2,947,579,697	763,805,620	-	78,794,633	-	3,790,179,950	9.72	2,334,059,661	162.39%
2016 *	3,106,862,049	784,070,702	-	96,139,108	-	3,987,071,859	9.82	2,435,626,225	163.70%
2017 *	3,283,297,060	742,192,808	-	108,220,162	-	4,133,710,030	9.92	2,569,430,035	160.88%
2018 *	3,405,750,992	751,991,496	-	129,016,679	-	4,286,759,167	10.02	2,680,368,612	159.93%
2019 *	3,697,771,503	798,143,033	-	150,144,185	-	4,646,058,721	10.02	2,838,303,824	163.69%

Source: Polk and Dallas County - Auditor's Office.

Tax rate information can be found in Table XI.

* Total included Polk County and Dallas County.

**Computer equipment and industrial machinery are only items taxed and have been phased out.

Residential & commercial property total is combined.

City of Urbandale, Iowa
Table VIII – Principal Property Taxpayers
June 30, 2019

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mid-American Energy	\$ 87,750,028	1	1.889%	\$ 61,776,503	1	1.645%
Aurora Business Park I LLC	42,482,769	2	0.914%	45,515,100	2	1.212%
Homemakers Plaza Inc	28,737,180	3	0.619%			
Marsh I LLC	24,558,300	4	0.529%			
Deerfield Retirement Community Inc	19,100,217	5	0.411%	20,516,550	3	0.546%
Terraza 18 LLC	18,891,000	6	0.407%			
BAP 2018 LLC	18,306,000	7	0.394%			
Berkley Holdings Corp.	17,498,250	8	0.377%	18,467,600	4	0.492%
Nottingham Square Apartments LP	16,734,375	9	0.360%	17,579,100	6	0.468%
AM Anderson Properties LC	14,954,400	10	0.322%			
Mid-America Inv. Co.				17,806,060	5	0.474%
Brad Johnson Inv. LC				17,003,600	7	0.453%
City I LLC				15,650,610	8	0.417%
Ladco Properties				14,494,000	9	0.386%
G.K. Properties Inc.				14,210,000	10	0.378%

Source: Bond Official Statements from debt issued in each respective year.
Property valuation data can be found in Table VII.

City of Urbandale, Iowa
Table IX – Property Tax Levies and Collection
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Fiscal Year for Prior Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 20,784,813	\$ 20,813,219	* 100.14%	N/A **	\$ 20,813,219	100.14%
2011	21,672,527	21,658,532	* 99.94%	N/A **	21,658,532	99.94%
2012	22,603,764	22,514,294	* 99.60%	N/A **	22,514,294	99.60%
2013	22,215,288	22,230,228	* 100.07%	N/A **	22,230,228	100.07%
2014	23,063,528	22,794,449	* 98.83%	N/A **	22,794,449	98.83%
2015	23,710,456	23,729,138	* 100.08%	N/A **	23,729,138	100.08%
2016	24,951,755	24,887,676	* 99.74%	N/A **	24,887,676	99.74%
2017	26,597,054	26,556,460	* 99.85%	N/A **	26,556,460	99.85%
2018	28,049,246	28,087,312	* 100.14%	N/A **	28,087,312	100.14%
2019	29,862,090	29,434,125	98.57%	N/A **	29,434,125	98.57%

Notes:

Taxes are due July and are delinquent on October 1 for first half and April 1 for second half.

Penalty for delinquency: 1 percent per month. No discount allowed.

Uncollected taxes are handled as follows: delinquent real estate tax list is published in the newspaper prior to May 16. Tax sale date is the first Monday in June.

Taxes are collected by Polk County and distributed to the City of Urbandale proportionate to its levy to all levies.

* Collected amount include all cash basis property taxes, including delinquent taxes related to prior years, which may result in over 100% collection of levied tax.

** Collections for delinquencies are not available from the County by the year levied. Delinquencies are recorded in the fiscal year collected.

Source: Tax Certifications, Polk and Dallas County Auditor's offices, and Statistical Section information from each respective year.

City of Urbandale, Iowa

Table X – Ratios of Outstanding Debt by Type and General Bonded Debt
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>GO Certificates of Participation</u>	<u>GO General Fund Capital Notes</u>	<u>Total Primary Government Outstanding Debt</u>	<u>Total Outstanding Debt Per Capita</u>	<u>Percentage of Total Debt Outstanding to Median Family Income</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Net General Bonded Debt Per Capita</u>
2010	\$ 38,770,000	\$ 930,000	\$ 3,675,000	\$ 43,375,000	\$ 1,099.13	0.215%	\$ 746,946	\$ 42,628,054	1.96%	\$ 1,080.20
2011	41,595,000	-	3,350,000	44,945,000	1,138.91	0.207%	684,637	44,260,363	1.97%	1,121.57
2012	41,025,000	-	3,005,000	44,030,000	1,115.73	0.212%	563,093	43,466,907	1.90%	1,101.46
2013	41,415,000	-	2,775,000	44,190,000	1,119.78	0.211%	922,046	43,267,954	1.96%	1,096.42
2014	41,840,000	-	2,535,000	44,375,000	1,124.47	0.210%	713,381	43,661,619	1.90%	1,106.39
2015	44,960,000	-	840,000	45,800,000	1,160.58	0.204%	605,289	45,194,711	1.94%	1,145.24
2016	61,865,000	-	710,000	62,575,000	1,474.12	0.149%	757,548	61,817,452	2.54%	1,456.28
2017	67,425,000	-	-	67,425,000	1,588.38	0.138%	353,312	67,071,688	2.61%	1,580.05
2018	73,430,000	-	-	73,430,000	1,729.84	0.127%	570,697	72,859,303	2.72%	1,716.40
2019	76,605,000	-	-	76,605,000	1,804.64	0.122%	1,012,842	75,592,158	2.66%	1,780.78

Notes:

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

Population and personal income data can be found in Table XIV.

Property valuation data can be found in Table VII.

City of Urbandale, Iowa
Table XI – Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Urbandale Direct Rates				Overlapping Rates						Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Police & Fire Retirement Millage	Total City Millage	Urbandale School District	Counties and Assessors	Transit	Community College	Urbandale Sanitary Sewer	State of Iowa	
2010	7.170	2.050	0.000	9.220	16.266	9.9710	0.271	0.568	0.335	0.003	36.635
2011	7.170	2.050	0.100	9.320	17.643	10.054	0.285	0.560	0.080	0.003	37.945
2012	7.170	2.150	0.200	9.520	17.636	10.015	0.302	0.590	0.085	0.003	38.151
2013	7.170	2.150	0.300	9.620	17.639	10.071	0.452	0.585	0.060	0.003	38.429
2014	7.120	2.150	0.300	9.570	17.675	10.257	0.532	0.691	0.069	0.003	38.797
2015	7.170	2.150	0.400	9.720	17.555	10.605	0.597	0.657	0.057	0.003	39.194
2016	7.170	2.150	0.500	9.820	17.754	10.842	0.662	0.676	0.055	0.003	39.812
2017	7.170	2.180	0.570	9.920	17.747	10.396	0.682	0.723	0.062	0.003	39.533
2018	7.240	2.200	0.580	10.020	17.751	10.395	0.682	0.675	0.069	0.003	39.594
2019	7.240	2.200	0.580	10.020	18.000	10.376	0.682	0.695	0.064	0.003	39.839

Notes:

State law limits maximum tax rate for the General Fund to \$8.10 per thousand dollars of assessed valuation (100% basis) effective July 1, 1976. Limitation does not include debt service and pension requirements.

Sources: Tax Certifications, Polk County Auditor's Office and Official Bond Statements from debt issued in each respective year.

City of Urbandale, Iowa
 Table XII – Direct and Overlapping Government Activities Debt
 As of June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Polk	\$ 579,709,937	18.90%	<u>\$ 109,564,394</u>
Subtotal, overlapping debt			109,564,394
City of Urbandale direct debt			<u>76,605,000</u>
Total direct and overlapping debt			<u><u>\$ 186,169,394</u></u>

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

Source: Bond Official Statement April 2019

City of Urbandale, Iowa
Table XIII – Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 194,184,675	\$ 198,080,952	\$ 199,999,780	\$ 196,305,025	\$ 199,566,992	\$ 201,617,957	\$ 210,953,995	\$ 223,826,374	\$ 231,288,710	\$ 251,728,800
Total net debt applicable to limit	43,375,000	44,945,000	44,030,000	44,190,000	44,375,000	45,800,000	62,575,000	67,425,000	73,430,000	76,605,000
Legal debt margin	154,705,952	155,054,780	155,969,780	152,115,025	155,191,992	155,817,957	148,378,995	156,401,374	157,858,710	175,123,800
Total net debt applicable to the limit as a percentage of debt limit	22.34%	22.69%	22.02%	22.51%	22.24%	22.72%	29.66%	30.12%	31.75%	30.43%

Legal Debt Margin Calculation for Fiscal Year 2019

Actual value of property, 2017	\$ 5,034,576,005
Add back: exempt real property	-
Total assessed value	<u>5,034,576,005</u>
Debt limit (5% of total assessed value)	251,728,800
Debt applicable to limit:	
General obligation bonds	<u>(76,605,000)</u>
Total net debt applicable to limit	<u>(76,605,000)</u>
Legal debt margin	<u>\$ 175,123,800</u>

Source: Notes to the Financial Statements and Bond Official Statements from each respective year.

City of Urbandale, Iowa
Table XIV – Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Calendar Year</u>	<u>Population</u>	<u>Median Family Income</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2010	35,904	\$ 70,548	\$ 29,021	35.9	6.70%
2011	39,463	93,217	37,362	37.8	5.90%
2012	39,463	93,217	37,362	37.8	5.00%
2013	39,463	93,217	37,362	37.8	4.30%
2014	39,463	93,217	37,362	37.8	3.90%
2015	39,463	93,217	37,362	37.8	3.20%
2016	42,449	93,217	37,362	39.7	3.30%
2017	42,449	93,217	37,362	39.7	3.30%
2018	42,449	93,217	37,362	39.7	2.60%
2019	42,449	93,217	37,362	39.7	2.40%

Data Sources:

Population and median age are from the 2015 special census, the 2010 full census, and the special census in 2005. No data for personal income was reported in either special census. Information on median family income, per capita income are only gathered during full census counts. Unemployment rates are based on Des Moines Metro area rates; information obtained from Bond Official Statements from each respective year.

City of Urbandale, Iowa
Table XV – Principal Employers
Current Year and Nine Years Ago

	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Employer:						
Mercer (formerly Marsh)	1,600	1	6.383%	1,100	1	0.153%
Urbandale CSD	710	2	2.832%	450	5	0.063%
U.S. Postal Service	650	3	2.593%	500	4	0.070%
MidAmerican Energy	628	4	2.505%	350	7	0.049%
Unity Point at Home (formerly Iowa Health Home Care)	575	5	2.294%	400	6	0.056%
Quality Manufacturing Corp.	550	6	2.194%	—		
John Deere Intelligent Solutions	480	7	1.915%	—		
Continental Western Insurance	350	8	1.396%	340	8	0.047%
Homemakers Furniture	342	9	1.364%	—		
Pepsi-Cola Bottling, Co	340	10	1.356%	—		
CitiGroup				600	2	0.084%
Wells Fargo				530	3	0.074%
Allied Group				300	9	0.042%
Compressor Controls				300	10	0.042%

Notes:

Current year data source: Bond official statements from debt issued in respective fiscal years

Current year total City employment source: Iowa Workforce Development

Nine years ago information from June 30, 2010 City of Urbandale Comprehensive Annual Financial Report

Table XVI – Full-time Equivalent Employees as of June 30, 2019

<u>FUNCTION</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>PUBLIC SAFETY</u>										
Police:										
Officers	45.00	47.00	48.00	49.00	49.00	48.00	49.00	50.00	51.00	50.00
Civilians	4.00	4.00	5.25	5.00	5.00	6.00	7.00	8.00	8.00	9.00
Fire:										
Firefighters & Officers	16.50	34.50	39.50	39.25	39.50	36.75	37.50	38.50	44.75	53.50
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
EMS	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>76.50</u>	<u>86.50</u>	<u>93.75</u>	<u>94.25</u>	<u>94.50</u>	<u>91.75</u>	<u>94.50</u>	<u>97.50</u>	<u>104.75</u>	<u>113.50</u>
<u>PUBLIC WORKS</u>										
Roadway Maintenance	15.75	14.75	14.75	13.75	14.00	16.00	16.25	17.00	17.00	16.75
Traffic Safety	4.25	1.25	1.25	1.00	1.00	1.25	1.25	1.25	1.25	2.00
Engineering Services	5.75	5.75	5.25	5.25	6.00	6.75	5.50	6.75	7.50	7.50
Street Cleaning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solid Waste	7.00	8.00	7.00	8.00	8.00	7.00	8.00	7.00	8.00	8.00
Sanitary Sewer	2.25	2.25	2.25	2.25	2.00	2.00	2.00	2.25	2.25	2.25
Storm Sewer	0.00	3.00	3.25	3.25	3.25	4.00	4.25	4.00	4.25	4.25
Public Works Admin	5.00	5.00	5.25	5.25	4.50	5.00	6.00	6.25	7.00	7.25
Total	<u>40.00</u>	<u>40.00</u>	<u>39.00</u>	<u>38.75</u>	<u>38.75</u>	<u>42.00</u>	<u>43.25</u>	<u>44.50</u>	<u>47.25</u>	<u>48.00</u>
<u>HEALTH & SOCIAL SERVICES</u>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<u>CULTURE & RECREATION</u>										
Library	25.75	26.50	25.50	26.00	24.75	25.75	27.00	26.25	27.00	26.25
Parks	14.25	15.25	14.50	16.00	16.00	18.75	19.00	19.25	19.25	19.50
Grounds Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Recreation	3.00	3.00	3.25	3.25	3.25	3.50	3.75	4.00	5.00	4.50
Senior Citizens	2.00	2.50	2.75	2.50	2.75	2.75	2.75	2.50	3.00	2.50
Swimming Pool	6.00	8.25	8.75	6.75	8.50	8.75	8.25	9.25	9.75	10.25
Total	<u>52.00</u>	<u>56.50</u>	<u>55.75</u>	<u>55.50</u>	<u>56.25</u>	<u>60.50</u>	<u>61.75</u>	<u>62.25</u>	<u>65.00</u>	<u>64.00</u>
<u>COMMUNITY & ECONOMIC DEVELOPMENT</u>										
Code Enforcement	6.00	6.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Community Development	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Economic Development	0.00	0.00	0.00	1.00	1.25	2.25	2.25	2.25	3.00	2.00
Total	<u>11.00</u>	<u>11.00</u>	<u>10.00</u>	<u>12.00</u>	<u>12.25</u>	<u>13.25</u>	<u>13.25</u>	<u>14.25</u>	<u>15.00</u>	<u>14.00</u>
<u>GENERAL GOVERNMENT</u>										
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
City Manager	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Finance and Records	4.00	4.00	4.00	4.00	4.75	4.75	4.75	5.25	4.00	4.75
Legal/Human Resources	1.00	1.00	1.00	1.50	1.75	1.50	1.75	1.75	1.75	1.50
Technology	1.00	1.00	1.00	2.00	2.00	4.00	4.00	4.00	4.00	4.00
General Support	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>12.50</u>	<u>13.50</u>	<u>15.25</u>	<u>15.50</u>	<u>16.00</u>	<u>14.75</u>	<u>15.25</u>
Grand total	<u>190.50</u>	<u>205.00</u>	<u>209.50</u>	<u>213.00</u>	<u>215.25</u>	<u>222.75</u>	<u>228.25</u>	<u>234.50</u>	<u>246.75</u>	<u>254.75</u>

Source: City Clerk's office; payroll records for each respective year.

City of Urbandale, Iowa
Table XVII – Operating Indicators by Function
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Total calls for service	^ 40,653	26,624	14,662	14,874	17,047	19,001	19,768	20,051	21,138	17,201
Total arrests	1,028	586	656	587	821	793	941	876	1,150	1,166
Fire										
Number of calls answered/received	2,341	2,520	2,534	2,676	2,875	2,959	3,212	3,420	4,365	4,537
Inspections	262	357	409	358	347	436	489	408	670	405
EMS										
Number of calls answered	1,697	1,908	1,870	1,995	2,055	2,187	2,346	2,389	2,672	2,762
Animal Control										
Pet Licenses issued	1,589	1,647	3,316	3,615	3,173	3,017	4,266	3,629	3,347	3,288
Public Works										
Roadway Maintenance										
Total lane miles maintained	422	424	436	443	452	460	480	489	495	505
Asphalt streets repaired (tons)	2,323	959	205	378	1,529	314	465	124	274	450
Solid Waste Collection										
Number of households	12,750	12,950	13,290	13,434	13,627	13,740	13,903	14,070	14,220	14,435
Tons of refuse collected	10,548	10,745	10,364	10,650	10,943	11,365	11,738	11,880	11,971	12,760
Tons of recycling collected	2,947	2,743	2,338	2,390	2,451	2,505	2,989	2,962	2,620	2,731
Tons of yard waste collected	2,677	2,460	2,825	1,984	2,466	2,580	2,491	2,678	2,416	2,677
Sanitary Sewer and Wastewater										
Linear feet of lines cleaned	226,786	112,942	252,745	244,621	229,591	290,723	257,861	212,835	272,332	273,339
Storm Water Utility										
Average monthly calculated ERUs	**	29,581	29,888	30,517	30,732	31,157	31,381	31,790	32,084	32,372
Culture & Recreation										
Library										
Registered borrowers	46,423	47,219	47,941	49,465	55,465	48,125	52,136	49,122	52,145	53,396
Circulation	714,973	705,721	677,229	629,506	670,735	589,591	557,953	588,246	582,882	602,525
Recreation										
Programs offered	462	466	464	461	463	472	469	474	448	483
Senior Center										
Total participants in all programs	29,022	29,688	31,788	29,334	29,944	31,085	34,060	35,937	36,182	41,709
Swimming Pool										
Pool Users	45,605	52,109	49,154	37,840	41,772	56,464	50,764	51,901	57,832	59,734
Community and Economic Development										
Code Enforcement										
Inspections	3,502	4,026	4,849	8,556	10,867	9,653	8,499	9,805	10,709	9,680
Community Development										
Building Permits	689	725	825	966	973	886	873	885	936	1,123
General Government										
Finance and Records										
Purchase orders processed	219	174	164	144	201	208	201	247	205	212
Technology										
Intelligent workstations	251	238	237	225	234	260	269	269	278	273
General Support										
Safety incidents	44	26	35	16	28	26	28	24	20	20

Source: Performance measurement sections of adopted budget documents for each respective fiscal year

^ The calls responded to changed to calls received at dispatch for 09/10.

** Storm water ERUs (equivalent residential units) information was not applicable for these periods. Utility was established July 1, 2010.

City of Urbandale, Iowa
Table XVIII – Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Public Safety</u>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units/marked & unmarked	30	30	30	30	31	32	32	31	31	32
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Roadway Maintenance										
Streets (miles)	176	177	184	187	191	194	195	198	201	205
Streetlights	4,400	4,312	4,610	4,710	4,727	4,859	5,099	5,296	5,352	5,451
Traffic signals	47	48	49	49	50	53	53	54	54	56
Solid Waste Collection										
Collection trucks	8	8	8	8	8	8	8	8	8	8
Sanitary Sewer and Wastewater										
Sanitary Sewers (miles)	198	198	200	201	208	208	211	216	217	219
<u>Culture & Recreation</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
Acres of park ground	900	900	900	900	930	930	941	993	993	993
Parks	48	48	48	48	48	48	49	54	54	54
Playgrounds	**	**	**	**	32	32	32	32	35	36
Off-street bike/walking trails (miles)	37	37	37	39	40	40	44	45	46	50
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Wading Pools	3	3	3	3	2	2	2	2	2	2
Tennis Courts	12	12	12	12	12	12	12	12	12	12
<u>Community and Economic Development</u>										
Code Enforcement										
Vehicles	5	5	5	5	5	6	6	6	6	6

Source: Departmental records, bond official statements, and capital asset detail ledger

** Department did not disclose breakout of playgrounds in these years.



Information to Comply with Government Auditing Standards
and Uniform Guidance

June 30, 2019

City of Urbandale, Iowa





**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
City of Urbandale, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbandale, Iowa, (City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 15, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of this Report

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Dubuque, Iowa
November 15, 2019



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

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

Report on Compliance for the Major Federal Program

We have audited the City of Urbandale, Iowa's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2019. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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



Dubuque, Iowa
November 15, 2019

City of Urbandale, Iowa
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership Program	16.607		<u>4,050</u>
Public Safety Partnership and Community Policing Grants	16.710		9,678
Public Safety Partnership and Community Policing Grants	16.710		<u>1,819</u>
			<u>11,497</u>
Total U.S. Department of Justice			<u>15,547</u>
<u>U.S. Department of Transportation</u>			
Passed through Iowa Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	TAP-T-7875(649-8V-77	244,774
Highway Planning and Construction	20.205	STP-U-7875(650)-70-77	<u>420,041</u>
			<u>664,815</u>
Passed through Governor's Traffic Safety Bureau			
Highway Safety Cluster			
State and Community Highway Safety	20.600	PAP 19-402-MOPT, Task 23	11,312
State and Community Highway Safety	20.600	PAP 18-402-MOPT, Task 23	<u>9,013</u>
			<u>20,325</u>
Total U.S. Department of Transportation			<u>685,140</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Iowa Homeland Security and Emergency Management Division			
Disaster Grants - Public Assistance	97.036	FEMA-4386DR	281,625
Staffing for Adequate Fire and Emergency Response	97.083		<u>123,798</u>
Total U.S. Department of Homeland Security			<u>405,423</u>
Total Federal Financial Assistance			<u>\$ 1,106,110</u>

Note 1 - Basis of Presentation

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

Note 2 - Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

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

Part I: Summary of the Auditor's Results:

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major programs:

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

Part II: Financial Statement Findings:

There were no findings to report.

Part III: Federal Award Findings and Questioned Costs:

There were no findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

- 2019-IA-A Certified Budget** - Disbursements during the year ended June 30, 2019, did not exceed the amount budgeted.
- 2019-IA-B Questionable Expenditures** - We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 2019-IA-C Travel Expense** - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2019-IA-D Business Transactions** – No business transactions between the City and City officials or employees were noted.
- 2019-IA-E Bond Coverage** - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2019-IA-F Council Minutes** - No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2019-IA-G Deposits and Investments** - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- 2019-IA-H Revenue Loan** – No instances of non-compliance with the sewer state revolving loan revenue debt provisions were noted.
- 2019-IA-I Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.

APPENDIX E – FORM OF ISSUE PRICE CERTIFICATES

USE FOR COMPETITIVE SALES – 3 BIDS RECEIVED

EXHIBIT A

**\$ _____ General Obligation [Urban Renewal] Bonds, Series 2020_ of Urbandale, Iowa
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Purchaser to purchase the Bonds.

(b) Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 7, 2020.

(d) Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

USE FOR GENERAL RULE 10%- PUBLIC SALE

EXHIBIT A

**\$ _____ General Obligation [Urban Renewal] Bonds, Series 2020_ of Urbandale, Iowa
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (“Purchaser”), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) Issuer means the City of Urbandale, a municipal corporation in the Counties of Polk and Dallas, State of Iowa.

(b) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES
(Attached)

EXHIBIT A

**\$_____ General Obligation [Urban Renewal] Bonds, Series 2020_ of Urbandale, Iowa
ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“Purchaser”), on behalf of itself, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) Issuer means the City of Urbandale, a municipal corporation in the Counties of Polk and Dallas, State of Iowa.

(e) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 7, 2020.

(h) Underwriter means (i) the Purchaser or any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and its advisors with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income

tax rules affecting the Bonds, and by Ahlers & Cooney, P.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION