

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 16, 2024

New Issues

Rating: S&P Global Ratings 'AA+'

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 Series 2024A Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2024A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The Series 2024A Bonds will NOT be designated as "qualified tax-exempt obligations". In the opinion of Ahlers & Cooney, P.C., Bond Counsel, interest on the Series 2024B Bonds paid to the owners thereof is includible in gross income for purposes of present federal income taxation. Interest on the Bonds is NOT exempt from present Iowa income taxes. See "TAX MATTERS" section herein for a more detailed discussion.

CITY OF DES MOINES, IOWA

\$57,645,000* General Obligation Bonds, Series 2024A
\$10,185,000* Taxable General Obligation Bonds, Series 2024B

BIDS RECEIVED: Wednesday, October 2, 2024, 10:00 A.M., Central Time

AWARD: Wednesday, October 2, 2024, 4:30 P.M., Central Time

Dated: Date of Delivery (November 12, 2024)

Principal Due: June 1, as shown inside front cover

The \$57,645,000* General Obligation Bonds, Series 2024A (the "Series 2024A Bonds") and the \$10,185,000* Taxable General Obligation Bonds, Series 2024B (the "Series 2024B Bonds") (collectively, the "Bonds") are being issued pursuant to Subchapter III of Chapter 384 and Chapter 403 of the Code of Iowa and resolutions for the Bonds (the "Resolutions") to be adopted by the City Council of the City of Des Moines, Iowa (the "City"). The Bonds are being issued for various new money purposes. See "AUTHORITY AND PURPOSE" section herein for detailed project descriptions. The Bonds are general obligations of the City for which the City will pledge its power to levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 and integral multiples thereof. The purchaser will not receive certificates representing their interest in the Bonds purchased. The City's Finance Director, as designated Paying Agent/Registrar (the "Registrar"), will pay principal on the Bonds payable annually on each June 1, beginning June 1, 2025, and interest on the Bonds, payable initially on June 1, 2025, and thereafter on each December 1 and June 1 to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. Interest and principal shall be paid to the registered holder of a bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding such interest payment date (the "Record Date").

THE BONDS WILL MATURE AS LISTED ON THE INSIDE FRONT COVER

	<u>Series 2024A Bonds</u>	<u>Series 2024B Bonds</u>
MINIMUM BID:	\$56,953,260	\$10,083,150
GOOD FAITH DEPOSIT:	\$576,450 Required of Purchaser Only	\$101,850 Required of Purchaser Only
TAX MATTERS:	Federal: Tax-Exempt State: Taxable See "TAX MATTERS" for more information.	Federal: Taxable State: Taxable See "TAX MATTERS" for more information.

The Bonds are offered, subject to prior sale, withdrawal or modification, when, as, and if issued subject to the unqualified approving legal opinion of Ahlers & Cooney, P.C., Bond Counsel, Des Moines Iowa, to be furnished upon delivery of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery on or about November 12, 2024 through DTC in New York, New York. The Preliminary Official Statement in the form presented is deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, subject to revisions, corrections or modifications as determined to be appropriate, and is authorized to be distributed in connection with the offering of the Bonds for sale.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary 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 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

CITY OF DES MOINES, IOWA

\$57,645,000* General Obligation Bonds, Series 2024A

MATURITY: The Series 2024A Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$7,085,000	2035	\$2,325,000
2026	1,470,000	2036	2,450,000
2027	1,545,000	2037	2,590,000
2028	1,620,000	2038	2,730,000
2029	1,705,000	2039	2,885,000
2030	2,805,000	2040	3,040,000
2031	2,955,000	2041	3,210,000
2032	3,090,000	2042	3,385,000
2033	2,735,000	2043	3,570,000
2034	2,890,000	2044	3,560,000

*** PRINCIPAL**

ADJUSTMENT: Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2024A Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$60,000,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2024A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2024A Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

INTEREST: Interest on the Series 2024A Bonds will be payable on June 1, 2025, and semiannually thereafter.

OPTIONAL

REDEMPTION: The Series 2024A Bonds, due after June 1, 2032, will be subject to call for prior redemption on said date or on any date thereafter upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Series 2024A Bonds to be redeemed at the address shown on the registration books.

CITY OF DES MOINES, IOWA

\$10,185,000* Taxable General Obligation Bonds, Series 2024B

MATURITY: The Series 2024B Bonds will mature June 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount*</u>
2025	\$2,110,000
2026	1,860,000
2027	1,960,000
2028	2,070,000
2029	2,185,000

*** PRINCIPAL**

ADJUSTMENT: Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2024B Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$10,500,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2024B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2024B Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

INTEREST: Interest on the Series 2024B Bonds will be payable on June 1, 2025, and semiannually thereafter.

NO OPTIONAL

REDEMPTION: The Series 2024B Bonds will NOT be subject to early redemption.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure.

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to prospective bidders. Its primary purpose is to disclose information regarding the Bonds to prospective bidders in the interest of receiving competitive bids in accordance with the TERMS OF OFFERING contained herein. Unless an addendum is received prior to the sale, this document shall be deemed the near final “Official Statement”.

Review Period: This Preliminary Official Statement has been distributed to City staff as well as to prospective bidders for an objective review of its disclosure. Comments, omissions or inaccuracies must be submitted to PFM Financial Advisors LLC (the “Municipal Advisor”) at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a bid received. If there are any changes, corrections or additions to the Preliminary Official Statement, prospective bidders will be informed by an addendum at least one business day prior to the sale.

Final Official Statement: Upon award of sale of the Bonds, the legislative body will authorize the preparation of a final Official Statement that includes the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and other information required by law and the identity of the underwriter (the “Syndicate Manager”) and syndicate members. Copies of the final Official Statement will be delivered to the Syndicate Manager within seven business days following the bid acceptance.

REPRESENTATIONS

No dealer, broker, salesman or other person has been authorized by the City, the Municipal Advisor or the underwriter to give any information or to make any representations other than those contained in this Preliminary Official Statement or the final Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the City, the Municipal Advisor or the underwriters. This Preliminary Official Statement or the final Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement or the final Official Statement, nor any sale made thereafter shall, under any circumstances, create any implication there has been no change in the affairs of the City or in any other information contained herein, since the date hereof. This Preliminary Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Preliminary Official Statement and any addenda thereto were prepared relying on information from the City and other sources, which are believed to be reliable.

Bond Counsel has not participated in the preparation of this Preliminary Official Statement and is not expressing any opinion as to the completeness or accuracy of the information contained therein.

Compensation of the Municipal Advisor, payable entirely by the City, is contingent upon the sale of the issues.

CITY OF DES MOINES, IOWA

Mayor/City Council

Connie Boesen..... Mayor
Mike Simonson..... Council Member – At Large
Carl Voss Council Member – At Large
Chris Coleman Council Member – Ward 1
Linda Westergaard..... Council Member – Ward 2
Josh Mandelbaum Council Member – Ward 3
Joe Gatto Council Member – Ward 4

Administration

Scott Sanders, City Manager
Nickolas Schaul, Finance Director/Treasurer
Laura Baumgartner, City Clerk

City Attorney

Jeffrey D. Lester

Bond Counsel

Ahlers & Cooney, P.C.
Des Moines, Iowa

Municipal Advisor

PFM Financial Advisors LLC
Des Moines, Iowa

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OFFICIAL BID FORM - SERIES 2024A BONDS

OFFICIAL BID FORM - SERIES 2024B BONDS

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TERMS OF OFFERING

CITY OF DES MOINES, IOWA

**\$57,645,000* General Obligation Bonds, Series 2024A
\$10,185,000* Taxable General Obligation Bonds, Series 2024B**

Bids for the purchase of the City of Des Moines, Iowa’s (the “City”) \$57,645,000* General Obligation Bonds, Series 2024A (the “Series 2024A Bonds”) and the \$10,185,000* Taxable General Obligation Bonds, Series 2024B (the “Series 2024B Bonds”) (collectively, the “Bonds”) will be received on Wednesday, October 2, 2024 before 10:00 A.M., Central Time, after which time they will be tabulated. The City’s Council will consider award of the Bonds at 4:30 P.M., Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City’s Municipal Advisor, PFM Financial Advisors LLC (the “Municipal Advisor”), 801 Grand Avenue, Suite 3300, Des Moines, Iowa, 50309, telephone 515-724-5724. Information may also be obtained from Mr. Nickolas Schaul, Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309, telephone 515-283-4540.

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:

DETAILS OF THE SERIES 2024A BONDS

GENERAL OBLIGATION BONDS, SERIES 2024A in the principal amount of \$57,645,000*, to be dated the date of delivery (anticipated to be November 12, 2024), in the denomination of \$5,000 or multiples thereof, and will mature June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2025	\$7,085,000	2035	\$2,325,000
2026	1,470,000	2036	2,450,000
2027	1,545,000	2037	2,590,000
2028	1,620,000	2038	2,730,000
2029	1,705,000	2039	2,885,000
2030	2,805,000	2040	3,040,000
2031	2,955,000	2041	3,210,000
2032	3,090,000	2042	3,385,000
2033	2,735,000	2043	3,570,000
2034	2,890,000	2044	3,560,000

* Preliminary; subject to change.

ADJUSTMENT TO THE SERIES 2024A BONDS MATURITY AMOUNTS

The City reserves the right to increase or decrease the aggregate principal amount of the Series 2024A Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or reduce each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$60,000,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2024A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2024A Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

INTEREST ON THE SERIES 2024A BONDS

Interest on the Series 2024A Bonds will be payable on June 1, 2025, and semiannually on the 1st day of December and June thereafter. Interest and principal shall be paid to the registered holder of a Series 2024A Bond as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding such interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

OPTIONAL REDEMPTION FOR THE SERIES 2024A BONDS

The Series 2024A Bonds, due after June 1, 2032, will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Series 2024A Bonds to be redeemed at the address shown on the registration books.

DETAILS OF THE SERIES 2024B BONDS

TAXABLE GENERAL OBLIGATION BONDS, SERIES 2024B in the principal amount of \$10,185,000*, to be dated the date of delivery (anticipated to be November 12, 2024), in the denomination of \$5,000 or multiples thereof, and will mature June 1 as follows:

<u>Year</u>	<u>Amount*</u>
2025	\$2,110,000
2026	1,860,000
2027	1,960,000
2028	2,070,000
2029	2,185,000

* Preliminary; subject to change.

ADJUSTMENT TO THE SERIES 2024B BONDS MATURITY AMOUNTS

The City reserves the right to increase or decrease the aggregate principal amount of the Series 2024B Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or reduce each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$10,500,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2024B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2024B Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

INTEREST ON THE SERIES 2024B BONDS

Interest on the Series 2024B Bonds will be payable on June 1, 2025, and semiannually on the 1st day of December and June thereafter. Interest and principal shall be paid to the registered holder of a Series 2024B Bond as shown on the records of ownership maintained by the Registrar as of the Record Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

NO OPTIONAL REDEMPTION FOR THE SERIES 2024B BONDS

The Series 2024B Bonds will NOT be subject to early redemption.

TERM BOND OPTION

Bidders shall have the option of designating the Bonds as serial bonds or term bonds, or both. The applicable bid must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term bond maturity. (See the OFFICIAL BID FORMS for more information.) In any event, the above principal amount scheduled shall be represented by either serial note maturities or mandatory redemption requirements, or a combination of both.

GOOD FAITH DEPOSITS

A good faith deposit in the amount of \$576,450 for the Series 2024A Bonds and \$101,850 for the Series 2024B Bonds (collectively, the “Deposits”) is required from the lowest bidder(s) only for each respective series of the Bonds. The lowest bidder(s) are required to submit such Deposits, payable to the order of the City, not later than 12:00 P.M., Central Time, on the day of sale of the Bonds and in the form of either (i) a cashier’s check provided to the City or its Municipal Advisor, or (ii) a wire transfer as instructed by the City’s Municipal Advisor. If not so received, the bid of the lowest bidder may be rejected and the City may direct the second lowest bidder to submit a deposit and thereafter may award the sale of each respective series of the Bonds to the same. No interest on the Deposits will accrue to the successful bidder(s) (the “Purchaser(s)”). The Deposits will be applied to the purchase price of each respective series of the Bonds. In the event a Purchaser(s) fails to honor its accepted bid proposal, the applicable deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for each series of the Bonds for a price not less than \$56,953,260 for the Series 2024A Bonds and \$10,083,150 for the Series 2024B Bonds, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth under the “BIDDING PARAMETERS” section herein. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORMS provided by the City. The Bonds will be awarded to the bidder(s) offering the lowest interest rate to be determined on a true interest cost (the “TIC”) basis assuming compliance with the “ESTABLISHMENT OF ISSUE PRICE” and “GOOD FAITH DEPOSITS” sections herein. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of each respective series of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest, which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Municipal Advisor based on the TERMS OF OFFERING and all amendments, and on the bids as submitted. The Municipal Advisor’s computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

BIDDING PARAMETERS

For each respective series of the Bonds, each bidder’s proposal must conform to the following limitations:

1. For each respective series, each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. The initial price to the public for each maturity must be 98% or greater.

RECEIPT OF BIDS

Forms of Bids: Bids must be submitted on or in substantial compliance with the TERMS OF OFFERING and OFFICIAL BID FORM – SERIES 2024A BONDS and OFFICAL BID FORM – SERIES 2024B BONDS provided by the City or through PARITY® competitive bidding system (the “Internet Bid System”). Neither the City nor its agents shall be responsible for malfunction or mistake made by any person, or as a result of the use of the Internet Bid System 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(s) who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the TERMS OF OFFERING and OFFICIAL BID FORM – SERIES 2024A BONDS and OFFICAL BID FORM – SERIES 2024B BONDS. 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.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the Finance Director/Treasurer, 400 Robert D. Ray Dr., Des Moines, Iowa 50309 and City’s Municipal Advisor, PFM Financial Advisors LLC, 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309. Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling 212-849-5021.

Each prospective bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purposes of submitting its electronic internet bid in a timely manner and in compliance with the requirements of the TERMS OF OFFERING and OFFICIAL BID FORM – SERIES 2024A BONDS and OFFICAL BID FORM – SERIES 2024B BONDS. The City is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the electronic internet bidding and the Internet Bid System is not an agent of the City. Provisions of the TERMS OF OFFERING and OFFICIAL BID FORM – SERIES 2024A BONDS and OFFICAL BID FORM – SERIES 2024B BONDS shall control in the event of conflict with information provided by the Internet Bid System.

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond 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 Registrar 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 DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser(s), as a condition of delivery of the Bonds, will be required to deposit the bond certificates with DTC.

MUNICIPAL BOND INSURANCE AT PURCHASER’S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder(s), 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(s). Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser(s), except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser(s). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser(s) shall not constitute cause for failure or refusal by the Purchaser(s) to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser(s).

DELIVERY

The Bonds will be delivered to the Purchaser(s) through DTC in New York, New York, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser(s), the Purchaser(s) may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City will give the Purchaser(s) five working days' notice of the delivery date and the City will expect payment in full on that date; otherwise, reserving the right at their option to determine that the Purchaser(s) failed to comply with the offer of purchase.

ELECTRONIC EXECUTED DOCUMENTS

The Purchaser(s) consent to the receipt of electronic transcripts and acknowledges the City's intended use of electronically executed documents. Iowa Code chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

ESTABLISHMENT OF ISSUE PRICE – SERIES 2024A BONDS

The Purchaser shall assist the City in establishing the issue price of the Series 2024A Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2024A Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto in "EXHIBIT 1 - FORMS OF ISSUE PRICE CERTIFICATES – SERIES 2024A BONDS" to the TERMS OF OFFERING, with such modifications as may be appropriate or necessary in the reasonable judgment of the Purchaser, the City and Bond Counsel, will need to be signed by the Purchaser. All actions to be taken by the City under the TERMS OF OFFERING to establish the issue price of the Series 2024A Bonds may be taken on behalf of the City by the Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the Municipal Advisor.

The City intends the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2024A Bonds) will apply to the initial sale of the Series 2024A Bonds (the "competitive sale requirements") because (i) the City shall disseminate this TERMS OF OFFERING to potential underwriters in a manner that is reasonably designed to reach potential underwriters, (ii) all bidders shall have an equal opportunity to bid, (iii) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds, and (iv) the City anticipates awarding the sale of the Series 2024A Bonds to the bidder who submits a firm offer to purchase the Series 2024A Bonds at the highest price (or lowest interest cost), as set forth in the TERMS OF OFFERING.

Any bid submitted pursuant to the TERMS OF OFFERING shall be considered a firm offer for the purchase of the Series 2024A Bonds, as specified in the bid.

In the event the competitive sale requirements are not satisfied for the Series 2024A Bonds, the City shall so advise the Purchaser. The City may determine to treat (i) the first price at which 10% of a maturity of the Series 2024A Bonds (the "10% test") is sold to the public as the issue price of that maturity, and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2024A Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Purchaser shall advise the City if any maturity of the Series 2024A Bonds satisfies the 10% test as of the date and time of the award of the Series 2024A Bonds. The City shall promptly advise the Purchaser, at or before the time of award of the Series 2024A Bonds, which maturities of the Series 2024A Bonds, if any, shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2024A Bonds. **Prospective bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2024A Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2024A Bonds.**

By submitting a bid, the Purchaser shall (i) confirm the underwriters have offered or will offer the Series 2024A Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the Purchaser, and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2024A Bonds, that the underwriters will neither offer nor sell unsold Series 2024A Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following (a) the close of the fifth (5th) business day after the sale date, or (b) the date on which the underwriters have sold at least 10% of that maturity of the Series 2024A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the City when the underwriters have sold 10% of that maturity of the Series 2024A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The City acknowledges that in making the representation set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2024A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event, an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2024A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2024A Bonds.

By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2024A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the public the unsold Series 2024A Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the Series 2024A Bonds of that maturity or all Series 2024A Bonds of that maturity have been sold to the public, and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires; and (ii) any agreement among underwriters relating to the initial sale of the Series 2024A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2024A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the public the unsold Series 2024A Bonds of each maturity allotted to it until it is notified by the Purchaser or such underwriter that either the 10% test has been satisfied as to the Series 2024A Bonds of that maturity or all Series 2024A Bonds of that maturity have been sold to the public, and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser or such underwriter and as set forth in the related pricing wires.

Sales of any Series 2024A Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this TERMS OF OFFERING. Further, for purposes of this TERMS OF OFFERING, (i) “public” means any person other than an underwriter or a related party, (ii) “underwriter” means (a) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024A Bonds to the public, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) to participate in the initial sale of the Series 2024A 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 Series 2024A Bonds to the public); (iii) a Purchaser of any of the Series 2024A Bonds is a “related party” to an underwriter

if the underwriter and the Purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and (iv) “sale date” means the date that the Series 2024A Bonds are awarded by the City to the Purchaser.

OFFICIAL STATEMENT

The City has authorized the preparation of this Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement will be further supplemented by offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and underwriter, together with any other information required by law or deemed appropriate by the City, and shall constitute a final Official Statement of the City with respect to the Bonds, as that term is defined in Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, the City agrees that no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 30 copies of the final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of the Rule. The City 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 the 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 City (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.

CONTINUING DISCLOSURE

The City will covenant in a Continuing Disclosure Certificate for the benefit of the owners and beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City not later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2024, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See FORM OF CONTINUING DISCLOSURE CERTIFICATE included in APPENDIX D to this Preliminary Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in the FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the underwriter in complying with section (b)(5) of the Rule.

The City is not aware of any instance in the previous five years in which it has failed to comply, in all material respects, with previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Breach of the undertakings described above will not constitute a default or an “Event of Default” under the Bonds or the Resolutions. A broker or dealer is to consider a known breach of the undertakings, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

CUSIP NUMBERS

It is anticipated the Committee on Uniform Security Identification Procedures (“CUSIP”) numbers will be printed on the Bonds and the Purchaser(s) must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Municipal Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser(s) to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
City of Des Moines
/s/ Nickolas Schaul, Finance Director/Treasurer

SCHEDULE OF BOND YEARS

\$57,645,000*

CITY OF DES MOINES, IOWA

General Obligation Bonds, Series 2024A

Bonds Dated: November 12, 2024

Interest Due: June 1, 2025 and each December 1 and June 1 to maturity

Principal Due: June 1, 2025 - 2044

<u>Year</u>	<u>Principal</u> *	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2025	\$7,085,000	3,916.43	3,916.43
2026	1,470,000	2,282.58	6,199.01
2027	1,545,000	3,944.04	10,143.06
2028	1,620,000	5,755.50	15,898.56
2029	1,705,000	7,762.49	23,661.04
2030	2,805,000	15,575.54	39,236.58
2031	2,955,000	19,363.46	58,600.04
2032	3,090,000	23,338.08	81,938.13
2033	2,735,000	23,391.85	105,329.97
2034	2,890,000	27,607.53	132,937.50
2035	2,325,000	24,535.21	157,472.71
2036	2,450,000	28,304.31	185,777.01
2037	2,590,000	32,511.69	218,288.71
2038	2,730,000	36,999.08	255,287.79
2039	2,885,000	41,984.76	297,272.56
2040	3,040,000	47,280.44	344,553.00
2041	3,210,000	53,134.42	397,687.42
2042	3,385,000	59,416.15	457,103.57
2043	3,570,000	66,233.42	523,336.99
2044	3,560,000	69,607.89	592,944.88

Average Maturity (dated date):

10.286 Years

* Preliminary; subject to change.

SCHEDULE OF BOND YEARS

\$10,185,000*

CITY OF DES MOINES, IOWA

Taxable General Obligation Bonds, Series 2024B

Bonds Dated: November 12, 2024

Interest Due: June 1, 2025 and each December 1 and June 1 to maturity

Principal Due: June 1, 2025 - 2029

<u>Year</u>	<u>Principal</u> *	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2025	\$2,110,000	1,166.36	1,166.36
2026	1,860,000	2,888.17	4,054.53
2027	1,960,000	5,003.44	9,057.97
2028	2,070,000	7,354.25	16,412.22
2029	2,185,000	9,947.82	26,360.04

Average Maturity (dated date):

2.588 Years

* Preliminary; subject to change.

EXHIBIT 1

FORMS OF ISSUE PRICE CERTIFICATES

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COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

ISSUE PRICE CERTIFICATE

**\$ _____ General Obligation Bonds, Series 2024A
City of Des Moines, Iowa**

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 October 2, 2024.

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).

e) *Issuer* means the City of Des Moines, Iowa.

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 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 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: November 12, 2024

SCHEDULE A

EXPECTED OFFERING PRICES

**\$ _____ General Obligation Bonds, Series 2024A
City of Des Moines, Iowa**

(Attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

**\$ _____ General Obligation Bonds, Series 2024A
City of Des Moines, Iowa**

(Attached)

**COMPETITIVE SALES WITH FEWER THAN THREE BIDS
FROM ESTABLISHED UNDERWRITERS - HOLD OFFERING PRICE**

ISSUE PRICE CERTIFICATE

\$ _____ **General Obligation Bonds, Series 2024A**
City of Des Moines, Iowa

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (“Purchaser”)[the “Representative”],[on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] 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][The Underwriting Group] 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 Terms of Offering and bid award, [Purchaser][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] 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][the Underwriters] [has][have] 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 Des Moines, 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 October 2, 2024.

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][the Representative’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 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 8038G, 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: November 12, 2024

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

**\$_____ General Obligation Bonds, Series 2024A
City of Des Moines, Iowa**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

**\$ _____ General Obligation Bonds, Series 2024A
City of Des Moines, Iowa**

(Attached)

PRELIMINARY OFFICIAL STATEMENT

CITY OF DES MOINES, IOWA

\$57,645,000* General Obligation Bonds, Series 2024A
\$10,185,000* Taxable General Obligation Bonds, Series 2024B

INTRODUCTION

This Preliminary Official Statement contains information relating to the City of Des Moines, Iowa (the “City”) and its issuance of \$57,645,000* General Obligation Bonds, Series 2024A (the “Series 2024A Bonds”) and \$10,185,000* Taxable General Obligation Bonds, Series 2024B (the “Series 2024B Bonds”) (collectively, the “Bonds”). This Preliminary Official Statement has been executed on behalf of the City by its Finance Director/Treasurer and may be distributed in connection with the sale of the Bonds authorized therein. Inquiries may be made to the City’s Municipal Advisor, PFM Financial Advisors LLC (the “Municipal Advisor”), 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309, telephone 515-724-5724. Information may also be obtained from Mr. Nickolas Schaul, Finance Director/Treasurer, City of Des Moines, 400 Robert D. Ray Dr., Des Moines, Iowa, 50309, telephone 515-283-4540.

* Preliminary; subject to change.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Subchapter III of Chapter 384 and Chapter 403 of the Code of Iowa and resolutions (the “Resolutions”) to be adopted by the City Council of the City. The Series 2024A Bonds are being issued for the purpose of paying costs of acquisition, construction, reconstruction, enlargement, improvement, and repair of bridges, culverts, retaining walls, viaducts, underpasses, grade crossing separations, and approaches thereto; rehabilitation and improvement of parks already owned, including the removal, replacement and planting of trees in the parks, and facilities, equipment, and improvements commonly found in city parks; equipping of fire, sanitation, and street departments; acquisition and improvement of real estate for cemeteries, and the construction, reconstruction, and repair of cemetery facilities; acquisition, construction, reconstruction, and improvement of all waterways, and real and personal property, useful for the protection or reclamation of property situated within the corporate limits of cities from floods or high waters, and for the protection of property in cities from the effects of flood waters, including the deepening, widening, alteration, change, diversion, or other improvement of watercourses, within or without the city limits, the construction of levees, embankments, structures, impounding reservoirs, or conduits, and the establishment, improvement, and widening of streets, avenues, boulevards, and alleys across and adjacent to the project, as well as the development and beautification of the banks and other areas adjacent to flood control improvements; opening, widening, extending, grading, and draining of the right-of-way of streets, highways, avenues, alleys, public grounds, and market places, and the removal and replacement of dead or diseased trees thereon; construction, reconstruction, and repairing of any street improvements; acquisition, construction, reconstruction, improvement, repair, and equipping of waterworks, water mains, and extensions, and real and personal property, useful for providing potable water to residents of a city; acquisition, installation, and repair of traffic control devices; acquisition, construction, improvement, and installation of street lighting fixtures, connections, and facilities; construction, reconstruction, and repair of sidewalks and pedestrian underpasses and overpasses; and the acquisition of real estate needed for any of the foregoing purposes; various HVAC, electrical, and plumbing improvements at city facilities; roofing improvements at city facilities; and acquisition, construction, reconstruction, enlargement, improvement, and equipping of recreation grounds, buildings, and centers, including various sports complexes; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including Police facilities; acquisition, improvement, extension and enhancement of City’s information technology systems, including data and voice communications, fiber optic and wireless networks, data storage and servers, cybersecurity, and enterprise software; energy conservation projects focused on completing energy efficiency studies city-wide and purchasing of energy efficient equipment; security improvements to facilities city-wide; acquisition, construction, reconstruction, enlargement, improvement, and equipping of recreation grounds, buildings, and centers, including repair and replacement of the Birdland swimming pool; acquisition, construction, reconstruction, enlargement, improvement, and equipping of recreation grounds, buildings, and centers, including repair and replacement of the Ashworth, Nahas, Northwest, and Teachout swimming pools, and swimming pool maintenance of other city pools; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities, including the Police Academy, and various conditioned

buildings within the parks system; acquisition, construction, reconstruction, enlargement, improvement, and equipping of city facilities and public improvements, including building repairs and improvements for the Central Library and its branch locations, and other city buildings; equipping city facilities including improvements to the library’s existing collections and replacements of books, audio materials, videos and electronic media; and public art; paying costs of acquiring and improving a parking garage; aiding in the planning, undertaking and carrying out of urban renewal projects in accordance with Iowa Code Chapter 403 and the urban renewal plans for the Ingersoll-Grand Commercial Urban Renewal Area, Metro Center Urban Renewal Area, Central Place Industrial Park Redevelopment Program Area Urban Renewal Area, Merle Hay Commercial Urban Renewal Area, and SE Agribusiness Urban Renewal Area, as amended, including the Central Iowa Water Trails, and various public improvement projects involving street, streetscape, bridge, sidewalk, skywalk, pedestrian signage, utility and park improvements, with related site improvements.

The Series 2024B Bonds are being issued for the purpose of paying costs of acquisition, restoration, or demolition of abandoned, dilapidated, or dangerous buildings, structures or properties or the abatement of a nuisance; and the establishment and funding of programs to provide for or assist in providing for the acquisition, restoration or demolition of housing, as part of a municipal housing project; aiding in the planning, undertaking and carrying out of urban renewal projects in accordance with Iowa Code Chapter 403 and the urban renewal plans for Metro Center Urban Renewal Area, as amended, including Principal Park and acquisition and improvement of a parking ramp.

The estimated sources and uses of the Bonds are as follows:

<u>Sources of Funds*</u>	<u>Series 2024A Bonds</u>	<u>Series 2024B Bonds</u>
Par Amount of Bonds	\$57,645,000.00	\$10,185,000.00
 <u>Uses of Funds*</u>		
Deposit into Project Fund	\$56,775,000.00	\$10,025,000.00
Underwriter’s Discount	691,740.00	101,850.00
Cost of Issuance & Contingency	<u>178,260.00</u>	<u>58,150.00</u>
 Total Uses	 \$57,645,000.00	 \$10,185,000.00

* Preliminary; subject to change.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on June 1, 2025, and semiannually on the 1st day of December and June thereafter. Interest and principal shall be paid to the registered holder of a Bond as shown on the records of ownership maintained by the Registrar as of the close of business on the 15th day of the month preceding the interest payment date (the “Record Date”). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

OPTIONAL REDEMPTION OF THE SERIES 2024A BONDS

The Series 2024A Bonds, due after June 1, 2032, will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Series 2024A Bonds to be redeemed at the address shown on the registration books.

NO OPTIONAL REDEMPTION OF THE SERIES 2024B BONDS

The Series 2024B Bonds will NOT be subject to early redemption.

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds are general obligations of the City and the unlimited taxing powers of the City are irrevocably pledged for their payment. Upon issuance of the Bonds, the City will levy taxes for the years and in amounts sufficient to provide 100% of annual principal and interest due on the Bonds. If, however, the amount credited to the debt service fund for payment of the Bonds is insufficient to pay principal and interest, whether from transfers or from original levies, the City must use funds in its treasury and is required to levy ad valorem taxes upon all taxable property in the City without limit as to rate or amount sufficient to pay the debt service deficiency.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation debt, “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 prohibits or limits the ability of the City 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 City 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 Resolutions don’t restrict the City’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 City’s outstanding general obligation debt upon issuance of the Bonds, see “DIRECT DEBT” under “CITY INDEBTEDNESS” included in APPENDIX A to this Preliminary Official Statement. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see “DEBT LIMIT” under “CITY INDEBTEDNESS” included in “APPENDIX A” to this Preliminary Official Statement.

BOOK-ENTRY-ONLY ISSUANCE

The information contained in the following paragraphs of this subsection “Book-Entry-Only Issuance” has been extracted from a schedule prepared by Depository Trust Company (“DTC”) entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE.” The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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 (the “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 (the "Indirect Participants"). DTC has Standard & Poor's rating: 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 Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (the "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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Redemption proceeds, distributions, and dividend payments on the Securities 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 the City 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 the City, 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 the City 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.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant’s interest in the Securities, on DTC’s records, to Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC’s records and followed by a book-entry credit of tendered Securities to Remarketing Agent’s DTC account.

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

The City 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.

FUTURE FINANCING

The City does not anticipate issuing any additional general obligation debt borrowing needs within 90 days of this Preliminary Official Statement.

LITIGATION

To the knowledge of the City, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body for which the City has been served with process or official notice or threatened against or affecting the City or any reasonable basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by this Preliminary Official Statement or the validity of the Bonds, the Resolutions, or any agreement or instrument to which the City is a party and which is used or contemplated for use in the transactions contemplated by this Preliminary Official Statement, and no member, employee or agent of the City has been served with any legal process regarding such litigation or other proceeding.

To the knowledge of the City, no litigation is pending or threatened which, in the opinion of the City’s counsel, if decided adversely to the City would be likely to result, either individually or in the aggregate, in final judgments against the City which would materially adversely affect its ability to meet debt service payments on the Bonds when due, or its obligations under the Resolutions, or materially adversely affect its financial condition.

DEBT PAYMENT HISTORY

The City knows of no instance in which it has defaulted in the payment of principal or interest on its debt.

LEGALITY

The Bonds are subject to approval as to certain matters by Ahlers & Cooney, P.C. of Des Moines, Iowa as Bond Counsel. Bond Counsel has reviewed or prepared information describing the terms of the Bonds and Iowa and Federal law pertinent to the validity of and the tax-exempt (Series 202A Bonds) and taxable (Series 2024B Bonds) status of interest on the Bonds, which can be found generally under the sections “AUTHORITY AND PURPOSE”, “OPTIONAL REDEMPTION OF THE SERIES 2024A BONDS”, “NO OPTIONAL REDEMPTION OF THE SERIES 2024B BONDS”, “PAYMENT AND SECURITY FOR THE BONDS” and “TAX MATTERS”, herein. Additionally, Bond Counsel has provided its Forms of Legal Opinions and Form of Continuing Disclosure Certificate, included in APPENDIX B and APPENDIX D,

respectively, within this Preliminary Official Statement. The FORMS OF LEGAL OPINIONS as set out in APPENDIX B to this Preliminary Official Statement, will be delivered at closing.

The legal opinions to be delivered concurrently with the delivery of each series of the Bonds, expresses the professional judgment of the attorneys rendering the opinion as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

There is no bond trustee or similar person to monitor or enforce the provisions of the Resolutions. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. 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 Resolutions) may have to be enforced from year to year. 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 opinions. The opinion will state, in part, that the obligation of the City with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, heretofore or hereafter, enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases.

TAX MATTERS

With Respect to the Series 2024A Bonds

Tax Exemption and Related Considerations: Federal tax law contains a number of requirements and restrictions that apply to the Series 2024A 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 Series 2024A 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 Series 2024A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024A Bonds.

Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2024A Bonds is excludable from gross income for federal income tax purposes. Interest on the Series 2024A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The prospective purchaser of the Series 2024A Bonds should be aware that ownership of the Series 2024A 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. The prospective purchaser of the Series 2024A Bonds should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Series 2024A Bonds is NOT exempt from present Iowa income taxes.

Ownership of the Series 2024A 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 Series 2024A Bonds. The prospective purchaser of the Series 2024A 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 the Series 2024A 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”).

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 Series 2024A 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 the Series 2024A 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 Series 2024A Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Series 2024A 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 Series 2024A 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 Series 2024A 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 Bondholder 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 Series 2024A Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2024A Bonds or the market value or marketability of the Series 2024A 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 Series 2024A 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 Series 2024A Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Series 2024A Bonds from realizing the full current benefit of the tax status of such interest. From time-to-time proposals are made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2024A 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 Series 2024A Bonds. The prospective purchaser of the Series 2024A Bonds should consult their own tax advisors regarding any pending or proposed tax legislation, as to which Bond Counsel expresses no opinion except as set forth in APPENDIX B to this Preliminary Official Statement.

With Respect to the Series 2024B Bonds

Taxability and Related Considerations: In the opinion of Bond Counsel, under existing law, interest on the Series 2024B Bonds will be included in gross income of the owners thereof for federal income tax purposes. The interest on the Series 2024B Bonds is NOT exempt from present Iowa income taxes.

Ownership of the Series 2024B Bonds may result in other federal, state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2024B Bonds. Prospective purchasers of the Series 2024B Bonds should consult their tax advisors regarding the applicability of any such federal, state and local taxes.

With Respect to the Bonds (Applicable to both Series)

Discount and Premium on Certain Bonds: The initial public offering price of certain 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 certain Bonds (the “Premium Bonds”) may be greater than the amount payable on 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.

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 Resolutions. There is no bond trustee or similar person to monitor or enforce the terms of the Resolutions. In the event of a default in the payment of principal 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 Resolutions) 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 opinions.

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 opinions. The opinions 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.

Opinions: The opinions 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 opinions are 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 opinions of Bond Counsel and Bond Counsel's opinions are 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).

BONDHOLDER'S 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. An investment in the Bonds involves an element of risk. 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.

Secondary Market Not Established: There is no established secondary market for the Bonds, and there is no assurance a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal bonds traded in the secondary market, if any, are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance of the entities operating the facilities subject to bonded indebtedness. From time to time it may be necessary to suspend indefinitely secondary market trading in selected issues of municipal Bonds as a result of the financial condition or market position, prevailing market conditions, lack of adequate current financial information about the entity, operating the subject facilities, or a material adverse change in the operations of that entity, whether or not the subject Bonds are in default as to principal and interest payments, and other factors which, may give rise to uncertainty concerning prudent secondary market practices.

Municipal bonds are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

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

Rating Loss: S&P Global Ratings ("S&P") has assigned a rating of 'AA+' 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 S&P, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Rating agencies are currently not regulated by any regulatory body. Future regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Matters Relating to Enforceability: 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 the law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolutions.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolutions. 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 principals of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

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 Resolutions, including principal of and interest on the Bonds.

Forward-Looking Statements: This Preliminary 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 Preliminary 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 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 City to pay debt service when due on the Bonds.

Financial Condition of the City from Time to Time: No representation is made as to the future financial condition of the City. Certain risks discussed herein could adversely affect the financial condition and or operations of the City in future. The Bonds are secured by an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY FOR THE BONDS”.

Loss of Tax Base/Climate Impacts: Economic and other factors beyond the City’s control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the City. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the City’s financial position.

Potential Impacts Resulting from Epidemics or Pandemics: The City’s finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, included but not limited to the payment of debt service on any of its outstanding debt obligations.

Changes in Property Taxation: The Bonds are general obligations of the City secured by an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY FOR THE BONDS” herein. Prior State Public Health Emergency Declarations relative to the COVID-19 pandemic have temporarily suspended the provisions that required the imposition of penalty and interest for delay in property tax payments and directed that no such penalty or interest could be imposed for the duration of the declarations and any future extension of the suspension. No current property tax payment suspensions are imposed, and collections stayed consistent during the pandemic. It is impossible to predict whether the declarations or any amendments to or extensions 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. See “LEVIES AND TAX COLLECTIONS” under the “CITY” section included in APPENDIX A to this Preliminary Official Statement for more information of the City’s tax collection history, despite prior suspensions.

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 City’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. See “PROPERTY TAX LEGISLATION” herein for additional discussion on recent legislation impacting property taxes. It is impossible to predict the outcome of future property taxation changes by the Iowa General Assembly or resulting impacts on the City’s financial condition. The Bonds are secured by

an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

Cybersecurity: The City, 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 City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City’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 City’s operations and financial condition. The City maintains insurance policies that cover its general liability, errors, employment practice liability, policy liability, auto liability, bus liability as well as a cyber liability policy. The City cannot predict whether any insurance policies that may be maintained by the City would be sufficient in the event of a cyber breach. See “RISK MANAGEMENT” section included in Appendix A of this Preliminary Official Statement for more details regarding insurance coverages maintained by the City. The Bonds are secured by an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

Pensions: Pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 68, the City reported a liability of \$39,708,284 within its Annual Comprehensive Financial Report (“ACFR”) as of June 30, 2023 for its proportionate share of the net pension liability related to IPERS, as defined herein. The net pension liability was measured as of June 30, 2022, 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, 2022, the City’s collective proportion was 1.000436% which was an increase of 0.012376% from its proportion measured as of June 30, 2021.

Additionally, the City reported a liability of \$104,100,910 with its ACFR as of June 30, 2023 for its proportionate share of the net pension liability related to MFPRSI, as defined herein. The net pension liability was measured as of June 30, 2022, 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, 2022, the City’s collective proportion was 18.5375%, which was an increase of 0.1632% from its proportion measured as of June 30, 2021. See “EMPLOYEES AND PENSIONS” under the “CITY” section included in APPENDIX A to this Preliminary Official Statement for more summary information related to the City’s contributions and APPENDIX C – June 30, 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT 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. Changes to the City’s pension contributions, or available sources to fund said contributions, may adversely affect the City’s financial condition. The Bonds are secured by an unlimited ad valorem property tax as described more fully in the “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

Continuing Disclosure: A failure by the City 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 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), 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 Bond Counsel to be delivered with respect to the Bonds and the Resolutions, including the opinions of Bond Counsel, will be similarly qualified. If the City 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 Resolutions. In

the event the City 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.

Under Iowa Code Chapter 76, specifically sections 76.16 and 76.16A, as amended, a city, county, or other political subdivision may become a debtor under Chapter 9 of the Federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, “debt” means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

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 Preliminary 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.

Tax Levy Procedures: The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City 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 a 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 City and certain other public officials to perform the terms of the Resolutions) may have to be enforced from year to year. See “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

Federal Funds Orders and State Funds Legislation: Various federal executive orders, and Iowa Code Chapter 27A (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 would negatively impact the City’s overall financial position and could affect its rating. The Bonds are secured by a debt service levy upon real property in the jurisdictional limits of the City and are not secured by state or federal funds. See “PAYMENT OF AND SECURITY FOR THE BONDS” herein.

DTC-Beneficial Owners: 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 Registrar 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 City nor the Registrar will have any responsibility or obligation to assure 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 affected 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 “BOOK-ENTRY-ONLY ISSUANCE” herein.

With Respect to the Series 2024A Bonds

Tax Matters, and Loss of Tax Exemption: As discussed under the heading “TAX MATTERS” herein, the interest on the Series 2024A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Series 2024A Bonds, as a result of acts or omissions of the City in violation of its covenants in the resolution for the Series 2024A Bonds. Should such an event of taxability occur, the Series 2024A 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 Series 2024A Bonds, and there is no provision for an adjustment of the interest rates on the Series 2024A 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 actions of the City after the closing of the Series 2024A Bonds, will alter the tax status of the Series 2024A Bonds, and, in the extreme, remove the tax-exempt status from the 2024A Bonds. In that instance, the 2024A Bonds are not subject to mandatory prepayment and the interest rate on the 2024A Bonds does not increase or otherwise reset. A determination of taxability on the 2024A Bonds, after closing of the 2024A Bonds, could materially adversely affect the value and marketability of the 2024A Bonds.

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 Series 2024A Bonds or otherwise prevent holders of the Series 2024A Bonds from realizing the full benefit of the tax exemption of interest on the Series 2024A Bonds. Further, such proposals may impact the marketability or market value of the Series 2024A 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 Series 2024A 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 Series 2024A 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 Series 2024A Bonds would be impacted thereby.

Summary: The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Preliminary Official Statement and the Appendices hereto to make a judgment as to whether the Bonds are an appropriate investment.

RATING

The Bonds have been rated ‘AA+’ by S&P. Such rating reflects only the view of the rating agency and any explanation of the significance of such rating may only be obtained from the rating agency. There is no assurance that such rating will continue for any period of time or that they will not be revised or withdrawn. Any revision or withdrawal of the rating may have an effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The City has retained PFM Financial Advisors LLC, Des Moines, Iowa as Municipal Advisor in connection with the preparation of the issuance of the Bonds. In preparing the Preliminary Official Statement, the Municipal Advisor has relied on government officials and other sources to provide accurate information for disclosure purposes. The Municipal Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE

The City will covenant in a Continuing Disclosure Certificate for the benefit of the owners and beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City not later than two hundred seventy (270) days after the close of each fiscal year, commencing with the Fiscal Year ending June 30, 2024, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See FORM OF CONTINUING DISCLOSURE CERTIFICATE included in APPENDIX D to this Preliminary Official Statement. The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in the FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the underwriter in complying with section (b)(5) of the Rule.

The City is not aware of any instance in the previous five years in which it has failed to comply, in all material respects, with previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Breach of the undertakings described above will not constitute a default or an “Event of Default” under the Bonds or the Resolutions. A broker or dealer is to consider a known breach of the undertakings, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

FINANCIAL STATEMENTS

The City’s Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023 as prepared by a certified public accountant is reproduced as APPENDIX C. The City’s certified public accountant has not consented to distribution of the Annual Comprehensive Financial Report and has not undertaken added review of their presentation. Further information regarding financial performance and copies of the City’s prior Annual Comprehensive Financial Reports may be obtained from the City’s Municipal Advisor, PFM Financial Advisors LLC.

CERTIFICATION

The City has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Bonds. I have reviewed the information contained within the Preliminary Official Statement prepared on behalf of the City of Des Moines, Iowa, by PFM Financial Advisors LLC, Des Moines, Iowa, and to the best of my knowledge, information and belief, said Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading regarding the issuance of \$57,645,000* General Obligation Bonds Series 2024A and \$10,185,000* Taxable General Obligation Bonds, Series 2024B.

CITY OF DES MOINES, IOWA
/s/ Nickolas Schaul, Finance Director/Treasurer

* Preliminary; subject to change.

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF DES MOINES, IOWA

The \$57,645,000 General Obligation Bonds, Series 2024 (the “Series 2024A Bonds”) and the \$10,185,000* Taxable General Obligation Bonds (the “Series 2024B Bonds”), (collectively, the “Bonds”) are general obligations of the City of Des Moines, Iowa (the “City”) for which the City will pledge its power to levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.*

* Preliminary; subject to change.

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CITY PROPERTY VALUES

IOWA PROPERTY VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The 2023 final Actual Values were adjusted by the Polk and Warren County Auditors. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy. For assessment year 2023, the taxable value rollback rate is 46.3428% of actual value for residential property; 71.8370% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 46.3428% would apply to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0), but does not exceed one hundred fifty thousand dollars (\$150,000) with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000). No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

The Legislature's intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services. See "PROPERTY TAX LEGISLATION" herein for a discussion on recent legislative revisions to the administration of certain property taxes in Iowa, beginning in Fiscal Year 2024-2025.

PROPERTY VALUATIONS (1/1/2023 Valuations for Taxes payable July 1, 2024 to June 30, 2025)

	<u>100% Actual Value</u>	<u>Taxable Value (With Rollback)</u>
Residential	\$13,605,921,185	\$6,146,254,146
Commercial	3,263,552,259	2,649,776,907
Industrial	296,818,412	247,537,553
Railroad	27,773,809	24,881,767
Utilities w/o Gas & Electric	<u>687,259</u>	<u>687,259</u>
Gross valuation	\$17,194,752,924	\$9,069,137,632
Less exemptions	<u>(58,274,216)</u>	<u>(58,274,216)</u>
Net valuation	\$17,136,478,708	\$9,010,863,416
TIF increment (used to compute debt service levies and constitutional debt limit)	\$1,488,528,811	\$1,488,528,811
Taxed separately:		
Ag. Land	\$10,557,510	\$7,584,198
Ag. Buildings	\$596,700	\$428,651
Gas & Electric Utilities	\$659,817,620	\$195,609,861

2023 GROSS TAXABLE VALUATION BY CLASS OF PROPERTY ¹⁾

	<u>Taxable Valuation</u>	<u>Percent Total</u>
Residential	\$6,146,254,146	66.34%
Commercial, Industrial and all Utilities	3,093,611,580	33.39%
Railroad	<u>24,881,767</u>	<u>0.27%</u>
Total Gross Taxable Valuation	\$9,264,747,493	100.00%

1) Includes all Utilities but excludes Taxable TIF Increment, Ag. Land and Ag. Buildings.

TREND OF VALUATIONS

<u>Assessment Year</u>	<u>Payable Fiscal Year</u>	<u>100% Actual Valuations</u>	<u>Taxable Valuations (With Rollback)</u>	<u>Taxable TIF Increment</u>
2019	2020-21	\$14,363,281,363 ¹⁾	\$8,391,307,913 ²⁾	\$966,764,829 ³⁾
2020	2021-22	14,505,147,841	8,582,842,400	964,866,610
2021	2022-23	15,853,953,088	8,934,448,462	1,176,755,172
2022	2023-24	16,071,287,088	8,843,430,387	1,157,272,748
2023	2024-25	19,295,979,349	9,206,473,277	1,488,528,811

- 1) This represents the amount reported by the Iowa Department of Management. The official State of Iowa submission of 100% Actual Value on January 1, 2020 for assessment year 2019 for FY 2020-21 were reduced by \$34,447,928.
- 2) This represents the amount reported by the Iowa Department of Management. The official State of Iowa submission of taxable valuations (with rollback) on January 1, 2020 for assessment year 2019 for FY 2020-21 were reduced by \$22,282,317.
- 3) This represents the amount reported by the Iowa Department of Management. The official State of Iowa submission of TIF increment on January 1, 2020 for assessment year 2019 for FY 2020-21 was reduced by \$3,952,284.

The 100% Actual Valuations, before rollback and after reduction of the exemptions, include Ag. Land, Ag. Buildings, Taxable TIF Increment and Gas & Electric Utilities. The Taxable Valuations, with the rollback and after the reduction of the exemptions, include Gas & Electric Utilities and exclude Ag. Land, Ag. Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding the Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment.

LARGER TAXPAYERS

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Polk and Warren County auditor'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. With the exception of the electric and natural gas provider noted below (which is subject to an excise tax in accordance with Iowa Code chapter 437A), 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.

<u>Taxpayer</u> ¹⁾	<u>Type of Property/Business</u>	<u>1/1/2023 Taxable Valuation</u>
Principal Life Insurance Co. ²⁾	Insurance Company	\$217,760,992
Mid-American Energy	Electric Company	194,056,895
Nationwide Mutual Life	Insurance Company	115,784,058
Wells Fargo Properties, Inc.	Banking Services	112,103,878
Wellmark, Inc.	Insurance Company	109,219,031
Employers Mutual Casualty Co.	Insurance Company	88,564,223
Eighth & Grand Owner LLC	Commercial	78,763,029
Linden Street Investments LLC	Commercial	73,644,514
Polk County	Commercial	35,035,997
Federal Home Loan Bank of DSM	Banking Services	34,318,632

- 1) This list represents some of the larger taxpayers in the City, not necessarily the ten largest taxpayers.
- 2) Principal Mutual Life Insurance Co. changed its name to Principal Life Insurance Co. in 1998 when the company converted from a mutual to publicly held company and, therefore, are being listed as one entity. The Polk County Auditor has them listed as separate entities.

Source: Polk and Warren Counties Auditor's Office

PROPERTY TAX LEGISLATION

Over time, the Iowa Legislature has modified the process and calculation of taxable valuations for various classifications of property. For example, in 2013 maximum annual taxable value growth due to revaluation of residential and agricultural property was reduced from 4% to 3%, rollback calculations were modified, a new multi-residential classification was created, and an appropriation made to replace some lost tax revenue due to rollbacks. In 2019, the process for hearings on total maximum property tax dollars under certain levies in the City's budget was modified and a super-majority vote required to raise taxes above a prescribed formula. In 2021, the multi-residential classification was removed, and a phase out of the appropriation for rollback initiated. In 2023, SF 181 was signed into law by the Governor on February 20, 2023, effective upon enactment. SF 181 reduces the residential rollback for the 2022 assessment year (affecting Fiscal Year 2023-24) from 56.4919% to 54.6501%. This resulted in a reduction in taxable valuation in the residential, commercial, industrial and railroad property classes upon which the City levies property taxes for Fiscal Year 2023-24.

On May 4, 2023, the Governor signed House File 718 ("HF 718"), a property tax reform law aimed at reducing property tax growth in Iowa. Among other things, HF 718 permanently consolidates a number of existing city property tax levies and creates a new adjusted city general fund levy ("ACGFL"). To control the growth of property taxes, the new ACGFL is subject to potential limitation or reduction by constraining growth by 2% or 3% each year depending on if certain growth triggers are met or exceeded during the prior year. The levy limitation is only applicable Fiscal Year 2025 through Fiscal Year 2028 and will be specific to each City. For Fiscal Year 2024, the City calculated the new ACGFL as the baseline rate and the first annual ACGFL adjustment will begin Fiscal Year 2025. The ACGFL rates for Fiscal Years 2025 through 2028 are based on growth in city taxed value and the previous year's city tax rate. Beginning in Fiscal Year 2029, all cities go to a \$8.10 ACGFL maximum and the levy limitation calculation ceases. Certain levies like debt service, pensions, employee benefits, and capital improvement reserve fund are not included in the new ACGFL limitation. The City has experienced property valuation growth within the parameters of the new legislative caps. Assuming the City exceeds the legislative caps in the future, the City's general fund levies will lag its relative valuation growth. For Fiscal Year 2024-25, the City's non TIF tax valuation growth was 4.11% causing the City's property tax growth to be reduced by 2%. The City's Budget for Fiscal Year 2024-25 accommodates this reduced tax revenue relative to its non TIF tax valuation growth.

On May 1, 2024, new legislation ("SF 2442") was signed into law by the Governor, which amongst other things, adjusts levy rates modified under HF 718 based on default rates and certain growth parameters for taxes and budgets beginning on or after July 1, 2025.

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. 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 valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on standing appropriations or the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation 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 pending federal or state tax legislation.

Notwithstanding any modifications to property tax revenues that may result from prior, or any pending or future legislation, the Bonds are secured by an unlimited ad valorem property tax. See "PAYMENT OF AND SECURITY FOR THE BONDS" herein.

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2023 actual valuation currently applicable to the Fiscal Year 2024-25, is as follows:

2023 Actual Valuation of Property	\$19,295,979,349 ¹⁾
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$964,798,967
Less: General Obligation Debt Subject to Debt Limit	(667,604,600) *
Less: Lease Debt Paid by Debt Levy and General Fund	(269,494) ²⁾
Less: Section 108 Loan	(47,210) ³⁾
Less: TIF Rebate Agreements (Payable in FY 2025)	<u>(20,236,449) ⁴⁾</u>
Legal Debt Margin	\$276,641,214 *

- 1) Source: Iowa Department of Management and excludes any revisions from Polk County Auditor’s Office.
- 2) Represents the principal outstanding on lease obligations payable from the debt service levy and General Fund Revenues.
- 3) Excludes the August 1, 2024 principal and interest payment. The City appropriated debt service payment totaling \$1,060,134 for Fiscal Year 2024-25. The City revised its Section 108 Loan on March 28, 2019 and the principal amount outstanding as of the date of this Preliminary Official Statement is \$3,340,000.
- 4) As reported by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403. 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 rebate agreements that may not be debt and represents TIF rebate obligations payable in Fiscal Year 2024-25 less amounts already paid as of the date of this Preliminary Official Statement. Payment of portions of such amount (or future installments) may be dependent upon undertakings by the developers, some of which may not yet have occurred. The effect of any delayed development may be a deferral of the City’s obligation to make payments under the development agreements. 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 2024 or thereafter. See “Tax Increment Rebate Agreements” sub-table under “OTHER DEBT” herein for more information on City obligations under the development agreements.

* Preliminary; subject to change.

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DIRECT DEBT

General Obligation Debt Paid by Property Taxes, Tax Increment, Sales Tax and Other

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
8/15A	\$40,225,000	Various Purpose/Refunding	6/35	\$18,665,000
8/15B	19,655,000	Refunding	6/28	6,580,000
9/16A	42,825,000	Various Purpose	6/36	28,445,000
9/16B	29,545,000	Refunding	6/30	15,270,000
9/17A	39,780,000	Various Purpose	6/37	29,165,000
9/17B	8,915,000	Convention Center Hotel	6/37	8,915,000
3/18A	44,325,000	Refunding	6/25	1,920,000
8/18B	45,640,000	Various Purpose	6/38	34,560,000
7/19A	84,815,000	Various Purpose/Refunding	6/39	52,875,000
3/20A	18,840,000	Refunding	6/32	14,230,000
9/20D	71,100,000	Various Purpose	6/40	53,210,000
9/20E	5,090,000	Various Purpose (Taxable)	6/25	1,045,000
3/21A	34,760,000	Refunding	6/33	28,915,000
3/21B	43,835,000	Various Purpose	6/34	34,760,000
9/21F	89,125,000	Various Purpose	6/41	75,645,000
9/21G	5,050,000	Various Purpose	6/26	2,075,000
8/22A	69,725,000	Various Purpose	6/42	61,665,000
11/23A	69,665,000	Various Purpose	6/43	65,635,000
12/23C	50,000,000	Various Purpose	6/38	50,000,000
11/24A	57,645,000*	Various Purpose	6/44	57,645,000 *
11/24B	10,185,000*	Various Purpose	6/29	<u>10,185,000 *</u>
Subtotal				\$651,405,000 *

* Preliminary; subject to change.

General Obligation Annual Appropriation Debt Paid by Tax Increment

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>	<u>Annual Appropriation Subject to Debt Limit</u>
9/17C	\$4,785,000	Convention Center Hotel	6/25	\$365,000	\$379,600 ¹⁾

1) The City appropriated \$379,600 for Fiscal Year 2024-25.

General Obligation Debt Paid by Enterprise Funds

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
3/20A	\$6,295,000	Stormwater Refunding	6/32	\$4,610,000
9/20D	13,660,000	Solid Waste	6/40	<u>11,210,000</u>
Total				\$15,820,000

Summary of General Obligation Debt Outstanding

General Obligation Debt Paid by Property Taxes, Tax Increment, Sales Tax and Other	\$651,405,000*
General Obligation Debt Paid by Tax Increment (Annual Appropriation)	379,600
General Obligation Debt Paid by Enterprise Funds	<u>15,820,000</u>
Total General Obligation Debt Subject to Debt Limit	\$667,604,600*
Total General Obligation Debt (including Series 2017C Bonds Subject to Annual Appropriation)	\$667,590,000*

* Preliminary; subject to change.

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Fiscal Year General Obligation Debt Service Payments Paid by Property Taxes, Tax Increment, Sales Tax and Other (Includes the Bonds)

Fiscal Year	<u>Current Outstanding</u>		<u>Series 2024A</u>		<u>Series 2024B</u>		<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal*</u>	<u>Principal & Interest*</u>	<u>Principal*</u>	<u>Principal & Interest*</u>	<u>Principal*</u>	<u>Principal & Interest*</u>
2024-25	\$46,730,000	\$67,318,726	\$7,085,000	\$8,776,003	\$2,110,000	\$2,419,652	\$55,925,000	\$78,514,381
2025-26	45,255,000	64,198,808	1,470,000	4,174,850	1,860,000	2,304,125	48,585,000	70,677,783
2026-27	42,665,000	59,618,694	1,545,000	4,176,350	1,960,000	2,301,825	46,170,000	66,096,869
2027-28	43,880,000	59,050,349	1,620,000	4,174,100	2,070,000	2,304,025	47,570,000	65,528,474
2028-29	42,075,000	55,530,612	1,705,000	4,178,100	<u>2,185,000</u>	2,305,175	45,965,000	62,013,887
2029-30	40,525,000	52,341,129	2,805,000	5,192,850			43,330,000	57,533,979
2030-31	39,765,000	50,263,880	2,955,000	5,202,600			42,720,000	55,466,480
2031-32	38,340,000	47,649,360	3,090,000	5,189,850			41,430,000	52,839,210
2032-33	35,905,000	44,113,846	2,735,000	4,680,350			38,640,000	48,794,196
2033-34	33,455,000	40,631,147	2,890,000	4,684,925			36,345,000	45,316,072
2034-35	29,370,000	35,528,368	2,325,000	3,960,975			31,695,000	39,489,343
2035-36	29,725,000	34,913,948	2,450,000	3,958,100			32,175,000	38,872,048
2036-37	27,965,000	32,102,579	2,590,000	3,963,350			30,555,000	36,065,929
2037-38	33,640,000	36,792,941	2,730,000	3,960,900			36,370,000	40,753,841
2038-39	15,955,000	17,815,900	2,885,000	3,965,750			18,840,000	21,781,650
2039-40	14,585,000	15,957,075	3,040,000	3,962,075			17,625,000	19,919,150
2040-41	12,250,000	13,174,838	3,210,000	3,964,875			15,460,000	17,139,713
2041-42	7,750,000	8,259,994	3,385,000	3,963,325			11,135,000	12,223,319
2042-43	<u>3,740,000</u>	3,917,650	3,570,000	3,962,150			7,310,000	7,879,800
2043-44			<u>3,560,000</u>	3,755,800			<u>3,560,000</u>	3,755,800
Total	\$583,575,000		\$57,645,000*		\$10,185,000*		\$651,405,000*	

* Preliminary; subject to change.

Fiscal Year General Obligation Annual Appropriation Debt Service Payments Paid by Tax Increment

Fiscal Year	<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal & Interest</u>
2024-25	\$365,000	379,600

Fiscal Year General Obligation Debt Service Payments Paid by Enterprise Funds

Fiscal Year	<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal & Interest</u>
2024-25	\$1,090,000	\$1,563,481
2025-26	1,130,000	1,548,981
2026-27	1,160,000	1,522,481
2027-28	1,195,000	1,499,481
2028-29	1,235,000	1,479,731
2029-30	1,275,000	1,470,331
2030-31	1,295,000	1,451,831
2031-32	1,330,000	1,454,331
2032-33	690,000	792,794
2033-34	710,000	803,306
2034-35	730,000	812,656
2035-36	750,000	820,794
2036-37	770,000	828,606
2037-38	795,000	840,131
2038-39	820,000	851,219
2039-40	<u>845,000</u>	860,844
Total	\$15,820,000	

OTHER DEBT

Tax Increment Rebate Agreements

<u>TIF Rebate Agreement</u>	<u>Est. Final Payment Date</u>	<u>Total Estimated Obligation As of 11/12/24</u>
Allied Grant Payments - 1100 Locust St	FY 2031	\$697,500 ¹⁾
Masonic Temple - Downtown Preservation Partners	FY 2025	31,000 ¹⁾
Court Avenue Partners Housing - 302 to 310 Court	FY 2026	62,710 ¹⁾
Village Place - 521 E. Locust St	FY 2030	105,000 ¹⁾
Court Ave Partners II - 410 Court Ave	FY 2027	57,415 ¹⁾
Davis Brown Tower (LB Properties) - 215 10th St	FY 2025	549,000 ¹⁾
Hy Vee - Fleur Drive Phase 2	FY 2025	163,000 ¹⁾
Merle Hay Mall Phase 1	FY 2031	328,000 ¹⁾
Wilkins Building - 713 Walnut St	FY 2034	312,725 ¹⁾
Waterfront Lodging - 200 Water St	FY 2031	330,001 ¹⁾
Randolph Apartments - 202 4th St	FY 2025	192,500 ¹⁾
Iowa Machine Shed Co - 401 East Grand Ave	FY 2038	264,000 ¹⁾
Hy-Vee/Knapp - 420 Court Ave	FY 2033	236,000 ¹⁾
3801 Merle Hay Road	FY 2028	42,000 ¹⁾
Locust Street Investments - 1420 to 1430 Locust	FY 2026	63,000 ¹⁾
Advance Rumely Building - 130 E. 3rd	FY 2031	249,000 ¹⁾
Cityville	FY 2031	209,000 ¹⁾
Principal Financial Campus	FY 2031	2,029,000 ¹⁾
Macerich Southridge Mall, LLC Phase 1	FY 2035	598,000 ¹⁾
American Republic Insurance - 601 6th St	FY 2032	320,000 ¹⁾
Miesblock - 665 Grand Ave	FY 2041	136,000 ¹⁾
201, LLC - 201 East Locust St	FY 2032	300,000 ¹⁾
Marel Meat Processing - 401 SW 7th	FY 2027	10,000 ¹⁾
505 E Grand LLC - Raygun Building	FY 2028	119,000 ¹⁾
East Village Tower Partners - The Lyon	FY 2027	89,250 ¹⁾
PDM Precast, Inc - 220 SE 6th	FY 2043	346,442 ¹⁾
Dilley Manufacturing - 215 East 3rd St	FY 2033	62,000 ¹⁾
Panera Bread	FY 2028	18,000 ¹⁾
Helena Industries, Inc	FY 2028	33,600 ¹⁾
Electrical Power Products	FY 2036	419,000 ¹⁾
Grays Station	FY 2033	205,000 ¹⁾
101 East Grand Parking	FY 2036	261,000 ¹⁾
Forest Ave Village	FY 2029	63,000 ¹⁾
EMC - 219 8th St	FY 2034	450,000 ¹⁾
College Hill - 921 6th Ave	FY 2034	181,000 ¹⁾
R&T Lofts - 717 Locust and 421 8th	FY 2029	370,000 ¹⁾
219 East Grand, LLC	FY 2034	127,000 ¹⁾
Bronson Partners - 1417 Walnut Street	FY 2028	29,000 ¹⁾
MV - Southridge Senior Lofts	FY 2033	90,000 ¹⁾
Merle Hay Mall Phase 3	FY 2031	400,000 ¹⁾
Krause Gateway Center - 1459 Grand Ave	FY 2040	2,160,000 ¹⁾

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<u>TIF Rebate Agreement</u>	<u>Est. Final Payment Date</u>	<u>Total Estimated Obligation As of 11/12/24</u>
317 and 322 E Court LLC	FY 2035	\$36,000 ¹⁾
Hotel Fort Des Moines	FY 2043	309,000 ¹⁾
H. Glass Partners, LLC - 212 E. 3rd St	FY 2034	42,000 ¹⁾
District at 6th	FY 2031	350,000 ¹⁾
Thompson Properties, LC	FY 2026	149,000 ¹⁾
Fort Des Moines	FY 2035	110,000 ¹⁾
TWG -Southridge Apartments	FY 2035	257,000 ¹⁾
Federal Home Loan Bank	FY 2035	269,000 ¹⁾
Connolly Lofts	FY 2031	0 ²⁾
Global Atlantic	FY 2025	100,000 ¹⁾
Rowat	FY 2036	200,000 ¹⁾
440 E Grand - RE3	FY 2035	29,000 ¹⁾
418 E Grand Phase 1	FY 2042	74,000 ¹⁾
Griffin - 319 7th St	FY 2042	84,000 ¹⁾
Fairfield Inn - 207 Crocker	FY 2029	230,000 ¹⁾
Bell Avenue Properties	FY 2030	0 ²⁾
Ingersoll Square Phase III	FY 2034	0 ²⁾
Midland - 206 6th Ave	FY 2038	230,000 ¹⁾
Jarcor - Argonne Apartments - 1723 Grand Ave	FY 2042	2,000 ¹⁾
Hubbell Bridge District - Level Apartments	FY 2039	550,000 ¹⁾
611 5th Ave - Knapp Properties	FY 2038	162,000 ¹⁾
Aust Real Estate - 1201 Keo Way	FY 2044	52,000 ¹⁾
District Developers - Market District	FY 2048	0 ²⁾
Lawmark Capital - Financial Center	FY 2038	0 ²⁾
JR Partners (401 E Court)	FY 2038	11,000 ¹⁾
217 E 2nd Ave	FY 2039	83,000 ¹⁾
13th and Mulberry Phase I	FY 2046	14,000 ¹⁾
Spot 515, LLC	FY 2036	60,000 ¹⁾
Stapek Partners - 112 SE 4th St	FY 2039	44,000 ¹⁾
DSM Climate Controlled Storage	FY 2032	0 ²⁾
3750 Grand, LLC	FY 2038	600,000 ¹⁾
3801 Grand Associates	FY 2035	320,000 ¹⁾
Home 2 Suites	FY 2037	179,000 ¹⁾
Canary Lofts	FY 2040	24,000 ¹⁾
2801 Grand - Reagan Partners	FY 2036	50,000 ¹⁾
2315 Grand - Grand Trees	FY 2036	200,000 ¹⁾
ILEX Group	FY 2033	0 ²⁾
3523 6th Ave	FY 2039	26,000 ¹⁾
3610 6th Ave	FY 2038	9,000 ¹⁾
Cold Storage	FY 2035	410,000 ¹⁾
Genesis	FY 2041	727,409 ¹⁾
Hilltop III and IV	FY 2031	0 ²⁾
Landus Cooperative	FY 2027	50,000 ¹⁾
HOA EVMF	FY 2045	0 ²⁾
Crescent Chevy (KG Store 543 LLC)	FY 2044	193,000 ¹⁾
Onespeed DSM	FY 2040	0 ²⁾

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<u>TIF Rebate Agreement</u>	<u>Est. Final Payment Date</u>	<u>Total Estimated Obligation As of 11/12/24</u>
2525 Grand - Terrace Hill	FY 2036	\$0 ²⁾
106 SW 7th (Carpenter Paper Warehouse)	FY 2047	0 ²⁾
Union at Rivers Edge	FY 2044	0 ²⁾
FJ Management, Inc	FY 2034	25,000 ¹⁾
Open Loop	FY 2025	250,000 ¹⁾
36 on 6th	FY 2044	32,897 ¹⁾
Native Business	FY 2025	25,000 ¹⁾
North Des Moines Town Hall LP	FY 2025	460,000 ¹⁾
Kemin	FY 2025	500,000 ¹⁾
Transload	FY 2041	0 ²⁾
Euclid Foresight, LLC	FY 2045	0 ²⁾
Total Rebate Agreements		\$20,236,449

- 1) These TIF rebate agreements are subject to annual appropriation and payments have been appropriated for Fiscal Year 2024-25 in the respective amounts listed.
- 2) These TIF rebate agreements are subject to annual appropriation. No payments have been appropriated for Fiscal Year 2024-25.

Lease Debt Paid by Local Options Sales Tax Revenues

The City has lease debt payable from local option sale tax revenues as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
10/21	\$1,756,980	415 Body Cameras	6/27	\$629,760 ¹⁾

- 1) Amount outstanding as of June 30, 2024.

Lease Debt Paid by General Fund Revenues

The City has lease debt payable from general fund revenues as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
7/20	\$139,776	40 Tasers/Equipment	6/25	\$28,800 ¹⁾
10/21	533,225	170 Tasers/Equipment	6/26	240,694 ¹⁾
Total				\$269,494

- 1) Amount outstanding as of June 30, 2024.

Contingent Revenue Obligation Payable from State Sales Tax and Hotel and Motel Tax Revenues

The City has agreed to a loan guarantee of the Senior Lien Iowa Reinvestment Act Revenue Bonds issued by the Iowa Events Center Hotel Corporation as follows:

<u>Date of Issue</u>	<u>Guaranteed Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
3/18	\$8,500,000	Convention Center Hotel	6/38	\$8,500,000

The City is obligated to pay the annual debt service payments of the Senior Lien Iowa Reinvestment Act Revenue Bonds issued by the Iowa Events Center Hotel Corporation in the event of a shortfall of the State sales tax revenues and State hotel and motel tax revenues that will be remitted to the City’s reinvestment project fund created pursuant to Iowa Code section 15J.7. Pursuant to Sections 403.12 and 384.24(3) (q) of the Code of Iowa, the City has held a public hearing on the issuance of \$10,000,000 General Obligation Bonds providing the City with the authority to issue general obligation bonds to defease the Senior Lien Iowa Reinvestment Act Revenue Bonds in the event that the guarantee is implemented.

Revenue Debt Paid by Parking Revenues

The City has lease purchase debt payable from the Parking Enterprise Fund as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
10/17	\$22,540,774	City Hall Parking Garage	6/37	\$18,915,178

Revenue Debt Paid by Sewer Revenues

The City has revenue debt payable from the Sewer Enterprise Fund as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
10/18D	\$6,668,000	Improvements (SRF Loan)	6/39	\$5,156,000
10/18E	10,000,000	Improvements (SRF Loan)	6/40	8,189,000
5/20B	5,567,051	Improvements (SRF Loan)	6/41	4,462,000
6/21C	3,375,272	Improvements (SRF Loan)	6/41	2,919,272
6/21D	15,000,000	Improvements (SRF Loan)	6/42	13,753,000 ¹⁾
7/22C	7,035,000	Improvements (SRF Loan)	6/43	6,745,000 ²⁾
Total				\$41,224,272

- 1) Based on preliminary debt service schedule established prior to final project draws. The City has drawn \$14,995,000 as of June 28, 2024.
- 2) Based on preliminary debt service schedule established prior to final project draws. The City has drawn \$6,921,015 as of June 28, 2024.

REVENUE DEBT SUPPORTED BY STORMWATER REVENUES

The City has senior first lien revenue debt payable from the Stormwater Management Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
9/16C	\$12,715,000	Improvements/Refunding	6/31	\$2,590,000
9/16D	8,830,000	Refunding	6/30	4,625,000
8/18C	43,620,000	Improvements	6/38	34,475,000
9/20F	22,485,000	Improvements	6/40	18,440,000
9/21H	26,505,000	Improvements	6/41	24,550,000
8/22B	18,660,000	Improvements	6/42	18,030,000
11/23B	21,755,000*	Improvements	6/43	<u>21,755,000</u>
Total				\$124,465,000

The City has subordinate lien revenue debt payable from the Stormwater Management Utility as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
10/18F	\$6,668,000	Improvements (SRF Loan)	6/39	\$5,156,000
10/18G	9,250,000	Improvements (SRF Loan)	6/40	7,681,000
5/20C	5,567,051	Improvements (SRF Loan)	6/41	4,462,000
6/21E	3,375,267	Improvements (SRF Loan)	6/41	<u>2,876,276</u>
Total				\$20,175,276

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Des Moines Metropolitan Wastewater Reclamation Authority Existing Payment Obligations

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (“WRA”) and has entered into a financing agreement with the WRA to provide for the City’s share of capital contribution for the construction and ongoing expansion of a metropolitan waste-water system. The City is responsible for a portion of the WRA sewer revenue debt payable from the revenues of their sewer system. Its responsibilities pursuant to the WRA Financing Agreement stand as nearly as practicable on parity and equality of rank with the City’s direct sewer revenue bonds and parity obligations.

The amounts below represent the City’s share of the debt service payments of the various issues. Other participating communities of the WRA pay the remaining amount. Flow-based allocations are subject to change on an annual basis as such the amount outstanding may be greater than the amount issued due to fluctuations in flow.

The City’s portion of outstanding WRA debt based on the Fiscal Year 2024-25 flows is as follows:

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 11/12/24</u>
6/08A	\$5,732,440	Sewer Improvements (SRF)	6/39	\$2,945,264 ¹⁾
4/10A	3,074,450	Sewer Improvements (SRF)	6/40	1,613,906 ²⁾
6/10C-1	1,121,921	Sewer Improvements (SRF)	6/32	854,462 ³⁾
6/10C-2	12,060,645	Sewer Improvements (SRF)	6/32	4,264,145 ⁴⁾
5/11A	33,657,615	Sewer Improvements (SRF)	6/42	18,673,525 ⁵⁾
5/11C	3,347,063	Sewer Improvements (SRF)	6/41	1,908,776 ⁶⁾
12/11D	5,628,301	Sewer Improvements (SRF)	6/43	3,277,387 ⁷⁾
5/12C	10,529,114	Sewer Improvements (SRF)	6/43	5,817,049 ⁸⁾
5/12D	4,094,656	Sewer Improvements (SRF)	6/42	2,177,847 ⁹⁾
11/12G	8,578,900	Sewer Improvements (SRF)	6/44	5,245,481 ¹⁰⁾
4/13A	4,349,345	Sewer Improvements (SRF)	6/43	2,493,758 ¹¹⁾
2/14A	972,846	Sewer Improvements (SRF)	6/34	425,512 ¹²⁾
2/14D	2,161,860	Sewer Improvements (SRF)	6/34	984,620 ¹³⁾
1/15A	3,180,104	Sewer Improvements (SRF)	6/35	1,538,541 ¹⁴⁾
5/15E	8,963,127	Sewer Revenue Refunding Bonds	6/36	5,077,156 ¹⁵⁾
2/16A	3,838,557	Sewer Improvements (SRF)	6/35	2,029,993 ¹⁶⁾
2/16F	15,971,200	Sewer Improvements (SRF)	6/48	11,660,911 ¹⁷⁾
12/17A	19,328,700	Sewer Improvements (SRF)	6/49	14,581,304 ¹⁸⁾
5/18A	2,123,856	Sewer Improvements (SRF)	6/40	1,499,177 ¹⁹⁾
12/18D-1	4,999,700	Sewer Improvements (SRF)	6/39	3,790,065 ²⁰⁾
12/18D-2	3,999,760	Sewer Improvements (SRF)	6/32	1,432,127 ²¹⁾
12/18E	5,649,661	Sewer Improvements (SRF)	6/40	4,364,291 ²²⁾
12/18F	2,999,820	Sewer Improvements (SRF)	6/39	1,157,478 ²³⁾
12/19A	6,001,473	Sewer Improvements (SRF)	6/39	4,032,907 ²⁴⁾
12/20B	5,601,456	Sewer Improvements (SRF)	6/42	4,566,301 ²⁵⁾
4/21A	10,933,332	Sewer Revenue Refunding Bonds	6/34	7,744,939 ²⁶⁾
6/22A	9,649,269	Sewer Improvements (SRF)	6/43	8,462,959 ²⁷⁾
12/22C	4,901,270	Sewer Improvements (SRF)	6/43	4,517,303 ²⁸⁾
12/22D	11,763,048	Sewer Improvements (SRF)	6/54	11,346,984 ²⁹⁾
5/23A	13,812,670	Sewer Improvements (SRF)	6/46	13,324,110 ³⁰⁾
6/24B	10,809,722	Sewer Revenue Bonds	6/39	10,809,722 ³¹⁾
8/24C	7,600,000	Sewer Improvements (SRF)	6/44	3,266,556 ³²⁾
8/24D	10,000,000	Sewer Improvements (SRF)	6/55	4,298,100 ³³⁾
Total				\$170,182,656

- 1) The City’s flow-based share of the WRA’s Series 2008A SRF loan outstanding in the amount of \$10,278,000.
- 2) The City’s flow-based share of the WRA’s Series 2010A SRF loan outstanding in the amount of \$5,632,000.
- 3) The City’s flow-based share of the WRA’s Series 2010C-1 SRF loan outstanding in the amount of \$1,988,000.
- 4) The City’s flow-based share of the WRA’s Series 2010C-2 SRF loan outstanding in the amount of \$9,921,000.

- 5) The City's flow-based share of the WRA's Series 2011A SRF loan outstanding in the amount of \$43,446,000.
- 6) The City's flow-based share of the WRA's Series 2011C SRF loan outstanding in the amount of \$6,661,000.
- 7) The City's flow-based share of the WRA's Series 2011D SRF loan outstanding in the amount of \$11,437,000.
- 8) The City's flow-based share of the WRA's Series 2012C SRF loan outstanding in the amount of \$13,534,000.
- 9) The City's flow-based share of the WRA's Series 2012D SRF loan outstanding in the amount of \$5,067,000.
- 10)The City's flow-based share of the WRA's Series 2012G SRF loan outstanding in the amount of \$18,305,000.
- 11)The City's flow-based share of the WRA's Series 2013A SRF loan outstanding in the amount of \$5,802,000.
- 12)The City's flow-based share of the WRA's Series 2014A SRF loan outstanding in the amount of \$990,000.
- 13)The City's flow-based share of the WRA's Series 2014D SRF loan outstanding in the amount of \$3,436,000.
- 14)The City's flow-based share of the WRA's Series 2015A SRF loan outstanding in the amount of \$5,369,000.
- 15)The City's flow-based share of the WRA's Series 2015E Bonds outstanding in the amount of \$21,645,000.
- 16)The City's flow-based share of the WRA's Series 2016A Bonds outstanding in the amount of \$4,723,000.
- 17)The City's flow-based share of the WRA's Series 2016F Bonds outstanding in the amount of \$34,561,000.
- 18)The City's flow-based share of the WRA's Series 2017A SRF loan outstanding in the amount of \$33,925,000.
- 19)The City's flow-based share of the WRA's Series 2018A SRF loan outstanding in the amount of \$3,488,000.
- 20)The City's flow-based share of the WRA's Series 2018D-1 SRF loan outstanding in the amount of \$8,818,000.
- 21)The City's flow-based share of the WRA's Series 2018D-2 SRF loan outstanding in the amount of \$3,332,000.
- 22)The City's flow-based share of the WRA's Series 2018E SRF loan outstanding in the amount of \$10,154,000.
- 23)The City's flow-based share of the WRA's Series 2018F SRF loan outstanding in the amount of \$2,693,000.
- 24)The City's flow-based share of the WRA's Series 2019A SRF loan outstanding in the amount of \$9,383,000.
- 25)The City's flow-based share of the WRA's Series 2020B SRF loan outstanding in the amount of \$10,164,000.
- 26)The City's flow-based share of the WRA's Series 2021A Refunding Bonds in the amount of \$30,570,000.
- 27)The City's flow based share of the WRA's Series 2022A SRF loan outstanding in the amount of \$19,690,000.
- 28)The City's flow based share of the WRA's Series 2022C SRF loan outstanding in the amount of \$10,510,000.
- 29)The City's flow based share of the WRA's Series 2022D SRF loan outstanding in the amount of \$26,400,000.
- 30)The City's flow based share of the WRA's Series 2023A SRF loan outstanding in the amount of \$31,000,000.
- 31)The City's flow based share of the WRA's Series 2024B Sewer Revenues Bonds outstanding in the amount of \$25,150,000.
- 32)The City's flow based share of the WRA's Series 2024C SRF loan outstanding in the amount of \$7,600,000.
- 33)The City's flow based share of the WRA's Series 2024D SRF loan outstanding in the amount of \$10,000,000.

Des Moines Metropolitan Wastewater Reclamation Authority Proposed Payment Obligations

WRA is authorizing, and may issue, the following State Revolving Fund Loans during the current calendar year. The amounts below represent the City's share of the debt service payments of the proposed issues. Other participating communities of the WRA pay the remaining amount. Flow-based allocations are subject to change on an annual basis as such the amount outstanding may be greater than the amount issued due to fluctuations in flow.

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Proposed As of 11/12/24</u>
TBD	\$4,298,100	Sewer Improvements (SRF)	TBD	\$4,298,100 ¹⁾
TBD	18,095,001	Sewer Improvements (SRF)	TBD	18,095,001 ²⁾
TBD	1,031,544	Sewer Improvements (SRF)	TBD	1,031,544 ³⁾
TBD	3,438,480	Sewer Improvements (SRF)	TBD	3,438,480 ⁴⁾
TBD	6,017,340	Sewer Improvements (SRF)	TBD	6,017,340 ⁵⁾
TBD	3,438,480	Sewer Improvements (SRF)	TBD	<u>3,438,480</u> ⁶⁾
Total				\$36,318,945

- 1) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$10,000,000.
- 2) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$42,100,000.
- 3) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$2,400,000.
- 4) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$8,000,000.
- 5) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$14,000,000.
- 6) The City's flow-based share of the WRA's proposed SRF Loan in the amount of \$8,000,000.

Total WRA Sewer Revenue Debt Outstanding **170,182,656**
Total WRA Sewer Revenue Debt Outstanding and Proposed **\$206,501,601**

INDIRECT GENERAL OBLIGATION DEBT

<u>Taxing District</u>	<u>1/1/2023 Taxable Valuation</u> ¹⁾	<u>Portion of Taxable Valuation within the City</u>	<u>Percent In City</u>	<u>G.O. Debt Outstanding</u> ²⁾	<u>City's Proportionate Share</u>
Polk County	\$36,021,746,937	\$10,684,866,729 ³⁾	29.66%	\$307,887,000	\$91,319,284
Warren County	3,475,410,227	18,243,592	0.52%	35,808,000	186,202
Carlisle CSD	492,263,557	104,881,232	21.31%	13,800,000	2,940,780
Des Moines ISD	10,558,212,983	10,127,170,939	95.92%	0	0
Indianola CSD	1,151,808,535	438,880	0.04%	38,105,000	15,242
Johnston CSD	3,401,980,025	189,162,338 ³⁾	5.56%	0	0
Norwalk CSD	1,396,203,766	3,561,230	0.26%	51,450,000	133,770
Saydel CSD	1,666,042,907	64,885,216	3.89%	18,985,000	738,517
Southeast Polk CSD	3,098,993,330	198,292,554	6.40%	83,750,000	5,360,000
Urbandale CSD	1,773,064,546	4,772	0.00%	74,340,000	0
West Des Moines CSD	6,102,303,067	14,713,160	0.24%	45,745,000	109,788
Urbandale Sanitary Sewer	4,056,084,314	0	0.00%	5,175,000	0
Urbandale-Windsor Heights Sanitary Sewer	525,130,747	27,562,014	5.25%	0	0
Des Moines Area CC	67,526,147,035	10,703,100,321 ³⁾	15.85%	75,280,000	<u>11,931,880</u>
City's Share of Total Overlapping Debt					\$112,735,463

- 1) Taxable Valuation excludes exemptions and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities. Excludes revisions from Polk County Auditor's Office.
- 2) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates. Estimated as of June 26, 2024 based on publicly available information. The City undertakes no responsibility for and makes no representations as to the accuracy or completeness of the information related to the indebtedness of overlapping entities.
- 3) Includes City exempt value of \$85,384.

DEBT RATIOS

	<u>Debt</u>	<u>Debt/Actual Market Value (\$19,295,979,349)</u> ¹⁾	<u>Debt/214,133 Population</u> ²⁾
Total General Obligation Debt	\$667,604,600* ³⁾	3.46%*	\$3,117.71*
Less: G.O. Debt Paid From Enterprise Funds	<u>(15,820,000)</u>		
Net G.O. Debt Paid by Taxes and Tax Increment	\$651,784,600*	3.38%*	\$3,043.83*
G.O. Debt Subject to Annual Appropriation	\$379,600 ⁴⁾	0.00%	\$1.77
City's Share of Total Overlapping Debt	\$112,735,463	0.58%	\$526.47

- 1) Based on January 1, 2023 Actual Market Value; includes Ag Land, Ag Buildings, all Utilities and TIF Increment. Excludes revisions from Polk County Auditor's Office.
- 2) Based on the City's 2020 U.S. Census.
- 3) Excludes the Series 2017C Bonds which are subject to annual appropriation.
- 4) Represents the appropriated Fiscal Year 2024-25 debt service payments on the Series 2017C Bonds.

* Preliminary; subject to change.

THE CITY

CITY GOVERNMENT

The City, incorporated as a town in 1851 and as a city in 1857, is the State of Iowa's capital, Polk County's seat and the most populous city in the State. The City operates under a council-manager-ward form of government. The Mayor and two other Council Members are elected at-large; four Council Members each represent a ward of the City.

Mr. Scott Sanders was appointed as City Manager in September of 2014 and is responsible for the day-to-day operations of the City. Mr. Sanders supervises all City staff, serves as the primary advisor to the City Council, directs major economic development initiatives, and is the chief negotiator for the City. He joined the City in 2011 as Finance Director and most recently served as Assistant City Manager. He has a strong background in city management with an emphasis on finance, budgets and administration. Mr. Sanders received a Bachelor of Science degree in Computer Science and a Master's degree in Community and Regional Planning from Iowa State University. He has worked as a Senior Managing Consultant at Public Financial Management, Inc.; as the Finance Director for the City of Council Bluffs; Iowa, and Assistant City Manager and Finance Director for the City of West Des Moines, Iowa.

Mr. Nickolas J. Schaul, CPA is the Finance Director/Treasurer and is responsible for the financial affairs of the City, effective January of 2020. Mr. Schaul had been the Assistant Finance Director since July 2017. Prior to working for the City, he served as Budget/Management Analyst for the City of Iowa City, Iowa from 2013 to 2017, and the Internal Auditor from 2007 to 2013. Prior to his work with the City of Iowa City, Iowa he worked as an Auditor for the Auditor of State – State of Iowa from 2005 to 2007. Mr. Schaul earned a Bachelor of Science Degree in Accounting from the University of Northern Iowa.

CITY BUDGETING PROCESS

The City's budget policy states that the proposed budget will balance ongoing revenues and expenditures without the use of one-time revenues. Goals of the budget policy include development of a general fund unassigned balance that is no less than 15% of the general fund budget and reduced reliance on property tax revenues with development of significant new revenue sources. One-time surplus revenues will have a priority of supporting capital investment in neighborhood economic development programs. In October 2015, the City Council approved a Governance Guide and Strategic Plan ("GuideDSM") that developed a vision for the City as well as top priorities that would help guide decisions regarding the operating and capital budgets.

Around August of each year, preliminary budget materials are distributed to departments to begin compilation of the revised budget estimates for the current fiscal year and recommended budget estimates for the upcoming fiscal year. Staffing levels, materials and equipment are essential to every city activity. As a result, budget preparation involves reviewing those resources to ensure the quantity of each necessary to maintain the existing level of services. New requests are evaluated to determine what they would accomplish and how necessary the accomplishments are in terms of adequately providing for the well-being, safety and development of the community. The request must also include a level of performance and measure that can be used to determine the progress being made towards the service goal. For services funded from the general fund, any new requests must have no negative financial impact. Thus, either a new revenue source must be identified or existing resources reallocated. Departmental requests for capital outlays are submitted to the Research and Budget Office in the Finance Department for review and possible inclusion in the preparation of the budget. Meetings are held between the Research and Budget staff and departments to review budget recommendations and discuss the effectiveness of existing or proposed programs. Particular attention is directed towards proposals to improve productivity and efficiency. From these discussions, the Research and Budget staff may modify their recommended appropriation levels and revenue estimates and staffing levels. Those programs expected to be fully or partially self-supporting are examined to ensure that they, in fact, achieved that status. New programs, positions, and significant additions to the budget are reviewed by the Budget Review Committee comprised of the Deputy City Manager, Assistant City Managers, HR Director, and Finance Director. This Committee then submits their recommendations to the City Manager for final decision.

Starting in the Fall, the City Council is briefed by the City Manager and departments review various financial forecasts and strategies and establish priorities for the coming year. Each February, the Finance Department conducts an all-day budget workshop to educate City Council on the upcoming budget votes which must be completed by April 30 each year. Concurrent resident engagement efforts are held to educate residents of city services and provide them the opportunity to offer feedback through polling, small group discussions and social media discussions.

The City Manager, with assistance from the Research and Budget Office and Budget Review Committee, reviews the departments’ budget requests and revenue forecasts to ensure that current expenditures do not exceed current revenues. If there are sufficient resources available, the City Manager may include either an increase to an existing service(s) or a new service(s) that addresses the priorities established in the Council workshop process. The recommended budget is then presented to the City Council in January. Public hearings precede City Council modifications and approval of the budget. The Fiscal Year 2024-25 budget was adopted by City Council on April 15, 2024. Tax levies for the new fiscal year (Fiscal Year 2024-25 budget) were to be certified to the State of Iowa on or before April 30, 2024.

Pursuant to an agreement between the City, Prairie Meadows Racetrack and Casino (the “Casino”) and Polk County, Iowa, the City receives a portion of gaming revenues generated by the Casino through December 31, 2026. The City’s budget anticipates \$7 million in Fiscal Year 2024-25 from the revenue-sharing agreement and applies those monies towards streets, bridge maintenance and reconstruction projects.

GENERAL FUND – AVAILABLE FUND BALANCE

Within its adopted Debt Management Program, the City Council has established a goal to maintain the City’s General Fund unassigned fund balance at no less than 15% of annual expenditures on every June 30th. The table below details the historical General Fund Balance available:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Available General Fund Balance	\$44,374,483	\$38,735,708	\$53,371,093	\$55,592,142	\$97,348,472
General Fund Operating Expenditures	\$181,372,659	\$171,931,839	\$181,792,876	\$198,518,976	\$211,005,816
Available General Fund Balance as a Percent of General Fund Expenditures	24.47%	22.53%	29.36%	28.00%	46.14%

LEVIES AND TAX COLLECTIONS

<u>Fiscal Year</u>	<u>Levy</u>	<u>Collected During Collection Year</u>	<u>Percent Collected</u>
2019-20	\$168,913,525	\$166,052,827	98.31%
2020-21	183,856,033	183,432,561	99.77%
2021-22	180,773,609	179,920,289	99.53%
2022-23	193,201,503	191,883,217	99.32%
2023-24	189,859,333	-----In process of collection-----	

Collections include delinquent taxes from all prior years. Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1.5% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday of June following the delinquency date. Purchaser at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property and funds so received are applied to taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

Source: Polk County and Warren County

CITY TAX RATES

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>	<u>\$/ \$1,000</u>
Polk County ¹⁾	10.37537	10.26623	9.93801	9.60691	9.66460
City of Des Moines	16.64000	16.61156	16.61000	16.61000	16.61000
Des Moines Ind. CSD	18.60686	18.61192	16.05937	15.34447	15.15446
Des Moines Area Comm. College	0.65249	0.63533	0.67789	0.69448	0.74410
Des Moines Regional Transit Authority	0.93975	0.94475	0.95000	0.95000	0.95000
State of Iowa	<u>0.00280</u>	<u>0.00270</u>	<u>0.00260</u>	<u>0.00240</u>	<u>0.00180</u>
Total Tax Rate	47.21727	47.07249	44.23787	43.20826	43.12496

1) Polk County tax rate includes the following tax rates: Polk County-wide, Polk County Assessor, Polk County Ag. Extension and Broadlawns Medical Center.

Source: Iowa Department of Management

LEVY LIMITS

Pursuant to HF 718 the City’s new adjusted city general fund levy (“ACGFL”) for Fiscal Year 2024-2025 is \$7.94118. To control the growth of property taxes, the ACGFL is subject to potential limitation or reduction by constraining growth each year depending on if certain growth triggers are met or exceeded during the prior year. The levy limitation is only applicable Fiscal Year 2024-2025 through Fiscal Year 2027-2028. Beginning in Fiscal Year 2028-2029, the levy limitation ceases and the City will go to a \$8.10 ACGFL maximum. Certain levies like debt service, pensions, employee benefits, liability, property and self-insurance cost and capital improvement reserve fund are not included in the new ACGFL limitation. The City’s recent property valuation growth has been within the new legislative caps. Assuming the City meets or exceeds the legislative caps in the future, the City’s general fund levies will lag its relative valuation growth. For Fiscal Year 2024-25, the City’s non TIF tax valuation growth was 4.11% causing the City’s property tax revenue from the ACGFL to be reduced by 2% of its revenues. The City’s Budget for Fiscal Year 2024-25 accommodated this reduction of tax revenues relative to its non-TIF tax valuation growth. Debt service levies are not limited, rather the City is only subject to the aggregate constitutional debt limits. See “DEBT LIMIT” under “CITY INDEBTEDNESS” and “PROPERTY TAX LEGISLATION” under “CITY PROPERTY VALUES” included in APPENDIX A to this Preliminary Official Statement for a discussion of revisions to the administration of the general fund levy beginning in Fiscal Year 2024-25 and a legislative update for Fiscal Year 2025-26.

EMPLOYEES AND PENSIONS

As of this Preliminary Official Statement, the City has 1,694 budgeted full-time employees and approximately 400 part-time/seasonal employees including a force of 373 sworn personnel and a fire department of 312 full and part-time firefighters and paramedics. The City participates in two statewide employee retirement systems, the Iowa Public Employees Retirement System (“IPERS”) and the Municipal Fire and Police Retirement System of Iowa (“MFPRSI”). The State of Iowa administers IPERS and a nine-member board of trustees governs the MFPRSI. Though separate and apart from state government, the MFPRSI board is authorized by state legislature, which also establishes by statute the pension and disability benefits and the system’s funding mechanism. All full-time employees must participate in either IPERS or MFPRSI.

Iowa Public Employees Retirement System: IPERS membership is mandatory for employees of the City except those covered by another retirement system. The City contributes to IPERS, which is a cost-sharing, multiple-employer, contributory defined benefit public employee retirement system. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries. IPERS is authorized to adjust the total contribution rate up or down each year, by no more than 1 percentage point, based upon the actuarially required contribution rate. The City’s contributions to IPERS for the last three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
IPERS City Contribution	\$7,573,979	\$7,985,163	\$8,746,933

The IPERS Annual Comprehensive Financial Report is available on the IPERS website, or by contacting IPERS at 7401 Register Drive P.O. Box 9117, Des Moines, IA 50321. The information presented in such financial reports or on such website is not incorporated into this Preliminary Official Statement by any references.

Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS discussed above or included on the 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 IPERS website.

Pursuant to GASB Statement No. 68, the City reported a liability of \$39,708,284 within its Annual Comprehensive Financial Report ("ACFR") as of June 30, 2023 for its proportionate share of the net pension liability for IPERS. The net pension liability was measured as of June 30, 2022, 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, 2022, the City's collective proportion was 1.000436% which was an increase of 0.012376% from its proportion measured as of June 30, 2021.

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 actuarial liabilities ("UAL") of IPERS. The UAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAL 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 UAL could be substantial in the future, requiring significantly increased contributions from the City which could affect other budgetary matters.

For additional information on the City's IPERS pension plan, refer to Note 7, Employee Retirement Systems, Subsection A, beginning on page 75 of the City's June 30, 2023 ACFR contained as APPENDIX C of this Preliminary Official Statement.

Municipal Fire and Police Retirement System of Iowa: The City contributes to MFPRSI, which is a cost-sharing, multiple-employer, defined benefit pension plan. MFPRSI provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statute, and vest after four years of credited service. MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa.

MFPRSI plan members are required to contribute a percentage of their annual covered salary, and the City is required to contribute at an actuarially determined rate of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The City's contributions to MFPRSI for the last three fiscal years, as shown below, equal the required contributions for each year.

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
MFPRSI City Contribution	\$15,224,032	\$16,451,910	\$15,894,534

The MFPRSI Financial Statements are available on the MFPRSI website or by contacting MFPRSI at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266. The information presented in such financial reports or on such website is not incorporated into this Preliminary Official Statement by any references.

Bond Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from MFPRSI discussed above or included on the MFPRSI 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 website.

Pursuant to GASB Statement No. 68, the City reported a liability of \$104,100,910 within its ACFR as of June 30, 2023 for its proportionate share of the net pension liability for MFPRSI. The net pension liability was measured as of June 30, 2022, 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, 2022, the City’s proportion was 18.5375% which was an increase of 0.1632% from its proportion measured as of June 30, 2021.

For additional information on the City’s MFPRSI pension plan, refer to Note 7, Employee Retirement Systems, Subsection B, beginning on page 80 of the City’s June 30, 2023 ACFR contained as APPENDIX C of this Preliminary Official Statement.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description: The City sponsors an agent multi-employer health care plan that provides medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. Eligible retirees and their dependents receive medical and prescription coverage through a fully insured plan with Wellmark Blue Cross/Blue Shield and dental benefits through a self-insured plan. These are the same plans that are available for active employees.

Funding Policy: The City establishes and amends the contribution requirements. The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other postemployment benefits (“OPEB”) plan assets under GASB Statement No. 75 for current GASB reporting.

Retirees are required to pay 102% of the premium rate which results in an implicit subsidy. Contributions of the full premium are required for both retiree and dependent coverage. The contribution for each insured group is assumed to be the expected, composite per capita cost for the group. This composite is then disaggregated into an age-specific starting cost curve based on the average age of the group and for assumptions for age-based morbidity. The average age of the pre-65 retiree group is 61. Retiree expenses are then offset by monthly contributions. The City does not issue a publicly available financial report for the plan. As of the Fiscal Year ended June 30, 2023, 1,714 active employees and 189 retired employees were utilizing these benefits.

Changes in the Total OPEB Liability: The City’s total OPEB liability as of the Fiscal Year ended June 30, 2023 was \$29,300,054. This balance was determined by an actuarial valuation as of that date.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2022	\$27,681,905
Service cost	1,658,004
Interest	1,168,690
Changes in assumptions	(76,674)
Difference between expected and actual experience	414,782
Benefit payments	<u>(1,546,653)</u>
Balance as of June 30, 2022	\$29,300,054

The covered payroll (annual payroll of active employees covered by the plan) was approximately \$151,699,734 and the ratio of the total OPEB liability to the covered payroll was 19.31%.

For additional information on the City’s OPEB, refer to Note 14, Other Postemployment Benefits, beginning on page 96 of the City’s June 30, 2023 ACFR contained as APPENDIX C of this Preliminary Official Statement.

UNION CONTRACTS

The City has 8 unions representing approximately 1,400 employees. The following are brief descriptions of the unions and their contracts.

Central Iowa Public Employees Council (“CIPEC”): Employees from the Facilities, Fleet Services, Police Radio Services, Park and Recreation, Public Works and Engineering Departments. These employees’ duties are construction, maintenance, and operations. The total number of employees covered by this bargaining unit is approximately 400. The current contract expires June 30, 2026.

American Federation of State, County, and Municipal Employees (“AFSCME”): Employees from the Housing Services Department. These employees’ duties are administration and maintenance. The total number of employees covered by this bargaining unit is approximately 35. The current contract expires June 30, 2025.

Municipal Employees Association (“MEA”): Clerical and support staff throughout the City. The total number of employees covered by this bargaining unit is approximately 310. The current contract expires June 30, 2026.

Des Moines Association of Professional Fire Fighters, Local 4: These employees are from the Fire Department and their responsibilities include fire suppression, emergency, and inspection. The total number of employees covered by this bargaining unit is approximately 295. The current contract expires June 30, 2026.

Des Moines Police Bargaining Unit Association: These employees are from the Police Department, and they are police officers and senior police officers. The total number of employees covered by this bargaining unit is approximately 275. The current contract expires June 30, 2026.

Professional Employees Lodge No. 254, Unit 10: These employees are from the Des Moines Public Library, and they include building equipment and maintenance workers, clerks, and couriers. The total number of employees covered by this bargaining unit is approximately 15. Their contract expires June 30, 2025.

Professional Employees Lodge No. 254, Unit 11: These employees are from the Des Moines Public Library, and they include professional librarians and library assistants. The total number of employees covered by this bargaining unit is approximately 35. Their contract expires June 30, 2025.

Gold Braid Organization: Certain Police Captains, Lieutenants, and Sergeants in the Police Department established a union. The total number of employees covered is approximately 35. The current contract expires June 30, 2025.

RISK MANAGEMENT

Risk management information is collected on the City’s loss experience and efforts are directed at maintaining a comprehensive risk management program. The program identifies exposures, educates employees and management about the risks, and implements risk reduction and control programs. The risk identification and control efforts, as well as the educational process, are ongoing.

Property insurance for the City is provided by Alliant Insurance Services, Inc. with a loss limit of \$500,000,000 and loss of business income with extra expense coverage of up to \$100,000,000 with various levels of deductibles. Excess liability coverage is maintained through Allied World in the amount of \$10,000,000 per occurrence, with a \$2,000,000 self-insured retention. Workers compensation insurance is maintained for all employees through Safety National Casualty Corporation at statutory limits, with a \$1,250,000 self-insured retention. Additionally, the Municipal Housing Agency purchases first dollar workers compensation coverage.

For certain enterprise fund operations, automobile liability insurance is maintained through Travelers Insurance Company with a per occurrence limit of \$2,000,000 and a \$5,000 deductible. This policy is designed to cover the excess liability policy’s \$2,000,000 self-insured retention. The City purchases a blanket property insurance policy with a \$100,000 per occurrence deductible. The Municipal Housing Agency also purchases its own blanket property insurance policy with a \$5,000 deductible per occurrence.

The City has purchased cyber liability insurance coverage over data security and general cyber-crimes. This coverage includes access to incident response experts as well as coverage for costs related to recovering data and bringing systems back online.

The City’s tort liability claims and related administration expenses are accounted for in the appropriate fund related to the claim. Claims and related administrative expenses are accounted for in the General Fund. Health benefit insurance and related administration expenses are accounted for in an internal service fund. The current portion of workers’ compensation claims is recorded in the same fund as the recipient’s payroll was recorded.

Within the past ten years, there has only been one workers' compensation claim that has been initiated, which exceeded the City's current \$1,250,000 self-insured coverage. Within the past ten years, there have been no claims which exceeded the City's \$2,000,000 self-insured liability policy. However, in 2017, the City settled a liability claim for \$2,100,000 of which the maximum \$2,000,000 was paid out by the enterprise operation's insurance with the remaining \$100,000 being paid by the City. Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors.

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located near the center of Iowa and serves as the state of Iowa's (the "State") capital. The City also serves as the political, economic, and cultural capital of the State. The City is a center of insurance, printing, retail and wholesale trade as well as industry, providing a diverse economic base. Highways serving the area include Interstates 35, 235 and 80. In addition to rail service and motor carrier transportation, air travel is available through the Des Moines International Airport located just south of downtown Des Moines.

GENERAL SERVICES AND ATTRACTIONS

The City provides its citizens a full range of services including the municipal functions of police and fire protection; sanitation services; park and recreational programs and activities; construction and maintenance of infrastructure, including streets, roads and bridges; enforcement of building code regulations; traffic control and parking; housing and other community improvements and social services; economic development; and six libraries. Operation and maintenance of an international airport is performed by, and all airport facilities have been transferred to the Des Moines Airport Authority under Iowa Code Chapter 330A pursuant to long-term lease and asset transfer agreement.

The City currently maintains 76 parks covering over 4,000 acres, road medians and boulevards, and seven cemeteries. Recreation facilities include playgrounds, tennis courts, softball and soccer complexes, multi-use recreation trails, swimming pools, community centers and three golf courses. The City also owns the Principal Park baseball stadium (formerly Sec Taylor Stadium) which serves the Iowa Cubs AAA baseball team.

Municipal water, sanitary sewer and storm sewer services are provided to essentially all developed areas of the City. The Des Moines Water Works is a separate entity under the direction of a five-member Board of Trustees which oversees the management and operation of Des Moines Water Works, including setting water rates. The Water Works Trustees are appointed by the Mayor, subject to the approval of the City Council, and serve six-year terms. The Des Moines Water Works utilizes water from the Raccoon River and the Des Moines River as its primary sources for water supply. Also, the Water Works owns the 1.5 billion-gallon Maffitt Reservoir and 5 billion gallons of storage capacity in the Saylorville Reservoir, which may be used to release water into the rivers at periods of low-river flow. The Water Works distribution system consists of over 1,000 miles of pipe, with two standpipes, an elevated storage tank and a ground storage tank providing total storage capacity of approximately 15 million gallons.

The City, as Operating Contractor to the Des Moines Metropolitan Wastewater Reclamation Authority ("WRA"), is responsible for the design, construction, and operation of wastewater reclamation facility, conveyance and flow equalization facilities. The WRA, which includes the City, thirteen surrounding communities, two counties and three sanitary sewer districts, was formed to implement wastewater conveyance and treatment facilities improvements mandated by federal law. Each WRA participant institutes user charges to cover the cost of operation of WRA facilities as well as debt payments related to the construction of improvements.

LARGER EMPLOYERS

A representative list of larger employers in the Des Moines Metropolitan Area is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Hy-Vee Food Stores	Retail Food Stores	11,782
Wells Fargo Bank	Financial Services	11,000
State of Iowa	State Government	7,700 ¹⁾
MercyOne	Healthcare (Hospitals and Clinics)	5,641
Principal Financial Group	Insurance	5,595
UnityPoint Health Partners	Healthcare	5,147
Des Moines Public Schools	Education	5,200 ²⁾
Amazon	Distribution and Data Center	4,100
Nationwide/Allied Insurance	Insurance	3,300
John Deere Companies	Farm Equipment & Consumer Financial Services	3,100 ³⁾
Corteva Agriscience	Seed Manufacturing	2,255
Kum & Go	Convenience Store Chain	2,000
City of Des Moines	Government	2,094 ⁴⁾
Mercer Health & Benefits LLC	Insurance	1,800
Casey's General Store, Inc.	Retail General Store	1,750
United Parcel Service (UPS)	Package Shipping	1,721
Wellmark Inc.	Insurance Provider	1,700
Bridgestone Americas Tire Operations	Agricultural Tires	1,600
Athene USA Corp.	Financial Services	1,600
Lumen ⁵⁾	Telecommunications	1,500
Polk County	County Government	1,280 ⁴⁾
Baker Group	Contractor	1,176
Farm Bureau Financial Services	Financial Services	1,111
EMC Insurance Companies	Insurance	1,100
The Iowa Clinic, P.C.	Healthcare	1,100
The Waldinger Corp	Contractor	1,100

- 1) Total is for the Greater Des Moines metropolitan statistical area which includes Dallas, Guthrie, Madison, Polk and Warren counties.
- 2) Total does not include substitute teachers.
- 3) Includes both John Deere Des Moines Works and John Deere Credit Company.
- 4) Includes full-time, part-time and seasonal employees.
- 5) Formerly CenturyLink

Source: The Greater Des Moines Partnership as of May 2024. The list is updated frequently as changes are identified and is not to be construed as a complete profile.

AVERAGE ANNUAL LABOR FORCE DATA

	<u>Total Civilian Labor Force</u>		<u>Unemployment Rate</u>	
	<u>Des Moines Metro Area</u>	<u>State of Iowa</u>	<u>Des Moines Metro Area</u>	<u>State of Iowa</u>
2020	356,161	1,668,309	5.4%	5.2%
2021	362,966	1,680,360	3.8%	3.8%
2022	374,071	1,706,277	2.7%	2.8%
2023	368,909	1,710,268	2.8%	3.0%
2024 ¹⁾	373,406	2,122,072	2.8%	3.7%

- 1) Data through May 2024.

Source: U.S. Bureau of Labor Statistics

RETAIL SALES AND BUYING INCOME

The following table lists the City’s total effective buying income (“EBI”), median household EBI, total retail sales and per household retail sales for the survey years 2019 through 2023.

Survey Year	Total EBI (\$000)	Median Household EBI	Total Retail Sales (\$000)	Retail Sales Per Household
2019	\$5,089,404	45,879	4,579,103	51,961
2020	5,099,801	46,430	4,638,141	52,317
2021	5,389,816	48,454	4,486,084	50,629
2022	5,740,040	50,876	4,735,967	52,729
2023	5,954,120	52,728	5,591,912	62,449

Note: The Iowa median household EBI for 2023 was \$62,358.

2023 Effective Buying Income Groups

	Less than \$15,000-\$34,999	\$35,000-\$74,999	\$75,000 and Over
Des Moines	30.1%	39.1%	30.8%
Polk County	21.9%	35.8%	42.3%
Warren County	19.2%	30.0%	50.8%
State of Iowa	26.1%	36.0%	37.9%

Source: Claritas, Inc. 2023 report

CITY BUILDING PERMITS

City officials report the following construction activity as of June 30, 2024. Permits for the City are reported on a fiscal year basis.

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<u>Single Family Homes:</u>					
No. of new homes:	377	262	246	231	293
Valuation:	\$62,491,235	\$53,052,014	\$67,449,682	\$73,919,763	\$93,690,564
<u>Multiple Family Dwellings:</u>					
No. of new buildings:	7	6	4	4	5
Valuation:	\$34,900,100	\$63,776,938	\$85,013,327	\$49,471,000	\$75,490,927
<u>Residential Homes - Additions & Alterations:</u>					
No. of permits issued:	2,139	2,079	2,194	2,167	2,129
Valuation:	\$33,903,824	\$40,379,932	\$58,008,154	\$53,313,637	\$57,384,652
<u>Commercial/Industrial/Other:</u>					
No. of new buildings/additions:	74	49	56	61	58
Valuation:	\$128,213,801	\$132,834,793	\$110,241,659	\$139,973,498	\$136,536,612
<u>Commercial/Industrial/Other: Remodels & Alterations:</u>					
No. of permits:	353	333	449	397	356
Valuation:	\$115,355,868	\$125,744,039	\$130,801,402	\$160,181,066	\$153,700,608
<u>Demolitions:</u>					
No. of permits:	272	188	170	162	167
Valuation:	\$0	\$0	\$0	\$0	\$0
Total Permits:	3,222	2,917	3,119	3,022	3,008
Total Valuations:	\$374,864,828	\$415,787,716	\$451,514,224	\$476,858,964	\$516,803,363

EDUCATION

The Des Moines Independent Community School District provides education in the City. The District's certified enrollment for the last five school years is as follows:

<u>October</u>	<u>Certified Enrollment</u>
2019	32,607
2020	31,621
2021	31,023
2022	30,773
2023	30,801

A small portion of the Des Moines residents are served by five other community school districts. Those districts are Carlisle, Johnston, Saydel, Southeast Polk and West Des Moines Community School Districts. Higher educational facilities serving the Des Moines area include the four-year private institutions of Drake University, Des Moines University (formerly University of Osteopathic Medicine and Health Services) and Grand View University. Two-year degree programs are offered at Des Moines Area Community College and Purdue University Global.

U.S. CENSUS DATA

City Population:

1990 U.S. Census	193,189
2000 U.S. Census	198,682
2010 U.S. Census (corrected)	204,220 ¹⁾
2020 U.S. Census	214,133

1) The City's 2010 population was corrected by the U.S. Census Bureau as of March 15, 2013.

Source: U.S. Census Bureau

FINANCIAL SERVICES

Residents of the Des Moines metropolitan area are serviced by numerous regional banking institutions. Collective total deposits for banks located within Polk County as of June 30, 2023 exceeded \$15.8 billion. Total deposits as of June 30, 2023 for a sampling of banks headquartered within the Des Moines metropolitan area are listed as follows:

<u>Bank</u>	<u>Deposits</u>
Principal Bank	\$7,668,816,000
Bankers Trust Company, N.A.	4,216,727,000
West Bank	2,841,425,000
Iowa State Bank	384,263,000
Peoples Bank	378,693,000
Midwest Heritage Bank, FSB	323,930,000

Source: Federal Deposit Insurance Corporation ("FDIC")

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APPENDIX B

FORMS OF LEGAL OPINIONS

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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 Des Moines, State of Iowa (the "Issuer"), relating to the issuance of General Obligation Bonds, Series 2024A, by said City, dated November 12, 2024, 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 imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. 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.

DRAFT

City of Des Moines, State of Iowa

\$ _____ General Obligation Bonds, Series 2024A

Page 2

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,

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 Des Moines, State of Iowa (the "Issuer"), relating to the issuance of Taxable General Obligation Bonds, Series 2024B, by said City, dated November 12, 2024, 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. The interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended. **THE HOLDERS OF THE BONDS SHOULD TREAT THE INTEREST THEREON AS SUBJECT TO FEDERAL INCOME TAXATION.** We express no other opinion regarding any other federal or state income tax consequences caused by the receipt or accrual of interest on 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.

DRAFT

City of Des Moines, State of Iowa

\$ _____ Taxable General Obligation Bonds, Series 2024B

Page 2

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,

\\Capp-02379352\10387-339

APPENDIX C

JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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**CITY OF DES MOINES, IOWA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

Annual Comprehensive
Financial Report
of the
City of Des Moines, Iowa

For the Fiscal Year Ended June 30, 2023

Prepared by the
Department of Finance



CITY OF DES MOINES, IOWA

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INTRODUCTORY SECTION





March 7, 2024

The Honorable Mayor
Members of the City Council
Citizens of Des Moines, Iowa

State law requires that cities, such as Des Moines, publish each fiscal year a complete set of audited financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), and that their financial condition and transactions be examined by the Auditor of State or by a certified public accountant. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. In order to do so, the City has established a comprehensive framework of internal control that is designed to protect against loss, theft, or misuse of assets and compile reliable information for preparation of the financial statements. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statement have been audited by RSM US LLP. They have issued an unmodified ("clean") opinion on the City of Des Moines's financial statements for the year ended June 30, 2023. The independent auditor's report is present at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Des Moines, Iowa was incorporated as a town in 1851 and as a city in 1857. Extending over 80 square miles, it is home to an estimated 215,000 people and the central city of a metropolitan area of approximately 700,000. It is a river city, intersected by the Des Moines and Raccoon Rivers.

Des Moines is the capital of Iowa, and operates under the council-manager-ward form of government. The Mayor and two Council Members are elected at-large, while another four Council Members each represent one of the four wards into which the City is divided. A City Manager, City Clerk and City Attorney are all appointed by the Council.

Des Moines provides a full range of services, including police and fire protection, sanitation services, park and recreational programs and facilities; construction and maintenance of infrastructure including streets, roads, bridges, and a storm water utility; enforcement of building code regulations; traffic control and parking; housing and other community improvements and social services; economic development and library services. The Des Moines Public Library Foundation, which raises funds for the benefit of the City's libraries, and the Des Moines Airport Authority, which runs the airport that serves central Iowa, are discretely presented component units in this report. The Des Moines Independent Community School District, Des Moines Water Works, Des Moines Area Regional Transit, The Des Moines Metropolitan Wastewater Reclamation Authority and Metro Waste Authority – while providing other services to the citizens of Des Moines – do not meet the established criteria for component entities of the City, and thus, are excluded from this report.

The City benefits from strong and diverse neighborhoods and a citizenry deeply involved in its government. The development of 51 recognized neighborhood associations and 25 active boards and commissions strengthen the basic framework of the City's governmental structure. The City Council is required by Chapter 384 of the Code of Iowa to adopt an annual budget on or before March 31 of each year. This annual budget serves as the foundation for the City of Des Moines's financial planning and control. The adopted budget provides appropriations (authority to spend) for program operations for the fiscal year that begins on July 1 and ends on June 30 of the following year. Budget amendments (revisions to the adopted budget) must be prepared and adopted in the same manner as the original budget. State law requires that expenditures be controlled at the program level. The budget is also prepared by department, fund and sub activity levels.

Local Economy and Living Conditions

Des Moines is the industrial, commercial, financial, trade, transportation, and governmental center of Iowa. The City's insurance industry is the third largest in the world – after London and Hartford – and growing. There are over 200 insurance offices and headquarters located in Iowa employing more than 20,000 people in Des Moines. Insurance activities are part of a strong local economy that is also based in agriculture, manufacturing, technology, education, health care, and other services.

During calendar year 2023, Des Moines continued to receive praise from various outlets. Accolades include:

- #19 Best Places to Live in the U.S. – [U.S. News & World Report, 2023](#)
- #6 Best Places to Live for Families – [U.S. News & World Report, 2023](#)
- Top 20 Most Neighborly City in the U.S. – [Neighbor, 2023](#)
- #1 Place for Young Professional to Live – [Forbes, 2023](#)
- Top 10 Fastest-Growing Mid-Sized Metro – [Site Selection Group, 2023](#)
- #3 Best Market for Recent College Graduates – [Zillow, 2023](#)
- #7 Lowest Cost of Living in the U.S. – [Apartment List, 2023](#)
- Best Midsized Metros for Millennials – [CommercialCafe, 2023](#)
- Top 25 Up-and-Coming Tech Market – [CBRE, 2023](#)

While Iowa is an agricultural state, the City's economic diversification insulates it from most swings in the farming-based economy. Further, as many of the state's rural communities experience population decreases, the Des Moines metropolitan area continues to grow, with much of the expansion resulting from the relocation of residents to Des Moines from rural areas. The variety of components contributing to the City's economy creates a stability that is apparent from unemployment figures. The City has historically enjoyed a relatively low unemployment rate for each of the last three years: 2.6 percent in 2022, 4.2 percent in 2021, 4.1 percent in 2020.

Additional background data is included in the statistical section of this report.

Long-term Financial Planning

The City Council and administration routinely consider the long-term view regarding financial matters. Operating budget decisions are based on long-term sustainability. A budget plan considers multi-year trends for all major revenues and expenditures. The City has a detailed Capital Improvement Plan (CIP) that considers the impact of the investment in infrastructure, the associated debt burden, and any changes in operating costs associated with maintaining new assets. The CIP shows funding for current year and five years out.

The below information is a summary of the expected expenditures under the five-year plan from the 2023 CIP:

- \$7.1 million towards the completion of phase 2 of the Municipal Services Center.
- \$5.4 million toward Closes Creek watershed improvements.
- \$7.9 million toward the rehabilitation of the 2nd Avenue Bridge.
- \$7.2 million toward Hamilton Storm Sewer improvements.
- \$11.4 million for the replacement Animal Control Facility.
- \$17.1 million for Des Moines River flood mitigation improvements.
- \$1.5 million toward the construction or reconstruction of recreational trails across the City.
- \$4.6 million for repair and replacement of the City's sidewalk system.
- \$13.1 million on various sewer separation projects throughout the City.
- \$2.7 million toward various storm water improvements throughout the City.
- \$42.2 million for the City's various on-going street maintenance and reconstruction projects.

Relevant Financial Policies

The City regards General Fund unassigned fund balance as a critical component of fiscal health and has worked to improve this credit metric to continue its strong bond rating. City policy for the General Fund unassigned fund balance has changed and now targets a minimum of 15% of annual expenditures, as opposed to 10% previously in place. The June 30, 2023 balance is 46.14% of expenditures, down from 28.00% in 2022.

Enterprise funds are monitored regularly and user fees adjusted to maintain required revenue bond coverage and sufficient working capital balances. The policy for the major enterprise funds is to maintain a working capital balance of 20% of annual expenditures.

The City investment policy is to invest public funds not currently needed in a manner which will provide protection of principal, meet the daily cash flow demands of the City and provide market returns. The primary objectives in priority order are safety of principal, liquidity, and return on investments.

Major Initiatives

The Council has undertaken a new strategic planning process which guides the funding choices in the capital and operating budgets ahead. Pursuit of past Council established goals has resulted in the City successfully moving forward in facilitating downtown development, neighborhood improvements, and environmental sustainability projects.

The downtown housing stock remains strong for rental units and owner-occupied condominiums. Desire for downtown residential living continues to increase, turning the

downtown into a vibrant “24/7” location. New construction projects continue to take place on the east and west side of the Des Moines River, which divides the downtown. New projects on the edge of the central business district are starting. Council has approved plans or support to match private investment in streetscape and corridor enhancement projects that will provide for beautification and walkability improvements of the areas.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Des Moines for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the 46th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation and publication of the *Annual Comprehensive Financial Report* were the responsibility of a team led by Finance Department Comptroller Tim McCarthy and Deputy Finance Director James Remington. This team consisted of colleagues in the Finance Department, the audit team from RSM US LLP, and many others in the City’s operating departments, particularly the Housing, Engineering, and Community Development Departments. All members of the team have our deep appreciation and respect for their outstanding contributions to this report – both individually and collectively.

Respectfully submitted,



Scott E. Sanders
City Manager



Nickolas J. Schaul
Finance Director/Treasurer



CITY OF **DES MOINES**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Des Moines
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



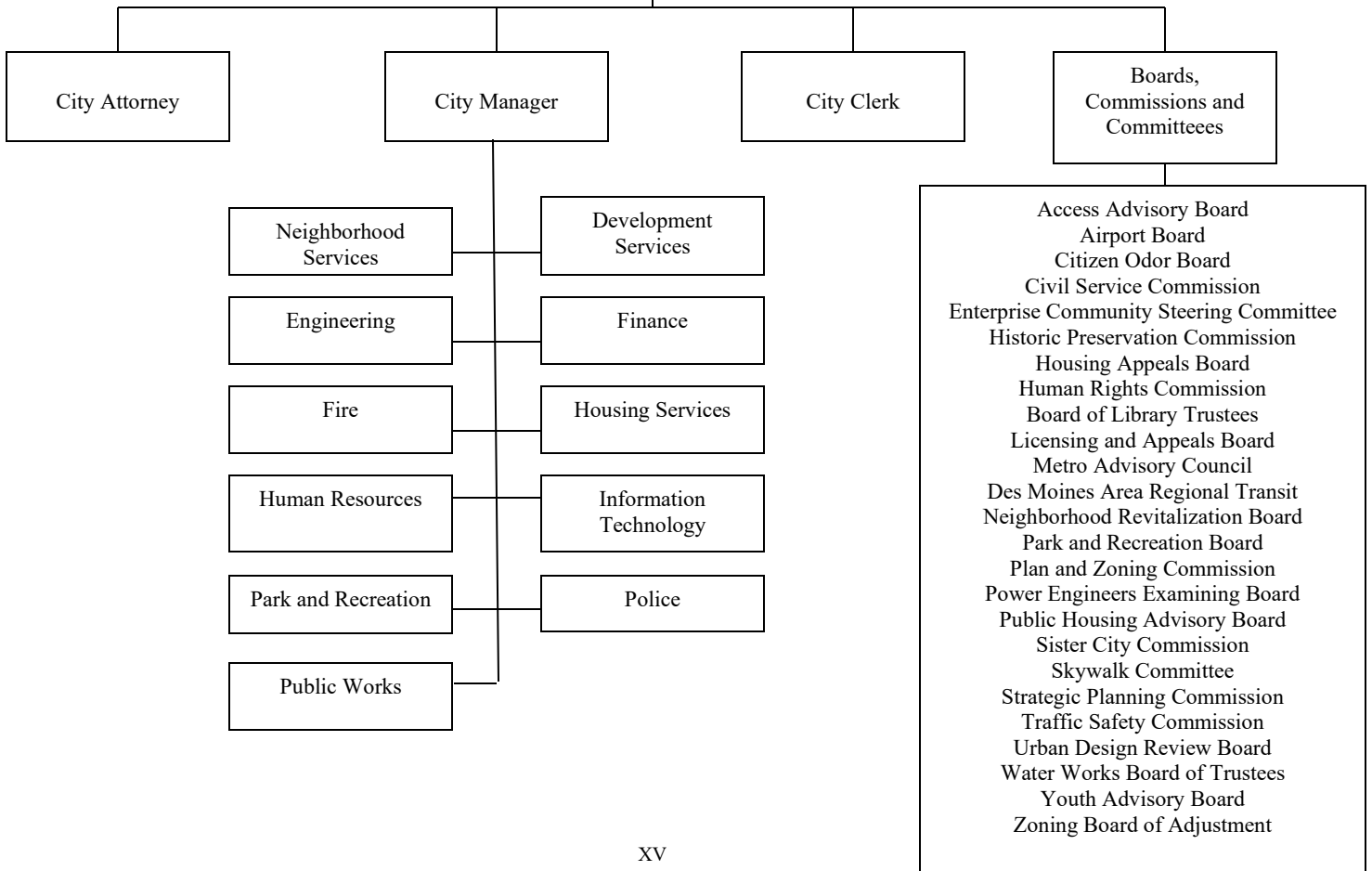
City of Des Moines, Iowa Table of Organization

Citizens of Des Moines

ELECT

Des Moines City Council
 Frank Cownie, Mayor
 Carl Voss, At-Large
 Connie Boesen, At-Large
 Indira Sheumaker, Ward I
 Linda Westergaard, Ward II
 Josh Mandelbaum, Ward III
 Joe Gatto, Ward IV

APPOINTS





**CITY OF DES MOINES, IOWA
ELECTED AND APPOINTED OFFICIALS
For the Fiscal Year Ended June 30, 2023**

Elected Officials:

Term Expires

Frank Cownie	Mayor	1/1/2024
Carl Voss	Council Member, At-Large	1/1/2024
Connie Boesen	Council Member, At-Large	1/1/2026
Indira Sheumaker	Council Member, Ward I	1/1/2026
Linda Westergaard	Council Member, Ward II	1/1/2024
Josh Mandelbaum	Council Member, Ward III	1/1/2026
Joe Gatto	Council Member, Ward IV	1/1/2024

Council-Appointed Officials:

Scott Sanders	City Manager
Jeffrey D. Lester	City Attorney
Laura Baumgartner	City Clerk



FINANCIAL SECTION





RSM US LLP

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Des Moines, Iowa (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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.

We did not audit the financial statements of the discretely present component units, the Des Moines Airport Authority and the Des Moines Public Library Foundation, which collectively represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Des Moines Airport Authority and the Des Moines Public Library Foundation is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. The City recorded subscription-based information technology arrangement related items and disclosures in the financial statements as of July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

RSM US LLP

Des Moines, Iowa
March 7, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

This section of the annual financial report presents an overview and analysis of the financial activities of the City of Des Moines for the fiscal year ended June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and the financial statements which follow.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Des Moines exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,375,294,402 (*net position*). Last year's June 30, 2022 total net position was \$1,242,957,670. The total unrestricted net position of the City was \$77,683,417. This was comprised of unrestricted governmental net position \$25,178,133 and business type activities net position of \$52,505,284.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$352,495,318 an increase of \$78,133,949 in comparison with the prior year. This increase was attributable primarily to an increase in Local Option Sales and Service Tax revenue and an increase in transfers in to the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$97,348,472 or 46.1 percent of total General Fund expenditures. This represents a \$41,756,330 increase in the unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The **Statement of Net Position** presents information on all of the City of Des Moines' assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the assets/deferred outflows of resources and liabilities/deferred

inflows of resources reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Des Moines is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of Des Moines that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Des Moines include public safety, public works, health and social services, culture and recreation, community and economic development, and general government. The business-type activities of the City of Des Moines include the municipal housing agency, parking facilities system, sanitary sewer system, golf courses, solid waste system, and storm water utility.

The government-wide financial statements include the City of Des Moines itself (known as the *primary government*), as well as the Public Library of Des Moines Foundation, a discretely presented component unit, which raises funds for the benefit of the City's libraries and the Des Moines Airport Authority, a discretely presented component unit, which runs the airport that serves central Iowa. The Des Moines Independent Community School District, the Des Moines Waterworks, Des Moines Area Regional Transit, the Wastewater Reclamation Authority, and Metro Waste Authority provide services to the citizens of Des Moines but do not meet established criteria as component units of the City, and thus, are not included in 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 Des Moines, 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 of Des Moines can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements,

governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The City of Des Moines maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Increment Fund, Benefit Tax Accounts Fund, Local Option Sales Tax Fund, American Rescue Plan Fund and Capital Projects Fund, all of which are considered major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

- **Proprietary Funds.** The City of Des Moines maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Des Moines' various functions. The City of Des Moines uses internal service funds to account for the equipment service center, forestry, central services, radio communications, equipment and radio replacement, and group health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The City of Des Moines maintained six enterprise funds in fiscal year 2023. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parking Facilities System Fund, Sewer System Fund, Storm Water Utility Fund, and Municipal Housing Agency Fund as these are considered to be major funds of the City of Des Moines. Data from the other two

enterprise funds (Golf Courses Fund and Solid Waste System Fund) are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in 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 statement because the resources of those funds are *not* available to support the City of Des Moines' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has only one type of fiduciary funds: custodial funds. The total assets held in the fiduciary funds at June 30, 2023 were \$740,334,993 all of which belonged to the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), a custodial fund.

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.

Other Information. The City's budgetary comparison schedule is presented as required supplementary information immediately following the notes to the financial statements. The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and agency funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. 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 Des Moines, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,375,294,402, at the close of the fiscal year ended June 30, 2023.

By far the largest portion of the City of Des Moines' net position, \$1,191,056,623 or 86.6 percent, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Des Moines uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Des Moines' 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.

City of Des Moines' Net Position

	Governmental Activities 2023	Business-type Activities 2023	Total 2023	Governmental Activities 2022	Business-type Activities 2022	Total 2022
Current and other assets	\$ 663,034,581	\$ 99,605,294	\$ 762,639,875	\$ 641,703,822	\$ 95,012,831	\$ 736,716,653
Capital assets	1,300,526,858	567,729,908	1,868,256,766	1,258,219,332	530,826,524	1,789,045,856
Total assets	<u>1,963,561,439</u>	<u>667,335,202</u>	<u>2,630,896,641</u>	<u>1,899,923,154</u>	<u>625,839,355</u>	<u>2,525,762,509</u>
Total deferred outflow of resources	<u>42,652,941</u>	<u>3,495,581</u>	<u>46,148,522</u>	<u>42,039,873</u>	<u>3,427,456</u>	<u>45,467,329</u>
Noncurrent liabilities	684,071,383	221,943,157	906,014,540	570,751,218	194,356,491	765,107,709
Other liabilities	159,837,415	21,785,645	181,623,060	206,209,739	22,523,245	228,732,984
Total liabilities	<u>843,908,798</u>	<u>243,728,802</u>	<u>1,087,637,600</u>	<u>776,960,957</u>	<u>216,879,736</u>	<u>993,840,693</u>
Total deferred inflow of resources	<u>212,192,719</u>	<u>1,920,442</u>	<u>214,113,161</u>	<u>323,052,276</u>	<u>11,379,199</u>	<u>334,431,475</u>
Net position:						
Net investment in capital assets	830,648,182	360,408,441	1,191,056,623	802,111,537	351,546,241	1,153,657,778
Restricted	94,286,548	12,267,814	106,554,362	92,971,165	12,859,832	105,830,997
Unrestricted	<u>25,178,133</u>	<u>52,505,284</u>	<u>77,683,417</u>	<u>(53,132,908)</u>	<u>36,601,803</u>	<u>(16,531,105)</u>
Total net position	<u>\$ 950,112,863</u>	<u>\$ 425,181,539</u>	<u>\$ 1,375,294,402</u>	<u>\$ 841,949,794</u>	<u>\$ 401,007,876</u>	<u>\$ 1,242,957,670</u>

An additional portion of the City of Des Moines' net position, \$106,554,362 (7.8 percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* is \$77,683,417. The net pension liability was measured at \$135,845,039 in fiscal 2023, up from \$42,649,067 in fiscal 2022, a difference of \$93,195,972. This abnormal swing was caused by a return to more average returns on investments compared to the prior year. The business-type activities and governmental funds have positive unrestricted net positions.

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

The City's total net position increased by \$132,336,731 during the current fiscal year. The net position in governmental activities increased by \$108,163,068, while the net position in business-type activities increased by \$24,173,663.

A summary of the City's changes in net position follows:

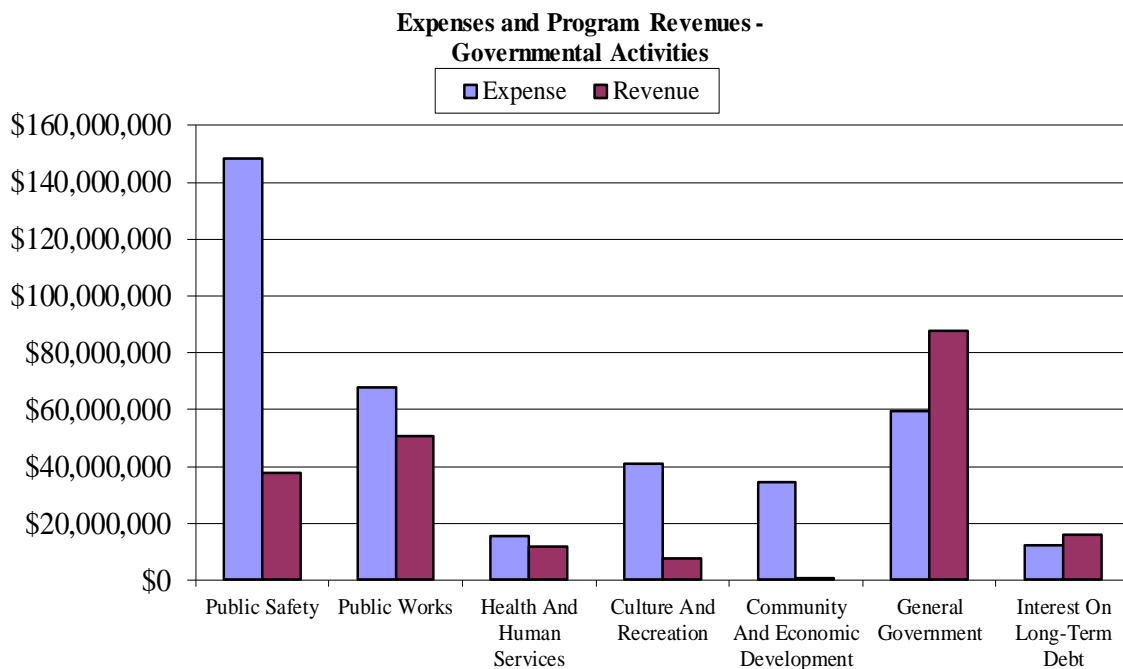
City of Des Moines' Changes in Net Position						
	Governmental Activities 2023	Business-type Activities 2023	Total 2023	Governmental Activities 2022	Business-type Activities 2022	Total 2022
Revenues:						
Program revenues:						
Charges for services	\$ 71,864,263	\$ 109,892,860	\$ 181,757,123	\$ 63,299,709	\$ 106,974,355	\$ 170,274,064
Operating grants and contributions	49,578,649	20,969,757	70,548,406	55,912,989	19,227,454	75,140,443
Capital grants and contributions	74,094,867	2,288,974	76,383,841	32,941,467	3,582,011	36,523,478
General revenues:						
Property taxes	194,375,747	---	194,375,747	182,827,334	---	182,827,334
Other taxes	84,192,780	---	84,192,780	78,477,446	---	78,477,446
Other	16,447,973	5,534,771	21,982,744	3,618,013	397,092	4,015,105
Total revenues	<u>490,554,279</u>	<u>138,686,362</u>	<u>629,240,641</u>	<u>417,076,958</u>	<u>130,180,912</u>	<u>547,257,870</u>
Expenses:						
Public safety	148,300,581	---	148,300,581	129,826,976	---	129,826,976
Public works	67,964,266	---	67,964,266	59,167,661	---	59,167,661
Health and social services	15,372,035	---	15,372,035	10,589,681	---	10,589,681
Culture and recreation	41,154,434	---	41,154,434	37,077,618	---	37,077,618
Community and economic development	34,508,684	---	34,508,684	36,945,357	---	36,945,357
General government	59,302,327	---	59,302,327	52,492,330	---	52,492,330
Interest on long-term debt	12,451,616	---	12,451,616	11,488,702	---	11,488,702
Parking facilities system	---	13,522,165	13,522,165	---	11,467,622	11,467,622
Sewer system	---	39,360,464	39,360,464	---	38,873,120	38,873,120
Stormwater utility	---	23,664,287	23,664,287	---	21,903,403	21,903,403
Golf	---	667,473	667,473	---	632,321	632,321
Solid waste	---	15,889,961	15,889,961	---	14,833,586	14,833,586
Municipal Housing Agency	---	24,745,617	24,745,617	---	22,166,962	22,166,962
Total expenses	<u>379,053,943</u>	<u>117,849,967</u>	<u>496,903,910</u>	<u>337,588,325</u>	<u>109,877,014</u>	<u>447,465,339</u>
Increase/(decrease) in net position before transfers	111,500,336	20,836,395	132,336,731	79,488,633	20,303,898	99,792,531
Transfers	(3,337,268)	3,337,268	---	(3,618,397)	3,618,397	---
Increase/(decrease) in net position	108,163,068	24,173,663	132,336,731	75,870,236	23,922,295	99,792,531
Net position - beginning	841,949,795	401,007,876	1,242,957,671	766,079,558	377,085,581	1,143,165,139
Net position - ending	<u>\$ 950,112,863</u>	<u>\$ 425,181,539</u>	<u>\$ 1,375,294,402</u>	<u>\$ 841,949,794</u>	<u>\$ 401,007,876</u>	<u>\$ 1,242,957,670</u>

Governmental Activities. Total governmental activities revenue for the fiscal year was \$490,554,279 compared to \$417,076,958 in 2022. The largest single revenue source for the City was property taxes of \$194,375,747. Property taxes increased by \$11,548,413 (6.3 percent) from fiscal 2022. This decrease is primarily the result of a change in the amount of delinquent taxes remitted to the City of Des Moines. Other taxes for fiscal year 2023 were \$84,192,780 compared to \$78,477,446 for fiscal 2022. The increase of \$5,715,334 was

primarily due to an increase in LOSST and largely comes down to increased sales generating more tax.

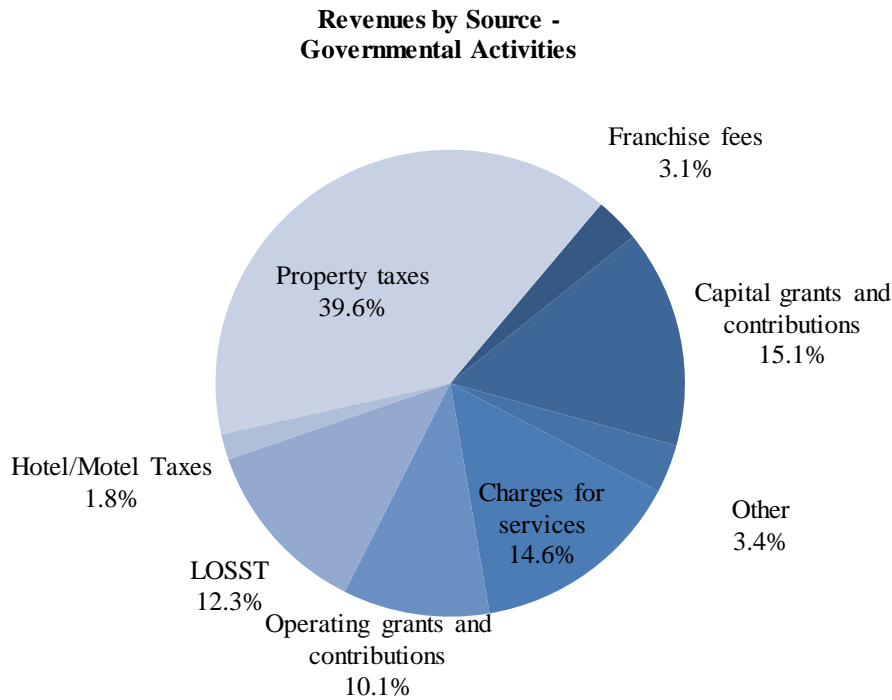
Intergovernmental Revenue increased significantly year-over-year due to the recognition of previously unearned American Rescue Act funds. Governmental activities increased the City's net position by \$108,163,068.

Certain revenues are generated that are specific to governmental program activities. These totaled \$195,537,779 in fiscal 2023 compared to \$152,154,165 in fiscal 2022. The graph below shows a comparison between the expenses by governmental activity type and the revenues generated that are specific to those activities:



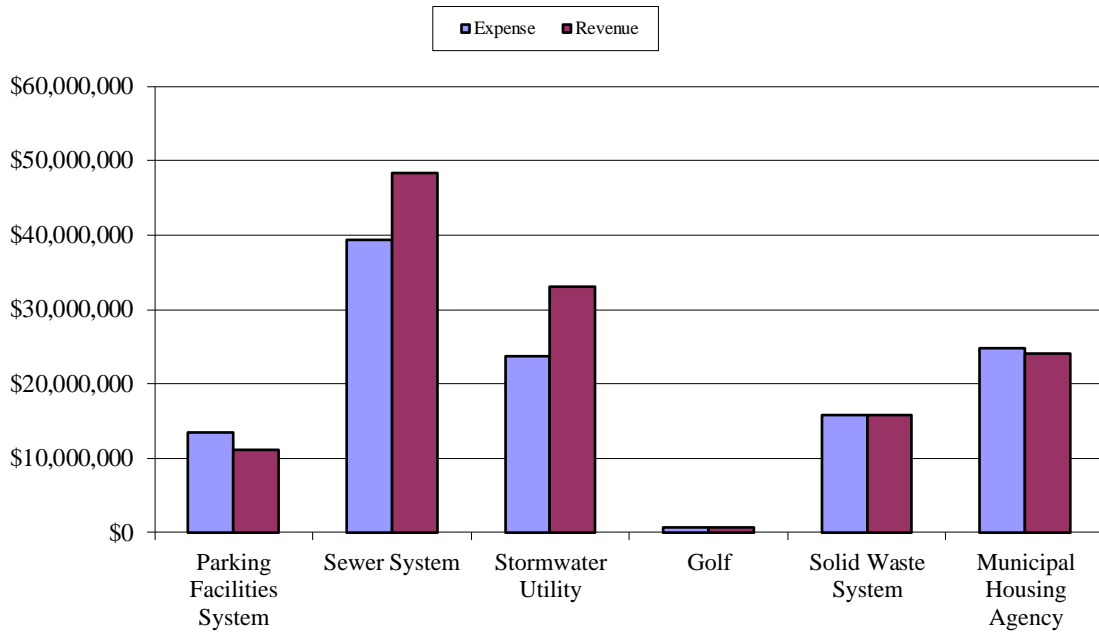
The program expenses shown in the table above were \$379,053,943 in fiscal year 2023 as compared to \$337,588,325 in fiscal year 2022. The decrease is largely due to the effective pension expense being eliminated at the government-wide level because of unexpectedly positive returns in the market during the pension assessment year recorded.

The graph below shows the percentage of the total governmental revenues allocated by each revenue type:



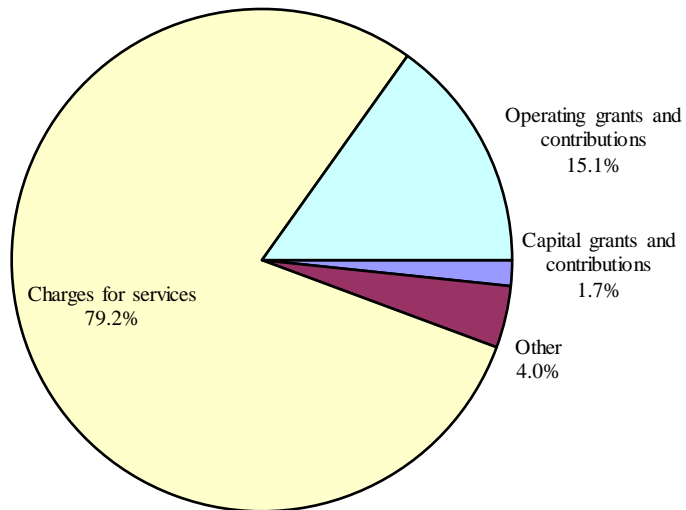
Business-Type Activities. Total business-type activities revenue for the fiscal year was \$138,686,362 compared to \$130,180,912 in 2022. All but \$5,534,771 and \$397,092 of this revenue was generated for specific business-type activity expenses in fiscal years 2023 and 2022, respectively. The decrease in non-specific business-type revenue was due primarily to overall economic trends resulting in decreased interest rates on the City of Des Moines' investments. The graph on the following page shows a comparison between the business-type activity expenditures and program revenues.

**Expenses and Program Revenue -
Business-type Activities**



The graph below shows the breakdown of revenues by source for the business-type activities:

**Revenues By Source -
Business-type Activities**



Business-type activities increased the City of Des Moines' net position by \$24,173,663 accounting for the increase, in total, in the government's net position. Key elements of this increase are as follows:

- The Sanitary Sewer Utility increased by \$9,755,784. This increase was primarily due to an operating income of \$9,364,431.
- The Storm Water Utility increased by \$16,312,097. This increase was largely due to an increase in investment earnings caused by favorable interest rates.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$352,495,318 an increase of \$78,133,949 in comparison with the prior year. The increase was primarily driven by increases in the General Fund of \$41,692,452 and the Capital Projects Fund of \$23,029,381. The offsetting decrease for fiscal 2023 was in the Local Option Sales Tax Fund with a change of (\$10,805,978). Fund balance identified as nonspendable totaled \$7,940,106. There were restrictions of \$95,000,542 on the governmental fund balance. Committed fund balance totaled \$152,928,222 and unassigned fund balance totaled \$96,626,448. See footnote 19 for a further breakdown of the classifications of the governmental fund balance.

The General Fund is the chief operating fund of the City of Des Moines. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$97,348,472 while total fund balance was \$103,510,472. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 46.1 percent of total General Fund expenditures, while total fund balance represents 49.1 percent of that same amount.

The fund balance of the City of Des Moines' General Fund increased by \$41,692,452 during the current fiscal year compared to a \$1,472,718 increase in 2022. This relatively large increase was primarily the result of an increase in transfers in of \$36,892,357. This

increase was primarily from the Local Option Sales Tax and American Rescue Plan Funds.

The Debt Service Fund has a total fund balance of \$19,050,854. The net increase in fund balance during the current year in the Debt Service Fund was \$12,110,529. This increase was largely the result of a significant decrease in debt retirement compared to the prior year.

The Tax Increment Fund (TIF) has a total fund balance of \$12,886,482. The net increase in fund balance during the current year in the Tax Increment Fund was \$4,125,196. The net increase was largely due to an increase in tax revenue ahead of anticipated future expenditures.

The Benefit Tax Accounts Special Revenue Fund had a total fund balance of \$704,282 at the end of fiscal 2023. The small net decrease is due to the difference between tax revenue and the amount needed to cover current year expenditures.

The Local Option Sales Tax Fund was set up in fiscal 2020 to account for revenue received under the Local Option Sales and Service Tax passed in March 2019 and effective beginning July 1, 2019. Under the law, 50.0 percent of revenue is to be used for property tax relief while the remaining 50.0 percent may be used for any lawful purpose of the City. During the year, the fund balance decreased by \$10,805,978. This decrease is due to the amount transferred out to satisfy the legal allocation requirements.

The American Rescue Plan Fund was established in fiscal year 2021 in order to track the receipt and expenditure of federal funds under the American Rescue Plan Act of 2021. The City of Des Moines had received its total anticipated allocation of roughly \$94,800,000 as of the end of fiscal 2022. During the year, the fund balance increased by \$3,600,000 as the amount transferred out was matched with its recognized revenue.

The Capital Projects Fund has a total fund balance of \$149,063,406. The net increase in fund balance during the current year in the Capital Projects Fund was \$23,029,381. This increase was due to the transfers in exceeding current year expenditures.

Proprietary Funds. The City of Des Moines' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) of the Parking Facility System was \$2,102,238; those for the Sewer System were \$38,100,329; the Storm Water Utility were \$32,237,828; and those for the Municipal Housing Agency were \$2,679,067. Other factors concerning the finances

of these funds have been addressed in the discussion of the City of Des Moines' business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City of Des Moines' investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$1,868,256,766 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Des Moines' investment in capital assets for the current fiscal year was 4.4 percent (a 3.4 percent increase for governmental activities and a 7.0 percent increase for business-type activities).

Major capital asset events during fiscal year 2023 included the following:

- \$7.1 million towards the completion of phase 2 of the Municipal Services Center.
- \$5.4 million toward Closes Creek watershed improvements.
- \$7.9 million toward the rehabilitation of the 2nd Avenue Bridge.
- \$7.2 million toward Hamilton Storm Sewer improvements.
- \$11.4 million for the replacement Animal Control Facility.
- \$17.1 million for Des Moines River flood mitigation improvements.
- \$1.5 million toward the construction or reconstruction of recreational trails across the City.
- \$4.6 million for repair and replacement of the City's sidewalk system.
- \$13.1 million on various sewer separation projects throughout the City.
- \$2.7 million toward various storm water improvements throughout the City.
- \$42.2 million for the City's various on-going street maintenance and reconstruction projects.

City of Des Moines' Capital Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 157,257	\$ 152,486	\$ 29,843	\$ 26,592	\$ 187,100	\$ 179,078
Buildings	310,854	302,398	105,322	103,149	416,176	405,547
Improvements other than buildings	1,479,544	1,407,984	549,406	526,284	2,028,950	1,934,268
Machinery and equipment	125,665	121,868	30,666	27,728	156,331	149,596
Right of use assets	5,542	2,162	29,996	29,996	35,538	32,158
Construction in progress	193,356	180,934	96,802	75,185	290,158	256,119
Accumulated depreciation	(971,691)	(909,613)	(274,305)	(258,108)	(1,245,996)	(1,167,721)
Total	\$ 1,300,527	\$ 1,258,219	\$ 567,730	\$ 530,826	\$ 1,868,257	\$ 1,789,045

Additional information on the City of Des Moines' capital assets can be found in note 6 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Des Moines had total bonded debt outstanding of \$632,270,000. Of this amount, \$529,035,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Des Moines' debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Des Moines' Outstanding Debt
General Obligation and Revenue Bonds
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 512,150	\$ 489,370	\$ 16,885	\$ 17,920	\$ 529,035	\$ 507,290
Revenue bonds	-	-	108,235	76,260	108,235	76,260
Total	\$ 512,150	\$ 489,370	\$ 125,120	\$ 94,180	\$ 637,270	\$ 583,550

The City of Des Moines' total bonded debt increased by \$53,720,000 which is a 9.2 percent increase from the prior fiscal year. This increase was due to the City of Des Moines issuing \$69,725,000 in bonded debt for governmental activities and \$18,660,000 in bonded debt for business-type activities.

The City of Des Moines and the City of Des Moines Storm Water/Sewer system each maintained its debt rating of an AA+ rating from Standard & Poor's during the fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total assessed valuation. The current debt limitation for the City of Des Moines is \$803,564,354, which is significantly in excess of the City of Des Moines' outstanding general obligation debt of \$529,035,000.

Additional information on the City of Des Moines' long-term debt can be found in Note 9 of this report.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis following required public notice and hearing which includes all funds except fiduciary funds and internal service funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business-type/enterprises and transfers out. The legal level of control is at the aggregated function level, not at the fund or fund type level. These budget amendments are reflected in the final budgeted amounts.

Differences between the original budget and the final amended budget for the City of Des Moines can be summarized as follows:

The total original fiscal 2023 revenue budget of \$546,710,198 was increased through an amendment to \$636,879,884 an increase of \$90,169,686. The total other financing sources and net transfers per the original budget of \$111,015,839 was increased to \$112,189,978 an increase of \$1,174,139. The major factor in the difference between original estimates and final estimates was due timing around the release of restrictions on American Rescue Plan Act funds.

Actual revenues for fiscal 2023 were \$606,918,744 compared to the revised budget projection of \$636,879,884, a difference of \$29,961,140, or 4.9 percent.

The total original fiscal 2023 expenditure budget of \$722,854,627 was increased through an amendment to \$799,578,558 an increase of \$76,723,931. The majority of this increase was due to changes in the anticipated timing of capital improvement projects.

Expenditures were under the revised budget in total by \$166,336,871. This underage was primarily due to the original aforementioned timing of capital improvement expenses being more accurate.

See page 109 for the *Budgetary Comparison Schedule – All Governmental Funds and Enterprise Funds*.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The outlook on the economy in Des Moines and the surrounding metropolitan area has been positive with continued growth in residential, commercial and industrial activity. Surrounding cities are also seeing strong growth. The City, in conjunction with the regional Corporation for Economic Development, the Des Moines Partnership and the Convention and Visitors Bureau, continues to work diligently to spur economic development activity within the City of Des Moines and metro area. The City of Des Moines, along with our economic development partners, is working with area businesses to assist with program funds that have been allocated to the City from the U.S. Department of Housing and Urban Development and other sources available.

During calendar year 2023, Des Moines received the following accolades:

- #19 Best Places to Live in the U.S. – U.S. News & World Report, 2023
- #6 Best Places to Live for Families – U.S. News & World Report, 2023
- Top 20 Most Neighborly City in the U.S. – Neighbor, 2023
- #1 Place for Young Professional to Live – Forbes, 2023
- Top 10 Fastest-Growing Mid-Sized Metro – Site Selection Group, 2023
- #3 Best Market for Recent College Graduates – Zillow, 2023
- #7 Lowest Cost of Living in the U.S. – Apartment List, 2023
- Best Midsized Metros for Millennials – CommercialCafe, 2023
- Top 25 Up-and-Coming Tech Market – CBRE, 2023

Assessed valuations for calendar year 2022 in Des Moines increased 1.2 percent over calendar year 2021. Indicators for continued growth are positive. Corporate renovations and new construction, along with residential, mixed use, commercial, and hotel projects are underway and planned over the next few years.

Approximately 48.8 percent of all General Fund revenues were derived from property taxes during fiscal 2023. Continuous efforts are being made to both diversify revenues and implement strategic expense reductions.

As part of the budget discussions in fiscal year 2022, the City Council approved a rate increase for the Sanitary Sewer Enterprise. A 6.0 percent Sanitary Sewer fee increase was scheduled for July 1, 2022, to address ongoing sewer separation requirements mandated by the federal government and fund lining projects to extend the life of the sewer system. As part of the budget discussions in fiscal year 2019, the City Council approved multi-year rate increases for the Storm Water Enterprise. A 6.0 percent Storm Water fee increase was scheduled for January 1, 2020, and January 1, 2021, a 5.0 percent Storm Water fee increase is scheduled for January 1, 2022, and a 3.0 percent Storm Water fee increase is scheduled for January 1, 2023, to address flood protection improvements and separation of sewer systems. No additional rate changes were approved by the City Council for the Parking fund. Also, no additional rate changes were approved by the City Council for rate increase for the monthly collection fees charged for Solid Waste services.

On July 1, 2011 the City converted to a self-funded health care program with a third-party administrator for processing claims. The self-funded program has allowed the City to pay claims and build a reserve fund sufficient to meet State self-funded health insurance reserve requirements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Des Moines' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Nickolas Schaul, Finance Director, City of Des Moines, 400 Robert D Ray Drive, Des Moines, IA 50309-1891.

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CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
June 30, 2023

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
ASSETS					
Current assets:					
Unrestricted current assets:					
Cash and investments	\$ 402,169,631	\$ 73,463,144	\$ 475,632,775	\$ 586,457	\$ 67,825,737
Taxes receivable	208,897,033	---	208,897,033	---	---
Accounts receivable, net of allowance for doubtful accounts	6,999,515	421,193	7,420,708	61,674	12,004,915
Loans receivable, current	100,000	---	100,000	---	---
Accrued interest receivable	2,186,686	---	2,186,686	---	637,021
Lease receivable	196,739	---	196,739	---	2,534,850
Internal balances	21,918,837	(21,918,837)	---	---	---
Due from other governmental units	12,856,379	5,080,306	17,936,685	---	---
Inventory	319,371	67,149	386,520	---	161,279
Prepaid items	2,196,803	77,241	2,274,044	962	6,830
Total unrestricted current assets	657,840,994	57,190,196	715,031,190	649,093	83,170,632
Restricted assets:					
Cash and investments	---	1,331,212	1,331,212	3,466,110	---
Total restricted current assets	---	1,331,212	1,331,212	3,466,110	---
Total current assets	657,840,994	58,521,408	716,362,402	4,115,203	83,170,632
Noncurrent assets:					
Restricted cash and investments	---	40,819,211	40,819,211	---	20,026,052
Restricted accounts receivable	---	---	---	---	760,402
Restricted interest receivable	---	126,021	126,021	---	---
Lease receivable, net	4,230,899	---	4,230,899	---	---
Loans receivable, net of allowance for Doubtful accounts	962,688	---	962,688	---	---
Notes receivables	---	---	---	---	25,021
Other restricted assets	---	---	---	12,819	---
Capital assets:					
Land	157,257,288	29,843,397	187,100,685	---	---
Construction in progress	193,356,022	96,802,193	290,158,215	---	55,300,124
Buildings	310,853,925	105,321,606	416,175,531	---	268,767,141
Improvements other than buildings	1,479,543,474	549,405,983	2,028,949,457	---	258,385,532
Machinery and equipment	125,664,624	30,665,538	156,330,162	13,237	27,060,287
Right of use assets	5,542,023	29,996,021	35,538,044	69,819	25,539,616
Accumulated depreciation and amortization	(971,690,498)	(274,304,830)	(1,245,995,328)	(7,503)	(306,066,353)
Total capital assets	1,300,526,858	567,729,908	1,868,256,766	75,553	328,986,347
Total noncurrent assets	1,305,720,445	608,675,140	1,914,395,585	88,372	349,797,822
Total assets	1,963,561,439	667,196,548	2,630,757,987	4,203,575	432,968,454
Deferred Outflows of Resources					
Other postemployment deferred outflows	6,465,683	892,453	7,358,136	---	228,641
Pension related deferred outflows	36,187,258	2,603,128	38,790,386	---	347,848
Total deferred outflows of resources	42,652,941	3,495,581	46,148,522	---	576,489

The notes to the financial statements are an integral part of this statement.

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 11,639,651	\$ 2,301,003	\$ 13,940,654	\$ ---	\$ 5,775,833
Contracts payable	12,184,316	5,618,946	17,803,262	---	1,703,175
Accrued wages payable	4,168,307	544,051	4,712,358	19,703	---
Accrued employee benefits	33,838,355	1,120,294	34,958,649	---	85,865
Good faith, tenant, security, airport deposits	1,192,547	140,603	1,333,150	---	318,151
Accrued interest payable	1,511,283	131,308	1,642,591	---	---
Other liabilities, claims and judgments	8,818,000	---	8,818,000	---	---
Notes, loans, leases, bonds payable and subscription-based IT liabilities	46,522,290	2,219,389	48,741,679	17,292	---
Unearned revenue	39,962,666	18,712	39,981,378	---	---
Total current liabilities - from unrestricted	159,837,415	12,094,306	171,931,721	36,995	7,883,024
Current liabilities payable from restricted assets:					
Notes, loans, and bonds payable	---	9,160,000	9,160,000	---	---
Accrued interest payable	---	392,685	392,685	---	---
Total current liabilities - from restricted	---	9,552,685	9,552,685	---	---
Total current liabilities	159,837,415	21,646,991	181,484,406	36,995	7,883,024
Noncurrent liabilities:					
Accrued employee benefits	13,233,334	1,641,373	14,874,707	---	1,116,250
Other post retirement benefits	25,746,313	3,553,741	29,300,054	---	581,920
Net pension liability	135,845,039	7,964,155	143,809,194	---	2,140,574
Other liabilities	---	254,128	254,128	---	---
Notes, loans, leases, bonds payable and subscription-based IT liabilities, net	509,246,697	208,529,760	717,776,457	52,527	---
Total noncurrent liabilities	684,071,383	221,943,157	906,014,540	52,527	3,838,744
Total liabilities	843,908,798	243,590,148	1,087,498,946	89,522	11,721,768
DEFERRED INFLOWS OF RESOURCES					
Property taxes	194,508,771	---	194,508,771	---	---
Lease deferred inflows	4,291,793	---	4,291,793	---	27,567,670
Other postretirement deferred inflows	4,704,139	649,308	5,353,447	---	169,816
Pension related deferred inflows	8,688,016	1,271,134	9,959,150	---	369,517
Total deferred inflows of resources	212,192,719	1,920,442	214,113,161	---	28,107,003
NET POSITION					
Net investment in capital assets	830,648,182	360,408,441	1,191,056,623	---	303,446,730
Restricted:					
Public housing program	---	1,655,186	1,655,186	---	---
Debt retirement	17,538,321	10,612,628	28,150,949	---	---
Corpus non-expendable permanent	3,363,477	---	3,363,477	1,141,991	---
Donor restricted temporary	---	---	---	1,334,939	---
Capital projects	3,254,807	---	3,254,807	---	---
Public works	22,395,325	---	22,395,325	---	---
Police and fire	567,631	---	567,631	---	---
Culture and recreation	3,455,849	---	3,455,849	---	---
Community and economic development	13,550,004	---	13,550,004	---	---
Other restricted assets	30,161,134	---	30,161,134	---	20,786,454
Unrestricted	25,178,133	52,505,284	77,683,417	1,637,123	69,482,988
Total net position	\$ 950,112,863	\$ 425,181,539	\$ 1,375,294,402	\$ 4,114,053	\$ 393,716,172

CITY OF DES MOINES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
Public safety	\$ 148,300,581	\$ 32,315,674	\$ 5,223,983	\$ 140,616
Public works	67,964,266	5,981,063	25,973,301	18,591,702
Health and social services	15,372,035	348,873	11,487,456	---
Culture and recreation	41,154,434	4,836,830	1,639,351	1,268,477
Community and economic development	34,508,684	215,104	25,753	---
General government	59,302,327	28,166,719	5,228,805	54,094,072
Interest on long-term debt	12,451,616	---	---	---
Total governmental activities	<u>379,053,943</u>	<u>71,864,263</u>	<u>49,578,649</u>	<u>74,094,867</u>
Business-type activities:				
Parking facilities system	13,522,165	11,108,528	---	30,000
Sewer system	39,360,464	47,921,654	---	489,103
Stormwater utility	23,664,287	32,656,569	---	403,715
Golf	667,473	677,239	---	700
Solid waste system	15,889,961	15,863,169	---	---
Municipal Housing Agency	24,745,617	1,665,701	20,969,757	1,365,456
Total business-type activities	<u>117,849,967</u>	<u>109,892,860</u>	<u>20,969,757</u>	<u>2,288,974</u>
Total primary government	<u>\$ 496,903,910</u>	<u>\$ 181,757,123</u>	<u>\$ 70,548,406</u>	<u>\$ 76,383,841</u>
Component unit, Des Moines Public Library Foundation	<u>\$ 1,327,376</u>	<u>\$ ---</u>	<u>\$ 924,652</u>	<u>\$ ---</u>
Component unit, Des Moines Airport Authority	<u>\$ 46,628,443</u>	<u>\$ 55,412,803</u>	<u>\$ 20,633,948</u>	<u>\$ 28,197,254</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Local Option Sales Taxes				
Hotel/motel taxes				
Franchise taxes				
Investment earnings				
Miscellaneous				
Gain on disposal of capital assets				
Transfers - internal activities				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the financial statements are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

PRIMARY GOVERNMENT			COMPONENT UNIT	
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
\$ (110,620,308)	\$ ---	\$ (110,620,308)	\$ ---	\$ ---
(17,418,200)	---	(17,418,200)	---	---
(3,535,706)	---	(3,535,706)	---	---
(33,409,776)	---	(33,409,776)	---	---
(34,267,827)	---	(34,267,827)	---	---
28,187,269	---	28,187,269	---	---
(12,451,616)	---	(12,451,616)	---	---
<u>(183,516,164)</u>	<u>---</u>	<u>(183,516,164)</u>	<u>---</u>	<u>---</u>
---	(2,383,637)	(2,383,637)	---	---
---	9,050,293	9,050,293	---	---
---	9,395,997	9,395,997	---	---
---	10,466	10,466	---	---
---	(26,792)	(26,792)	---	---
---	(744,703)	(744,703)	---	---
<u>---</u>	<u>15,301,624</u>	<u>15,301,624</u>	<u>---</u>	<u>---</u>
\$ (183,516,164)	\$ 15,301,624	\$ (168,214,540)	\$ ---	\$ ---
			\$ (402,724)	
				\$ 57,615,562
165,255,816	---	165,255,816	---	---
29,119,931	---	29,119,931	---	---
60,285,067	---	60,285,067	---	---
8,720,139	---	8,720,139	---	---
15,187,574	---	15,187,574	---	---
15,842,174	5,499,525	21,341,699	112,828	2,783,933
381,860	16,467	398,327	115,770	698,489
223,939	18,779	242,718	---	---
(3,337,268)	3,337,268	---	---	---
<u>291,679,232</u>	<u>8,872,039</u>	<u>300,551,271</u>	<u>228,598</u>	<u>3,482,422</u>
108,163,068	24,173,663	132,336,731	(174,126)	61,097,984
841,949,795	401,007,876	1,242,957,671	4,288,179	332,618,188
<u>\$ 950,112,863</u>	<u>\$ 425,181,539</u>	<u>\$ 1,375,294,402</u>	<u>\$ 4,114,053</u>	<u>\$ 393,716,172</u>

CITY OF DES MOINES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	GENERAL	DEBT SERVICE	TAX INCREMENT	BENEFIT TAX ACCOUNTS
ASSETS				
Cash and investments	\$ 92,385,198	\$ 18,837,016	\$ 12,721,502	\$ 516,614
Taxes receivable	77,197,272	28,839,588	42,930,621	25,120,601
Accounts receivable, net of allowance for doubtful accounts	5,700,362	---	---	---
Loans receivable, net of allowance for doubtful accounts	---	---	---	---
Accrued interest receivable	2,180,440	---	---	---
Lease receivable	4,218,737	---	---	---
Due from other funds	3,497,768	---	---	---
Due from other governmental units	463,105	---	---	---
Advance to other funds	2,448,523	---	---	---
Inventory	---	---	---	---
Prepaid items	1,464,735	1,250	---	---
Total assets	\$ 189,556,140	\$ 47,677,854	\$ 55,652,123	\$ 25,637,215
LIABILITIES				
Accounts payable	\$ 3,258,981	\$ ---	\$ 26,681	\$ ---
Contracts payable	---	---	---	---
Accrued wages payable	3,355,804	---	---	---
Accrued employee benefits	---	---	---	---
Due to other funds	---	---	---	---
Unearned revenue	---	---	---	---
Good faith, security deposits	1,071,612	---	---	---
Total liabilities	7,686,397	---	26,681	---
DEFERRED INFLOWS OF RESOURCES				
Lease deferred inflows	4,078,704	---	---	---
Unavailable revenue - property taxes	74,280,352	28,627,000	42,738,960	24,932,933
Unavailable revenue - intergovernmental	---	---	---	---
Total deferred inflows of resources	78,359,056	28,627,000	42,738,960	24,932,933
FUND BALANCES (DEFICITS)				
Nonspendable	3,913,258	1,250	---	---
Restricted	1,248,957	19,049,604	12,886,482	704,282
Committed	1,000,000	---	---	---
Unassigned	97,348,472	---	---	---
Total fund balances	103,510,687	19,050,854	12,886,482	704,282
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 189,556,140	\$ 47,677,854	\$ 55,652,123	\$ 25,637,215

The notes to the financial statements are an integral part of this statement.

LOCAL OPTION SALES TAX	AMERICAN RESCUE PLAN	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 19,663,531	\$ 41,734,087	\$ 159,073,024	\$ 33,739,046	\$ 378,670,018
10,261,701	---	---	24,515,616	208,865,399
---	---	147,592	110,916	5,958,870
---	---	---	1,062,688	1,062,688
---	---	---	6,246	2,186,686
---	---	208,901	---	4,427,638
---	---	---	---	3,497,768
---	---	3,543,438	8,502,083	12,508,626
---	---	---	---	2,448,523
---	---	---	98,625	98,625
---	---	218,370	345,126	2,029,481
<u>\$ 29,925,232</u>	<u>\$ 41,734,087</u>	<u>\$ 163,191,325</u>	<u>\$ 68,380,346</u>	<u>\$ 621,754,322</u>
\$ 540,443	\$ 2,100,000	\$ 877,269	\$ 2,106,566	\$ 8,909,940
---	---	12,184,230	86	12,184,316
35,664	---	91,520	567,990	4,050,978
---	---	---	1,087,033	1,087,033
---	---	357,268	1,716,778	2,074,046
---	39,634,087	298,935	---	39,933,022
---	---	---	120,935	1,192,547
<u>576,107</u>	<u>41,734,087</u>	<u>13,809,222</u>	<u>5,599,388</u>	<u>69,431,882</u>
---	---	213,089	---	4,291,793
---	---	---	23,929,526	194,508,771
---	---	105,608	920,950	1,026,558
---	---	318,697	24,850,476	199,827,122
---	---	218,370	3,807,228	7,940,106
29,349,125	---	888,881	30,873,211	95,000,542
---	---	148,348,728	3,579,494	152,928,222
---	---	(392,573)	(329,451)	96,626,448
<u>29,349,125</u>	<u>---</u>	<u>149,063,406</u>	<u>37,930,482</u>	<u>352,495,318</u>
<u>\$ 29,925,232</u>	<u>\$ 41,734,087</u>	<u>\$ 163,191,325</u>	<u>\$ 68,380,346</u>	<u>\$ 621,754,322</u>

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total governmental fund balances \$ 352,495,318

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 1,284,380,159

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds balance sheet. 1,026,558

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets, deferred outflow of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.

Capital assets, net of accumulated depreciation	16,146,699
Other current assets	25,307,713
Deferred outflow of resources, pension related items	643,832
Deferred outflow of resources, OPEB related items	240,275
Other current liabilities	(5,590,588)
Net pension liability - IPERS	(1,969,775)
Other accrued post retirement benefits	(956,777)
Other noncurrent liabilities	(361,256)
Deferred inflow of resources, pension related items	(314,390)
Deferred inflow of resources, OPEB related items	(174,814)
	<u>32,970,919</u>

Internal service funds allocated to business-type activities 18,934,286

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

Deferred outflows of resources - IPERS	9,731,912
Deferred outflows of resources - MFPRSI	25,811,514
Deferred outflows of resources - OPEB	6,225,408
Deferred inflows of resources - IPERS	(4,752,189)
Deferred inflows of resources - MFPRSI	(3,621,437)
Deferred inflows of resources - OPEB	(4,529,325)
	<u>28,865,883</u>

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

Unamortized premium cost	(33,622,238)
Accrued employee benefits	(43,797,190)
Other accrued post retirement benefits	(24,789,536)
Accrued interest payable	(1,511,283)
Notes payable	(2,528,083)
Section 108 loans payable	(5,196,000)
General obligation bonds payable	(512,150,000)
SBITA liabilities	(477,163)
Lease liabilities	(1,795,503)
Other liabilities, claims and judgments	(8,818,000)
Net pension liability - IPERS	(29,774,354)
Net pension liability - MFPRSI	(104,100,910)
	<u>(768,560,260)</u>
Net position of governmental activities	<u>\$ 950,112,863</u>

The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	GENERAL	DEBT SERVICE	TAX INCREMENT	BENEFIT TAX ACCOUNTS
Revenues:				
Taxes	\$ 83,259,051	\$ 29,119,931	\$ 42,149,649	\$ 24,561,050
Franchise fees	15,187,574	---	---	---
Licenses and permits	4,021,064	---	---	---
Fines and forfeitures	6,926,196	---	---	---
Charges for sales and services	22,911,061	---	---	---
Use of money and property	16,774,750	---	1,223,756	---
Miscellaneous	16,321,049	---	---	---
Intergovernmental	5,204,212	899,404	2,415	755,023
Total revenue	<u>170,604,957</u>	<u>30,019,335</u>	<u>43,375,820</u>	<u>25,316,073</u>
Expenditures:				
Current:				
Public safety	135,857,671	---	---	---
Public works	6,234,164	---	---	---
Health and social services	782,171	---	---	---
Culture and recreation	24,541,617	---	---	---
Community and economic development	9,567,454	---	15,162,279	---
General government	29,354,148	226,866	---	---
Capital outlay	4,047,587	---	---	---
Debt service:				
Principal retirement	148,219	47,091,792	852,000	---
Lease principal payments	11,200	---	31,636	---
Subscription-based principal payments	460,728	---	---	---
Interest and fiscal charges	857	18,574,515	185,356	---
Total expenditures	<u>211,005,816</u>	<u>65,893,173</u>	<u>16,231,271</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(40,400,859)</u>	<u>(35,873,838)</u>	<u>27,144,549</u>	<u>25,316,073</u>
Other financing sources (uses):				
Transfers in	92,017,490	47,783,937	---	---
Transfers out	(10,892,000)	(76,010,000)	(23,019,353)	(25,372,577)
Premium on bond issue	---	6,485,430	---	---
General obligation bonds issued	---	69,725,000	---	---
Private debt issued	937,891	---	---	---
Proceeds from damage claims	1,675	---	---	---
Proceeds from capital asset sale	28,255	---	---	---
Total other financing sources (uses)	<u>82,093,311</u>	<u>47,984,367</u>	<u>(23,019,353)</u>	<u>(25,372,577)</u>
Net change in fund balances	41,692,452	12,110,529	4,125,196	(56,504)
Fund balances, beginning of year	61,818,235	6,940,325	8,761,286	760,786
Fund balances, end of year	<u>\$ 103,510,687</u>	<u>\$ 19,050,854</u>	<u>\$ 12,886,482</u>	<u>\$ 704,282</u>

The notes to the financial statements are an integral part of this statement.

LOCAL OPTION SALES TAX	AMERICAN RESCUE PLAN	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 60,285,067	\$ ---	\$ ---	\$ 24,006,205	\$ 263,380,953
---	---	---	---	15,187,574
---	---	---	99,775	4,120,839
---	---	---	8,228	6,934,424
21,075	---	117	1,831,847	24,764,100
---	---	214,026	128,042	18,340,574
63,082	---	4,844,754	1,122,413	22,351,298
---	51,590,527	13,013,960	51,072,848	122,538,389
<u>60,369,224</u>	<u>51,590,527</u>	<u>18,072,857</u>	<u>78,269,358</u>	<u>477,618,151</u>
---	---	63,779	4,086,496	140,007,946
---	---	6,318,570	25,189,654	37,742,388
---	3,421,905	---	11,225,272	15,429,348
---	2,750,000	2,469,658	490,229	30,251,504
---	---	5,233,951	2,015,980	31,979,664
10,380,234	500,000	2,299,810	4,911,100	47,672,158
380,188	---	96,930,429	358,322	101,716,526
338,539	---	---	840,000	49,270,550
---	---	---	---	42,836
---	---	---	---	460,728
---	---	---	77,160	18,837,888
<u>11,098,961</u>	<u>6,671,905</u>	<u>113,316,197</u>	<u>49,194,213</u>	<u>473,411,536</u>
<u>49,270,263</u>	<u>44,918,622</u>	<u>(95,243,340)</u>	<u>29,075,145</u>	<u>4,206,615</u>
---	---	122,127,955	5,982,958	267,912,340
(60,076,241)	(41,318,622)	(3,855,234)	(30,705,580)	(271,249,607)
---	---	---	---	6,485,430
---	---	---	---	69,725,000
---	---	---	---	937,891
---	---	---	782	2,457
---	---	---	85,568	113,823
<u>(60,076,241)</u>	<u>(41,318,622)</u>	<u>118,272,721</u>	<u>(24,636,272)</u>	<u>73,927,334</u>
(10,805,978)	3,600,000	23,029,381	4,438,873	78,133,949
40,155,103	(3,600,000)	126,034,025	33,491,609	274,361,369
<u>\$ 29,349,125</u>	<u>\$ ---</u>	<u>\$ 149,063,406</u>	<u>\$ 37,930,482</u>	<u>\$ 352,495,318</u>

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

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

Net change in fund balances: Total governmental funds \$ 78,133,949

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. The following is the detail of the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	101,716,526
Depreciation	(58,975,573)
	42,740,953

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net position:

Proceeds from the sale of capital assets	(113,823)
Gain (Loss) from sale of capital assets	113,823
Capital assets contributed by private sources	434,252
	434,252

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (2,961,123)

The issuance of long-term debt (e.g. bonds, loan, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items.

Amortization of premium	6,146,185
Long-term debt issued, including premiums of \$6,485,430	(77,148,321)
Repayment of long-term debt principal	49,270,550
Payments on leases	42,836
Payments on subscription-based information technology agreements	460,728
Interest	(71,629)
	<u>(21,299,651)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued employee benefits	(508,472)
Other accrued post retirement benefits	(1,343,365)
Claims and judgments	(3,342,500)
Pension benefit - IPERS	6,451,109
Pension benefit - MFPRSI	5,577,061
	<u>6,833,833</u>

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net income of certain activities of internal service funds is reported with governmental activities.

	3,583,065
Change in internal service fund allocations to business-type activities	697,790
	<u>\$ 108,163,068</u>

Change in net position of governmental activities

The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 3,899,016	\$ 38,768,035	\$ 12,696,046
Taxes receivable	---	---	---
Accounts receivable	4,922	245,270	98,970
Due from other governmental units	6,480	3,590,403	869,966
Inventory	---	---	---
Prepaid items	28,086	22,661	25,551
Total unrestricted current assets	<u>3,938,504</u>	<u>42,626,369</u>	<u>13,690,533</u>
Restricted current assets:			
Cash and investments	---	351,597	979,615
Total restricted current assets	<u>---</u>	<u>351,597</u>	<u>979,615</u>
Total current assets	<u>3,938,504</u>	<u>42,977,966</u>	<u>14,670,148</u>
Noncurrent assets:			
Restricted cash and investments	---	---	39,164,025
Restricted interest receivable	---	---	126,021
Capital assets:			
Land	14,145,778	2,161,508	12,024,203
Construction in progress	376,377	37,649,068	58,776,748
Buildings	62,586,278	573,492	---
Improvements other than buildings	34,861,107	258,299,342	246,866,330
Machinery and equipment	4,319,059	5,682,565	5,516,847
Right of Use Assets	29,996,021	---	---
Accumulated depreciation and amortization	<u>(78,523,488)</u>	<u>(91,634,598)</u>	<u>(48,061,854)</u>
Total capital assets, net of accumulated depreciation	<u>67,761,132</u>	<u>212,731,377</u>	<u>275,122,274</u>
Total noncurrent assets	<u>67,761,132</u>	<u>212,731,377</u>	<u>314,412,320</u>
Total assets	<u>71,699,636</u>	<u>255,709,343</u>	<u>329,082,468</u>
DEFERRED OUTFLOW OF RESOURCES			
Other postemployment benefits related deferred outflows	47,197	347,542	145,882
Pension related deferred outflows	126,588	896,432	603,508
Total deferred outflow of resources	<u>173,785</u>	<u>1,243,974</u>	<u>749,390</u>

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 4,754,507	\$ 13,345,540	\$ 73,463,144	\$ 23,499,613
---	---	---	31,634
28,410	43,621	421,193	1,040,645
532,214	81,243	5,080,306	347,753
67,149	---	67,149	220,746
---	943	77,241	167,322
<u>5,382,280</u>	<u>13,471,347</u>	<u>79,109,033</u>	<u>25,307,713</u>
---	---	1,331,212	---
---	---	1,331,212	---
<u>5,382,280</u>	<u>13,471,347</u>	<u>80,440,245</u>	<u>25,307,713</u>
1,655,186	---	40,819,211	---
---	---	126,021	---
1,388,411	123,497	29,843,397	---
---	---	96,802,193	---
39,946,242	2,215,594	105,321,606	---
5,913,168	3,466,036	549,405,983	---
1,667,881	13,479,186	30,665,538	59,858,671
---	---	29,996,021	---
<u>(41,316,623)</u>	<u>(14,768,267)</u>	<u>(274,304,830)</u>	<u>(43,711,972)</u>
<u>7,599,079</u>	<u>4,516,046</u>	<u>567,729,908</u>	<u>16,146,699</u>
<u>9,254,265</u>	<u>4,516,046</u>	<u>608,675,140</u>	<u>16,146,699</u>
<u>14,636,545</u>	<u>17,987,393</u>	<u>689,115,385</u>	<u>41,454,412</u>
141,591	210,241	892,453	240,275
<u>362,501</u>	<u>614,099</u>	<u>2,603,128</u>	<u>643,832</u>
<u>504,092</u>	<u>824,340</u>	<u>3,495,581</u>	<u>884,107</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 517,047	\$ 112,739	\$ 127,792
Contracts payable	51,419	2,061,988	3,505,539
Accrued wages payable	110,770	114,493	150,426
Accrued employee benefits	77,971	254,472	345,922
Due to other funds	397,374	---	---
Tenant security deposits	---	---	---
Accrued interest payable	103,276	---	---
General obligation bonds payable	---	---	465,000
Lease payable	1,154,389	---	---
Unearned revenue	---	---	---
Total current liabilities - from unrestricted	<u>2,412,246</u>	<u>2,543,692</u>	<u>4,594,679</u>
Current liabilities payable from restricted assets:			
Revenue bonds payable	---	2,300,000	6,860,000
Accrued interest payable	---	40,665	352,020
Total current liabilities - from restricted	<u>---</u>	<u>2,340,665</u>	<u>7,212,020</u>
Total current liabilities	<u>2,412,246</u>	<u>4,884,357</u>	<u>11,806,699</u>
Noncurrent liabilities:			
Accrued employee benefits	132,232	431,561	586,652
Other postemployment benefits	187,938	1,383,909	580,900
Net pension liability	387,291	2,742,594	1,846,405
Advance from other funds	---	---	---
Revenue bonds payable, net	---	37,715,289	128,944,219
General obligation bonds payable, net	---	---	5,152,126
Lease payable, net	24,442,588	---	---
Other liabilities	---	---	---
Total noncurrent liabilities	<u>25,150,049</u>	<u>42,273,353</u>	<u>137,110,302</u>
Total liabilities	<u>27,562,295</u>	<u>47,157,710</u>	<u>148,917,001</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related deferred inflows	34,338	252,856	106,137
Pension related deferred inflows	61,814	437,737	294,699
Total deferred inflow of resources	<u>96,152</u>	<u>690,593</u>	<u>400,836</u>
NET POSITION			
Net investment in capital assets	42,112,736	170,654,100	138,014,150
Restricted:			
Public housing program	---	---	---
Debt retirement	---	350,585	10,262,043
Unrestricted	2,102,238	38,100,329	32,237,828
Total net position (deficit)	<u>\$ 44,214,974</u>	<u>\$ 209,105,014</u>	<u>\$ 180,514,021</u>

The notes to the financial statements are an integral part of this statement.

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL	OTHER	TOTAL	ACTIVITIES
HOUSING	ENTERPRISE	ENTERPRISE	INTERNAL
AGENCY	FUNDS	FUNDS	SERVICE
			FUNDS
\$ 297,782	\$ 1,245,643	\$ 2,301,003	\$ 2,729,711
---	---	5,618,946	---
52,613	115,749	544,051	117,329
226,596	215,333	1,120,294	1,826,210
138,654	---	536,028	887,694
140,603	---	140,603	---
---	28,032	131,308	---
---	600,000	1,065,000	---
---	---	1,154,389	---
18,712	---	18,712	29,644
874,960	2,204,757	12,630,334	5,590,588
---	---	9,160,000	---
---	---	392,685	---
---	---	9,552,685	---
874,960	2,204,757	22,183,019	5,590,588
125,318	365,610	1,641,373	361,256
563,815	837,179	3,553,741	956,777
1,109,056	1,878,809	7,964,155	1,969,775
---	2,448,523	2,448,523	---
---	1,065,538	167,725,046	---
---	11,210,000	16,362,126	---
---	---	24,442,588	---
254,128	---	254,128	---
2,052,317	17,805,659	224,391,680	3,287,808
2,927,277	20,010,416	246,574,699	8,878,396
103,015	152,962	649,308	174,814
177,013	299,871	1,271,134	314,390
280,028	452,833	1,920,442	489,204
7,599,079	2,028,376	360,408,441	16,146,699
1,655,186	---	1,655,186	---
---	---	10,612,628	---
2,679,067	(3,679,892)	71,439,570	16,824,220
\$ 11,933,332	\$ (1,651,516)	\$ 444,115,825	\$ 32,970,919



**CITY OF DES MOINES, IOWA
RECONCILIATION OF THE ENTERPRISE FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2023**

Net position of enterprise funds \$ 444,115,825

Amounts reported for proprietary activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.

(18,934,286)

Net position of business-type activities \$ 425,181,539

The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
Operating revenues:			
Charges for sales and services	\$ 11,108,498	\$ 47,897,857	\$ 32,653,398
Intergovernmental	---	---	---
Miscellaneous	30	23,797	3,171
Total operating revenues	<u>11,108,528</u>	<u>47,921,654</u>	<u>32,656,569</u>
Operating expenses:			
Personal services	1,225,339	4,949,252	7,278,756
Contractual services	4,949,500	22,140,362	640,202
Commodities	264,140	669,252	3,798,164
Depreciation	4,258,498	5,270,966	5,060,133
Other charges	1,539,013	5,527,391	3,204,551
Total operating expenses	<u>12,236,490</u>	<u>38,557,223</u>	<u>19,981,806</u>
Operating income (loss)	<u>(1,127,962)</u>	<u>9,364,431</u>	<u>12,674,763</u>
Non-operating revenues (expenses):			
Investment earnings	148,692	1,231,041	3,396,212
Proceeds from damage claims	---	---	---
Interest expense and fiscal charges	(1,197,560)	(535,580)	(3,493,072)
Gain (loss) on disposal of capital assets	---	---	---
Total nonoperating revenues (expenses)	<u>(1,048,868)</u>	<u>695,461</u>	<u>(96,860)</u>
Income (loss) before transfers, capital grants and contributions	(2,176,830)	10,059,892	12,577,903
Capital grants and contributions	30,000	489,103	403,715
Transfers in	800,000	2,090,644	4,403,991
Transfers out	---	(2,883,855)	(1,073,512)
Change in net position	(1,346,830)	9,755,784	16,312,097
Total net position - beginning	<u>45,561,804</u>	<u>199,349,230</u>	<u>164,201,924</u>
Total net position - ending	<u>\$ 44,214,974</u>	<u>\$ 209,105,014</u>	<u>\$ 180,514,021</u>

The notes to the financial statements are an integral part of this statement.

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL	OTHER	TOTAL	ACTIVITIES
HOUSING	ENTERPRISE	ENTERPRISE	INTERNAL
AGENCY	FUNDS	FUNDS	SERVICE
			FUNDS
\$ 1,665,701	\$ 16,450,290	\$ 109,775,744	\$ 57,177,829
20,969,757	---	20,969,757	---
---	90,118	117,116	3,872
<u>22,635,458</u>	<u>16,540,408</u>	<u>130,862,617</u>	<u>57,181,701</u>
3,145,608	5,291,237	21,890,192	5,351,140
20,304,080	9,276,515	57,310,659	36,406,264
---	274,260	5,005,816	6,507,896
1,056,872	746,988	16,393,457	5,279,608
---	849,899	11,120,854	163,844
<u>24,506,560</u>	<u>16,438,899</u>	<u>111,720,978</u>	<u>53,708,752</u>
<u>(1,871,102)</u>	<u>101,509</u>	<u>19,141,639</u>	<u>3,472,949</u>
211,448	512,132	5,499,525	---
---	16,467	16,467	---
---	(204,987)	(5,431,199)	---
---	18,779	18,779	110,116
<u>211,448</u>	<u>342,391</u>	<u>103,572</u>	<u>110,116</u>
(1,659,654)	443,900	19,245,211	3,583,065
1,365,456	700	2,288,974	---
---	---	7,294,635	---
---	---	(3,957,367)	---
<u>(294,198)</u>	<u>444,600</u>	<u>24,871,453</u>	<u>3,583,065</u>
<u>12,227,530</u>	<u>(2,096,116)</u>	<u>419,244,372</u>	<u>29,387,854</u>
<u>\$ 11,933,332</u>	<u>\$ (1,651,516)</u>	<u>\$ 444,115,825</u>	<u>\$ 32,970,919</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE CHANGE IN NET POSITION OF
ENTERPRISE FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Net changes in net position in enterprise funds	\$ 24,871,453
Amounts reported for proprietary activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with business-type activities.	<u>(697,790)</u>
Change in net position of business-type activities	<u><u>\$ 24,173,663</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2023

	BUSINESS-TYPE ACTIVITIES -		
	PARKING	SEWER SYSTEM	STORMWATER UTILITY
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 11,106,317	\$ 49,831,856	\$ 33,540,632
Receipts from interfund services provided	---	---	---
Payments to suppliers	(6,812,213)	(28,315,295)	(7,662,218)
Payments to employees	(1,390,972)	(6,051,784)	(7,923,223)
Receipts from miscellaneous revenue	---	---	3,171
Payments for interfund services used	---	---	---
Net cash provided by (used in) operating activities	<u>2,903,132</u>	<u>15,464,777</u>	<u>17,958,362</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	(394,765)	---	---
Proceeds from interfund accounts	---	---	---
Transfers In	800,000	2,090,644	4,403,991
Transfers Out	---	(2,883,855)	(1,073,512)
Intergovernmental receipts	---	---	---
Net cash provided by (used in) Noncapital financing activities	<u>405,235</u>	<u>(793,211)</u>	<u>3,330,479</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	30,000	---	---
Interest paid on capital debt	(1,202,313)	(522,587)	(4,440,689)
Principal paid on long-term debt and leases	(1,099,215)	(2,209,000)	(7,027,000)
Proceeds from issuance of revenue bonds and notes from direct borrowings	---	12,663,830	18,783,008
Proceeds from premium on revenue bonds	---	---	1,208,635
Proceeds from damage claims	---	---	---
Proceeds from sale of capital assets	---	---	---
Acquisition and construction of capital assets	(681,082)	(14,993,721)	(33,616,338)
Net cash provided by (used) by capital and related financing activities	<u>(2,952,610)</u>	<u>(5,061,478)</u>	<u>(25,092,384)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	---	---	73,065,870
Purchase of investments	---	---	(78,365,267)
Interest and dividends received	148,692	1,231,041	3,263,517
Net cash provided by investing activities	<u>148,692</u>	<u>1,231,041</u>	<u>(2,035,880)</u>
Net increase (decrease) in cash and cash equivalents	504,449	10,841,129	(5,839,423)
Cash and cash equivalents, beginning of year	6,394,567	28,278,503	24,688,403
Cash and cash equivalents, end of year	<u>\$ 6,899,016</u>	<u>\$ 39,119,632</u>	<u>\$ 18,848,980</u>

			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
\$ 23,626,025	\$ 16,541,938	\$ 134,646,768	\$ 47,373,723
---	---	---	10,795,190
(20,125,855)	(9,970,550)	(72,886,131)	(42,382,083)
(3,452,165)	(5,951,343)	(24,769,487)	(5,748,518)
---	---	3,171	---
---	---	---	(335,708)
48,005	620,045	36,994,321	9,702,604
---	---	(394,765)	46,684
---	(160,034)	(160,034)	---
---	---	7,294,635	---
---	---	(3,957,367)	---
---	---	---	(437)
---	(160,034)	2,782,469	46,247
1,365,456	700	1,396,156	---
---	(365,881)	(6,531,470)	---
---	(590,000)	(10,925,215)	---
---	---	31,446,838	---
---	---	1,208,635	---
---	16,467	16,467	---
---	18,779	18,779	110,116
(1,016,228)	---	(50,307,369)	(4,655,529)
349,228	(919,935)	(33,677,179)	(4,545,413)
---	---	73,065,870	---
---	---	(78,365,267)	---
211,448	512,132	5,366,830	---
211,448	512,132	67,433	---
608,681	52,208	6,167,044	5,203,438
5,801,012	13,293,332	78,455,817	18,296,175
\$ 6,409,693	\$ 13,345,540	\$ 84,622,861	\$ 23,499,613

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018

	BUSINESS-TYPE ACTIVITIES -		
	PARKING	SEWER SYSTEM	STORMWATER UTILITY
Reconciliation of cash and cash equivalents to specific assets on the combined statement of net position:			
Unrestricted cash and investments	\$ 3,899,016	\$ 38,768,035	\$ 18,135,421
Restricted cash and investments - current	---	351,597	713,559
Restricted cash and investments - noncurrent	---	---	33,724,650
Less items not meeting the definition of cash equivalents	---	---	(33,724,650)
Cash and cash equivalents, end of year	<u>3,899,016</u>	<u>39,119,632</u>	<u>18,848,980</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	<u>\$ (1,127,962)</u>	<u>\$ 9,364,431</u>	<u>\$ 12,674,763</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	4,258,498	5,270,966	5,060,133
(Increase) decrease in accounts and taxes receivable	(1,252)	(218,226)	(98,970)
(Increase) decrease in due from other governmental units	(960)	2,128,428	986,204
Increase in inventories	---	---	---
(Increase) decrease in prepaid items	(14,727)	(2,208)	(4,981)
Increase (decrease) in accounts and contracts payable	(59,559)	23,918	(14,320)
Increase in accrued wages payable	44,507	(226,524)	(266,278)
Increase (decrease) in accrued employee benefits and other postemployment benefits	(101,498)	(13,195)	(207,396)
Decrease in due to other governmental units	---	---	---
Decrease in other liabilities, self-sufficiency participation and tenant security deposits	---	---	---
Increase (decrease) in deferred outflows	9,241	38,624	(85,960)
Decrease in deferred inflows	(476,607)	(3,540,084)	(1,874,675)
Increase in net pension liability	373,451	2,638,647	1,789,842
Total adjustments	<u>4,031,094</u>	<u>6,100,346</u>	<u>5,283,599</u>
Net cash provided by (used in) operating activities	<u>\$ 2,903,132</u>	<u>\$ 15,464,777</u>	<u>\$ 17,958,362</u>
Schedule of noncash investing and financing activities:			
Increase (decrease) in fair value of investments	\$ ---	\$ ---	\$ (132,695)
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	\$ ---	\$ ---	\$ ---
Payments on accounts or contracts payable for acquisition of capital assets	---	(179,804)	(1,085,118)
Capital assets contributed	---	489,103	403,715

The notes to the financial statements are an integral part of this statement.

			GOVERNMENTAL ACTIVITIES	
<u>MUNICIPAL HOUSING AGENCY</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTALS</u>	<u>INTERNAL SERVICE FUNDS</u>	
\$ 4,754,507	\$ 13,345,540	\$ 78,902,519	\$	23,499,613
---	---	1,065,156	---	---
1,655,186	---	35,379,836	---	---
---	---	(33,724,650)	---	---
<u>6,409,693</u>	<u>13,345,540</u>	<u>81,622,861</u>	<u>---</u>	<u>23,499,613</u>
<u>\$ (1,871,102)</u>	<u>\$ 1,775,867</u>	<u>\$ 20,815,997</u>	<u>\$</u>	<u>3,472,949</u>
1,056,872	746,988	16,393,457	5,279,608	5,279,608
97,953	12,546	(207,949)	1,241,865	1,241,865
939,669	(11,016)	4,042,325	(247,803)	(247,803)
---	---	-	(26,428)	(26,428)
34,123	134	12,341	(92,106)	(92,106)
178,225	429,990	558,254	1,002,316	1,002,316
(89,613)	(232,977)	(770,885)	(165,164)	(165,164)
59,604	(1,660,723)	(1,923,208)	(244,801)	(244,801)
14,996	---	14,996	---	---
(98,142)	---	(98,142)	---	---
(16,866)	(13,164)	(68,125)	(19,598)	(19,598)
(1,327,277)	(2,240,114)	(9,458,757)	(2,397,004)	(2,397,004)
1,069,563	1,812,514	7,684,017	1,898,770	1,898,770
<u>1,919,107</u>	<u>(1,155,822)</u>	<u>16,178,324</u>	<u>6,229,655</u>	<u>6,229,655</u>
<u>\$ 48,005</u>	<u>\$ 620,045</u>	<u>\$ 36,994,321</u>	<u>\$</u>	<u>9,702,604</u>
\$ ---	\$ ---	\$ (132,695)	\$	---
\$ ---	\$ 18,779	\$ 18,779	\$	110,116
---	---	(1,264,922)	---	---
---	---	892,818	---	---

CITY OF DES MOINES, IOWA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
June 30, 2023

	<u>WATER RECLAMATION AUTHORITY</u>
ASSETS	
Cash	\$ 34,328,131
Investments	27,588,584
Receivables	10,725,222
Prepays	209,569
Capital assets, net of depreciation	<u>667,483,487</u>
Total assets	<u>740,334,993</u>
LIABILITIES	
Accounts payable	11,914,037
Accrued employee expenses	2,369,083
Accrued interest payable	730,800
Bonds payable	<u>417,956,149</u>
Total liabilities	<u>432,970,069</u>
Deferred Inflows of Resources , deferred charge on refunding	719,482
NET POSITION (DEFICIT)	
Restricted for other governments	<u>306,645,442</u>
Total net position (deficit)	<u><u>\$ 306,645,442</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF DES MOINES, IOWA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
For the Fiscal Year Ended June 30, 2023

	<u>WATER RECLAMATION AUTHORITY</u>
Additions:	
Charges for sales and services	\$ 63,203,094
Sales tax	1,861,693
Investment earnings	2,189,080
Gain on disposal of capital assets	38,030
Total additions	<u>67,291,897</u>
Deductions:	
Payments to suppliers & employees	27,146,554
Interest expense and fiscal charges	9,356,450
Depreciation	26,585,820
Total operating expenses	<u>63,088,824</u>
Operating income (loss)	<u>4,203,073</u>
Change in net position	4,203,073
Total net position (deficit) - beginning	<u>302,442,369</u>
Total net position (deficit) - ending	<u><u>\$ 306,645,442</u></u>

The notes to the financial statements are an integral part of this statement.



CITY OF DES MOINES, IOWA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The City of Des Moines is located in Polk County and was first incorporated as a town in 1851 and as a city in 1857 under the laws of the State of Iowa. The City operates under the council-manager-ward form of government.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the City has considered all potential organizations for which the nature and significance of their relationships 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 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 discretely presented component units discussed below are included in the City's reporting entity because of the nature and significance of their relationship with the City and the ongoing financial support. The component units are discretely presented and reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

The Des Moines Public Library Foundation (Foundation) has a December 31st year-end. The Foundation is a non-profit community foundation founded to provide financial support to the Public Library of Des Moines by fund raising from the private sector, by indirectly supporting library advocacy groups, and by fostering innovative public and private collaboration. Money raised by the Foundation serves to enhance the operating budget of the public library by enhancing its collections, facilities and services, both traditional and technological, beyond what tax dollars provide. The Foundation is presented as a discretely presented component unit as it meets the requirements of GASB Statement No. 39, misleading to exclude. The Foundation publishes its own annual financial report, which is available at their office 1000 Grand Avenue, Des Moines, IA 50309.

The Des Moines Airport Authority (the Authority) has a December 31st year-end. The Authority is responsible for the operation of the Des Moines International Airport and was established on November 1, 2011 pursuant to Section 330A of Iowa Code. A five-

member board governs the Authority and is appointed by the Des Moines City Council. Upon dissolution of the Authority, all assets, deferred outflows of resources, liabilities and deferred inflows of resources would revert back to the City. The Authority publishes its own annual financial report, which is available at their office at 5800 Fleur Drive, Des Moines, Iowa 50321.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part, the effect of inter-fund activity has been removed from these statements. However, inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

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

(1) Governmental Fund Types

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

The following comprise the City's major governmental funds:

(a) General Fund

The General Fund is the general operating fund 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, parks, cemetery, library, and recreation programs, are accounted for in this fund.

The following accounts are included in this fund:

General - To account for those resources funding traditional government functions not related to minor other activity detailed below.

Other General - To account for several minor general fund activities not material enough to disclose separately (i.e. Benchmarking and City-wide Training, City match of Federal Police grant, and Employee Wellness Program).

(b) Tax Increment Fund

The Tax Increment Fund, a special revenue fund, accounts for receipt of property taxes allocated to various tax increment financing districts and used to pay the principal and interest on tax increment debt.

(c) Debt Service Fund

The Debt Service Fund is used to account for the funding and payment of interest and principal of general obligation and tax increment debt of the City.

(d) Capital Projects Fund

The Capital Projects Fund is 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 proprietary funds.

The following accounts are included in this fund:

Bridge Projects - To account for funding and construction of bridge projects.

Fire Protection Projects - To account for funding and construction for improvements to the City's fire stations and the acquisition of major firefighting apparatus.

Library Projects - To account for funding and construction of major projects in the City's Library System.

Municipal Buildings Projects - To account for funding, construction, and improvements to municipal buildings not financed by enterprise operations.

Park Improvement Projects - To account for funding and construction for major projects related to improvements to the City's Parks System.

Other Capital Projects - To account for projects that don't fit into one of the other categories but require significant capital investment to complete, such as technology and environmental projects.

Special Assessment Projects - To account for the collection of special assessment revenue utilized in major construction projects including streets, sidewalks, and sewers that provide benefit to particular property owners.

Street Projects - To account for funding and construction of street, traffic control, and sidewalk projects.

Urban Renewal Projects - To account for funding and construction of urban renewal projects.

(e) Benefit Tax Accounts Fund

Benefit Tax Accounts Fund, a special revenue fund, is used to account for the receipt and disbursement of property taxes generated by the trust and agency levy. The purpose of this portion of the levy is to fund employers' share of costs for pensions and retirement systems.

(g) Local Option Sales Tax

Local Option Sales Tax Fund, a special revenue fund, is used to account for the receipt and disbursement of local option sales tax revenue generated by a one-cent tax on taxable purchases within City limits. The tax was approved by voters on March 5, 2019 and is designated by City Council action to be used for property tax relief (50%) and other lawful purposes of the City (50%).

(h) American Rescue Plan

American Rescue Plan, a special revenue fund, is used to account for the receipt and disbursement of funds awarded through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan Act of 2021. The City received \$94.80 million in total, and must have those funds obligated by December 31, 2024 and fully spent by December 31, 2026.

The other governmental funds of the City are considered non-major and are as follows:

Special revenue funds are used to account for revenues derived from specific sources, which are usually required by law or regulation to be accounted for in separate funds.

The following non-major funds are included in this fund type:

Community Development Block Grant (CDBG) - To account for the Community Development Block Grant Program administered by the U.S. Department of Housing and Urban Development.

Community Services - To account for the administration of federal programs designed to provide various services to the City's elderly and low to moderate income residents.

Other Employee Benefits - To account for the receipt and disbursement of property taxes generated by the trust and agency levy. The purpose of this portion of the levy is to fund employers' share of costs of employee benefits that are not related to pensions or retirement.

Road Use Tax - To account for state revenues allocated to the City for maintenance and improvement of City streets.

Other Special Revenue - To account for several minor special revenue activities not material enough to disclose separately.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. The following non-major funds are included in this fund type:

Permanent Cemetery Maintenance - Accounts for the fees collected for cemetery maintenance and related disbursements.

Swartzell Endowment - Accounts for the principal and interest earnings of the trust, established to fund the cost of perennial plantings and public beautification projects.

Weise Bird Habitats - Accounts for the funds bequeathed to the City under the will of Ruth E. Weise, to be used for the planting, cultivation, and preservation of trees and shrubs, and nesting, feeding habitats, and stations for birds in City parks.

(2) Proprietary Fund Types

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of the City's facilities and services which are supported primarily by user charges.

The following comprise the City's major enterprise funds:

- (a) **Stormwater Utility Fund** - To account for the operation and maintenance of the City's Stormwater Utility.
- (b) **Parking Facilities System Fund** - To account for the operation and maintenance of the City's on and off-street public parking facilities, except for those facilities operated by the Des Moines Airport Authority.
- (c) **Sewer System Fund** - To account for the operation and maintenance of the City's Sanitary Sewer System.
- (d) **Municipal Housing Agency Fund** - To account for operations of the Federal Section 8 Rent Payment Assistance Program and low-income housing projects. This fund is major for public purposes.

The other enterprise funds of the City are considered non-major and are as follows:

Golf Courses - To account for the operation and maintenance of the City's three golf courses: Waveland, Grandview, and A.H. Blank.

Solid Waste System - To account for the operation and maintenance of the City's Solid Waste Collection System.

Internal service funds are used to finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

The following funds are included in this fund type:

Central Services - To provide telephone services and miscellaneous field supplies to City departments.

Equipment Replacement - To finance the replacement of automotive equipment, as necessary. The automotive equipment is initially acquired by the various user departments.

Equipment Service Center - To provide maintenance and repair services for City automotive equipment.

Forestry - To provide ground maintenance to other departments.

Group Health Insurance - Accounts for City contributions, employee contributions, and self-insurance and health care cost of various health benefit plans.

Radio Communications - To provide maintenance and repair services for radio equipment.

Radio Replacement - To finance the replacement of radio equipment, as necessary. The radio equipment is initially acquired by the various user departments.

(3) Fiduciary Fund Types

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds.

Custodial Funds

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The City currently only reports custodial funds in its fiduciary fund types.

The following fund is included in this fund type:

Wastewater Reclamation Authority (WRA) - The City acts as the operating agency for the WRA, a joint venture of the City and surrounding municipalities. In this capacity, based on the operating agreement, the City holds the WRA's assets and liabilities and provides its general accounting and treasury operations.

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, with the exception of property taxes which is 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liabilities, other postemployment benefits and claims and judgments, leases, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as

guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to the purpose of expenditure, and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual and availability criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility and ambulance), and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. In the category of use of money and property, property rentals are recorded as revenue when received in cash, but investment earnings are recorded as earned, since they are measurable and available.

Property taxes are recognized as a receivable at the time an enforceable legal claim is established. This is determined to occur when the budget is certified. The tax receivable represents unpaid taxes from the current year and the 2023 levy as based on the 2021 assessed valuations. The tax lien date is January 1, 2022. As the levy is intended for use in the 2024 fiscal year, the revenue has been recorded as a deferred inflow of resources. Taxes are levied on July 1 and are payable in two installments on September 30 and March 31. Tax payments become delinquent on October 1 and April 1. The County Treasurer bills and collects property taxes for the City. Property taxes are considered available if received within 60 days of year-end.

The City is permitted by the *Code of Iowa* to levy taxes up to \$8.10 per \$1,000 of assessed valuation for General Fund purposes, \$0.27 per \$1,000 of assessed valuation for an Emergency Fund to assist in the funding of General Fund activities, and unlimited amounts for the payment of principal and interest on general obligation bonds, judgments awarded against the City, costs associated with pension and related employee benefits, and to pay the premium costs on tort liability insurance. The combined tax rate for the collection year ended June 30, 2023 was \$16.61 per \$1,000 of assessed valuation.

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

E. Budgetary and Legal Appropriation and Amendment Policies

As allowed by GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences, the City presents budgetary comparison schedules as required

supplementary information based on the program structure of ten functional areas as required by state statute for its legally adopted budget.

F. Encumbrances

Appropriations in the governmental funds are charged for encumbrances when commitments are made. At year-end, the encumbrances roll forward but the related budget for them does not.

G. Cash and Pooled Cash Investments

Except where otherwise required, the City maintains all deposits in a bank account in the name of the City. These deposits are invested on a short-term basis with interest income being recorded in the General Fund, except for interest income allocated to enterprise funds and where specifically required by law to be recorded in other funds.

The balance reported in each fund represents an equity interest in the commingled pool of cash, which is under the management of the City Treasurer.

H. Investments

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants.

I. Statement of Cash Flows

For purposes of the statement of cash flows for proprietary fund types, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

J. Loans Receivable

Loans receivable consist primarily of low and non-interest bearing loans. The City receives federal funds from the U.S. Department of Housing and Urban Development as part of the Community Development Block Grant, which allows the City to provide loans at below-market-rates to eligible corporations and individuals to finance urban and community development. Loans are carried at the amount of unpaid principal. Management records allowances for estimated uncollectible amounts based on historic information and review of outstanding amounts. As of June 30, 2023, the allowance for uncollectible amounts was \$4,161,311. As of June 30, 2023, the City also had approximately \$5,224,000 of loans outstanding which, due to the terms and nature of the agreements, are expected to be forgiven in the future and are, therefore, not recorded in the statement of net position but are expensed at the time of disbursement.

K. Inventories and Prepaid Items

Inventories are reported at cost and consist of consumable supplies. The cost of these supplies is recorded as an expense at the time they are consumed using the consumption

method. Inventories are determined by actual count and priced on the first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are expensed as the underlying service is consumed.

L. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City of Des Moines as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Prior to fiscal year 2018, interest costs associated with constructed assets were capitalized as part of the cost of the asset. As a result of the adoption of GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of the Construction Period, no interest costs were capitalized in the current year and none will be capitalized going forward.

Capital assets are depreciated using the half-year convention depreciation method (straight-line depreciation with a half-year taken the first year and the last year) over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements Other than Buildings:	
Bridges	60
Infrastructure Systems	50
Skywalks	40
Bridge Improvements	30
Flood Control	30
Infrastructure Improvements	20
Machinery and Equipment:	
Equipment	3-15
Vehicles	3-5

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

M. Deferred Inflows/Outflows of Resources

Deferred inflows of resources: In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from four sources: leases, property taxes, special assessments, and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements, the property tax revenues remain under the modified accrual basis of accounting and will become an inflow in the year for which the taxes are levied and budgeted for. In addition, the unamortized portions of deferred inflows related to the net pension liability and other postemployment benefits are also included in the City's and Authority's government-wide statements.

Deferred outflows of resources: In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority, a discretely presented component unit, has three items that qualified for reporting in this category, in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In the City's and Authority's government-wide statements, pension related deferred outflows consists of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. Additionally, the City and Authority both recognize deferred inflows due to other postemployment benefit related items not yet charged to expense.

N. Inter-fund Transactions

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

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

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

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental

activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and enterprise funds. In the General fund the advance is offset equally by a fund balance nonspendable amount which indicates that they do not constitute expendable financial resources, and therefore, are not available for appropriation.

O. Compensated Absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, death, or retirement. Sick leave is payable when used, or upon death or retirement. If paid upon death or retirement, the total accumulated hours are paid at one-half of the then effective hourly rate for that employee, with a maximum of 750 hours per employee.

For the government-wide financial statements, and the proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

P. 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.

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

Committed: Amounts which can be used only for the specific purpose pursuant to constraints formally imposed by the City Council through 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 it employed to commit those funds.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. It is the City's policy that the authority to assign fund balance has been delegated by City Council to the City Manager and the Finance Director, through the adoption of the budget.

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

unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

Q. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. The portion of the debt related to unspent proceeds is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consists of \$17,538,321 for debt service and \$22,395,325 for road use. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

As of June 30, 2023, the governmental activities had unspent bond proceeds of \$98,074,627. The City also had unspent bond proceeds of \$7,818,760 in the Stormwater Utility fund.

R. Use of Estimates

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

S. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens in the General Fund, Capital Projects Fund, and other non-major governmental funds. Accounts receivable in the proprietary funds result from providing services specific to the operations of the fund. As of June 30, 2023, there was no allowance for doubtful accounts. The City had written off \$1,780,212 due from the DMWW Foundation for their share of the Ruan Connector.

T. Long-Term Obligations

In the government-wide and proprietary fund type financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed at the time of debt issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are an expenditure when incurred.

U. Pensions

The net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System and the Municipal Fire and Police Retirement System (Systems') and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems'. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The pension liability related to governmental activities are generally liquidated by the General Fund, whereas amounts related to proprietary activities are liquidated through the fund recognizing the liability.

V. Total OPEB Liability

For purposes of measuring the total other postemployment benefit (OPEB) liability, deferred inflows of resources related to OPEB and OPEB expense, information has been based on the actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The OPEB liability related to governmental activities are generally liquidated by the General Fund, whereas amounts related to proprietary activities are liquidated through the fund recognizing the liability.

W. Leases

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term. The corresponding deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

As lessee, the City recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying leased asset. The threshold for determining long-term leases is a net present value of future payments in excess of \$100,000. The net present value of future lease payments is determined by using an estimated borrowing rate based on the City's bond rating and the duration of the lease. Payments are applied first

to accrued interest and then to the lease liability. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues). Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

X. Subscription-Based Information Technology Agreements (SBITAs)

As lessee, for noncancelable SBITAs for the right-to-use information technology software, the City initially measures the subscription liability as the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The right-to-use subscription asset is initially measured at the initial amount of the subscription IT liability, less subscription payments at or before the subscription commencement date, less any vendor incentives received. The right-to-use asset is offset by accumulated amortization which is expensed on a straight-line basis over the useful life of the asset.

2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2023:

<u>FUND TYPE</u>	<u>INDIVIDUAL FUND</u>	<u>DEFICIT FUND BALANCES</u>	<u>DEFICIT NET POSITION</u>
Governmental	Special Revenue, CDBG	\$ 36,443	\$ -
Governmental	Special Revenue, Community Service	364,229	-
Proprietary	Enterprise, Golf	-	410,843
Proprietary	Enterprise, Solid Waste System	-	1,240,673
Proprietary	Internal Service, Equipment Service Center	-	1,425,484
Proprietary	Internal Service, Forestry	-	1,725,544

The individual fund balance deficits will be eliminated by future taxes, intergovernmental revenue and fees for services.

3. Cash and Pooled Cash Investments and Investments

The City maintains a cash and investment pool that is available for use by all funds, where the resources have been pooled in order to maximize investment opportunities. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and investments." Investment income is allocated to the various funds based on their respective participation and in accordance with accounting principles generally accepted in the United States of America. In addition, investments are separately held by several of the City's funds.

The Library Foundation has an endowment fund. As of December 31, 2022, the balance of \$3,466,110 is in money market funds, U.S. government agencies, and mutual funds.

A. Authorized Investments

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved pursuant to Chapter 12C, Code of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. However, the City's investment policy additionally limits investments in commercial paper to obligations at the time of purchase rated within the two highest ratings, issued by nationally recognized statistical rating organizations with a maturity less than 270 days, provided that at the time of purchase no more than 10% of the investment portfolio be invested in commercial paper and no more than 5% of the investment portfolio shall be invested in securities of a single issuer. It also limits investments in prime bankers' acceptances to those that mature within 270 days and that are eligible for purchase by a federal reserve bank, provided that at the time of purchase no more than 5% of the investment portfolio shall be invested in the securities of a single issuer.

B. Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2023:

<u>Security Description</u>	<u>Current Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
Commercial Paper Total	\$ 19,778,684	\$ 19,778,684	\$ -	\$ -
FFCB Total	14,626,546	11,461,746	3,164,800	-
FHLB Total	77,905,529	23,639,028	54,266,501	-
FHLB Discount Total	126,061,025	126,061,025	-	-
FHLMC Total	11,485,595	-	11,485,595	-
FNMA Total	2,879,587	-	2,879,587	-
FNMA Discount Total	39,211,700	39,211,700	-	-
Treasury Note Total	10,562,029	9,734,200	827,829	-
Grand Total	\$ 302,510,695	\$ 229,886,383	\$ 72,624,312	\$ -

The above table includes the investments of the WRA, a custodial fund, of \$27,588,584.

C. Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's policy requires money market funds to have a rating of AAAm-g1, AAA-m or AA-m by Standard & Poor's and Aaa, Aa1 or Aa2 if rated by Moody's. Commercial paper must be rated "Prime-1" by Moody's and "A-1" or better by Standard & Poor's at time of purchase.

As of June 30, 2023, the City's investments were rated as follows:

<u>Security Description</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
Commercial Paper	Prime-1	A-1
Federal Farm Credit	Aaa	AA+
FHLB	Aaa	AA+
FHLMC	Aaa	AA+
FNMA	Aaa	AA+

D. Concentration of Credit Risk

The City's investment policy seeks diversification to reduce overall portfolio risk while attaining benchmark average rates of return to meet all anticipated cash requirements. The policy requires that, with the exception of U.S. Treasury securities, no more than 50% of the City's total investment portfolio will be invested in a single security type, and no more than 25% with a single financial institution. The Finance Director/Treasurer will invest in securities with varying maturities. Certificates of deposit will be limited to the amount approved by City Council for each financial institution in accordance with

Chapter 12C of the Code of Iowa. Prime bankers' acceptances and commercial paper are limited as explained under authorized investments, above. More than 5% of the City's investments are in FHLB (14%) and Treasuries (67%) respectively. The City's investments are in accordance with these policies regarding diversification.

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12C of the Code of Iowa requires all City funds be deposited into an approved depository and be either insured or collateralized. At June 30, 2023, the City's deposits were held in banks within the state of Iowa and covered by the state sinking fund per Section 12C.25 of the Code of Iowa. At June 30, 2023, \$302,510,695 of City investments were uninsured and unregistered securities held in trust at the City's primary bank.

F. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs - other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly examples as follows:

- Quoted prices for similar assets or liabilities in active market
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability, such as the following:
 - Interest rates and yield curves observable at commonly quoted intervals
 - Implied volatilities
 - Credit spreads

Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Investments by fair value level	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
US Treasury Securities	\$ 10,562,029	\$ —	\$ 10,562,029	\$ —
US Agency Securities	272,169,983	160,459,225	111,710,758	—
Commercial Paper	19,778,683	—	19,778,683	—
Total	\$ 302,510,695	\$ 160,459,225	\$ 142,051,470	\$ —

The City utilized the following level 2 inputs to determine fair value:

U.S. Treasury and Agency Securities: U.S. Government securities are reported at fair value based on a bullet (non-call) spread scale for each issuer for maturities going out to forty years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes. An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A special cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

Commercial Paper: Investments in commercial paper are valued based on pricing for similar or identical assets traded in relatively inactive markets.

A reconciliation of cash and investments as shown on the financial statements of the City follows:

Cash and equivalents	\$ 277,189,218
Investments	302,510,695
	<u>\$ 579,699,913</u>

Current assets:

Unrestricted Cash and investments	\$ 475,632,775
Restricted cash and investments	1,331,212

Noncurrent assets:

Restricted cash and investments	40,819,211
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Fiduciary funds:

Cash and investments	61,916,715
	<u>\$ 579,699,913</u>

4. Joint Venture

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority joint venture. This joint venture provides primary and secondary treatment of the sewer flows of the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004 with the second amended and restated agreement becoming effective on June 11, 2014. This agreement amended and restated the previous Integrated Community Area (I.C.A.) these agreements provide continued operation, improvements, and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board. The WRA Agreement also creates an independent governance structure, establishes an independent bonding authority for the WRA, and provides a framework for additional communities to participate.

The City retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of bonds issued during the time the entity was a participating community are still outstanding.

The WRA Sewer Revenue Bonds Series 2015E and 2021A include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities. The WRA Agreement requires the debt service on these bonds to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2023, the Series 2015E bonds had a balance of \$23,115,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$5,620,504. As of June 30, 2023, the Series 2021A bonds had a balance of \$33,020,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$8,672,708.

The State Revolving Loans are allocated based on the WRA flows of the participating communities. As of June 30, 2023, the WRA had \$358,643,300 in State Revolving Loans with allocation governed by the WRA Agreement, of which \$122,718,322 future principal debt service is a commitment of the City of Des Moines.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation would be paid.

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

Condensed financial information of the joint venture as of June 30, 2023 is as follows:

Statement of Net Position

Current assets	\$ 63,609,146
Noncurrent assets	676,725,847
Total assets	<u>\$ 740,334,993</u>
Current liabilities	\$ 35,460,982
Noncurrent liabilities	397,509,087
Total liabilities	<u>\$ 432,970,069</u>
Deferred inflow of resources	<u>\$ 719,482</u>
Net position:	
Net investment in capital assets	\$ 237,946,551
Restricted	24,724,178
Unrestricted	43,974,713
	<u>\$ 306,645,442</u>

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues	\$ 63,203,094
Operating expenses	53,732,374
Operating income	<u>9,470,720</u>
Nonoperating, net	(5,267,647)
Change in net position	<u>\$ 4,203,073</u>

Statement of Cash Flows

Cash provided by operating activities	\$ 37,194,904
Cash (used in) investing activities	(5,871,399)
Cash (used in) capital and related financing activities	(39,585,971)
Increase in cash and pooled cash	<u>\$ (8,262,466)</u>

5. Leases

City as lessor: the City leases buildings and land to various third parties. These leases have terms between 20 and 50 years with payment terms ranging from monthly to annual. Total inflows by fund for the year ending June 30, 2023 were:

	General	Capital Projects	Total
Lease revenue	182,043	14,696	196,739
Interest income	69,086	3,119	72,205

Future principal and interest receipts on the lease assets as of June 30, 2023 are summarized below:

YEAR	General Fund		Capital Projects	
	Principal	Interest	Principal	Interest
2024	\$ 182,043	68,126	\$ 14,696	2,935
2025	182,043	66,455	14,696	2,747
2026	182,043	64,678	14,696	2,558
2027	182,043	62,790	14,696	2,365
2028	182,043	60,786	14,696	2,170
2029-2033	910,215	269,526	73,479	7,821
2034-2038	810,708	203,386	61,942	2,503
2039-2043	803,600	123,617	-	-
2044-2048	407,469	45,799	-	-
2049-2053	37,653	37,102	-	-
2054-2058	37,653	34,485	-	-
2059-2063	37,653	31,637	-	-
2064-2068	37,653	28,539	-	-
2069-2073	37,653	25,167	-	-
2074-2078	37,653	21,497	-	-
2079-2083	37,653	17,504	-	-
2084-2088	37,653	13,158	-	-
2089-2093	37,653	8,430	-	-
2094-2098	37,653	3,284	-	-
Totals	\$ 4,218,737	\$ 1,185,966	\$ 208,901	\$ 23,099

City as lessee: the City leases buildings and land improvements from various third parties. These leases have terms between 20 and 50 years with payment terms ranging from monthly to annual.

As of June 30, 2023, the amount of right-to-use (leased) assets, and the related amortization expense, can be found in Note 6, Changes in Capital Assets. Additionally, a table summarizing future lease payments can be found in Note 9, Long-term Debt.

6. Changes in Capital Assets

The following summary of changes in Governmental Activity capital assets for the year ended June 30, 2023:

	BEGINNING BALANCE 7/1/2022	ADDITIONS	DELETIONS	ENDING BALANCE 6/30/2023
GOVERNMENTAL ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 152,485,725	\$ 4,771,563	\$ -	\$ 157,257,288
Construction in Progress	180,933,770	80,037,639	(67,615,387)	193,356,022
Total capital assets not being depreciated	<u>333,419,495</u>	<u>84,809,202</u>	<u>(67,615,387)</u>	<u>350,613,310</u>
Capital Assets, being depreciated or amortized:				
Buildings	302,397,602	8,456,323	-	310,853,925
Improvements Other than Buildings	1,407,984,577	71,558,897	-	1,479,543,474
Machinery and Equipment	121,868,596	5,954,334	(2,158,306)	125,664,624
Right-of-Use Buildings	1,874,083	-	-	1,874,083
Right-of-Use Improvements Other than Buildings	288,400	-	(288,400)	-
Right-of-Use Subscription Assets	-	3,667,940	-	3,667,940
Total capital assets being depreciated or amortized	<u>1,834,413,258</u>	<u>89,637,494</u>	<u>(2,446,706)</u>	<u>1,921,604,046</u>
Less accumulated depreciation and amortization for:				
Buildings	135,296,426	9,140,511	-	144,436,937
Improvements Other than Buildings	691,498,418	40,875,385	-	732,373,803
Machinery and Equipment	82,739,662	11,381,402	(2,133,305)	91,987,759
Right-of-Use Buildings	45,250	45,250	-	90,500
Right-of-Use Improvements Other than Buildings	33,665	11,134	(44,799)	-
Right-of-Use Subscription Assets	-	2,801,499	-	2,801,499
Total accumulated depreciation and amortization	<u>909,613,421</u>	<u>64,255,181</u>	<u>(2,178,104)</u>	<u>971,690,498</u>
Total capital assets, being depreciated or amortized, net	<u>924,799,837</u>	<u>25,382,313</u>	<u>(268,602)</u>	<u>949,913,548</u>
Governmental activities capital assets, net	<u>\$ 1,258,219,332</u>	<u>\$ 110,191,515</u>	<u>\$ (67,883,989)</u>	<u>\$ 1,300,526,858</u>

The following summary of changes in Business-type Activity capital assets for the year ended June 30, 2023:

	BEGINNING			ENDING
	BALANCE	ADDITIONS	DELETIONS	BALANCE
	7/1/2022			6/30/2023
BUSINESS-TYPE ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 26,592,377	\$ 3,251,020	\$ -	\$ 29,843,397
Construction in Progress	75,185,207	42,468,742	(20,851,756)	96,802,193
Total capital assets not being depreciated	101,777,584	45,719,762	(20,851,756)	126,645,590
Capital Assets, being depreciated or amortized:				
Buildings	103,149,266	2,172,340	-	105,321,606
Improvements Other than Buildings	526,284,153	23,121,830	-	549,405,983
Machinery and Equipment	27,728,152	3,134,666	(197,280)	30,665,538
Right-of-Use Buildings	29,996,021	-	-	29,996,021
Total capital assets being depreciated or amortized	687,157,592	28,428,836	(197,280)	715,389,148
Less accumulated depreciation and amortization for:				
Buildings	79,559,461	4,224,761	-	83,784,222
Improvements Other than Buildings	155,208,329	10,712,722	-	165,921,051
Machinery and Equipment	23,170,182	1,285,294	(197,279)	24,258,197
Right-of-Use Assets	170,680	170,680	-	341,360
Total accumulated depreciation and amortization	258,108,652	16,393,457	(197,279)	274,304,830
Total capital assets, being depreciated or amortized, net	429,048,940	12,035,379	(1)	441,084,318
Business-Type activities capital assets, net	\$ 530,826,524	\$ 57,755,141	\$ (20,851,757)	\$ 567,729,908

Depreciation and Amortization Expense was charged to the functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES

Public Safety	6,822,814
General Government	6,127,542
Public Works	32,280,751
Health and Social Services	
Culture and Recreation	11,235,159
Community and Economic Development	2,509,307
Internal service assets are charged to the various functions based on their useage of the assets	5,279,608
Total Depreciation Expense - Governmental Activities	<u>\$ 64,255,181</u>

BUSINESS-TYPE ACTIVITIES

Parking Facilities System	\$ 4,258,498
Sewer System	5,270,966
Stormwater Utility	5,060,133
Municipal Housing Agency	1,056,872
Solid Waste System	635,378
Golf	111,610
Total Depreciation Expense - Business-type Activities	<u>\$ 16,393,457</u>

7. Employee Retirement Systems

The City contributes to two employee retirement systems, the Iowa Public Employees Retirement System (IPERS) and the Municipal Fire and Police Retirement System of Iowa (MFPRSI). IPERS is administered by the State of Iowa. MFPRSI is governed by a nine-member Board of Trustees. Though separate and apart from state government, the Board is authorized by the state legislature, which also establishes by statute the pension and disability benefits and the System's funding mechanism. All full-time employees must participate in either IPERS or MFPRSI. As of June 30, 2023, the City had the following balances related to its pension accounts:

	IPERS	MFPRSI	Total
Net Pension Liability	\$ 39,708,284	\$ 104,100,910	\$ 143,809,194
Deferred Inflows	6,337,713	3,621,437	9,959,150
Deferred Outflows	12,978,872	25,811,514	38,790,386
Pension Benefit	458,981	5,577,061	6,036,042

A. Defined Benefit Pension Plan - Iowa Public Employees Retirement System

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

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 members first month of entitlement to the benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month 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: Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1% for regular members. 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. 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 2023, pursuant to the required rate, Regular members contributed 6.29% of pay and the City contributed 9.44% for a total rate of 15.73%.

The City's total contributions to IPERS for the year ended June 30, 2023 were \$8,746,933.

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions: At June 30, 2023, the City reported a liability of \$39,708,284 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the City's collective proportion was 1.000436% which was an increase of .012376% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension benefit of \$458,981. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,760,264	\$ (543,916)
Changes of assumptions	33,692	(949)
Net difference between projected and actual earnings on pension plan investments	—	(4,250,649)
Changes in proportion and differences between City contributions and proportionate share of contributions	2,437,983	(1,542,199)
Total deferred amounts to be recognized in pension expense in future periods	4,231,939	(6,337,713)
City contributions subsequent to the measurement date	8,746,933	—
Total deferred amounts related to pension	<u>\$ 12,978,872</u>	<u>\$ (6,337,713)</u>

\$8,746,933 reported as the deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a

reduction of the net pension liability during the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members or 5 years as follows:

Fiscal Year Ended June 30,	Pension Expense
2024	\$ (3,595,903)
2025	(2,624,349)
2026	(4,893,119)
2027	8,876,820
2028	130,777
Total	<u>\$ (2,105,774)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	2.60 percent per annum
Rates of salary increase	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term Investment rate of return	7.00 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2022 valuation were based on the result of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2014 Generational Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements were anticipated using Projection Scale MP-2017.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	20.0%	1.66%
Domestic Equity	22.0%	3.57%
International Equity	17.5%	4.79%
Private Equity	13.0%	7.57%
Private Real Assets	8.5%	3.55%
Global Smart Beta Equity	6.0%	4.16%
Public Credit	4.0%	3.77%
Private Credit	8.0%	3.63%
Cash	1.0%	0.77%
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) 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	\$ 73,981,300	\$ 39,708,284	\$ 9,504,329

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

Payables to the Pension Plan: At June 30, 2023, the City reported payables to the defined benefit pension plan of \$173,540 for legally required employer contributions and \$173,540 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

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

Plan Description: MFPRSI membership is mandatory for fire fighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City of Des Moines 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. Additional benefits are available to members who perform more than 22 years of service (2% for each additional year of service, up to a maximum of 8 years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50% surviving spouse benefit.

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

Disability and Death Benefits: Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% of the member's average final compensation or the member's service retirement benefit

calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50% of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25% of average final compensation for those with less than 5 years of service.

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

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

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

Contributions: Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2023.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 23.90% for the year ended June 30, 2023.

The City's contributions to MFPRSI for the year ended June 30, 2023 were \$15,894,534.

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

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2023.

\$15,894,534 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense over the average remaining service life of all system members or 5 years as follows:

Fiscal Year Ended June 30,	Pension Expense
2024	\$ 659,068
2025	(1,950,490)
2026	(7,091,075)
2027	14,399,836
2028	278,204
Total	<u>\$ 6,295,543</u>

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

Rate of inflation	3.00 percent
Salary increases	3.75 to 15.11 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience study for the 10-year period ending June 30, 2020.

Mortality rates used by the Plan were based on the RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set-forward two years and disabled 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 pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation along with the best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018, (see the discussion of the pension plan's investment policy) are summarized in the following tables:

Asset Class	Long-Term Expected Real Rate of Return
Broad Fixed Income	3.5%
Broad U.S. Equity	6.7%
Global Equity	6.8%
Broad Non-U.S. Equity	7.0%
Managed Futures	5.1%
Emerging Market	7.2%
Real Estate-Core	6.4%
Opportunistic Real Estate	11.0%
Global Infrastructure	6.8%
Private Credit	8.6%
Private Equity	12.0%

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

Sensitivity of City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) 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	\$ 188,403,248	\$ 104,100,910	\$ 34,255,284

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

Payables to the Pension Plan: At June 30, 2023, the City of Des Moines reported payables to the defined benefit pension plan of \$299,959 for legally required employer contributions and \$122,699 for legally required employee contributions which had been withheld from employee wages but not yet remitted to MFPRSI.

8. Deferred Compensation

The City offers its employees a deferred compensation plan created in accordance with *Internal Revenue Code*, Section 457, and also Section 401(a). The Section 457 plan, available to all City employees, and the Section 401(a) plan, available only to the SPM employment group, permits them to defer a portion of their salary until future years. The deferred compensation is available to employees at termination, retirement, death, unforeseeable emergency, loan or via in-service contributions at age 70 ½. The City matches 100% of employee contributions up to 2.0% or 2.5% of the employee's salary, depending upon the governing employment agreement. For the fiscal year ended June 30, 2023, the City made \$3,929,806 in matching contributions. The City's 401(a) plan does not meet the definition of a component unit under GASB Statement No. 84 and the City does not control the assets of the plan, so the plan is not included as a fiduciary activity in the financial statements.

In accordance with federal legislation (the Small Business and Wage Protection Act of 1996), the City has confirmed or established trust arrangements for all of the assets in the plan, to ensure those assets are protected and used exclusively for plan participants and beneficiaries. As a result of these arrangements, the deferred compensation plans are not reported in the City's financial statements.

9. Long-term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	BALANCE JUNE 30, 2022	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2023	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
Governmental Activities:						
General Obligation Bonds	\$ 489,370,000	\$ 69,725,000	\$ (46,945,000)	\$ 512,150,000	\$ 43,845,000	0.50% to 5.00%
Add premiums	33,282,993	6,485,430	(6,146,185)	33,622,238	—	
Net General Obligation Bonds	<u>522,652,993</u>	<u>76,210,430</u>	<u>(53,091,185)</u>	<u>545,772,238</u>	<u>43,845,000</u>	
Section 108 Loans payable	6,048,000	—	(852,000)	5,196,000	903,000	2.55% to 2.87%
Notes Payable	2,072,633	—	(633,550)	1,439,083	539,839	2.80% to 10.55%
Notes from Direct Borrowings and Private Placement	1,929,000	—	(840,000)	1,089,000	1,089,000	4.00%
Lease Liabilities	2,081,939	—	(286,436)	1,795,503	32,177	0.85% to 1.70%
Subscription-Based Liabilities	—	937,891	(460,728)	477,163	113,274	1.00% to 2.00%
Accrued Employee Benefits	47,242,916	47,901,094	(48,072,321)	47,071,689	33,838,355	N/A
Liability for Claims/Judgments	5,475,500	4,812,733	(1,470,233)	8,818,000	8,818,000	N/A
	<u>\$ 587,502,981</u>	<u>\$ 129,862,148</u>	<u>\$ (105,706,453)</u>	<u>\$ 611,658,676</u>	<u>\$ 89,178,645</u>	
Business-type Activities						
General Obligation Bonds	\$ 17,920,000	\$ —	\$ (1,035,000)	\$ 16,885,000	\$ 1,065,000	1.25% to 5.00%
Add Premiums	1,902,168	—	(294,504)	1,607,664	—	
Net General Obligation Bonds	<u>19,822,168</u>	<u>—</u>	<u>(1,329,504)</u>	<u>18,492,664</u>	<u>1,065,000</u>	
Revenue Bonds	95,075,000	18,660,000	(5,500,000)	108,235,000	5,525,000	2.00% to 5.00%
Add Premiums	5,734,770	1,208,635	(854,186)	6,089,219	—	
Net Revenue Bonds	<u>100,809,770</u>	<u>19,868,635</u>	<u>(6,354,186)</u>	<u>114,324,219</u>	<u>5,525,000</u>	
Revenue Bonds from Direct Borrowings & Private Placement	51,999,451	12,786,838	(3,291,000)	61,495,289	3,635,000	1.02% to 2.00%
Lease Liabilities	26,696,192	—	(1,099,215)	25,596,977	1,154,389	1.07% to 7.50%
Accrued Employee Benefits	3,103,581	3,005,083	(3,346,997)	2,761,667	1,120,294	N/A
	<u>\$ 202,431,162</u>	<u>\$ 35,660,556</u>	<u>\$ (15,420,902)</u>	<u>\$ 222,670,816</u>	<u>\$ 12,499,683</u>	

The payments on the bonds payable that pertain to the City's governmental activities are made by the debt service fund and the franchise fee fund. The payments on the tax increment notes, the Section 108 CDBG loans, and the notes payable that pertain to the City's governmental activities are made by the Tax Increment and the Economic Development Special Revenue Fund within the Other Special Revenue Funds. The accrued employee benefits and claims and judgments attributable to the governmental activities are generally liquidated by the General Fund.

General Obligation Bonds:

Governmental Activities: The City has issued the following general obligation bonds that are indebtedness secured by the full faith and credit of the City:

YEAR	<u>General Obligation Debt Service</u>		<u>Tax Increment Debt Service</u>		<u>Governmental Activities Total</u>	
	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>GENERAL OBLIGATION BONDS</u>
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024	\$ 32,460,000	\$ 13,415,888	\$ 11,385,000	\$ 3,742,942	\$ 43,845,000	\$ 17,158,830
2025	31,770,000	11,930,313	9,925,000	3,278,392	41,695,000	15,208,705
2026	30,350,000	10,617,613	9,220,000	2,894,442	39,570,000	13,512,055
2027	28,380,000	9,296,051	8,290,000	2,544,242	36,670,000	11,840,293
2028	29,050,000	8,139,369	8,530,000	2,253,623	37,580,000	10,392,992
2029-2033	126,515,000	26,206,671	42,600,000	7,440,847	169,115,000	33,647,518
2034-2038	84,340,000	10,516,944	22,185,000	3,132,163	106,525,000	13,649,107
2039-2042	28,185,000	1,715,594	8,965,000	671,256	37,150,000	2,386,850
Totals	<u>\$ 391,050,000</u>	<u>\$ 91,838,443</u>	<u>\$ 121,100,000</u>	<u>\$ 25,957,907</u>	<u>\$ 512,150,000</u>	<u>\$ 117,796,350</u>

Proceeds from the Series 2022A General Obligation Bonds totaling \$69,725,000 were allocated to certain capital improvement projects. The issuance also included \$6,485,430 of premium. The rate for 2022A GO Bonds ranged from 4.00 - 5.00%.

Solid Waste Enterprise Fund: The City has issued the following general obligation bonds that are obligations of the Solid Waste Enterprise Fund:

Series	June 30, 2023 Balance	Maturity Fiscal Year	Purpose
General Obligation 2020D	\$ 11,810,000	2040	Refunding

The bonds are intended to be paid by solid waste customers net revenues, however the bonds are secured by the City's property owners. Total principal and interest remaining to be paid on the bonds is \$14,270,681. Principal and interest paid for the current year was \$955,881.

Stormwater Management Utility Enterprise Fund: The City has issued the following general obligation bonds that are obligations of the Stormwater Management Utility Enterprise Fund:

Series	June 30, 2023 Balance	Maturity Fiscal Year	Purpose
General Obligation 2020A	\$ 5,075,000	2032	Refunding

Proceeds from the 2022B Stormwater Management Utility Revenue Bonds totaled \$18,660,000 and were allocated to pay costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing and equipping all or part of the Stormwater Management Utility, including Cluses Creek watershed improvements, flood mitigation and protection system improvements, storm water pump station rehabilitation, Hamilton

drainage area improvements, and city-wide stormwater projects. The issuance also included \$1,208,635 of premium. The rate for 2022B Revenue Bonds ranged from 3.50 – 5.00%.

The bonds are intended to be paid by sewer customers net revenues, however the bonds are secured by the City’s property owners. Total principal and interest remaining to be paid on the bonds is \$5,922,050. Principal and interest paid for the current year was \$657,600.

Business-Type Activities		
General Obligation Bonds		
YEAR	PRINCIPAL	INTEREST
2024	\$ 1,065,000	\$ 526,731
2025	1,090,000	473,481
2026	1,130,000	418,981
2027	1,160,000	362,481
2028	1,195,000	304,481
2029-2033	5,825,000	824,019
2034-2038	3,755,000	350,494
2039-2040	1,665,000	47,063
Totals	<u>\$ 16,885,000</u>	<u>\$ 3,307,731</u>

Revenue Bonds:

Revenue bonds are the obligations of specific funds and are generally payable solely from the revenues of the respective funds.

Stormwater Management Utility Enterprise Fund: The City has issued the following revenue bonds in the Storm Water Utility Enterprise Fund:

Series	June 30, 2023 Balance	Maturity Fiscal Year	Purpose
Series 2016C	\$ 2,930,000	2031	Refund & Capital Improvements
Series 2016D	5,300,000	2030	Refund
Series 2018C	36,340,000	2038	Capital Improvements
Series 2020F	19,430,000	2040	Capital Improvements
Series 2021H	25,575,000	2041	Capital Improvements
Series 2022B	18,660,000	2042	Capital Improvements

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay the revenue bonds in the table above. The bonds are payable solely from the stormwater utility customer net revenues. Annual principal and interest payments on the bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the bonds is \$139,130,088. Principal and interest paid for the current year and total customer net revenues were \$9,021,616 and \$21,866,619, respectively.

Future principal and interest payments on the Enterprise Funds Revenue Bonds as of June 30, 2023 is summarized as follows:

Business-Type Activities		
Revenue Bonds		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 5,525,000	\$ 3,696,231
2025	5,715,000	3,419,981
2026	5,905,000	3,155,431
2027	6,110,000	2,881,881
2028	6,315,000	2,610,131
2029-2033	31,600,000	9,498,125
2034-2038	34,045,000	4,816,694
2039-2042	13,020,000	816,613
Totals	<u>\$ 108,235,000</u>	<u>\$ 30,895,087</u>

Net position of certain enterprise funds of \$9,285,376 are restricted for debt service and the payment of certain liabilities pursuant to the requirements of the revenue bond ordinances.

Section 108 Loans Payable: On November 15, 2007, the City closed a \$17,500,000 Section 108 loan to make a loan for the benefit of River Point West LLC, for the purpose of financing the acquisition and clearance of properties in the River Point West area for sale and subsequent redevelopment, and the construction of supporting public infrastructure improvements to serve the developed properties. On March 28, 2019, the loan was refinanced at the then outstanding principal balance of \$8,326,000. The loan was refinanced to reduce the average interest rate from 5.220% to 2.696%. The balance of the loan as of June 30, 2023, is \$5,196,000 and is payable through fiscal year 2028. The loan is not a general obligation of the City. The principal and interest is payable solely from the tax increment revenues of the Metro Center Urban Renewal Area of the City. Tax increment revenues are projected to produce 100% of the debt service requirements over the life of the bonds. Total principal and interest paid in the current year and TIF revenues were \$1,006,337 and \$30,933,431, respectively.

Notes Payable, Governmental Activities: Three new notes payable were created in fiscal year 2022, one covering the purchase of 40 tasers and related equipment in the amount of \$115,200; another covering the purchase of 170 tasers and related equipment in the amount of \$533,225; and another covering the purchase of 415 body-worn cameras in the amount of \$1,574,400. The balances of the notes at June 30, 2023 were \$57,600, \$360,731 and \$944,640, respectively. The direct financing purchase covering the 40 tasers and related equipment is scheduled to mature in fiscal 2025 and the others in fiscal 2026. Also included in notes payable is \$76,112 Supplement WF4 and is payable through fiscal year 2024. The principal and interest on the Wells Fargo note is payable from the debt service levy, the principal and interest on the Nissan Leaf direct financing purchase and body-worn cameras direct financing purchases are paid from the Local Option Sales Tax fund and the two taser leases are paid from the annual police budget in the General Fund. Total principal and interest remaining to be paid on the notes payable is \$1,439,083. Principal and interest paid in the current year and the debt service levy were \$638,864 and \$29,119,931, respectively.

Future principal and interest payments on the Section 108 Loans Payable and Notes Payable accounted for in the Governmental Activities are summarized as follows:

FISCAL YEAR	CDBG SECTION 108 LOANS		NOTES PAYABLE GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024	\$ 903,000	\$ 131,667	\$ 539,829	\$ 213
2025	953,000	107,134	463,718	—
2026	1,008,000	80,621	435,536	—
2027	1,069,000	51,535	—	—
2028	1,263,000	18,124	—	—
Totals	<u>\$ 5,196,000</u>	<u>\$ 389,081</u>	<u>\$ 1,439,083</u>	<u>\$ 213</u>

Direct placement debt, Governmental Activities: The City's outstanding notes from direct borrowing and placements related to governmental activities of \$4,000,000 IFA bonds. The bonds are for the construction of a full-service convention center hotel and meeting space. The balance of the note payable is \$1,089,000 and is payable through 2024. The principal and interest are payable from sales tax receipts collected within the district. Annual principal and interest on the bonds are expected to require 100% of the revenue. Total principal and interest remaining to be paid on the notes payable is \$1,132,560. Principal and interest paid for the current year was \$917,160.

Future principal and interest payments on the Governmental Direct borrowings as of June 30, 2023 is summarized as follows:

Governmental Activities		
Notes from Direct Borrowings and Direct Payments		
YEAR	PRINCIPAL	INTEREST
2024	1,089,000	43,560
Totals	<u>\$ 1,089,000</u>	<u>\$ 43,560</u>

Direct Placement Debt, Business-type Activities: The City borrowed money through the State Revolving Loan fund to partially fund the Lower Oak Park Sewer Separation, the Near West Side Sewer Separation and Yeader Creek Sewer Separation, and the Riverbend Sewer Separation projects. The City has issued \$19,250,000 of SRF loans to help complete the Near West Side Sewer Separation and Yeader Creek Sewer Separation projects, has issued \$13,360,000 of SRF loans to complete the Lower Oak Park Sewer Separation project, has issued \$20,000,000 of SRF loans to complete the Riverbend Sewer Separation project, has issued \$6,247,000 of SRF loans to complete the Near West Side Sewer Separation Supplemental project, and \$15,000,000 of SRF loans to complete the West Ingersoll Sewer Separation project and \$7,035,000 of SRF loans to complete the Western Ingersoll Run project. At June 30, 2023, the City has drawn all \$19,250,000 of the Near West Side Sewer Separation loan funds, all \$13,360,000 of the Lower Oak Park Sewer Separation loan funds, \$11,000,000 of the Riverbend Sewer Separation project, \$6,535,994 of the Near West Side Sewer Separation Supplemental project, and \$14,632,712 of the West Ingersoll Sewer Separation project and \$3,922,577 of the phase three West Ingersoll Sewer Separation project. The City has the ability to draw up to an additional \$9,000,000 as work is completed

on the Riverbend Sewer Separation project, up to an additional \$367,479 as work is completed on the Near West Side Sewer Separation Supplemental project, and up to an additional \$3,479,902 as work is completed on the West Ingersoll Sewer Separation project.

The Near West Side Sewer Sewer Separation, Lower Oak Park Sewer Separation, Riverbend Sewer Separation, and Near West Side Sewer Separation Supplemental projects also have a Stormwater component to the work, and as such, the City Council has directed that the Sanitary Sewer fund and Stormwater fund will each be responsible for 50% of the debt accumulated. The principal balance outstanding at June 30, 2023, is \$8,651,000 in the Sanitary Sewer fund for the Near West Side Sewer Separation project and Yeader Creek Sewer Separation projects, \$5,473,000 in the Sanitary Sewer fund for the Lower Oak Park Sewer Separation project, \$4,630,000 in the Sanitary Sewer fund for the Riverbend Sewer Separation project, \$3,323,000 in the Sanitary Sewer fund for the Near West Side Sewer Separation Supplemental project, \$14,015,712 in the Sanitary Sewer fund for the West Ingersoll Sewer Separation project and \$3,922,577 in the Sanitary Sewer fund for the phase three West Ingersoll Sewer Separation project, \$8,085,000 in the Stormwater fund for the Near West Side Sewer Separation project, \$5,473,000 in the Stormwater fund for the Lower Oak Park Sewer Separation project, \$4,630,000 for the Riverbend Sewer Separation project, and \$3,292,000 in the Stormwater fund for the Near West Side Sewer Separation Supplemental project.

Business-Type Activities		
Notes from Direct Borrowings and Direct Payments		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 3,635,000	\$ 999,623
2025	3,687,000	941,677
2026	3,744,000	882,856
2027	3,803,000	823,083
2028	3,867,000	762,312
2029-2033	19,974,000	2,863,617
2034-2038	15,482,577	1,383,379
2039-2042	7,302,712	243,530
Totals	<u>\$ 61,495,289</u>	<u>\$ 8,900,077</u>

Leases, Governmental and Business-type Activities: The City has entered into a variety of leases for buildings and land improvements. The only individually significant lease relates to the building and purchase of a 543-vehicle capacity parking garage located at 402 E 2nd Street. The revenues generated by the parking system have been pledged to pay the debt service.

Future principal and interest payments on the lease liabilities for both the governmental and business-type leases as of June 30, 2023 are summarized below:

YEAR	GOVERNMENTAL LEASES		BUSINESS-TYPE LEASES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024	\$ 32,177	30,477	\$ 1,154,389	1,147,962
2025	32,728	29,926	1,212,521	1,089,830
2026	33,289	29,365	1,273,775	1,028,577
2027	33,859	28,795	1,338,319	964,033
2028	34,438	28,216	1,258,459	1,043,893
2029-2033	181,241	132,029	7,428,991	4,082,768
2034-2038	197,299	115,971	7,748,664	1,682,897
2039-2043	214,779	98,491	838,973	271,789
2044-2048	233,807	79,463	900,792	209,970
2049-2053	254,521	58,749	967,167	143,595
2054-2058	277,071	36,199	1,038,433	72,329
2059-2063	270,294	11,652	436,494	7,813
Totals	\$ 1,795,503	\$ 679,333	\$ 25,596,977	\$ 11,745,456

Subscription-Based Information Technology Agreements (SBITAs): The City has entered into a variety of SBITAs granting it use of underlying software assets. At inception, these agreements have lives between 2-6 years.

Future principal and interest payments on the SBITA liabilities for the City as of June 30, 2023 are summarized below:

YEAR	GOVERNMENTAL SBITAs	
	PRINCIPAL	INTEREST
2024	\$ 113,274	12,194
2025	119,245	6,222
2026	121,285	4,183
2027	123,359	2,109
Totals	\$ 477,163	\$ 24,708

Discretely presented component units:

Long-Term Debt

A summary of the Authority's long-term debt for the year ended December 31, 2022, is as follows:

	Authority Revenue Bonds
Balance December 31, 2021	\$ 8,905,000
Issuances	—
Retirements	(8,905,000)
Balance December 31, 2022	—
Less: Current portion	—
Non-current portion	<u>\$ —</u>

Accrued Employee Benefits

Future benefits payable are recorded for the Authority's accrued employee benefits and accrued post-retirement benefits obligations. Below is a calculation of the accrued employee benefits for all Authority employees as of December 31, 2022:

Balance December 31, 2021	\$ 1,187,527
Additions	423,380
Payments	(408,792)
Balance December 31, 2022	1,202,115
Less: current portion	85,865
Non-current portion	<u>\$ 1,116,250</u>

10. Revenue Bond Resolution Requirements

The revenue bond resolutions contain significant limitations and restrictions on annual debt service requirements, require minimum amounts to be maintained in various restricted accounts to provide for payment of principal and interest, and require minimum revenue bond coverage. In the Sewer System Fund, \$350,585 of net position is restricted for bond reserves. In the Stormwater Utility Fund, \$10,262,043 of net position is restricted for bond reserves.

11. Conduit Debt

From time to time, the City has issued industrial revenue bonds on behalf of private sector and nonprofit entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property and revenues of those entities, and are payable solely from the resources of those entities. 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, 2023, there were three series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$5,840,000. The bonds are payable through calendar year 2036.

12. Inter-fund Receivables and Payables

The individual fund inter-fund receivable and payable balances include both Due to/from Other Funds and Advances to/from Other Funds. These balances at June 30, 2023 were:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 3,497,768	\$ —
Capital Projects	—	357,268
Other Governmental Funds	—	1,716,778
Parking, Enterprise	—	397,374
Municipal Housing Agency, Enterprise	—	138,654
Internal Service Funds	—	887,694
Total	<u>\$ 3,497,768</u>	<u>\$ 3,497,768</u>
	<u>ADVANCES RECEIVABLE</u>	<u>ADVANCES PAYABLE</u>
General	\$ 2,448,523	\$ —
Other Enterprise Funds	—	2,448,523
Total	<u>\$ 2,448,523</u>	<u>\$ 2,448,523</u>

Inter-fund balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The advances were to finance the construction of enterprise assets. The inter-fund receivables and payables are scheduled to be collected in the subsequent year whereas the inter-fund advances are not.

13. Fund Transfer Reconciliation

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

	TRANSFERS IN	TRANSFERS OUT
General Fund	\$ 92,017,490	\$ 10,892,000
Debt Service	47,783,937	76,010,000
Tax Increment	—	23,019,353
Benefit Tax Accounts	—	25,372,577
Local Option Sales Tax	—	60,076,241
Capital Projects	122,127,954	3,855,234
ARPA	—	41,318,622
Other Governmental Funds	5,982,958	30,705,580
Parking Facilities System	800,000	—
Sewer System	2,090,644	2,883,855
Stormwater Utility	4,403,991	1,073,512
Total	<u>\$ 275,206,974</u>	<u>\$ 275,206,974</u>

Below is a general description of the purpose of transfers by fund:

General Fund – transfers in are largely due to moving money from more restrictive governmental funds (Tax Increment, Local Option Sales Tax and ARPA) to the General Fund for the purpose of covering related expenses captured therein. Transfers out of the General Fund relate to Capital Projects being funded by means other than debt.

Debt Service – transfers in are from Local Option Sales Tax or Tax Increment and relate to the repayment of debt with those funds. Transfers out are usually related to bonds sold for the purpose of construction projects in the Capital Projects Fund.

Tax Increment – transfers out are to Debt Service for the purpose of covering TIF-backed bonds.

Benefit Tax Accounts – transfers out are to the General Fund to cover employee benefits paid out of that fund.

Local Option Sales Tax – transfers out are to the Debt Service, General or the Capital Projects Funds as the intention of the Local Option Sales Tax fund is to track moneys restricted by law until an appropriate use occurs in another fund.

Capital Projects – transfers in come from the General, Debt Service, Tax Increment and Local Option Sales Tax Funds and are used to cover construction-related expenses. Transfers out are to Debt Service in the event funds remain at the termination of a project.

ARPA – transfers out are to the General Fund once an acceptable use under the American Rescue Plan Act is determined.

Other Governmental Funds – are largely special revenue funds and the transfers out are to the General Fund as expenses therein meet the requirements for the specific special revenue fund in question. Transfers in are from the General Fund as necessary to cover costs.

Parking Facilities System – the transfer in comes from Tax Increment and represents TIF funding of the administration of the downtown parking system.

Sewer and Stormwater Utility Systems – transfers are largely the movement of funds from one enterprise to the other in order to cover shared costs managed within a specific fund.

14. Other Postemployment Benefits

The City provides access to postretirement medical benefits to all retirees as required by Chapter 509A.13 of the Code of Iowa. Although retirees are required to pay 102% of the premium rate, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires that employers recognize the Implicit Rate Subsidy that exists in postretirement medical plans provided by governmental employers.

The Implicit Rate Subsidy refers to the concept that retirees under age 65 (and not eligible for Medicare) generate higher claims on average than active participants. When a medical plan is self-insured or fully insured through a third-party administrator, a premium is usually determined by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the Implicit Rate Subsidy.

Plan description: The City sponsors an agent multi-employer health care plan, consisting of two employers, that provides medical, prescription drugs and dental benefits to all active and retired employees and their eligible dependents. Employees who have attained age 55 and retire from active employment are eligible for retiree benefits. Eligible retirees and their dependents receive medical and prescription coverage through a fully-insured plan with Wellmark BCBS and dental benefits through a self-insured plan. These are the same plans that are available for active employees.

Funding policy: The City of Des Moines establishes and amends contribution requirements.

The current funding policy of the City is to pay health insurance premiums as they occur. This arrangement does not qualify as other postemployment benefits (OPEB) plan assets under Governmental Accounting Standards Board (GASB) Statement No. 75 for current GASB reporting.

Contributions of the full premium are required for both retiree and dependent coverage. The contribution for each insured group is assumed to be the expected, composite per capita cost for the group. This composite is then disaggregated into an age-specific starting cost curve based on the average age of the group and for assumptions for age-based morbidity. The average age of the pre-65 retiree group is 61. Retiree expenses are then offset by monthly contributions. The City does not issue a publicly available financial report for the Plan.

As of June 30, 2023, the following employees were utilizing benefits described herein:

Employees utilizing City's health insurance:	
Active	1,714
Retired (inactive currently receiving benefits)	189
Total	<u>1,903</u>

The City's total OPEB liability as of June 30, 2023 was 29,300,053. This balance was determined by an actuarial valuation as of that date utilizing the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Rate of inflation	2.60 percent
Salary increases	3.25 percent, including inflation
Discount rate	4.13 percent
Health Care Trend Rates	7.00 percent in fiscal 2024, decreasing to 4.50 percent by fiscal 2029

The discount rate was based on the yield rate for a 20-year tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher as reported by the S&P Municipal Bond 20-year High Grade Rate Index.

Mortality rates were based on the following tables depending on the covered individual's classification:

- IPERS Employees and Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- MFPRSI Employees and Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2022	<u>\$ 27,681,905</u>
Service cost	1,658,004
Interest	1,168,690
Changes in assumptions	(76,674)
Difference between expected and actual experience	414,782
Benefit payments	(1,546,653)
Balance as of June 30, 2023	<u><u>\$ 29,300,054</u></u>

Sensitivity of the 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 approximate total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Total OPEB Liability	\$ 31,259,251	\$ 29,300,054	\$ 27,432,507

Sensitivity of the total OPEB liability to changes in the health care cost trend rate: The following presents the total OPEB liability of the City, as well as what the City's approximate total OPEB liability would be if it were calculated using a health care cost trend rate that is 1% lower (6.00% decreasing to 3.50%) or 1% higher (8.00% decreasing to 5.50%) than the current health care cost trend rate:

	1% Decrease (6.00% Decreasing to 3.50%)	Health Care Cost Trend Rate (7.00% Decreasing to 4.50%)	1% Increase (8.00% Decreasing to 5.50%)
Total OPEB Liability	\$ 26,174,194	\$ 29,300,054	\$ 32,954,556

OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2023, the City recognized OPEB expense of \$3,014,895. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,483,253	\$ (2,218,654)
Changes in assumptions	874,883	(3,134,793)
Balance as of June 30, 2023	<u>\$ 7,358,136</u>	<u>\$ (5,353,447)</u>

Amounts reported as the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

Fiscal Year Ended June 30,	OPEB Expense
2024	\$ 188,201
2025	188,201
2026	188,200
2027	179,785
2028	350,691
Thereafter	909,611
Total	<u>\$ 2,004,689</u>

15. Commitments and Contingent Liabilities

A. Grants

The City has received financial assistance from numerous federal and state agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position as of June 30, 2023.

B. Litigation

The City Attorney reported that as of June 30, 2023, various claims and lawsuits were on file against the City, and estimated that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City. The City has authority to levy additional taxes (outside the regular limit) to cover uninsured judgments against the City.

C. Self-insurance

The City's property, casualty, and workers compensation liabilities for all funds are covered by a combination of self-insurance, or self-insured retention, and commercial insurance. Property insurance for the City is provided by Alliant Insurance Services, Inc. with a loss limit of \$500,000,000 and loss of business income and extra expense coverage of up to \$100,000,000, with various levels of deductibles. Excess liability coverage is maintained through Allied World in the amount of \$10,000,000 per occurrence, with a \$2,000,000 self-insured retention. Workers compensation insurance is maintained for all employees through Safety National Casualty Corporation at statutory

limits, with a \$1,250,000 self-insured retention. Additionally, the Municipal Housing Agency purchases first dollar workers compensation coverage.

For certain enterprise fund operations (Stormwater, Solid Waste, Sanitary, and Municipal Housing), automobile liability insurance is maintained through Travelers Insurance Company with a per occurrence limit of \$2,000,000 and a \$5,000 deductible. This policy is designed to cover the excess liability policy's \$2,000,000 self-insured retention.

The City purchases a blanket property insurance policy with a \$100,000 per occurrence deductible. The Municipal Housing Agency also purchases its own blanket property insurance policy with a \$5,000 deductible per occurrence.

Chapter 384, Revision I, Subsection 4 of the *Code of Iowa* provides that a city may establish a Debt Service Fund, and shall certify taxes to be levied for the Debt Service Fund in the amount necessary to pay judgments against the city, except those authorized by state law to be paid from other funds. As a result, the City self-insures the first \$2,000,000 per occurrence of liability on its General Fund operations, and is able to provide this coverage through its taxing process.

The City's tort liability claims and related administration expenses are accounted for in the appropriate fund related to the claim. Claims and related administration expenses are accounted for in the General Fund. Health benefit insurance and related administration expenses are accounted for in an internal service fund. The current portion of workers compensation claims is recorded in the same fund as the recipient's payroll was recorded.

Within the past ten years, there has only been one worker's compensation claim which exceeded the City's \$1,250,000 self-insured coverage. Within that same period, there have been no claims which exceeded the City's \$2,000,000 self-insured liability policy.

Liabilities are reported when it is probable that a loss will occur, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering recent claim settlement trends, including frequency and amount of payouts and other economic and social factors.

The following is a summary of estimated claims liability for the year ended June 30, 2023 (with comparative amounts for 2022):

	<u>WORKERS COMPENSATION</u>	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 17,043,767	\$ 13,300,094
Current year claims and changes in estimate	5,749,102	7,353,207
Claim payments	(4,730,102)	(3,609,534)
Balance at end of year	<u>\$ 18,062,767</u>	<u>\$ 17,043,767</u>

	<u>LEGAL SETTLEMENTS</u>	
	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 5,475,500	\$ 4,731,900
Current year claims and changes in estimate	4,812,733	960,123
Claim payments	(1,470,233)	(216,523)
Balance at end of year	<u>\$ 8,818,000</u>	<u>\$ 5,475,500</u>

The City became self-insured for medical claims and prescription coverage in fiscal year 2012. All claim handling procedures are performed by an independent claims administrator. Dental insurance is self-funded and administered by Delta Dental of Iowa. Liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The aggregate liability for claims for the year ended June 30, 2023 (with comparative amounts for 2022) is as follows:

	<u>2023</u>	<u>2022</u>
Claims payable, beginning of the year	\$ 2,006,000	\$ 2,189,000
Current year claims and changes in estimate	27,942,245	27,757,508
Claim payments	(28,333,245)	(27,940,508)
Claims payable, end of the year	<u>\$ 1,615,000</u>	<u>\$ 2,006,000</u>

Workers compensation and health insurance claims attributed to governmental and internal service funds are recorded in the Governmental Activities in the Accrued Employee Benefits line item. Legal settlements are also included in the Governmental Activities, in the line item entitled "Other liabilities for claims and judgments."

D. Construction Contracts

The City has recognized as a liability only that portion of construction contracts representing construction completed, but not yet paid for, through June 30, 2023. The City has additional commitments for signed construction contracts of approximately \$125.32 million as of June 30, 2023.

E. Arbitrage

Arbitrage rules apply to tax-exempt debt issued after August 31, 1986. The rules require that earnings from the investment of tax-exempt bond proceeds which exceed the yield on the bonds must be remitted to the federal government every five years.

The City entered into an agreement with an outside consulting firm to assist City personnel in reviewing arbitrage rebate calculations for the above bond issues. Those bond issues that have been reviewed show that no arbitrage rebate is owed.

For the bond issues that have not yet been reviewed, management believes that the rebate amounts, if any, will not be material to the financial statements.

F. Developer Commitments

In order to encourage development within designated TIF districts, the City Council has approved developer grants to 135 different projects. The grants 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. Currently, it is estimated that outstanding commitments totaling about \$350.46 million exist, of which \$20.96 million may be eligible to be paid in the next fiscal year. These items are expensed in the period in which they are paid. No liability is recognized due to the fact that the agreements are conditional, and the payments are to be funded by future property taxes receivable on the project and are subject to the City Council’s right of non-appropriation each fiscal year. See further discussion of the related tax abatements of these agreements in Note 17.

G. Significant Encumbrances

The City had outstanding purchase orders (excluding construction contracts disclosed in Section D above) at June 30, 2023 that represented agreements to purchase goods and services. The balances by fund were as follows:

General Fund	\$ 265,292
Capital Projects	5,025,972
Other Governmental Funds	1,022,853
Internal Service Funds	4,011,158
Sewer System	53,343
Stormwater Utility	63,460
Other Enterprise Funds	140,386
	<u>\$ 10,582,464</u>

16. Tax Abatements

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

The City provides property tax abatements for urban renewal and economic development projects with tax increment financing (TIF) as provided for in Chapters 15A and 403 of the Code of Iowa. To be eligible for an abatement under one of these types of projects, the developer has to enter into an agreement. After the developer meets the terms of the agreement, the City is required to rebate a portion of the property tax paid by the developer, to pay the developer an economic development grant or to pay the developer a predetermined dollar amount. These payments are funded by the incremental property tax generated from the increased property value (the tax increment) created by the improvements made to the property.

Generally, the agreements require the developer to improve a given property's value up to an agreed upon dollar amount. The improvements may be through new construction or renovations, depending upon the specifics of the agreement and purpose of the project. Additional requirements the City commonly imposes upon the developer include creating and sustaining a specified number of jobs in the community, building a specified number of residential units within a given affordability threshold, or developing a certain square footage of retail space. As these agreements are intended to achieve a desired goal of the City, additional metrics may be worked into them on a case-by-case basis.

Under TIF, for the year ended June 30, 2023, the City abated 5,500,010 of property tax which would have otherwise flowed to its General Fund and a further \$9,506,155 which would have flowed to other local taxing authorities.

17. New Pronouncements

As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of the Statement is to define Subscription-based information technology arrangements (SBITAs), providing greater consistency in practice, establish capitalization criteria and improve comparability with other financial reports. The implementation of this standard added certain asset and liability accounts related to SBITAs, however, had no effect on beginning net position.

As of June 30, 2023, the GASB has issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections*, issued in June 2022, will be effective for the City beginning with its fiscal year ended June 30, 2024. The objective of Statement No. 100 is to improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in great consistency in application in practice.

GASB Statement No. 101, *Compensated Absences*, issued in June 2022, will be effective for the City beginning with its fiscal year ended June 30, 2024. The object of Statement No. 101 is to better meet the information needs to financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, issued in December 2023, will be effective for the City beginning with its fiscal year ended June 30, 2025. Statement No 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.

The City's management has not yet determined the effect of Statement Nos. 100, 101 or 102.

18. Subsequent Events

On November 7, 2023, the City issued \$69,665,000 of General Obligation Bonds, Series 2023A, which will be used for various new money purposes. Principal payments on the General Obligation Bonds begin on June 1, 2024, and continue annually until June 1, 2043. Interest rates on this issue range from 4.5% to 6.0%.

On November 7, 2023, the City issued \$21,755,000 of Stormwater Management Utility Revenue Bonds, Series 2023B, which will be used to pay costs of acquisition, construction, reconstruction, extending, remodeling, improving, repairing, and equipping all or part of the Stormwater Management Utility, including city-wide Stormwater utility improvement projects under the City-wide Stormwater Master Plan, Closes Creek watershed improvements, and flood mitigation and protection system improvements. Principal payments on the Revenue Bonds begin on June 1, 2025, and continue annually until June 1, 2042. Interest rates on this issue range from 4.5% to 5.0%.

On December 14, 2023, the City issued \$50,000,000 of Limited Levy General Obligation Capital Loan Notes, Series 2023C, which will be used to purchase the building at 1200 Locust (the former Nationwide Building), redesign and reconstruct the interior to allow for the moving of multiple City departments permanently into the building, Phase I. Principal payments on the Limited Levy General Obligation Capital Loan Notes will begin on June 1, 2025, and will continue annually until June 1, 2038. The interest rate on the issue will be fixed at 4.79%.



19. Fund Balances

GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* establishes criteria for reclassifying fund balances into specifically defined classifications and clarified definitions for governmental fund types.

The details for the City of Des Moines' fund balances are the following:

Fund Balances:	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>TAX INCREMENT</u>
Nonspendable:			
Advances	\$ 2,448,523	\$ ---	\$ ---
Inventories	---	---	---
Prepays	1,464,735	1,250	---
Corpus for permanent funds	---	---	---
Total nonspendable	<u>3,913,258</u>	<u>1,250</u>	<u>---</u>
Restricted:			
Federal, state, and local grants	---	---	---
Road Use	---	---	---
Maintenance on public land, cemetery	---	---	---
Debt Service	---	19,049,604	---
Capital improvements and maintenance	---	---	---
Employee benefits	1,141,008	---	---
Police department	---	---	---
Fire department	---	---	---
SSMID districts	---	---	---
Community projects	---	---	---
Library gift fund	---	---	---
Sales Tax	---	---	---
Tort	107,949	---	---
Economic development	---	---	12,886,482
Human Rights	---	---	---
Scholarship	---	---	---
Total restricted	<u>1,248,957</u>	<u>19,049,604</u>	<u>12,886,482</u>
Committed			
Capital improvements and maintenance	---	---	---
Maintenance on public land, cemetery	---	---	---
Litigation	1,000,000	---	---
Economic development	---	---	---
Community projects	---	---	---
Total committed	<u>1,000,000</u>	<u>---</u>	<u>---</u>
Unassigned	<u>97,348,472</u>	<u>---</u>	<u>---</u>
Total fund balances	<u><u>\$ 103,510,687</u></u>	<u><u>\$ 19,050,854</u></u>	<u><u>\$ 12,886,482</u></u>

BENEFIT TAX ACCOUNTS	LOCAL OPTION SALES TAX	AMERICAN RESCUE PLAN	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,448,523
---	---	---	---	98,625	98,625
---	---	---	218,370	345,126	2,029,481
---	---	---	---	3,363,477	3,363,477
---	---	---	218,370	3,807,228	7,940,106
---	---	---	---	26,716	26,716
---	---	---	---	22,395,325	22,395,325
---	---	---	---	2,850,313	2,850,313
---	---	---	---	---	19,049,604
---	---	---	888,881	2,365,926	3,254,807
704,282	---	---	---	720,898	2,566,188
---	---	---	---	535,006	535,006
---	---	---	---	32,625	32,625
---	---	---	---	669,671	669,671
---	---	---	---	41,059	41,059
---	---	---	---	564,477	564,477
---	29,349,125	---	---	---	29,349,125
---	---	---	---	---	107,949
---	---	---	---	663,522	13,550,004
---	---	---	---	6,688	6,688
---	---	---	---	985	985
704,282	29,349,125	---	888,881	30,873,211	95,000,542
---	---	---	148,348,728	---	148,348,728
---	---	---	---	188,442	188,442
---	---	---	---	---	1,000,000
---	---	---	---	3,391,052	3,391,052
---	---	---	---	---	---
---	---	---	148,348,728	3,579,494	152,928,222
---	---	---	(392,573)	(329,451)	96,626,448
\$ 704,282	\$ 29,349,125	\$ ---	\$ 149,063,406	\$ 37,930,482	\$ 352,495,318



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS -- ALL GOVERNMENTAL FUNDS
AND ENTERPRISE FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2023

	GOVERNMENTAL		ENTERPRISE		BUDGETED AMOUNTS		FINAL TO
	FUND TYPES		FUND TYPES		ORIGINAL	FINAL	ACTUAL
	BASIS ACTUAL	BASIS ACTUAL					
AMOUNTS	AMOUNTS						
Revenue:							
Taxes	\$ 263,380,953	\$ ---	\$ 263,380,953	\$ 254,773,901	\$ 260,594,108	\$ 2,786,845	
Franchise fees	15,167,574	---	15,167,574	12,900,000	12,950,000	2,217,574	
Licenses and permits	4,120,839	---	4,120,839	4,387,381	4,486,550	(365,711)	
Fines and forfeitures	6,934,424	---	6,934,424	7,056,700	7,400,832	(466,408)	
Charges for sales and services	24,764,100	109,775,744	134,539,844	122,717,968	124,068,987	10,470,857	
Use of money and property	15,070,892	5,424,741	20,495,633	3,248,624	9,688,603	10,807,030	
Miscellaneous	18,598,043	173,288	18,771,331	20,436,894	23,505,580	(4,734,249)	
Intergovernmental	122,538,389	20,969,757	143,508,146	121,188,730	194,185,224	(50,677,078)	
Total revenue	<u>470,575,214</u>	<u>136,343,530</u>	<u>606,918,744</u>	<u>546,710,198</u>	<u>636,879,884</u>	<u>(29,961,140)</u>	
Expenditure:							
Current:							
Public safety	139,590,940	---	139,590,940	133,001,144	135,773,276	(3,817,664)	
Public works	37,700,638	---	37,700,638	33,451,587	36,011,273	(1,689,365)	
Health and social services	15,429,348	---	15,429,348	11,768,936	22,530,452	7,101,104	
Culture and recreation	30,094,434	---	30,094,434	26,125,697	29,685,742	(408,692)	
Community and economic development	31,979,664	---	31,979,664	46,107,533	52,402,472	20,422,808	
General government	43,676,317	---	43,676,317	81,329,905	49,538,292	5,861,975	
Business-type	---	97,102,675	97,102,675	145,214,978	195,335,803	98,233,128	
Capital outlay	101,716,526	51,569,150	153,285,676	175,125,303	210,205,083	56,919,407	
Debt service	66,612,002	17,769,993	84,381,995	70,729,544	68,096,165	(16,285,830)	
Total expenditure	<u>466,799,869</u>	<u>166,441,818</u>	<u>633,241,687</u>	<u>722,854,627</u>	<u>799,578,558</u>	<u>166,336,871</u>	
Excess (deficiency) of revenue over expenditure	<u>3,775,345</u>	<u>(30,098,288)</u>	<u>(26,322,943)</u>	<u>(176,144,429)</u>	<u>(162,698,674)</u>	<u>136,375,731</u>	
Other financing sources (uses):							
Transfers in	267,912,340	7,294,635	275,206,975	242,918,802	336,744,379	(61,537,404)	
Other financing sources	77,471,216	31,572,481	109,043,697	111,015,839	112,189,978	(3,146,281)	
Transfers out	<u>(271,249,607)</u>	<u>(3,957,367)</u>	<u>(275,206,974)</u>	<u>(242,918,802)</u>	<u>(336,744,379)</u>	<u>61,537,405</u>	
Total other financing sources (uses)	<u>74,133,949</u>	<u>34,909,749</u>	<u>109,043,698</u>	<u>111,015,839</u>	<u>112,189,978</u>	<u>(3,146,280)</u>	
Net change in fund balances	<u>77,909,294</u>	<u>4,811,461</u>	<u>82,720,755</u>	<u>\$ (65,128,590)</u>	<u>\$ (50,508,696)</u>	<u>\$ 133,229,451</u>	
Fund balances, beginning of year	<u>320,468,922</u>	<u>55,093,072</u>	<u>375,561,994</u>				
Fund balances, end of year	<u>\$ 398,378,216</u>	<u>\$ 59,904,533</u>	<u>\$ 458,282,749</u>				

The notes to the required supplementary are an integral part of this statement.

CITY OF DES MOINES, IOWA
BUDGETARY COMPARISON SCHEDULE --
BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2023

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	MODIFIED
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 470,575,214	\$ 7,042,937	\$ 477,618,151
Expenditures	466,799,869	6,611,667	473,411,536
Net	3,775,345	431,270	4,206,615
Other financing sources (uses)	74,133,949	(206,615)	73,927,334
Beginning fund balances	320,468,922	(45,414,360)	274,361,369
Ending fund balances	\$ 398,378,216	\$ (45,882,898)	\$ 352,495,318

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 136,343,530	\$ 5,480,913	\$ 130,862,617
Expenses	166,441,818	54,720,840	111,720,978
Net	(30,098,288)	49,239,927	19,141,639
Other financing sources (uses)	34,909,749	(29,179,935)	5,729,814
Beginning fund balances	55,093,072	359,371,735	419,244,372
Ending fund balances	\$ 59,904,533	\$ 379,431,727	\$ 444,115,825

See notes to required supplementary information.

CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING
June 30, 2023

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearing by function which includes all funds except fiduciary funds and internal service funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital outlay, business-type and non-program. The legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, budget amendments increased budgeted disbursements, including transfers out by \$170,549,508. These budget amendments are reflected in the final budgeted amounts.

The primary differences between the budget basis and the basis of accounting used in the fund statements are:

1. Revenues are recorded when received in cash (budget), as opposed to when they are measurable and available (GAAP).
2. Expenditures are recorded when paid (budget), as opposed to when the obligation is incurred (GAAP).
3. Certain activities and funds of the general, special revenue, and capital projects fund types are not included in the annual operating budgets adopted by the Council.

During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the public safety function, public works function, culture and recreation function, and debt service function.



CITY OF **DES MOINES**

**CITY OF DES MOINES, IOWA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION**

	June 30, 2023*	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability						
Service cost	\$ 1,658,004	\$ 1,594,405	\$ 1,524,709	\$ 1,454,823	\$ 702,378	\$ 1,784,438
Interest	1,168,690	520,941	632,453	798,010	891,160	785,904
Differences between expected and actual experience	414,782	6,811,675	(1,636,097)	855,763	(2,537,829)	1,009,672
Changes of assumptions or other inputs	(76,674)	(2,831,913)	645,877	(993,390)	999,676	(933,920)
Benefit payments	(1,546,653)	(1,205,530)	(1,244,470)	(1,042,697)	(1,155,130)	(1,192,403)
Net change in total OPEB liability	1,618,149	4,889,578	(77,528)	1,072,509	(1,099,745)	1,453,691
Total OPEB liability—beginning	27,681,905	22,792,325	22,869,853	21,797,344	22,897,089	21,443,398
Total OPEB liability—ending	<u>\$ 29,300,054</u>	<u>\$ 27,681,903</u>	<u>\$ 22,792,325</u>	<u>\$ 22,869,853</u>	<u>\$ 21,797,344</u>	<u>\$ 22,897,089</u>
Covered-employee payroll	\$ 151,699,734	\$ 138,829,279	\$ 133,211,961	\$ 129,018,849	\$ 125,853,482	\$ 121,243,537
Total OPEB liability as a percentage of covered-employee payroll	19.31%	19.94%	17.11%	17.73%	17.32%	18.89%

Notes to Required Supplementary Information:

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

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

2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%
2017	3.58%

***Note:** GASB Statement No. 75 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 DES MOINES, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION**

	<u>June 30, 2022*</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
City's proportion of the net pension liability	1.000436%	0.988061%	0.975698%
City's proportionate share of the net pension liability	\$ 39,708,284	\$ 1,385,179	\$ 68,062,237
City's covered payroll	\$ 84,779,306	\$ 80,298,604	\$ 75,547,523
City's proportionate share of the net pension liability as a percentage of its covered payroll	46.84%	1.73%	90.09%
Plan fiduciary net position as a percentage of the total pension liability	91.40%	99.65%	81.87%

*Amounts presented for each fiscal year were determined as of the above measurement date.

See notes to required supplementary information

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.

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
0.977094%	0.976427%	0.947660%	0.953277%	0.961187%
\$ 56,960,233	\$ 61,771,261	\$ 62,561,805	\$ 59,448,726	\$ 47,487,290
\$ 74,801,432	\$ 73,341,533	\$ 70,050,080	\$ 68,356,528	\$ 65,822,469
76.15%	84.22%	89.31%	86.97%	72.14%
85.45%	82.57%	81.23%	82.21%	85.19%

CITY OF DES MOINES, IOWA
SCHEDULE OF THE CITY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 8,746,933	\$ 8,746,933	\$ ---	\$ 92,659,449	9.440%
2022	7,985,163	7,985,163	---	84,779,306	9.419%
2021	7,573,979	7,573,979	---	80,298,604	9.432%
2020	7,254,857	7,254,857	---	75,547,523	9.603%
2019	7,070,797	7,070,797	---	74,801,432	9.453%
2018	6,559,917	6,559,917	---	73,341,533	8.944%
2017	6,294,715	6,294,715	---	70,050,080	8.986%
2016	6,104,238	6,104,238	---	68,356,528	8.930%
2015	5,903,769	5,903,769	---	65,822,469	8.969%
2014	5,782,471	5,782,471	---	64,753,315	8.930%

See notes to required supplementary information

CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
IPERS PENSION LIABILITY

Note 1. Changes of benefit terms

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

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

The 2006 Legislature passed several provisions. One of these was the requirement that the System must be fully funded before benefits can be increased, and it must remain fully funded after the benefit change. A benefit increase may be enacted if such increase is accompanied by an increase in the contribution rate necessary to support the benefit enhancement. In addition, no transfer may be made to the Favorable Experience Dividend reserve account unless the System is fully funded and would remain so after the transfer.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer instead of the previous 40-60 split.

Note 2. Changes in actuarial assumptions and methods

The 2022 valuation implemented the following refinements as a result of a quadrennial experience study:

- The inflation assumption remained unchanged at 2.60 percent.
- The assumed rate of return on investments changed to 7.00%.
- The long-term rate of return assumption remained unchanged at 7.00%.
- The payroll growth assumption remained unchanged at 3.25%.

**CITY OF DES MOINES, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
REQUIRED SUPPLEMENTARY INFORMATION**

	<u>June 30, 2022*</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
City's proportion of the net pension liability	18.5375%	18.3743%	18.2230%
City's proportionate share of the net pension liability	\$ 104,100,910	\$ 41,263,888	\$ 145,346,816
City's covered payroll	\$ 62,608,615	\$ 59,247,812	\$ 57,411,473
City's proportionate share of the net pension liability as a percentage of its covered payroll	166.27%	69.65%	253.17%
Plan fiduciary net position as a percentage of the total pension liability	84.62%	93.62%	76.47%

*Amounts presented for each fiscal year were determined as of the above measurement date.

See notes to required supplementary information

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.

<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
18.4372%	18.5243%	18.0072%	18.2983%	18.3048%
\$ 120,934,295	\$ 110,294,179	\$ 105,607,726	\$ 119,659,747	\$ 106,280,275
\$ 55,811,804	\$ 53,870,249	\$ 50,736,981	\$ 49,569,046	\$ 46,489,038
216.68%	204.74%	208.15%	241.40%	228.61%
79.94%	81.07%	80.60%	78.20%	86.27%

CITY OF DES MOINES, IOWA
SCHEDULE OF THE CITY CONTRIBUTIONS
MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA
REQUIRED SUPPLEMENTARY INFORMATION

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 15,894,534	\$ 15,894,534	\$ ---	\$ 68,347,887	23.255%
2022	16,451,910	16,451,910	---	62,230,805	26.437%
2021	15,224,032	15,224,032	---	59,247,812	25.696%
2020	14,232,013	14,232,013	---	57,411,473	24.789%
2019	14,555,612	14,555,612	---	55,811,804	26.080%
2018	13,859,111	13,859,111	---	53,870,249	25.727%
2017	13,300,483	13,300,483	---	50,736,981	26.215%
2016	13,871,135	13,871,135	---	49,569,046	27.983%
2015	14,626,300	14,626,300	---	46,489,038	31.462%
2014	13,965,577	13,965,577	---	46,366,458	30.120%

See notes to required supplementary information

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MFPRSI PENSION LIABILITY**

Note 1. Changes of benefit terms

There were no significant changes of benefit terms.

Note 2. Changes of assumptions

For the valuation as of June 30, 2022, the plan used the following assumptions:

- Mortality rates were based on the RP 2014 Blue Collar Healthy Annuitant with males set-forward zero years, females set-forward two years and disabled set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB. This was unchanged from 2017.
- The inflation rate remained unchanged at 3.00%.
- The expected salary increases remained unchanged at the range of 3.75 - 15.11%.
- The expected rate of return on investments remained at 7.50%.



**COMBINING STATEMENTS, INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**





CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL GENERAL FUND ACCOUNTS
June 30, 2023

	GENERAL	OTHER	TOTALS
ASSETS			
Cash and investments	\$ 91,312,004	\$ 1,073,194	\$ 92,385,198
Taxes receivable	77,197,272	---	77,197,272
Accounts receivable	5,490,830	209,532	5,700,362
Accrued interest receivable	2,180,440	---	2,180,440
Lease receivable	4,218,737	---	4,218,737
Due from other funds	3,497,768	---	3,497,768
Due from other governmental units	463,105	---	463,105
Advance to other funds	2,448,523	---	2,448,523
Prepaid items	1,464,735	---	1,464,735
Total assets	\$188,273,414	\$ 1,282,726	\$189,556,140
LIABILITIES			
Accounts payable	\$ 3,258,933	\$ 48	\$ 3,258,981
Accrued wages payable	3,355,804	---	3,355,804
Good faith, security deposits	1,071,612	---	1,071,612
Total liabilities	7,686,349	48	7,686,397
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - leases	4,078,704	---	4,078,704
Unavailable revenue - property taxes	74,280,352	---	74,280,352
Total deferred inflows of resources	78,359,056	---	78,359,056
FUND BALANCES (DEFICITS)			
Nonspendable	3,913,258	---	3,913,258
Restricted	1,248,957	---	1,248,957
Committed	1,000,000	---	1,000,000
Unassigned	96,065,794	1,282,678	97,348,472
Total fund balance	102,228,009	1,282,678	103,510,687
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$188,273,414	\$ 1,282,726	\$189,556,140

**CITY OF DES MOINES, IOWA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 ALL GENERAL FUND ACCOUNTS
 For the Fiscal Year Ended June 30, 2023**

	GENERAL	OTHER	TOTALS
Revenues:			
Taxes	\$ 83,259,051	\$ ---	\$ 83,259,051
Franchise fees	15,187,574	---	15,187,574
Licenses and permits	4,021,064	---	4,021,064
Fines and forfeitures	6,926,196	---	6,926,196
Charges for sales and services	22,901,104	9,957	22,911,061
Use of money and property	16,774,107	643	16,774,750
Miscellaneous	15,871,364	449,685	16,321,049
Intergovernmental	4,185,076	1,019,136	5,204,212
Total revenues	<u>169,125,536</u>	<u>1,479,421</u>	<u>170,604,957</u>
Expenditures:			
Current:			
Public safety	135,591,781	265,890	135,857,671
Public works	6,234,164	---	6,234,164
Health and social services	782,171	---	782,171
Culture and recreation	24,541,617	---	24,541,617
Community and economic development	9,567,454	---	9,567,454
General governmental	29,319,746	34,402	29,354,148
Capital outlay	4,047,587		4,047,587
Debt Service:			
Principal retirement	148,219	---	148,219
Lease payments	11,200	---	11,200
Subscription-based principal payments	460,728	---	460,728
Interest and fiscal charges	857	---	857
Total expenditures	<u>210,705,524</u>	<u>300,292</u>	<u>211,005,816</u>
Excess (deficiency) of revenues over expenditures	<u>(41,579,988)</u>	<u>1,179,129</u>	<u>(40,400,859)</u>
Other financing sources (uses):			
Transfers in	92,017,490	---	92,017,490
Transfers out	(10,765,000)	(127,000)	(10,892,000)
Private debt issued	937,891	---	937,891
Proceeds from damage claims	1,675	---	1,675
Proceeds from capital asset sale	28,255	---	28,255
Total other financing sources (uses)	<u>82,220,311</u>	<u>(127,000)</u>	<u>82,093,311</u>
Net changes in fund balance	40,640,323	1,052,129	41,692,452
Fund balances (deficits), beginning of year	61,587,686	230,549	61,818,235
Fund balances (deficits), end of year	<u>\$ 102,228,009</u>	<u>\$ 1,282,678</u>	<u>\$ 103,510,687</u>

CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL CAPITAL PROJECTS ACCOUNTS
June 30, 2023

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
ASSETS				
Cash and investments	\$ 9,525,793	\$ 46,066,488	\$ 71,345,190	\$ 19,340,666
Accounts receivable, net of allowance for doubtful accounts	---	55,507	---	91,842
Lease Receivable	---	---	---	208,901
Due from other governmental units	992,278	---	2,514,208	28,958
Prepaid items	---	9,636	24,719	---
Total assets	<u>\$10,518,071</u>	<u>\$ 46,131,631</u>	<u>\$ 73,884,117</u>	<u>\$ 19,670,367</u>
LIABILITIES				
Accounts payable	\$ 887	\$ 278,962	\$ 70,127	\$ 150,180
Contracts payable	227,536	3,116,396	7,222,717	1,485,613
Accrued wages payable	1,250	7,655	52,393	23,816
Due to other funds	---	---	---	---
Unearned revenue	---	---	263,630	---
Total liabilities	<u>229,673</u>	<u>3,403,013</u>	<u>7,608,867</u>	<u>1,659,609</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - leases	---	---	---	213,089
Unavailable revenue - intergovernmental	---	---	76,650	28,958
Total deferred inflows of resources	<u>---</u>	<u>---</u>	<u>76,650</u>	<u>242,047</u>
FUND BALANCES (DEFICITS)				
Nonspendable	---	9,636	24,719	---
Restricted	---	---	---	---
Committed	10,288,398	42,718,982	66,173,881	17,768,711
Unassigned	---	---	---	---
Total fund balances (deficits)	<u>10,288,398</u>	<u>42,728,618</u>	<u>66,198,600</u>	<u>17,768,711</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$10,518,071</u>	<u>\$ 46,131,631</u>	<u>\$ 73,884,117</u>	<u>\$ 19,670,367</u>

FIRE PROTECTION PROJECTS	LIBRARY PROJECTS	SPECIAL ASSESSMENT PROJECTS	URBAN RENEWAL PROJECTS	OTHER CAPITAL PROJECTS	TOTALS
\$ 6,605,149	\$ 517,760	\$ 888,881	\$ ---	\$ 4,783,097	\$ 159,073,024
---	243	---	---	---	147,592
---	---	---	---	---	208,901
---	---	---	---	7,994	3,543,438
---	---	---	---	184,015	218,370
<u>\$ 6,605,149</u>	<u>\$ 518,003</u>	<u>\$ 888,881</u>	<u>\$ ---</u>	<u>\$ 4,975,106</u>	<u>\$ 163,191,325</u>
\$ ---	\$ 38,574	\$ ---	\$ ---	\$ 338,539	\$ 877,269
---	115,549	---	---	16,419	12,184,230
---	236	---	---	6,170	91,520
---	---	---	357,268	---	357,268
---	---	---	35,305	---	298,935
<u>---</u>	<u>154,359</u>	<u>---</u>	<u>392,573</u>	<u>361,128</u>	<u>13,809,222</u>
---	---	---	---	---	213,089
---	---	---	---	---	105,608
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>318,697</u>
---	---	---	---	184,015	218,370
---	---	888,881	---	---	888,881
6,605,149	363,644	---	---	4,429,963	148,348,728
---	---	---	(392,573)	---	(392,573)
<u>6,605,149</u>	<u>363,644</u>	<u>888,881</u>	<u>(392,573)</u>	<u>4,613,978</u>	<u>149,063,406</u>
<u>\$ 6,605,149</u>	<u>\$ 518,003</u>	<u>\$ 888,881</u>	<u>\$ ---</u>	<u>\$ 4,975,106</u>	<u>\$ 163,191,325</u>

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL CAPITAL PROJECTS ACCOUNTS
For the Fiscal Year Ended June 30, 2023

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
Revenues:				
Charges for sales and services	\$ ---	\$ ---	\$ 113	\$ ---
Use of money and property	13,744	42,108	100,973	47,136
Miscellaneous	162,468	809,103	729,594	1,338,560
Intergovernmental	3,928,670	---	8,972,747	---
Total revenue	<u>4,104,882</u>	<u>851,211</u>	<u>9,803,427</u>	<u>1,385,696</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	139,898	---	5,056,135	---
Culture and recreation	---	---	---	1,308,632
Community and economic development	---	---	---	---
General government	---	1,584,961	---	---
Capital outlay	<u>10,042,713</u>	<u>23,857,830</u>	<u>47,611,432</u>	<u>13,204,303</u>
Total expenditures	<u>10,182,611</u>	<u>25,442,791</u>	<u>52,667,567</u>	<u>14,512,935</u>
Excess (deficiency) of revenues over expenditures	<u>(6,077,729)</u>	<u>(24,591,580)</u>	<u>(42,864,140)</u>	<u>(13,127,239)</u>
Other financing sources (uses):				
Transfers in	6,000,000	27,489,289	57,143,611	20,980,055
Transfers out	---	(7,387)	(1,714,850)	(532,997)
Total other financing sources (uses)	<u>6,000,000</u>	<u>27,481,902</u>	<u>55,428,761</u>	<u>20,447,058</u>
Net changes in fund balance	<u>(77,729)</u>	<u>2,890,322</u>	<u>12,564,621</u>	<u>7,319,819</u>
Fund balances (deficits), beginning of year	<u>10,366,127</u>	<u>39,838,296</u>	<u>53,633,979</u>	<u>10,448,892</u>
Fund balances (deficits), end of year	<u>\$10,288,398</u>	<u>\$ 42,728,618</u>	<u>\$ 66,198,600</u>	<u>\$ 17,768,711</u>

<u>FIRE PROTECTION PROJECTS</u>	<u>LIBRARY PROJECTS</u>	<u>SPECIAL ASSESSMENT PROJECTS</u>	<u>URBAN RENEWAL PROJECTS</u>	<u>OTHER CAPITAL PROJECTS</u>	<u>TOTALS</u>
\$ ---	\$ 4	\$ ---	\$ ---	\$ ---	\$ 117
4,046	3,873	(5,720)	---	7,866	214,026
12,218	34,358	---	---	1,758,453	4,844,754
---	---	---	---	112,543	13,013,960
<u>16,264</u>	<u>38,235</u>	<u>(5,720)</u>	<u>---</u>	<u>1,878,862</u>	<u>18,072,857</u>
19,461	---	---	---	44,318	63,779
---	---	---	---	1,122,537	6,318,570
---	846,261	---	---	314,765	2,469,658
---	---	---	---	5,233,951	5,233,951
---	---	---	---	714,849	2,299,810
<u>481,438</u>	<u>1,584,184</u>	<u>---</u>	<u>---</u>	<u>148,529</u>	<u>96,930,429</u>
<u>500,899</u>	<u>2,430,445</u>	<u>---</u>	<u>---</u>	<u>7,578,949</u>	<u>113,316,197</u>
<u>(484,635)</u>	<u>(2,392,210)</u>	<u>(5,720)</u>	<u>---</u>	<u>(5,700,087)</u>	<u>(95,243,340)</u>
2,600,000	1,260,000	---	---	6,655,000	122,127,955
---	---	---	---	(1,600,000)	(3,855,234)
<u>2,600,000</u>	<u>1,260,000</u>	<u>---</u>	<u>---</u>	<u>5,055,000</u>	<u>118,272,721</u>
2,115,365	(1,132,210)	(5,720)	---	(645,087)	23,029,381
4,489,784	1,495,854	894,601	(392,573)	5,259,065	126,034,025
<u>\$ 6,605,149</u>	<u>\$ 363,644</u>	<u>\$ 888,881</u>	<u>\$ (392,573)</u>	<u>\$ 4,613,978</u>	<u>\$ 149,063,406</u>

**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023**

	SPECIAL REVENUE		
	CDBG	COMMUNITY SERVICES	OTHER EMPLOYEE BENEFITS
ASSETS			
Cash and investments	\$ ---	\$ ---	\$ 1,847,318
Taxes receivable	---	---	22,668,397
Accounts receivable	---	---	---
Loans receivable, net of allowance for doubtful accounts	419,959	---	---
Accrued interest receivable	926	---	---
Due from other funds	---	---	---
Due from other governmental units	1,722,207	1,490,283	---
Inventory	---	---	---
Prepaid items	---	125	20,792
Total assets	\$ 2,143,092	\$ 1,490,408	\$ 24,536,507
LIABILITIES			
Accounts payable	493,035	867,545	---
Contracts payable	---	---	---
Accrued wages payable	47,002	5,403	217,423
Accrued employee benefits	---	---	1,081,515
Due to other funds	1,146,926	558,186	---
Good faith, security deposits	---	---	---
Total liabilities	1,686,963	1,431,134	1,298,938
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	---	---	22,495,879
Unavailable revenue - intergovernmental	492,572	423,503	---
Total deferred inflows of resources	492,572	423,503	22,495,879
FUND BALANCES (DEFICITS)			
Nonspendable	---	125	20,792
Restricted	26,716	41,059	720,898
Committed	---	---	---
Unassigned	(63,159)	(405,413)	---
Total fund balances (deficits)	(36,443)	(364,229)	741,690
Total liabilities, deferred inflows of resources and fund balances	\$ 2,143,092	\$ 1,490,408	\$ 24,536,507

SPECIAL REVENUE		PERMANENT				TOTALS
ROAD USE TAX	OTHER SPECIAL REVENUE	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS		
\$ 18,191,844	\$ 7,299,116	\$ 6,022,724	\$ 375,394	\$ 2,650	\$ 33,739,046	
---	1,847,219	---	---	---	24,515,616	
102,461	6,006	2,449	---	---	110,916	
---	642,729	---	---	---	1,062,688	
---	5,320	---	---	---	6,246	
---	---	---	---	---	---	
4,978,108	311,485	---	---	---	8,502,083	
98,625	---	---	---	---	98,625	
18,679	305,530	---	---	---	345,126	
<u>\$ 23,389,717</u>	<u>\$ 10,417,405</u>	<u>\$ 6,025,173</u>	<u>\$ 375,394</u>	<u>\$ 2,650</u>	<u>\$ 68,380,346</u>	
573,723	172,263	---	---	---	2,106,566	
86	---	---	---	---	86	
297,761	401	---	---	---	567,990	
5,518	---	---	---	---	1,087,033	
---	11,666	---	---	---	1,716,778	
---	120,935	---	---	---	120,935	
<u>877,088</u>	<u>305,265</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>5,599,388</u>	
---	1,433,647	---	---	---	23,929,526	
---	4,875	---	---	---	920,950	
---	1,438,522	---	---	---	24,850,476	
117,304	305,530	2,986,418	374,409	2,650	3,807,228	
22,395,325	4,837,915	2,850,313	985	---	30,873,211	
---	3,391,052	188,442	---	---	3,579,494	
---	139,121	---	---	---	(329,451)	
<u>22,512,629</u>	<u>8,673,618</u>	<u>6,025,173</u>	<u>375,394</u>	<u>2,650</u>	<u>37,930,482</u>	
<u>\$ 23,389,717</u>	<u>\$ 10,417,405</u>	<u>\$ 6,025,173</u>	<u>\$ 375,394</u>	<u>\$ 2,650</u>	<u>\$ 68,380,346</u>	

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	SPECIAL REVENUE		
	CDBG	COMMUNITY SERVICES	OTHER
			EMPLOYEE BENEFITS
Revenues:			
Taxes	\$ ---	\$ ---	\$ 22,578,236
Licenses and permits	---	---	---
Fines and forfeitures	---	---	---
Charges for sales and services	---	---	---
Use of money and property	23,018	40,050	---
Miscellaneous	336,139	23,821	395,009
Intergovernmental	5,603,537	5,744,244	694,070
Total revenues	<u>5,962,694</u>	<u>5,808,115</u>	<u>23,667,315</u>
Expenditures:			
Current:			
Public safety	---	---	---
Public works	---	---	---
Health and social services	4,971,888	6,253,384	---
Culture and recreation	---	---	---
Community and economic development	---	---	---
General government	---	---	4,894,603
Capital outlay	---	---	---
Debt service:			
Principal retirement	---	---	---
Principal retirement	---	---	---
Total expenditures	<u>4,971,888</u>	<u>6,253,384</u>	<u>4,894,603</u>
Excess (deficiency) of revenues over expenditures	<u>990,806</u>	<u>(445,269)</u>	<u>18,772,712</u>
Other financing sources (uses):			
Transfers in	---	---	4,750,000
Transfers out	(1,000,000)	---	(22,417,979)
Proceeds from damage claims	---	---	---
Proceeds from capital asset sale	---	---	---
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>---</u>	<u>(17,667,979)</u>
Net changes in fund balances	(9,194)	(445,269)	1,104,733
Fund balances (deficits), beginning of year	(27,249)	81,040	(363,043)
Fund balances (deficits), end of year	<u>\$ (36,443)</u>	<u>\$ (364,229)</u>	<u>\$ 741,690</u>

SPECIAL REVENUE		PERMANENT				TOTALS
ROAD USE TAX	OTHER SPECIAL REVENUE	PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS		
\$ ---	\$ 1,427,969	\$ ---	\$ ---	\$ ---	\$ 24,006,205	
99,775	---	---	---	---	99,775	
8,228	---	---	---	---	8,228	
925,293	8,559	897,995	---	---	1,831,847	
---	52,179	---	12,795	---	128,042	
20,228	347,216	---	---	---	1,122,413	
32,875,270	6,155,727	---	---	---	51,072,848	
<u>33,928,794</u>	<u>7,991,650</u>	<u>897,995</u>	<u>12,795</u>	<u>---</u>	<u>78,269,358</u>	
---	4,086,496	---	---	---	4,086,496	
25,189,654	---	---	---	---	25,189,654	
---	---	---	---	---	11,225,272	
---	490,229	---	---	---	490,229	
---	2,015,980	---	---	---	2,015,980	
---	16,497	---	---	---	4,911,100	
---	358,322	---	---	---	358,322	
---	840,000	---	---	---	840,000	
---	77,160	---	---	---	77,160	
<u>25,189,654</u>	<u>7,884,684</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>49,194,213</u>	
<u>8,739,140</u>	<u>106,966</u>	<u>897,995</u>	<u>12,795</u>	<u>---</u>	<u>29,075,145</u>	
150,000	1,082,958	---	---	---	5,982,958	
(5,371,715)	(1,863,107)	---	(52,779)	---	(30,705,580)	
782	---	---	---	---	782	
85,568	---	---	---	---	85,568	
<u>(5,135,365)</u>	<u>(780,149)</u>	<u>---</u>	<u>(52,779)</u>	<u>---</u>	<u>(24,636,272)</u>	
3,603,775	(673,183)	897,995	(39,984)	---	4,438,873	
18,908,854	9,346,801	5,127,178	415,378	2,650	33,491,609	
<u>\$ 22,512,629</u>	<u>\$ 8,673,618</u>	<u>\$ 6,025,173</u>	<u>\$ 375,394</u>	<u>\$ 2,650</u>	<u>\$ 37,930,482</u>	

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF NET POSITION
ALL PARKING ACCOUNTS
June 30, 2023

	PARKING	PARK AND RIDE	TOTALS
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 1,877,945	\$ 2,021,071	\$ 3,899,016
Accounts receivable	1,255	3,667	4,922
Due from other governmental units	6,480	---	6,480
Prepaid items	28,086	---	28,086
Total current assets	<u>1,913,766</u>	<u>2,024,738</u>	<u>3,938,504</u>
Noncurrent, capital assets:			
Land	12,409,949	1,735,829	14,145,778
Construction in progress	376,377	---	376,377
Buildings	60,444,974	2,141,304	62,586,278
Improvements other than buildings	17,045,102	17,816,005	34,861,107
Machinery and equipment	4,319,059	---	4,319,059
Right of Use Assets	29,996,021	---	29,996,021
Accumulated depreciation and amortization	<u>(63,583,229)</u>	<u>(14,940,259)</u>	<u>(78,523,488)</u>
Total capital assets, net of accumulated depreciation	<u>61,008,253</u>	<u>6,752,879</u>	<u>67,761,132</u>
Total assets	<u>62,922,019</u>	<u>8,777,617</u>	<u>71,699,636</u>
DEFERRED OUTFLOW OF RESOURCES			
Other postemployment benefits related deferred outflows	47,197	---	47,197
Pension related deferred outflows	126,588	---	126,588
Total deferred outflow of resources	<u>173,785</u>	<u>---</u>	<u>173,785</u>

	PARKING	PARK AND RIDE	TOTALS
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 443,448	\$ 73,599	\$ 517,047
Contracts payable	51,419	---	51,419
Accrued wages payable	110,524	246	110,770
Accrued employee benefits	77,971	---	77,971
Due to other funds	397,374	---	397,374
Accrued interest payable	103,276	---	103,276
Lease payable	1,154,389	---	1,154,389
Total current liabilities	<u>2,338,401</u>	<u>73,845</u>	<u>2,412,246</u>
Noncurrent liabilities:			
Accrued employee benefits	132,232	---	132,232
Other postemployment benefits	187,938	---	187,938
Net pension liability	387,291	---	387,291
Lease payable, net	24,442,588	---	24,442,588
Total noncurrent liabilities	<u>25,150,049</u>	<u>---</u>	<u>25,150,049</u>
Total liabilities	<u>27,488,450</u>	<u>73,845</u>	<u>27,562,295</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related deferred inflows	34,338	---	34,338
Pension related deferred inflows	61,814	---	61,814
Total deferred inflow of resources	<u>96,152</u>	<u>---</u>	<u>96,152</u>
NET POSITION			
Net investment in capital assets	35,359,857	6,752,879	42,112,736
Unrestricted	151,345	1,950,893	2,102,238
Total net position	<u>\$ 35,511,202</u>	<u>\$ 8,703,772</u>	<u>\$ 44,214,974</u>



CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2023

	PARKING	PARK AND RIDE	TOTALS
Operating revenues:			
Charges for sales and services	\$ 9,464,301	\$ 1,644,197	\$ 11,108,498
Miscellaneous	30	---	30
Total operating revenues	<u>9,464,331</u>	<u>1,644,197</u>	<u>11,108,528</u>
Operating expenses:			
Personal services	1,213,028	12,311	1,225,339
Contractual services	3,245,685	1,703,815	4,949,500
Commodities	264,140	---	264,140
Depreciation and amortization	3,592,090	666,408	4,258,498
Other charges	1,288,380	250,633	1,539,013
Total operating expenses	<u>9,603,323</u>	<u>2,633,167</u>	<u>12,236,490</u>
Operating income (loss)	<u>(138,992)</u>	<u>(988,970)</u>	<u>(1,127,962)</u>
Non-operating revenues (expenses):			
Investment earnings	85,246	63,446	148,692
Interest expense and fiscal charges	(1,197,560)	---	(1,197,560)
Total nonoperating revenues (expenses)	<u>(1,112,314)</u>	<u>63,446</u>	<u>(1,048,868)</u>
Income (Loss) before transfers, capital grants and contributions	(1,251,306)	(925,524)	(2,176,830)
Capital grants and contributions	30,000	---	30,000
Transfers in	800,000	---	800,000
Change in net position	<u>(421,306)</u>	<u>(925,524)</u>	<u>(1,346,830)</u>
Total net position (deficit) - beginning, as	<u>35,932,508</u>	<u>9,629,296</u>	<u>45,561,804</u>
Total net position (deficit) - ending	<u>\$ 35,511,202</u>	<u>\$ 8,703,772</u>	<u>\$ 44,214,974</u>

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF CASH FLOWS
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2023

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 9,462,119	\$ 1,644,198	\$ 11,106,317
Payments to suppliers	(4,905,292)	(1,906,921)	(6,812,213)
Payments to employees	<u>(1,378,239)</u>	<u>(12,733)</u>	<u>(1,390,972)</u>
Net cash provided by (used in) operating activities	<u>3,178,588</u>	<u>(275,456)</u>	<u>2,903,132</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	(394,765)	---	(394,765)
Transfers In	800,000	---	800,000
Net cash provided by noncapital and related financing activities	<u>405,235</u>	<u>---</u>	<u>405,235</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital grants	30,000	---	30,000
Interest paid on capital debt	(1,202,312)	---	(1,202,312)
Principal paid on long-term debt	(1,099,216)	---	(1,099,216)
Proceeds from sale of capital assets	---	---	---
Acquisition and construction of capital assets	<u>(3,681,082)</u>	<u>---</u>	<u>(3,681,082)</u>
Net cash (used in) capital and related financing activities	<u>(5,952,610)</u>	<u>---</u>	<u>(5,952,610)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	<u>85,246</u>	<u>63,446</u>	<u>148,692</u>
Net cash provided by investing activities	<u>85,246</u>	<u>63,446</u>	<u>148,692</u>
Net increase (decrease) in cash and cash equivalents	(2,283,541)	(212,010)	(2,495,551)
Cash and cash equivalents, beginning of year	<u>4,161,486</u>	<u>2,233,081</u>	<u>6,394,567</u>
Cash and cash equivalents, end of year	<u>\$ 1,877,945</u>	<u>\$ 2,021,071</u>	<u>\$ 3,899,016</u>

	PARKING	PARK AND RIDE	TOTALS
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (138,992)	\$ (988,970)	\$ (1,127,962)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	3,592,090	666,408	4,258,498
(Increase) decrease in accounts receivable	(1,252)	---	(1,252)
Decrease in due from other governmental units	(960)	---	(960)
Decrease in accounts payable and contracts payable	(107,087)	47,528	(59,559)
Decrease in prepaids	(14,727)	---	(14,727)
Increase (decrease) in accrued wages payable	44,929	(422)	44,507
Decrease in accrued employee benefits and other postemployment benefits	(101,498)	---	(101,498)
Decrease in deferred outflows	9,241	---	9,241
Decrease in deferred inflows	(476,607)	---	(476,607)
Increase in net pension liability	373,451	---	373,451
Total adjustments	<u>3,317,580</u>	<u>713,514</u>	<u>4,031,094</u>
Net cash provided by (used in) operating activities	<u>\$ 3,178,588</u>	<u>\$ (275,456)</u>	<u>\$ 2,903,132</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
June 30, 2023

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 4,500	\$ 13,341,040	\$ 13,345,540
Accounts receivable	30,971	12,650	43,621
Due from other governmental units	---	81,243	81,243
Prepaid items	---	943	943
Total current assets	<u>35,471</u>	<u>13,435,876</u>	<u>13,471,347</u>
Noncurrent, capital assets:			
Land	123,497	---	123,497
Buildings	1,071,714	1,143,880	2,215,594
Improvements other than buildings	3,210,234	255,802	3,466,036
Machinery and equipment	647,965	12,831,221	13,479,186
Accumulated depreciation	(3,025,034)	(11,743,233)	(14,768,267)
Total capital assets, net of accumulated depreciation	<u>2,028,376</u>	<u>2,487,670</u>	<u>4,516,046</u>
Total assets	<u>2,063,847</u>	<u>15,923,546</u>	<u>17,987,393</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits related deferred outflows	---	210,241	210,241
Pension related deferred outflows	---	614,099	614,099
Total deferred outflows of resources	<u>---</u>	<u>824,340</u>	<u>824,340</u>
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	26,167	1,219,476	1,245,643
Accrued wages payable	---	115,749	115,749
Accrued employee benefits	---	215,333	215,333
Accrued interest payable	---	28,032	28,032
General obligation bonds payable	---	600,000	600,000
Total current liabilities	<u>26,167</u>	<u>2,178,590</u>	<u>2,204,757</u>
Noncurrent liabilities:			
Accrued employee benefits	---	365,610	365,610
Other postemployment benefits	---	837,179	837,179
Net pension liability	---	1,878,809	1,878,809
Advance from other funds	2,448,523	---	2,448,523
Revenue bonds payable, net	---	1,065,538	1,065,538
General obligation bonds payable, net	---	11,210,000	11,210,000
Total noncurrent liabilities	<u>2,448,523</u>	<u>15,357,136</u>	<u>17,805,659</u>
Total liabilities	<u>2,474,690</u>	<u>17,535,726</u>	<u>20,010,416</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related deferred inflows	---	152,962	152,962
Pension related deferred inflows	---	299,871	299,871
Total deferred inflows of resources	<u>---</u>	<u>452,833</u>	<u>452,833</u>
NET POSITION (DEFICIT)			
Investment in capital assets	2,028,376	---	2,028,376
Unrestricted	(2,439,219)	(1,240,673)	(3,679,892)
Total net position (deficit)	<u>\$ (410,843)</u>	<u>\$ (1,240,673)</u>	<u>\$ (1,651,516)</u>

**CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2023**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Operating revenues:			
Charges for sales and services	\$ 587,294	\$ 15,862,996	\$ 16,450,290
Miscellaneous	89,945	173	90,118
Total operating revenues	<u>677,239</u>	<u>15,863,169</u>	<u>16,540,408</u>
Operating expenses:			
Personal services	10,263	5,280,974	5,291,237
Contractual services	542,536	8,733,979	9,276,515
Commodities	---	274,260	274,260
Depreciation	111,610	635,378	746,988
Other charges	10,121	839,778	849,899
Total operating expenses	<u>674,530</u>	<u>15,764,369</u>	<u>16,438,899</u>
Operating income (loss)	<u>2,709</u>	<u>98,800</u>	<u>101,509</u>
Non-operating revenues (expenses):			
Investment earnings	---	512,132	512,132
Proceeds from damage claims	16,467	---	16,467
Interest expense and fiscal charges	---	(204,987)	(204,987)
Gain (loss) on disposal of capital assets	---	18,779	18,779
Total nonoperating revenues (expenses)	<u>16,467</u>	<u>325,924</u>	<u>342,391</u>
Income (loss) before transfers, capital grants and contributions	19,176	424,724	443,900
Capital grants and contributions	700	---	700
Change in net position	<u>19,876</u>	<u>424,724</u>	<u>444,600</u>
Total net position (deficit) - beginning	<u>(430,719)</u>	<u>(1,665,397)</u>	<u>(2,096,116)</u>
Total net position (deficit) - ending	<u>\$ (410,843)</u>	<u>\$ (1,240,673)</u>	<u>\$ (1,651,516)</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2023

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 696,786	\$ 15,845,152	\$ 16,541,938
Payments to suppliers	(542,813)	(9,427,737)	(9,970,550)
Payments to employees	(11,106)	(5,940,237)	(5,951,343)
Net cash (used in) provided by operating activities	<u>142,867</u>	<u>477,178</u>	<u>620,045</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from interfund accounts	(160,034)	---	(160,034)
Net cash provided by (used in) noncapital and related financing activities	<u>(160,034)</u>	<u>---</u>	<u>(160,034)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	700	---	700
Interest paid on capital debt	---	(365,881)	(365,881)
Proceeds from sale of capital assets	---	18,779	18,779
Proceeds from damage claims	16,467	---	16,467
Principal paid on long-term debt	---	(590,000)	(590,000)
Net cash provided by capital and related financing activities	<u>17,167</u>	<u>(937,102)</u>	<u>(919,935)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	---	512,132	512,132
Net cash provided by investing activities	<u>---</u>	<u>512,132</u>	<u>512,132</u>
Net increase in cash and cash equivalents	---	52,208	52,208
Cash and cash equivalents, beginning of year	<u>4,500</u>	<u>13,288,832</u>	<u>13,293,332</u>
Cash and cash equivalents, end of year	<u>\$ 4,500</u>	<u>\$ 13,341,040</u>	<u>\$ 13,345,540</u>

	<u>GOLF COURSES</u>	<u>SOLID WASTE SYSTEM</u>	<u>TOTALS</u>
Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:			
Operating income (loss)	\$ 2,709	\$ 98,800	\$ 101,509
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:			
Depreciation expense	111,610	635,378	746,988
(Increase) in prepaid expenses	---	134	134
Decrease in accounts receivable	19,547	(7,001)	12,546
Decrease in due from other governmental units	---	(11,016)	(11,016)
(Decrease) in accounts payable	16,719	420,146	436,865
Increase in contracts payable	(6,875)	---	(6,875)
Increase in accrued wages payable	(843)	(215,725)	(216,568)
Decrease in accrued employee benefits	---	(16,409)	(16,409)
Decrease other postemployment benefits	---	13,635	13,635
Decrease in deferred outflows	---	(13,164)	(13,164)
(Decrease) in deferred inflows	---	(2,240,114)	(2,240,114)
Increase in net pension liability	---	1,812,514	1,812,514
Total adjustments	<u>140,158</u>	<u>378,378</u>	<u>518,536</u>
Net cash (used in) provided by operating activities	<u>\$ 142,867</u>	<u>\$ 477,178</u>	<u>\$ 620,045</u>
Schedule of noncash capital and related financing activities:			
Gain on disposal of capital assets	\$ ---	\$ 18,779	\$ 18,779

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	EQUIPMENT		CENTRAL	RADIO
	SERVICE	FORESTRY	SERVICES	COMMUNI-
	CENTER			CATIONS
ASSETS				
Current assets:				
Cash and investments	\$ 1,180,575	\$ ---	\$ 424,805	\$ 261,978
Taxes receivable	31,634	---	---	---
Accounts receivable	10,066	---	---	---
Due from other governmental units	25,686	---	---	---
Inventory	147,855	---	72,891	---
Prepaid items	11,695	5,516	36,302	103,180
Total current assets	1,407,511	5,516	533,998	365,158
Noncurrent assets, capital assets:				
Machinery and equipment	212,018	---	1,114,041	21,328
Accumulated depreciation	(182,198)	---	(1,114,041)	(21,328)
Total capital assets, net of accumulated depreciation	29,820	---	---	---
Total assets	1,437,331	\$ 5,516	533,998	365,158
DEFERRED OUTFLOW OF RESOURCES				
Other postemployment benefits related				
deferred outflows	141,591	68,650	30,034	---
Pension related deferred outflows	393,616	158,209	17,876	74,131
Total deferred outflow of resources	535,207	226,859	47,910	74,131
LIABILITIES				
Liabilities:				
Current liabilities:				
Accounts payable	908,848	11,788	8,998	246
Accrued wages payable	67,386	31,871	---	14,168
Accrued employee benefits	132,268	52,377	---	26,565
Due to other funds	---	887,694	---	---
Unearned revenue	---	---	---	---
Total current liabilities	1,108,502	983,730	8,998	40,979
Noncurrent liabilities:				
Accrued employee benefits	226,232	89,587	---	45,437
Other postemployment benefits	563,815	273,365	119,597	---
Net pension liability	1,204,251	484,035	54,690	226,799
Total noncurrent liabilities	1,994,298	846,987	174,287	272,236
Total liabilities	3,102,800	1,830,717	183,285	313,215
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits related				
deferred inflows	103,015	49,947	21,852	---
Pension related deferred inflows	192,207	77,255	8,729	36,199
Total deferred inflow of resources	295,222	127,202	30,581	36,199
NET POSITION (DEFICIT)				
Investment in capital assets	29,820	---	---	---
Unrestricted	(1,455,304)	(1,725,544)	368,042	89,875
Total net position (deficit)	\$ (1,425,484)	\$ (1,725,544)	\$ 368,042	\$ 89,875

<u>EQUIPMENT</u> <u>REPLACEMENT</u>	<u>RADIO</u> <u>REPLACEMENT</u>	<u>GROUP HEALTH</u> <u>INSURANCE</u>	<u>TOTALS</u>
\$ 7,926,419	\$ 20,049	\$ 13,685,787	\$ 23,499,613
---	---	---	31,634
---	---	1,030,579	1,040,645
---	---	322,067	347,753
---	---	---	220,746
10,629	---	---	167,322
<u>7,937,048</u>	<u>20,049</u>	<u>15,038,433</u>	<u>25,307,713</u>
56,110,762	2,400,522	---	59,858,671
(39,993,883)	(2,400,522)	---	(43,711,972)
<u>16,116,879</u>	<u>---</u>	<u>---</u>	<u>16,146,699</u>
<u>24,053,927</u>	<u>20,049</u>	<u>15,038,433</u>	<u>41,454,412</u>
---	---	---	240,275
---	---	---	643,832
---	---	---	884,107
739,722	---	1,060,109	2,729,711
---	---	3,904	117,329
---	---	1,615,000	1,826,210
---	---	---	887,694
---	---	29,644	29,644
<u>739,722</u>	<u>---</u>	<u>2,708,657</u>	<u>5,590,588</u>
---	---	---	361,256
---	---	---	956,777
---	---	---	1,969,775
---	---	---	3,287,808
<u>739,722</u>	<u>---</u>	<u>2,708,657</u>	<u>8,878,396</u>
---	---	---	174,814
---	---	---	314,390
---	---	---	489,204
16,116,879	---	---	16,146,699
<u>7,197,326</u>	<u>20,049</u>	<u>12,329,776</u>	<u>16,824,220</u>
<u>\$ 23,314,205</u>	<u>\$ 20,049</u>	<u>\$ 12,329,776</u>	<u>\$ 32,970,919</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION (DEFICIT)
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUN- ICATIONS
Operating revenues:				
Charges for sales and services	\$ 11,659,476	\$ 2,045,820	\$ 380,899	\$ 855,300
Miscellaneous	56	---	---	1,188
Total operating revenue	<u>11,659,532</u>	<u>2,045,820</u>	<u>380,899</u>	<u>856,488</u>
Operating expenses:				
Personal services	3,008,163	1,561,677	44,774	608,363
Contractual services	1,671,538	303,857	288,832	108,721
Commodities	6,402,264	28,453	56,960	20,219
Depreciation	18,374	---	---	---
Other charges	56,182	57,006	---	---
Total operating expenses	<u>11,156,521</u>	<u>1,950,993</u>	<u>390,566</u>	<u>737,303</u>
Operating income (loss)	<u>503,011</u>	<u>94,827</u>	<u>(9,667)</u>	<u>119,185</u>
Non-operating revenues (expenses):				
Gain/(loss) on disposal of capital assets	---	---	---	---
Total nonoperating revenues (expenses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Income (Loss) before transfers	<u>503,011</u>	<u>94,827</u>	<u>(9,667)</u>	<u>119,185</u>
Transfers in	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Change in net position	<u>503,011</u>	<u>94,827</u>	<u>(9,667)</u>	<u>119,185</u>
Total net position (deficit) - beginning	<u>(1,928,495)</u>	<u>(1,820,371)</u>	<u>377,709</u>	<u>(29,310)</u>
Total net position (deficit) - ending	<u>\$ (1,425,484)</u>	<u>\$ (1,725,544)</u>	<u>\$ 368,042</u>	<u>\$ 89,875</u>

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 7,324,405	\$ ---	\$ 34,911,929	\$ 57,177,829
2,628	---	---	3,872
<u>7,327,033</u>	<u>---</u>	<u>34,911,929</u>	<u>57,181,701</u>
---	---	128,163	5,351,140
763,617	---	33,269,699	36,406,264
---	---	---	6,507,896
5,261,234	---	---	5,279,608
---	---	50,656	163,844
<u>6,024,851</u>	<u>---</u>	<u>33,448,518</u>	<u>53,708,752</u>
<u>1,302,182</u>	<u>---</u>	<u>1,463,411</u>	<u>3,472,949</u>
110,116	---	---	110,116
<u>110,116</u>	<u>---</u>	<u>---</u>	<u>110,116</u>
1,412,298	---	1,463,411	3,583,065
---	---	---	---
1,412,298	---	1,463,411	3,583,065
21,901,907	20,049	10,866,365	29,387,854
<u>\$ 23,314,205</u>	<u>\$ 20,049</u>	<u>\$ 12,329,776</u>	<u>\$ 32,970,919</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 850,798	\$ 2,045,820	\$ 380,899	\$ 856,488
Receipts from interfund services provided	10,795,190	---	---	---
Payments to suppliers	(7,781,388)	(222,886)	(346,267)	(355,390)
Payments to employees	(3,340,476)	(1,690,758)	---	(595,587)
Proceeds from damage claims	---	---	---	---
Payments for interfund services used	(156,848)	(178,860)	---	---
Net cash provided by (used in) operating activities	<u>367,276</u>	<u>(46,684)</u>	<u>34,632</u>	<u>(94,489)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from interfund accounts	---	46,684	---	---
Payments to interfund accounts	---	---	---	---
Transfers in	---	---	---	---
Intergovernmental receipts	(437)	---	---	---
Net cash provided by (used in) noncapital and related financing activities	<u>(437)</u>	<u>46,684</u>	<u>---</u>	<u>---</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	---	---	---	---
Proceeds from sale of capital assets	---	---	---	---
Net cash used in capital and related financing activities	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net increase (decrease) in cash and cash equivalents	366,839	---	34,632	(94,489)
Cash and cash equivalents, beginning of year	<u>813,736</u>	<u>---</u>	<u>390,173</u>	<u>356,467</u>
Cash and cash equivalents, end of year	<u>\$ 1,180,575</u>	<u>---</u>	<u>\$ 424,805</u>	<u>\$ 261,978</u>

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 7,337,688	\$ ---	\$ 35,902,030	\$ 47,373,723
---	---	---	10,795,190
(23,465)	---	(33,652,687)	(42,382,083)
---	---	(121,697)	(5,748,518)
---	---	---	---
---	---	---	(335,708)
<u>7,314,223</u>	<u>-</u>	<u>2,127,646</u>	<u>9,702,604</u>
---	---	---	46,684
---	---	---	---
---	---	---	---
---	---	---	(437)
<u>---</u>	<u>---</u>	<u>---</u>	<u>46,247</u>
(4,655,529)	---	---	(4,655,529)
<u>110,116</u>	<u>---</u>	<u>---</u>	<u>110,116</u>
<u>(4,545,413)</u>	<u>---</u>	<u>---</u>	<u>(4,545,413)</u>
2,768,810	---	2,127,646	5,203,438
<u>5,157,609</u>	<u>20,049</u>	<u>11,558,141</u>	<u>18,296,175</u>
<u>\$ 7,926,419</u>	<u>\$ 20,049</u>	<u>\$ 13,685,787</u>	<u>\$ 23,499,613</u>

(continued)

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2023

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES	RADIO COMMUNI- CATIONS
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 503,011	\$ 94,827	\$ (9,667)	\$ 119,185
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	18,374	---	---	---
Decrease in due from other governments	---	---	---	---
Decrease in accounts and taxes receivable	(13,544)	---	---	---
Decrease in inventories	(1,678)	---	(24,750)	---
(Increase) decrease in prepaid items	(10,448)	(5,516)	23,496	(103,180)
Increase (decrease) in accounts payable	203,874	(6,914)	779	(44)
Increase in accrued wages payable	(98,146)	(43,388)	---	(20,753)
Increase (decrease) in accrued employee benefits and other postemployment benefits	84,795	25,774	69,176	(33,546)
Decrease in deferred outflows	(12,842)	(1,842)	(14,587)	16,523
(Decrease) in deferred inflows	(1,466,786)	(576,654)	(62,349)	(291,215)
(Decrease) in net pension liability	1,160,666	467,029	52,534	218,541
Total adjustments	<u>(135,735)</u>	<u>(141,511)</u>	<u>44,299</u>	<u>(213,674)</u>
Net cash provided by (used in) operating activities	<u>\$ 367,276</u>	<u>\$ (46,684)</u>	<u>\$ 34,632</u>	<u>\$ (94,489)</u>
Schedule of noncash capital and related financing activities:				
Gain on sale of capital asset	\$ ---	\$ ---	\$ ---	\$ ---

<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,302,182	\$ ---	\$ 1,463,411	\$ 3,472,949
5,261,234	---	---	5,279,608
-	---	(247,803)	(247,803)
10,655	---	1,244,754	1,241,865
---	---	---	(26,428)
3,542	---	---	(92,106)
736,610	---	68,011	1,002,316
---	---	(2,877)	(165,164)
---	---	(391,000)	(244,801)
---	---	(6,850)	(19,598)
---	---	---	(2,397,004)
---	---	---	1,898,770
<u>6,012,041</u>	<u>---</u>	<u>664,235</u>	<u>6,229,655</u>
<u>\$ 7,314,223</u>	<u>\$ ---</u>	<u>\$ 2,127,646</u>	<u>\$ 9,702,604</u>
\$ 110,116	\$ ---	\$ ---	\$ 110,116

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
For the Fiscal Year Ended June 30, 2023

Function:	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JUNE 30, 2022	ADDITIONS	DELETIONS	JUNE 30, 2023
Public safety	\$ 126,822,181	\$ 9,344,242	\$ (1,057,835)	\$ 135,108,588
General government	417,969,437	85,576,201	(67,631,576)	435,914,062
Public works	1,176,016,396	65,703,223	(498,181)	1,241,221,438
Health and social services	13,989	---	---	13,989
Culture and recreation	335,993,246	9,142,499	(20,983)	345,114,762
Community and economic development	54,985,846	---	---	54,985,846
Total Governmental Funds Capital Assets	\$ 2,111,801,095	\$ 169,766,165	\$ (69,208,575)	\$ 2,212,358,685

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF DES MOINES, IOWA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
June 30, 2023

	LAND AND LAND IMPROVEMENTS	BUILDINGS AND BLDG IMPROVEMENTS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	RIGHT OF USE ASSETS	TOTAL
Function:							
Public safety	\$ 11,493,182	\$ 55,216,702	\$ 26,177,246	\$ 42,221,458	\$ ---	\$ ---	\$ 135,108,588
General government	124,915,344	96,922,798	1,371,526	15,680,432	193,356,022	3,667,940	435,914,062
Public works	22,209,901	2,812,290	1,211,180,220	5,019,027	---	---	1,241,221,438
Health and social services	---	---	---	13,989	---	---	13,989
Culture and recreation	6,863,074	109,533,710	225,920,632	2,797,346	---	---	345,114,762
Community and economic development	4,574,295	46,368,425	2,095,342	73,701	---	1,874,083	54,985,846
Total Governmental Funds Capital Assets	\$ 170,055,796	\$ 310,853,925	\$ 1,466,744,966	\$ 65,805,953	\$ 193,356,022	\$ 5,542,023	\$ 2,212,358,685

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds:				
General Obligation Bonds 2015A	4.00 4.00 4.00 3.00 3.00 3.00 3.13 3.25 3.25 3.38 3.38 3.50	JDI	08-15	06-35
General Obligation Refunding Bonds 2015B	4.00 4.00 4.00 3.00 3.00	JDI	08-15	06-28
General Obligation Bonds, 2016A	5.00 2.00 2.00 2.13 2.25 2.25 2.38 2.38 2.50 2.50 2.63 2.63 2.75	JDI	09-16	06-36
General Obligation Refunding Bonds, 2016B	3.00 3.00 3.00 2.00 2.00 2.25 2.25	JDI	09-16	06-30

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
General Obligation Bonds, 2017A	5.00	JDI	09-17	06-37
	5.00			
	5.00			
	2.00			
	2.25			
	3.00			
	3.00			
	3.00			
	3.00			
	3.13			
	3.00			
	3.00			
	3.00			
	3.00			
General Obligation Bonds, 2017B	2.25	JDI	09-17	06-37
	2.25			
	2.50			
	4.00			
	2.50			
	3.00			
	3.00			
	3.00			
	3.13			
	3.00			
	3.00			
	3.00			
	3.00			
	3.13			
General Obligation Annual Appropriation Bonds, 2017C	4.00	JDI	09-17	06-37
	4.00			
General Obligation Refunding Capital Loan Notes, 2018A	5.00	JDI	03-18	06-25
	2.25			
General Obligation Bonds, 2018B	5.00	JDI	08-18	06-38
	5.00			
	5.00			
	5.00			
	3.00			
	3.00			
	3.00			
	3.00			
	3.13			
	3.13			
	3.25			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
1,740,000	24	\$39,780,000	\$39,780,000	\$8,875,000	\$30,905,000
1,825,000	25				
1,920,000	26				
2,015,000	27				
2,055,000	28				
2,100,000	29				
2,165,000	30				
2,230,000	31				
2,295,000	32				
2,365,000	33				
2,435,000	34				
2,515,000	35				
2,585,000	36				
2,660,000	37				
565,000	25				
595,000	26				
605,000	27				
620,000	28				
645,000	29				
660,000	30				
680,000	31				
700,000	32				
725,000	33				
745,000	34				
770,000	35				
790,000	36				
815,000	37				
890,000	24	\$4,785,000	\$4,785,000	\$3,530,000	\$1,255,000
365,000	25				
4,210,000	24	\$44,325,000	\$44,325,000	\$38,195,000	\$6,130,000
1,920,000	25				
1,915,000	24	\$45,640,000	\$45,640,000	\$9,165,000	\$36,475,000
1,965,000	25				
2,025,000	26				
2,085,000	27				
2,150,000	28				
2,220,000	29				
2,295,000	30				
2,375,000	31				
2,465,000	32				
2,560,000	33				
2,660,000	34				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	3.25			
	3.38			
	3.38			
	3.38			
General Obligation Bonds, 2019A	5.00	JDI	07-19	06-39
	5.00			
	5.00			
	5.00			
	4.00			
	4.00			
	4.00			
	3.00			
	2.75			
	2.75			
	2.88			
	2.88			
	3.00			
	3.00			
	3.00			
	3.13			
General Obligation Bonds, 2019B	4.00	JDI	07-19	06-24
General Obligation Bonds, 2020A	5.00	JDI	03-20	06-32
	5.00			
	5.00			
	5.00			
	5.00			
	4.00			
	2.00			
	2.00			
	2.00			
General Obligation Bonds, 2020D	5.00	JDI	09-20	06-40
	5.00			
	5.00			
	5.00			
	5.00			
	4.00			
	4.00			
	3.00			
	1.25			
	1.38			
	1.50			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
2,770,000	35				
2,880,000	36				
2,995,000	37				
3,115,000	38				
6,335,000	24	\$84,815,000	\$84,815,000	\$25,605,000	\$59,210,000
5,670,000	25				
5,870,000	26				
5,205,000	27				
5,380,000	28				
5,555,000	29				
4,100,000	30				
4,235,000	31				
2,700,000	32				
2,790,000	33				
2,900,000	34				
1,570,000	35				
1,625,000	36				
1,690,000	37				
1,755,000	38				
1,830,000	39				
520,000	24	\$2,405,000	\$2,405,000	\$1,885,000	\$520,000
2,370,000	24	\$25,135,000	\$25,135,000	\$3,925,000	\$21,210,000
2,595,000	25				
2,715,000	26				
2,995,000	27				
2,715,000	28				
1,865,000	29				
1,950,000	30				
1,990,000	31				
2,015,000	32				
5,035,000	24	\$84,760,000	\$84,760,000	\$15,305,000	\$69,455,000
5,085,000	25				
4,245,000	26				
4,300,000	27				
4,360,000	28				
4,430,000	29				
4,500,000	30				
3,950,000	31				
4,020,000	32				
4,115,000	33				
4,230,000	34				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	1.63			
	1.63			
	1.75			
	1.75			
	1.88			
	1.88			
Taxable General Obligation, 2020E	4.00	JDI	09-20	06-25
	0.50			
General Obligation Refunding Capital Loan Notes, 2021A	5.00	JDI	03-21	06-33
	5.00			
	5.00			
	5.00			
	5.00			
	4.00			
	4.00			
	1.00			
	1.00			
	1.13			
Taxable General Obligation Urban Renewal Capital Loan Notes, Series 2021B	2.00	JDI	03-21	06-34
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	1.00			
	1.10			
	1.20			
	1.30			
	1.40			
General Obligation Bonds, 2021F	5.00	JDI	09-21	06-41
	5.00			
	5.00			
	5.00			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
4,340,000	35				
3,170,000	36				
3,265,000	37				
3,365,000	38				
3,470,000	39				
3,575,000	40				
1,030,000	24	\$5,090,000	\$5,090,000	\$3,015,000	\$2,075,000
1,045,000	25				
2,125,000	24	\$34,760,000	\$34,760,000	\$3,720,000	\$31,040,000
2,225,000	25				
3,075,000	26				
1,865,000	27				
2,610,000	28				
3,770,000	29				
---	30				
8,365,000	31				
4,170,000	32				
2,835,000	33				
3,140,000	24	\$43,835,000	\$43,835,000	\$5,935,000	\$37,900,000
3,205,000	25				
3,270,000	26				
3,335,000	27				
3,400,000	28				
3,470,000	29				
3,535,000	30				
3,575,000	31				
3,610,000	32				
3,655,000	33				
3,705,000	34				
4,385,000	24	\$89,125,000	\$89,125,000	\$9,095,000	\$80,030,000
4,610,000	25				
4,835,000	26				
3,900,000	27				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
317,000	24	\$6,668,000	\$6,668,000	\$1,195,000	\$5,473,000
320,000	25				
323,000	26				
326,000	27				
330,000	28				
333,000	29				
337,000	30				
340,000	31				
343,000	32				
347,000	33				
350,000	34				
354,000	35				
358,000	36				
361,000	37				
365,000	38				
369,000	39				
462,000	24	\$10,000,000	\$10,000,000	\$1,349,000	\$8,651,000
467,000	25				
473,000	26				
479,000	27				
484,000	28				
490,000	29				
496,000	30				
502,000	31				
508,000	32				
514,000	33				
520,000	34				
527,000	35				
533,000	36				
539,000	37				
546,000	38				
552,000	39				
559,000	40				
446,000	24	\$10,000,000	\$5,500,000	\$870,000	\$4,630,000
452,000	25				
459,000	26				
466,000	27				
473,000	28				
480,000	29				
487,000	30				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
495,000	31				
502,000	32				
370,000	33				
155,000	24	\$3,624,000	\$3,624,000	\$301,000	\$3,323,000
158,000	25				
161,000	26				
165,000	27				
168,000	28				
171,000	29				
175,000	30				
178,000	31				
182,000	32				
186,000	33				
189,000	34				
193,000	35				
197,000	36				
201,000	37				
205,000	38				
209,000	39				
213,000	40				
217,000	41				
630,000	24	\$15,000,000	\$14,632,712	\$617,000	\$14,015,712
642,000	25				
655,000	26				
668,000	27				
682,000	28				
695,000	29				
709,000	30				
723,000	31				
738,000	32				
753,000	33				
768,000	34				
783,000	35				
799,000	36				
815,000	37				
831,000	38				
847,000	39				
864,000	40				
882,000	41				
531,712	42				
290,000	24	\$7,035,000	\$3,922,577	\$0	\$3,922,577

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

INTEREST		ISSUE DATE	FINAL MATURITY DATE
RATES	DATES		
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			
2.00			

Total Sewer Revenue Bonds

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
<i>Stormwater Revenue Bonds:</i>				
Stormwater Management Utility Revenue Bonds, Series 2016C	5.00 3.00 3.00 2.00 2.10 2.25 2.25 2.38	JDI	09-16	06-31
Stormwater Management Utility Revenue Refunding Bonds, Series 2016D	5.00 3.00 3.00 2.00 2.10 3.00 3.00	JDI	09-16	06-30
Stormwater Management Utility Revenue Capital Loan Notes, Series 2018C	5.00 5.00 5.00 5.00 5.00 3.00 3.00 3.00 3.13 3.13 3.25 3.25 3.38 3.38 3.50	JDI	08-18	06-38

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
340,000	24	\$12,715,000	\$12,715,000	\$9,785,000	\$2,930,000
345,000	25				
350,000	26				
360,000	27				
370,000	28				
380,000	29				
385,000	30				
400,000	31				
675,000	24	\$8,830,000	\$8,830,000	\$3,530,000	\$5,300,000
715,000	25				
735,000	26				
765,000	27				
780,000	28				
800,000	29				
830,000	30				
1,865,000	24	\$43,620,000	\$43,620,000	\$7,280,000	\$36,340,000
1,920,000	25				
1,985,000	26				
2,050,000	27				
2,120,000	28				
2,195,000	29				
2,280,000	30				
2,375,000	31				
2,465,000	32				
2,560,000	33				
2,665,000	34				
2,780,000	35				
2,900,000	36				
3,025,000	37				
3,155,000	38				

CITY OF DES MOINES, IOWA
COMBINED SCHEDULE OF BONDS PAYABLE
June 30, 2023

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
Sewer Revenue 2018F (State Revolving Fund - Loan C0946R)	1.02	JDI	10-18	06-39
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
	1.02			
Sewer Revenue 2018G (State Revolving Fund - Loan C0949R)	2.00	JDI	10-18	06-40
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
Sewer Revenue 2020C (State Revolving Fund - Loan CS-1920858-01)	1.49	JDI	05-20	06-41
	1.49			
	1.49			
	1.49			
	1.49			
	1.49			

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
317,000	24	\$6,668,000	\$6,668,000	\$1,195,000	\$5,473,000
320,000	25				
323,000	26				
326,000	27				
330,000	28				
333,000	29				
337,000	30				
340,000	31				
343,000	32				
347,000	33				
350,000	34				
354,000	35				
358,000	36				
361,000	37				
365,000	38				
369,000	39				
404,000	24	\$9,250,000	\$9,250,000	\$1,165,000	\$8,085,000
412,000	25				
420,000	26				
429,000	27				
437,000	28				
446,000	29				
455,000	30				
464,000	31				
473,000	32				
483,000	33				
493,000	34				
502,000	35				
512,000	36				
523,000	37				
533,000	38				
544,000	39				
555,000	40				
446,000	24	\$10,000,000	\$5,500,000	\$870,000	\$4,630,000
452,000	25				
459,000	26				
466,000	27				
473,000	28				
480,000	29				
487,000	30				

ANNUAL SERIAL PAYMENTS		BONDS			
AMOUNT	FISCAL YEAR	AUTHORIZED	ISSUED	RETIRED	OUTSTANDING
495,000	31				
502,000	32				
370,000	33				
990,000	24	\$22,485,000	\$22,485,000	\$3,055,000	\$19,430,000
1,000,000	25				
1,015,000	26				
1,025,000	27				
1,040,000	28				
1,060,000	29				
1,075,000	30				
1,095,000	31				
1,115,000	32				
1,140,000	33				
1,170,000	34				
1,200,000	35				
1,230,000	36				
1,265,000	37				
1,300,000	38				
1,335,000	39				
1,375,000	40				
168,000	24	\$3,623,000	\$3,623,000	\$331,000	\$3,292,000
169,000	25				
171,000	26				
173,000	27				
175,000	28				
176,000	29				
178,000	30				
180,000	31				
182,000	32				
184,000	33				
185,000	34				
187,000	35				
189,000	36				
191,000	37				
193,000	38				
195,000	39				
197,000	40				
199,000	41				
1,025,000	24	\$26,505,000	\$26,505,000	\$930,000	\$25,575,000

**CITY OF DES MOINES, IOWA
 COMBINED SCHEDULE OF BONDS PAYABLE
 June 30, 2023**

	INTEREST		ISSUE DATE	FINAL MATURITY DATE
	RATES	DATES		
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	4.00			
	1.50			
	1.63			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.00			
	2.13			
	2.13			
	2.25			
Stormwater Management Utility Revenue Bonds, Series 2022B	5.00	JDI	08-22	06-42
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	5.00			
	3.50			
	3.50			
	3.63			
	3.63			
	3.75			
	3.75			
	3.88			
	3.88			
Total Stormwater Revenue Bonds				
Total Revenue Bonds				
Total General Obligation and Revenue Bonds				



STATISTICAL SECTION



STATISTICAL SECTION

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

Contents	Page
Financial Trends	186
<i>These schedules contain trend information to help the reader understand how the City of Des Moines' financial performance and well-being have changed over time.</i>	
Revenue Capacity	205
<i>These schedules contain information to help the reader assess the City of Des Moines' most significant local revenue source, the property tax.</i>	
Debt Capacity	214
<i>These schedules present information to help the reader assess the affordability of the City of Des Moines' current levels of outstanding debt and the City of Des Moines' ability to issue additional debt in the future.</i>	
Demographic and Economic Information	223
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Des Moines' financial activities take place.</i>	
Operating Information	228
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City of Des Moines' financial report relates to the services the City of Des Moines provides and the activities in performs.</i>	

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

CITY OF DES MOINES, IOWA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020
Governmental activities:				
Net investment in capital assets	\$ 830,648,182	\$ 802,111,537	\$ 763,997,971	\$ 703,716,716
Restricted:				
Capital projects	3,254,807	3,476,330	3,262,701	2,369,327
Debt retirement	17,538,321	6,940,325	13,342,282	13,156,334
Corpus/Endowments/permanently restricted	3,363,477	3,335,565	4,114,621	4,249,971
Donor restricted purposes/temporarily restricted	-	-	-	-
Police and fire	567,631	2,721,586	481,664	531,296
Public works	22,395,325	19,420,218	12,457,076	10,421,670
Health and social services	-	-	-	-
Culture and recreation	3,455,849	2,054,022	1,475,997	1,748,302
Community and economic development	13,550,004	28,958,688	17,289,053	-
Other restricted assets	30,161,134	26,064,431	39,668,136	12,184,995
Unrestricted	25,178,133	(53,132,908)	(90,009,943)	(50,530,271)
Total governmental activities net position	\$ 950,112,863	\$ 841,949,794	\$ 766,079,558	\$ 697,848,340
Business-type activities:				
Net investment in capital assets	\$ 360,408,441	\$ 351,539,366	\$ 342,096,930	\$ 338,541,335
Restricted:				
Capital projects	-	-	-	-
Public housing program	1,655,186	1,606,069	1,707,735	2,912,354
Debt retirement	10,612,628	11,253,763	9,254,367	7,146,596
Unrestricted	52,505,284	36,608,678	23,115,386	22,678,750
Total business-type activities net position	\$ 425,181,539	\$ 401,007,876	\$ 376,174,418	\$ 371,279,035
Primary government:				
Net investment in capital assets	\$ 1,191,056,623	\$ 1,153,650,903	\$ 1,106,094,901	\$ 1,042,258,051
Restricted:				
Capital projects	3,254,807	3,476,330	3,262,701	2,369,327
Public housing program	1,655,186	1,606,069	1,707,735	2,912,354
Debt retirement	28,150,949	18,194,088	22,596,649	20,302,930
Endowments/permanently restricted	3,363,477	3,335,565	4,114,621	4,249,971
Donor restricted purposes/temporarily restricted	-	-	-	-
Police and fire	567,631	2,721,586	481,664	531,296
Public works	22,395,325	19,420,218	12,457,076	10,421,670
Health and social services	-	-	-	-
Culture and recreation	3,455,849	2,054,022	1,475,997	1,748,302
Community and economic development	13,550,004	28,958,688	17,289,053	-
Other restricted assets	30,161,134	26,064,431	39,668,136	12,184,995
Unrestricted	77,683,417	(16,524,230)	(66,894,557)	(27,851,521)
Total primary government net position	\$ 1,375,294,402	\$ 1,242,957,670	\$ 1,142,253,976	\$ 1,069,127,375

*As restated for GASB 75. See Notes to the Financial Statements for further information.

Table 1

2019	2018	2017*	2016	2015	2014
\$ 668,196,568	\$ 639,424,605	\$ 612,859,417	\$ 648,729,341	\$ 627,588,818	\$ 614,177,213
2,370,310	3,192,588	879,835	881,071	887,263	888,328
4,924,629	3,148,524	24,886,321	3,180,672	1,886,377	-
4,097,300	3,983,061	3,830,999	3,709,917	3,598,450	3,481,043
-	-	906,494	921,067	932,213	932,213
573,280	1,265,369	-	-	1,159,309	-
12,076,600	9,873,168	10,149,716	9,588,074	6,314,263	1,817,452
-	-	-	-	-	-
1,765,923	1,608,974	1,646,955	1,628,645	1,713,415	1,815,120
-	-	-	-	-	-
3,575,571	4,776,639	3,372,846	2,559,058	1,984,709	1,663,777
(38,030,704)	(65,470,632)	(64,464,296)	(101,642,381)	(109,471,650)	22,024,663
<u>\$ 659,549,477</u>	<u>\$ 601,802,296</u>	<u>\$ 594,068,287</u>	<u>\$ 569,555,464</u>	<u>\$ 536,593,167</u>	<u>\$ 646,799,809</u>
\$ 308,497,550	\$ 316,765,007	\$ 277,688,763	\$ 282,428,015	\$ 275,958,369	\$ 273,748,942
-	-	2,287,721	-	-	-
2,896,344	3,135,420	4,339,945	4,491,284	6,005,705	7,215,809
7,146,596	4,454,546	4,454,546	5,018,646	5,018,646	5,018,646
19,603,224	10,715,246	46,281,655	27,750,785	13,897,395	14,724,885
<u>\$ 338,143,714</u>	<u>\$ 335,070,219</u>	<u>\$ 335,052,630</u>	<u>\$ 319,688,730</u>	<u>\$ 300,880,115</u>	<u>\$ 300,708,282</u>
\$ 976,694,118	\$ 956,189,612	\$ 890,548,180	\$ 931,157,356	\$ 903,547,187	\$ 887,926,155
2,370,310	3,192,588	3,167,556	881,071	887,263	888,328
2,896,344	3,135,420	4,339,945	4,491,284	6,005,705	7,215,809
12,071,225	7,603,070	29,340,867	8,199,318	6,905,023	5,018,646
4,097,300	3,983,061	3,830,999	3,709,917	3,598,450	3,481,043
-	-	906,494	921,067	932,213	932,213
573,280	1,265,369	-	-	1,159,309	-
12,076,600	9,873,168	10,149,716	9,588,074	6,314,263	1,817,452
-	-	-	-	-	-
1,765,923	1,608,974	1,646,955	1,628,645	1,713,415	1,815,120
-	-	-	-	-	-
3,575,571	4,776,639	3,372,846	2,559,058	1,984,709	1,663,777
(18,427,480)	(54,755,386)	(18,182,641)	(73,891,596)	(95,574,255)	36,749,548
<u>\$ 997,693,191</u>	<u>\$ 936,872,515</u>	<u>\$ 929,120,917</u>	<u>\$ 889,244,194</u>	<u>\$ 837,473,282</u>	<u>\$ 947,508,091</u>

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
Expenses:					
Governmental activities:					
Public safety	\$ 148,300,581	\$ 129,826,976	\$ 147,553,966	\$ 146,897,935	\$ 133,479,994
Public works	67,964,266	59,167,661	65,268,316	59,581,938	56,342,138
Health and social services	15,372,035	10,589,681	11,094,869	9,902,331	9,578,685
Culture and recreation	41,154,434	37,077,618	33,865,746	33,393,608	32,790,812
Community and economic development	34,508,684	36,945,357	35,885,238	26,461,222	24,412,677
General Government	59,302,327	52,492,330	49,931,107	38,695,179	37,847,520
Interest on long-term debt	12,451,616	11,488,702	11,539,387	12,341,923	13,174,684
Total governmental activities expenses	379,053,943	337,588,325	355,138,629	327,274,136	307,626,510
Business-type activities:					
Parking facilities system	13,522,165	11,467,622	10,716,509	10,682,504	12,753,187
Sewer system	39,360,464	38,873,120	40,043,204	41,163,607	37,884,466
Stormwater utility	23,664,287	21,903,403	22,158,196	19,541,537	20,312,642
Golf	667,473	632,321	676,692	301,658	364,359
Solid waste system	15,889,961	14,833,586	13,770,043	13,499,100	14,290,636
Municipal Housing Agency	24,745,617	22,166,962	23,939,252	24,325,138	23,978,374
Total business-type activities expenses	117,849,967	109,877,014	111,303,896	109,513,544	109,583,664
Total primary government expenses	496,903,910	447,465,339	466,442,525	436,787,680	417,210,174
Program revenue:					
Governmental activities:					
Charges for services:					
Public safety	32,315,674	30,394,845	28,711,991	27,373,638	23,854,592
Public works	5,981,063	3,674,650	4,102,995	2,978,646	4,499,746
Health and social services	348,873	398,248	151,050	275,145	646,862
Culture and recreation	4,836,830	3,098,039	3,274,911	2,791,514	3,202,191
Community and economic development	215,104	559,565	700,283	226,615	1,428,558
General Government	28,166,719	25,174,362	32,637,292	33,628,699	35,160,101
Interest on long-term debt	-	-	-	-	-

Table 2

2018	2017	2016	2015	2014
\$ 120,232,843	\$ 108,995,939	\$ 112,162,186	\$ 119,483,595	\$ 102,583,945
55,883,069	58,724,734	53,423,423	51,339,248	51,344,028
9,643,000	9,528,495	18,613,187	15,436,157	15,696,523
32,646,689	32,102,902	33,828,194	30,754,939	29,431,057
41,587,724	19,132,739	20,226,141	19,337,576	19,849,605
36,726,594	31,039,641	26,732,006	26,117,356	23,630,372
12,136,101	14,649,355	14,897,447	15,840,246	16,179,088
308,856,020	274,173,805	279,882,584	278,309,117	258,714,618
14,784,051	16,531,115	12,625,176	11,632,790	11,229,564
36,629,644	35,361,004	33,593,378	32,892,418	32,738,830
18,069,451	16,333,453	16,851,616	15,896,140	13,253,946
344,436	274,661	222,351	216,784	318,933
14,025,099	12,868,357	12,599,520	12,255,052	11,122,261
22,495,280	21,554,655	21,452,997	22,284,760	22,329,081
106,347,961	102,923,245	97,345,038	95,177,944	90,992,615
415,203,981	377,097,050	377,227,622	373,487,061	349,707,233
19,856,782	22,548,480	22,916,078	20,807,818	19,420,273
4,542,178	7,918,911	11,473,360	9,051,823	16,278,364
427,177	535,310	157,414	746,912	861,606
3,713,972	2,864,389	4,442,482	3,826,159	5,284,120
1,887,540	158,495	1,478,853	656,065	1,285,139
29,163,845	32,919,680	27,627,092	24,529,091	10,814,381
-	275,633	479,524	149,061	-

(Continued)

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
Operating grants and contributions:					
Public safety	\$ 5,223,983	\$ 3,658,142	\$ 4,507,463	\$ 3,309,766	\$ 4,524,279
Public works	25,973,301	28,716,983	30,061,407	28,288,240	27,904,610
Health and social services	11,487,456	10,435,602	10,205,863	7,999,801	9,056,185
Culture and recreation	1,639,351	656,730	978,651	744,791	685,195
Community and economic development	25,753	5,152,013	6,892,924	31,015	45,505
General Government	5,228,805	7,293,519	8,800,040	3,160,317	2,338,555
Interest on long-term debt	-	-	1,479,221	3,053,724	5,346,333
Capital grants and contributions:					
Public safety	140,616	2,309,560	100,010	203,178	310,457
Public works	18,591,702	22,478,626	17,797,731	21,590,076	16,645,845
Health and social services	-	-	-	-	-
Culture and recreation	1,268,477	912,338	850,736	4,515,930	744,153
Community and economic development	-	-	-	962,639	-
General Government	54,094,072	7,240,943	500,000	1,815	2,000,000
Total governmental activities program revenue	195,537,779	152,154,165	151,752,568	141,135,549	138,393,167
Business-type activities:					
Charges for services:					
Parking facilities system	11,108,528	9,910,115	8,045,592	10,892,706	12,987,938
Sewer system	47,921,654	46,672,995	50,553,992	45,059,794	45,790,283
Stormwater utility	32,656,569	31,945,724	30,345,944	28,044,245	26,313,896
Golf	677,239	708,287	527,792	478,702	267,337
Solid waste system	15,863,169	16,159,158	15,346,330	15,034,953	14,537,461
Municipal Housing Agency	1,665,701	1,578,076	1,857,737	1,421,899	1,510,156
Operating grants and contributions:					
Municipal Housing Agency	20,969,757	19,227,454	21,173,380	22,062,606	20,080,393

Table 2 (Continued)

	2018	2017	2016	2015	2014
\$	5,022,809	\$ 5,346,957	\$ 5,074,250	\$ 3,649,823	\$ 1,244,125
	27,027,302	26,300,446	23,767,246	22,361,431	20,621,045
	6,526,872	8,180,904	17,506,167	13,721,310	15,336,088
	762,771	581,423	1,167,128	627,167	111,905
	69,846	20,993	62,121	82,281	66,074
	3,267,989	4,260,121	2,207,958	435,530	304,870
	4,358,560	4,392,752	5,444,846	4,958,995	3,193,088
	563,311	1,577,281	837,498	548,963	4,355,332
	11,725,740	14,256,747	17,045,179	23,614,653	25,284,550
	-	-	-	-	6,329
	770,082	1,635,555	2,269,613	1,834,137	2,931,224
	-	17,723	-	-	250,000
	-	246,980	20,851	20,212	59,180
	119,686,776	134,038,780	143,977,660	131,621,431	127,707,693
	11,048,191	10,626,608	10,632,984	8,887,844	8,256,025
	43,851,403	42,171,051	40,227,829	39,205,878	34,874,030
	24,258,001	24,938,001	22,141,238	20,573,495	19,624,449
	465,081	505,667	649,733	137,021	251,752
	12,671,821	12,881,284	12,383,400	12,294,509	12,222,678
	1,440,612	1,523,489	1,441,062	1,514,642	1,668,154
	19,009,341	17,602,214	17,821,648	17,267,565	17,901,651

(Continued)

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
Capital grants and contributions:					
Parking facilities system	\$ 30,000	\$ 60,000	\$ -	\$ -	\$ -
Sewer system	489,103	79,542	561,429	1,636,942	1,001,829
Stormwater utility	403,715	3,147,412	1,261,092	3,419,677	806,872
Golf	700	2,100	3,900	3,000	3,895
Municipal Housing Agency	1,365,456	292,957	1,544,595	926,979	769,078
Total business-type activities program revenues	133,151,591	129,783,820	131,221,783	128,981,503	124,069,138
Total primary government program revenues	328,689,370	281,937,985	282,974,351	270,117,052	262,462,305
Net (expense) revenue:					
Governmental activities	(183,516,164)	(185,434,160)	(203,386,061)	(186,138,587)	(169,233,343)
Business-type activities	15,301,624	19,906,806	19,917,887	19,467,959	14,485,474
Total primary government net expense	(168,214,540)	(165,527,354)	(183,468,174)	(166,670,628)	(154,747,869)

Table 2 (Continued)

2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -
934,186	846,485	340,943	378,068	498,357
3,177,112	4,275,195	6,003,844	191,525	2,172,789
3,500	1,500	3,000	4,000	6,000
907,772	1,107,391	615,879	804,361	606,942
117,767,020	116,478,885	112,261,560	101,258,908	98,082,827
237,453,796	250,517,665	256,239,220	232,880,339	225,790,520
(189,169,244)	(140,135,025)	(135,904,924)	(146,687,686)	(131,006,925)
11,419,059	13,555,640	14,916,522	6,080,964	7,090,212
(177,750,185)	(126,579,385)	(120,988,402)	(140,606,722)	(123,916,713)

(Continued)

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 165,255,816	\$ 154,713,417	\$ 156,903,801	\$ 142,199,633
Hotel/Motel taxes	29,119,931	7,610,216	4,041,075	6,199,754
Property taxes, levied for debt service	60,285,067	28,113,917	27,831,493	25,443,098
Local Option Sales taxes	8,720,139	55,240,296	51,442,395	41,340,012
Franchise taxes	15,187,574	15,626,934	14,398,834	18,089,946
Investment earnings	15,842,174	3,331,694	210,503	3,037,955
Gain on sale of capital asset	381,860	167,681	144,167	-
Miscellaneous	223,939	118,638	30,480	(215,232)
Transfers--internal activities	(3,337,268)	(3,618,397)	15,214,133	(11,657,716)
Total governmental activities	<u>291,679,232</u>	<u>261,304,396</u>	<u>270,216,881</u>	<u>224,437,450</u>
Business-type activities:				
Investment earnings	5,499,525	315,328	175,595	1,725,493
Miscellaneous	16,467	-	-	161,526
Gain (Loss) on sale of capital asset	18,779	81,764	16,034	122,627
Transfers--internal activities	3,337,268	3,618,397	(15,214,133)	11,657,716
Total business-type activities	<u>8,872,039</u>	<u>4,015,489</u>	<u>(15,022,504)</u>	<u>13,667,362</u>
Total primary government	<u>300,551,271</u>	<u>265,319,885</u>	<u>255,194,377</u>	<u>238,104,812</u>
Changes in net position:				
Governmental activities	108,163,068	75,870,236	66,830,820	38,298,863
Business-type activities	24,173,663	23,922,295	4,895,383	33,135,321
Total primary government	<u>\$ 132,336,731</u>	<u>\$ 99,792,531</u>	<u>\$ 71,726,203</u>	<u>\$ 71,434,184</u>

Table 2 (Continued)

2019	2018	2017	2016	2015	2014
\$ 139,322,876	\$ 122,593,271	\$ 117,100,978	\$ 113,624,373	\$ 111,620,593	\$ 113,060,166
7,226,054	6,338,200	5,944,042	6,059,311	5,783,917	5,105,780
29,741,049	30,036,110	30,149,073	28,329,549	27,790,702	29,813,410
-	-	-	-	-	-
19,955,046	20,092,159	19,118,675	17,972,341	18,780,277	14,581,925
4,059,878	2,663,865	2,946,635	2,800,540	2,141,765	2,328,387
123,499	3,311,313	309,930	2,153,413	921,273	777,015
2,760	402,555	424,411	345,694	729,515	21,343
26,549,362	11,465,780	(425,952)	(2,418,000)	(3,156,233)	(267,622)
226,980,524	196,903,253	175,567,792	168,867,221	164,611,809	165,420,404
3,209,452	2,002,885	1,266,342	779,503	713,931	621,051
20,512	4,062	2,440	64,311	543,131	-
11,907,312	160,930	113,526	630,279	264,476	140,440
(26,549,362)	(11,465,780)	425,952	2,418,000	3,156,233	267,622
(11,412,086)	(9,297,903)	1,808,260	3,892,093	4,677,771	1,029,113
215,568,438	187,605,350	177,376,052	172,759,314	169,289,580	166,449,517
57,747,181	7,734,009	35,432,767	32,962,297	17,924,123	34,413,479
3,073,388	2,121,156	15,363,900	18,808,615	10,758,735	8,119,325
\$ 60,820,569	\$ 9,855,165	\$ 50,796,667	\$ 51,770,912	\$ 28,682,858	\$ 42,532,804

CITY OF DES MOINES, IOWA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
Governmental activities:					
Charges for services:					
Public safety	\$ 32,315,674	\$ 30,394,845	\$ 28,711,991	\$ 27,373,638	\$ 23,854,592
Public works	5,981,063	3,674,650	4,102,995	2,978,646	4,499,746
Health and social services	348,873	398,248	151,050	275,145	646,862
Culture and recreation	4,836,830	3,098,039	3,274,911	2,791,514	3,202,191
Community and economic development	215,104	559,565	700,283	226,615	1,428,558
General Government	28,166,719	25,174,362	32,637,292	33,628,699	35,160,101
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:					
Public safety	5,223,983	3,658,142	4,507,463	3,309,766	4,524,279
Public works	25,973,301	28,716,983	30,061,407	28,288,240	27,904,610
Health and social services	11,487,456	10,435,602	10,205,863	7,999,801	9,056,185
Culture and recreation	1,639,351	656,730	978,651	744,791	685,195
Community and economic development	25,753	5,152,013	6,892,924	31,015	45,505
General Government	5,228,805	7,293,519	8,800,040	3,160,317	2,338,555
Interest on long-term debt	-	-	1,479,221	3,053,724	5,346,333
Capital grants and contributions					
Public safety	140,616	2,309,560	100,010	203,178	310,457
Public works	18,591,702	22,478,626	17,797,731	21,590,076	16,645,845
Health and social services	-	-	-	-	-
Culture and recreation	1,268,477	912,338	850,736	4,515,930	744,153
Community and economic development	-	-	-	962,639	-
General Government	54,094,072	7,240,943	500,000	1,815	2,000,000
Total governmental activities program revenue	195,537,779	152,154,165	151,752,568	141,135,549	138,393,167
Business-type activities:					
Charges for services:					
Parking facilities system	11,108,528	9,910,115	8,045,592	10,892,706	12,987,938
Sewer system	47,921,654	46,672,995	50,553,992	45,059,794	45,790,283
Stormwater utility	32,656,569	31,945,724	30,345,944	28,044,245	26,313,896
Golf	677,239	708,287	527,792	478,702	267,337
Solid waste system	15,863,169	16,159,158	15,346,330	15,034,953	14,537,461
Municipal Housing Agency	1,665,701	1,578,076	1,857,737	1,421,899	1,510,156

Table 3

	2018	2017	2016	2015	2014
\$	19,856,782	\$ 22,548,480	\$ 22,916,078	\$ 20,807,818	\$ 19,420,273
	4,542,178	7,918,911	11,473,360	9,051,823	16,278,364
	427,177	535,310	157,414	746,912	861,606
	3,713,972	2,864,389	4,442,482	3,826,159	5,284,120
	1,887,540	158,495	1,478,853	656,065	1,285,139
	29,163,845	32,919,680	27,627,092	24,529,091	10,814,381
	-	275,633	479,524	149,061	-
	5,022,809	5,346,957	5,074,250	3,649,823	1,244,125
	27,027,302	26,300,446	23,767,246	22,361,431	20,621,045
	6,526,872	8,180,904	17,506,167	13,721,310	15,336,088
	762,771	581,423	1,167,128	627,167	111,905
	69,846	20,993	62,121	82,281	66,074
	3,267,989	4,260,121	2,207,958	435,530	304,870
	4,358,560	4,392,752	5,444,846	4,958,995	3,193,088
	563,311	1,577,281	837,498	548,963	4,355,332
	11,725,740	14,256,747	17,045,179	23,614,653	25,284,550
	-	-	-	-	6,329
	770,082	1,635,555	2,269,613	1,834,137	2,931,224
	-	17,723	-	-	250,000
	-	246,980	20,851	20,212	59,180
	119,686,776	134,038,780	143,977,660	131,621,431	127,707,693
	11,048,191	10,626,608	10,632,984	8,887,844	8,256,025
	43,851,403	42,171,051	40,227,829	39,205,878	34,874,030
	24,258,001	24,938,001	22,141,238	20,573,495	19,624,449
	465,081	505,667	649,733	137,021	251,752
	12,671,821	12,881,284	12,383,400	12,294,509	12,222,678
	1,440,612	1,523,489	1,441,062	1,514,642	1,668,154

CITY OF DES MOINES, IOWA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
Operating grants and contributions:					
Parking facilities system	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Housing Agency	20,969,757	19,227,454	22,062,606	20,080,393	19,009,341
Capital grants and contributions:					
Parking facilities system	30,000	60,000	-	-	-
Sewer system	489,103	79,542	1,636,942	1,001,829	934,186
Stormwater utility	403,715	3,147,412	3,419,677	806,872	3,177,112
Golf	700	2,100	3,000	3,895	3,500
Municipal Housing Agency	1,365,456	292,957	926,979	769,078	907,772
Total business-type activities program revenues	<u>133,151,591</u>	<u>129,783,820</u>	<u>134,726,591</u>	<u>123,594,366</u>	<u>125,438,982</u>
Total primary government program revenues	<u>\$ 328,689,370</u>	<u>\$ 281,937,985</u>	<u>\$ 286,479,159</u>	<u>\$ 264,729,915</u>	<u>\$ 263,832,149</u>

Table 3 (continued)

2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ -	\$ -
17,602,214	17,821,648	17,267,565	17,901,651	18,677,807
-	-	-	-	-
846,485	340,943	378,068	498,357	1,731,558
4,275,195	6,003,844	191,525	2,172,789	96,589
1,500	3,000	4,000	6,000	-
1,107,391	615,879	804,361	606,942	1,664,846
117,567,894	117,431,414	106,121,765	103,799,128	99,067,888
<u>\$ 237,254,670</u>	<u>\$ 251,470,194</u>	<u>\$ 250,099,425</u>	<u>\$ 235,420,559</u>	<u>\$ 226,775,581</u>

CITY OF DES MOINES, IOWA
FUND BALANCES (DEFICITS), GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
General Fund:					
Nonspendable	\$ 3,913,258	\$ 3,795,744	\$ 4,541,429	\$ 5,655,589	\$ 5,400,481
Restricted	1,248,957	1,430,349	1,432,995	-	175,380
Committed	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unassigned	97,348,472	55,592,142	53,371,093	38,735,708	44,374,483
Total General Fund	\$ 103,510,687	\$ 61,818,235	\$ 60,345,517	\$ 45,391,297	\$ 50,950,344
All Other Governmental Funds:					
Nonspendable	\$ 4,026,848	\$ 4,441,537	\$ 4,474,133	\$ 4,972,291	\$ 4,566,594
Restricted	93,751,585	83,303,535	73,582,816	61,179,480	41,857,638
Committed	151,928,222	129,583,029	91,217,562	56,476,166	44,641,966
Unassigned	(722,024)	(4,784,967)	(1,820,553)	(2,302,296)	(1,309,108)
Total all other government funds	\$ 248,984,631	\$ 212,543,134	\$ 167,453,958	\$ 120,325,641	\$ 89,757,090

Table 4

	2018	2017	2016	2015	2014
\$	5,795,608	\$ 6,440,820	\$ 7,070,710	\$ 7,716,763	\$ 8,092,922
	143,875	143,875	143,875	143,875	285,478
	1,000,000	1,400,000	1,250,000	1,200,000	-
	32,604,828	27,775,452	28,308,731	25,362,143	20,525,072
\$	39,544,311	\$ 35,760,147	\$ 36,773,316	\$ 34,422,781	\$ 28,903,472
\$	4,738,470	\$ 4,623,609	\$ 4,236,516	\$ 4,319,701	\$ 4,175,752
	26,700,446	46,086,174	22,226,428	17,075,970	8,712,228
	45,000,829	44,957,761	33,591,823	29,501,856	32,883,290
	(632,429)	(606,761)	(5,633,375)	(683,569)	(147,279)
\$	75,807,316	\$ 95,060,783	\$ 54,421,392	\$ 50,213,958	\$ 45,623,991

CITY OF DES MOINES, IOWA
CHANGES IN FUND BALANCES, (DEFICITS) GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	2023	2022	2021	2020	2019
Revenues:					
Taxes	\$ 263,380,953	\$ 262,924,526	\$ 222,972,083	\$ 215,182,497	\$ 176,289,979
Franchise fees	15,187,574	15,626,934	14,398,834	18,089,946	19,955,046
Licenses and permits	4,120,839	4,279,081	4,002,772	4,427,534	4,804,484
Fines and Forfeitures	6,934,424	6,946,186	6,868,173	6,494,366	7,212,504
Charges for sales and services	24,764,100	23,283,219	21,177,338	18,210,351	16,201,286
Use of money and property	18,340,574	3,681,100	2,410,860	5,055,134	5,997,366
Miscellaneous	22,351,298	19,991,403	22,354,985	23,087,044	21,875,867
Intergovernmental	122,538,389	80,152,384	97,724,525	62,893,445	66,248,789
Total revenue	477,618,151	416,884,833	391,909,570	353,440,317	318,585,321
Expenditures:					
Public safety	140,007,946	131,757,527	122,151,073	119,537,011	118,212,221
Public works	37,742,388	30,065,717	31,645,681	32,468,112	27,692,137
Health and social services	15,429,348	10,678,613	10,708,268	9,377,836	9,198,093
Culture and recreation	30,251,504	26,619,971	22,001,347	21,380,898	21,528,737
Community and economic development	31,979,664	35,520,620	35,459,524	26,065,349	24,125,445
General Government	47,672,158	44,059,600	36,105,533	33,663,506	30,445,685
Capital outlay	101,716,526	98,666,091	132,646,680	82,843,393	80,919,632
Debt service:					
Principal retirement	49,270,550	75,634,618	106,888,766	91,707,908	46,954,838
Lease principal payments	42,836	80,545	-	-	-
Subscription-based principal payments	460,728	-	-	-	-
Interest and fiscal charges	18,837,888	18,943,239	17,772,597	18,624,053	18,140,014
Total expenditures	473,411,536	472,026,541	515,379,469	435,668,066	377,216,802
Excess (deficiency) of revenue over expenditures	4,206,615	(55,141,708)	(123,469,899)	(82,227,749)	(58,631,481)
Other financing sources (uses):					
Transfers in	267,912,340	250,699,204	258,318,979	166,531,129	147,886,324
General obligation bonds issued	69,725,000	94,175,000	154,785,000	106,060,000	45,640,000
Other debt issued	937,891	2,222,825	111,555	-	8,326,000
Premium on bond issue	6,485,430	8,811,754	14,067,917	12,589,360	1,991,865
Proceeds from capital asset sale	113,823	31,375	54,513	241,270	1,451,476
Proceeds from damage claims	2,457	81,045	30,477	4,339	28,585
Transfers out	(271,249,607)	(254,317,601)	(243,216,401)	(178,188,845)	(121,336,962)
Total other financing sources (uses)	73,927,334	101,703,602	184,152,040	107,237,253	83,987,288
Net changes in fund balance	\$ 78,133,949	\$ 46,561,894	\$ 60,682,141	\$ 25,009,504	\$ 25,355,807
Debt service as a percentage of noncapital expenditures	18.5%	25.4%	32.6%	31.3%	22.0%

Table 5

	2018	2017	2016	2015	2014
\$	158,967,581	\$ 153,194,093	\$ 148,013,233	\$ 145,195,212	\$ 147,979,356
	20,092,159	19,118,675	17,972,341	18,780,277	14,581,925
	4,740,483	5,258,556	6,055,968	4,319,383	3,887,499
	3,889,340	6,831,709	6,520,277	6,173,117	5,795,248
	14,971,112	18,440,168	19,125,930	19,450,317	19,336,054
	4,702,896	2,946,635	2,800,540	2,141,765	2,328,387
	21,843,232	26,549,885	25,847,782	21,160,461	19,700,246
	57,744,429	69,681,949	65,782,573	71,359,573	74,392,864
	<u>286,951,232</u>	<u>302,021,670</u>	<u>292,118,644</u>	<u>288,580,105</u>	<u>288,001,579</u>
	110,575,960	109,138,129	105,026,519	100,755,434	98,386,596
	28,729,788	33,833,455	30,094,569	29,187,711	29,864,165
	9,272,889	9,077,016	18,337,890	15,014,840	15,687,215
	20,245,050	20,396,748	22,955,145	20,981,303	21,286,732
	42,089,399	18,819,812	19,969,567	19,138,842	19,716,976
	31,011,748	25,178,926	21,995,185	20,782,959	58,722,127
	59,942,356	51,571,361	45,625,899	50,937,132	68,300,228
	109,305,337	53,841,896	70,494,428	62,732,504	55,061,631
	-	-	-	-	-
	-	-	-	-	-
	17,592,139	18,036,562	18,369,838	19,212,403	17,684,652
	<u>428,764,666</u>	<u>339,893,905</u>	<u>352,869,040</u>	<u>338,743,128</u>	<u>384,710,322</u>
	<u>(141,813,434)</u>	<u>(37,872,235)</u>	<u>(60,750,396)</u>	<u>(50,163,023)</u>	<u>(96,708,743)</u>
	136,250,660	104,017,243	83,413,129	78,886,254	88,079,063
	97,805,000	72,370,000	61,770,000	54,660,000	96,970,000
	4,000,000	-	-	1,200,000	-
	7,589,148	4,163,796	4,595,136	5,545,738	3,743,709
	5,169,966	1,083,392	3,208,250	1,543,239	1,048,787
	314,236	307,221	337,876	479,555	368,098
	(124,784,880)	(104,443,195)	(85,831,129)	(82,042,487)	(88,346,685)
	<u>126,344,130</u>	<u>77,498,457</u>	<u>67,493,262</u>	<u>60,272,299</u>	<u>101,862,972</u>
\$	<u>(15,469,304)</u>	<u>\$ 39,626,222</u>	<u>\$ 6,742,866</u>	<u>\$ 10,109,276</u>	<u>\$ 5,154,229</u>
	34.4%	24.9%	28.9%	28.5%	23.0%



CITY OF DES MOINES, IOWA
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

Table 6

FISCAL YEAR	GENERAL PROPERTY TAXES	LOCAL OPTION SALES TAX	HOTEL/MOTEL TAX	SPECIAL UTILITY EXCISE TAX	MOBILE HOME TAX	MONIES AND CREDITS TAX	TOTAL TAXES
2022-23	\$ 190,490,198	\$ 60,285,067	\$ 8,720,139	\$ 3,727,583	\$ 132,693	\$ 25,273	\$ 263,380,953
2021-22	179,028,635	55,240,296	7,610,216	3,651,787	123,627	23,284	\$ 245,677,845
2020-21	181,410,292	34,195,714	4,041,075	3,196,098	128,904	---	222,972,083
2019-20	164,205,563	41,340,012	6,199,754	3,286,879	108,344	41,946	215,182,498
2018-19	165,486,042	18,850	7,226,054	3,442,351	117,640	17,892	176,308,829
2017-18	148,955,894	19,267	6,338,200	3,545,742	111,539	16,206	158,986,848
2016-17	143,428,514	19,265	5,944,042	3,687,646	116,160	17,731	153,213,358
2015-16	137,970,237	---	6,059,311	3,830,805	113,745	39,135	148,013,233
2014-15	134,938,971	---	5,783,917	4,328,395	116,770	27,159	145,195,212
2013-14	138,924,204	---	5,105,780	3,806,577	112,613	30,182	147,979,356
Change							
2013-2022	37.118%	N/A	70.790%	-2.075%	17.831%	-16.265%	77.985%

Source: Amounts in the ACFR document, "CAFR Classification" column of "Taxes". Object Codes 4500XX

CITY OF DES MOINES, IOWA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

Valuation Year	Residential Property	Commercial Property	Multi-Residential Property	Industrial Property	Farm Property
2022	\$ 11,280,621,846	\$ 3,856,725,644	\$ -	\$ 340,034,161	\$ 8,664,906
2021	10,431,806,617	3,840,318,888	763,926,510	335,876,930	8,857,970
2020	9,411,437,272	3,713,734,882	640,669,560	284,532,510	8,923,390
2019	9,352,006,786	3,659,230,072	637,590,926	262,478,000	9,008,210
2018	8,387,920,278	3,356,340,218	526,834,720	239,752,265	12,200,160
2017	8,316,000,972	3,226,654,345	497,515,480	221,176,310	12,313,940
2016	7,602,629,792	2,887,659,189	434,948,600	203,130,168	12,883,320
2015	7,554,660,667	2,794,190,934	430,752,232	204,247,187	12,892,780
2014	7,246,808,590	3,028,517,860	-	192,952,200	13,388,970
2013	7,196,629,860	2,995,848,700	-	192,434,180	12,766,840

Source:

State of Iowa Department of Management
100% Valuations by Class by Levy Authority
City Budgets CY & Succeeding Year

Table 7

Railway Property	Utilities Property	Total Taxable Assessed Value	Total Direct Tax Rate	Percent Growth	Actual Taxable Value	Taxable Value as a % of Assessed Value
\$ 27,094,003	\$ 566,904,636	16,080,045,196	16.61000	1.37%	\$ 9,819,556,987	61%
25,465,675	457,118,562	15,863,371,152	16.61000	9.29%	9,927,470,714	63%
24,019,093	431,958,354	14,515,275,061	16.61156	0.98%	9,377,544,953	65%
22,751,525	431,002,818	14,374,068,337	16.61156	10.95%	9,365,412,911	65%
20,451,600	412,180,202	12,955,679,443	16.64000	2.09%	8,644,228,282	67%
18,996,894	398,263,684	12,690,921,625	17.24000	9.78%	8,360,172,170	66%
19,675,108	399,561,830	11,560,488,007	16.92000	1.32%	7,711,757,167	67%
17,822,928	394,961,480	11,409,528,208	16.92000	4.95%	7,531,683,825	66%
16,110,454	373,862,719	10,871,640,793	16.92000	1.17%	7,205,252,588	66%
16,195,058	331,982,463	10,745,857,101	16.92001	(1.71)%	7,214,656,648	67%

**CITY OF DES MOINES, IOWA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)**

Tax Year Levied	City Direct Rates							Overlapping Rates			
	General Fund	Transit Fund	Insurance Fund	Emergency Fund	Employee Benefits Fund	Debt Service Fund	Total Direct	Polk County	Broadlawns County Hospital	Ag Extension District	Polk County Assessor
2022-2023	8.10000	0.00000	0.28999	0.00000	5.30943	2.91058	16.61000	6.77099	2.57722	0.03328	0.22542
2021-2022	8.10000	0.00000	0.29000	0.00000	5.26000	2.96000	16.61000	7.13383	2.5774	0.03486	0.19192
2020-2021	8.10000	0.00000	0.28537	0.00000	5.26082	2.96537	16.61156	7.30880	2.67405	0.03426	0.24836
2019-2020	8.10000	0.00000	0.28537	0.00000	5.26082	2.96537	16.61156	7.30880	2.67405	0.03502	0.25455
2018-2019	8.10000	0.00000	0.30000	0.00000	5.27000	2.97000	16.64000	7.30880	2.77513	0.03578	0.24836
2017-2018	8.10000	0.00000	0.30000	0.00000	5.27000	3.57000	17.24000	7.30880	2.77513	0.03690	0.25471
2016-2017	8.10000	0.00000	0.29000	0.00000	4.52000	4.01000	16.92000	7.30880	2.77545	0.03985	0.27220
2015-2016	8.10000	0.00000	0.29000	0.00000	4.60000	3.93000	16.92000	7.30880	3.21296	0.04102	0.27920
2014-2015	8.10000	0.00000	0.29000	0.00000	4.64000	3.89000	16.92000	7.16880	3.11769	0.04061	0.27750
2013-2014	8.10000	0.00000	0.29000	0.00000	4.42000	4.11001	16.92001	6.94381	2.99567	0.03945	0.27822

Source: Polk County Auditor and Polk County Treasurer
Iowa DOM > City property Tax Rates, FY23
Iowa DOM > Tax District Recap

Overlapping rates are those of state, local, and county governments that apply to property owners within the City of Des Moines. Not all overlapping rates apply to all City property owners, although Polk County, Broadlawns Hospital, Ag Extension District, County Assessor, State of Iowa, and Area XI Community College rates apply to all property owners. The school district rates apply to owners depending upon the location of property within the city limits.

Table 8

Overlapping Rates								
State of Iowa	Area XI Community College	Regional Transit	Des Moines Community School District	Carlisle Community School District	SE Polk Community School District	Saydel Community School District	Johnston Community Schools District	WDM Community School District
0.00240	0.69448	0.95000	15.34447	17.99628	15.44256	12.89000	17.75152	13.15798
0.00280	0.69448	0.95000	15.34447	17.99628	15.44256	12.89000	17.75152	13.15798
0.00280	0.63533	0.94475	18.61192	17.81025	15.44256	12.89000	17.75113	13.15863
0.00280	0.63533	0.94475	18.61192	17.81025	15.44256	12.89000	17.75113	13.15863
0.00280	0.65249	0.93975	18.60686	17.85352	15.58596	12.89000	18.35192	13.16229
0.00290	0.69468	0.91475	18.60074	17.85352	16.50058	12.89000	18.35111	13.27000
0.00330	0.72334	0.82400	18.50586	17.91087	20.31754	12.76417	18.35317	13.26872
0.00330	0.67574	0.80400	18.42809	17.91101	20.65563	12.76105	18.35491	13.24189
0.00330	0.65724	0.73900	18.14592	17.91215	21.65866	12.87969	18.36026	13.26572
0.00330	0.69120	0.67400	18.34842	17.91246	21.65866	12.87971	17.35444	13.26452



CITY OF DES MOINES, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

Fiscal Year Ended June 30	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections ¹	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2023	2021	\$ 195,384,269	\$ 194,075,155	99.33%	\$ (799,082)	\$ 193,276,072	98.92%
2022	2020	184,710,262	179,337,018	97.09%	(368,689)	178,968,329	96.89%
2021	2019	181,437,751	180,139,959	99.28%	1,154,790	181,294,749	99.92%
2020	2018	165,645,341	164,022,582	99.02%	1,413,997	165,436,579	99.87%
2019	2017	165,655,632	165,284,619	99.78%	105,715	165,390,334	99.84%
2018	2016	149,773,091	148,724,279	99.30%	47,275	148,771,554	99.33%
2017	2015	143,290,177	143,046,188	99.83%	126,460	143,172,648	99.92%
2016	2014	146,521,326	144,200,974	98.42%	-	144,200,974	98.42%
2015	2013	141,425,834	141,068,543	99.75%	181,084	141,249,627	99.88%
2014	2012	140,944,915	138,802,425	98.48%	635,538	139,437,963	98.93%

Source:
Polk County, City Records

¹ Beginning in collection year 2017, delinquent tax collection is presented by collection year, rather than levy year, because information is not available from Polk County Treasurer by levy year.



**CITY OF DES MOINES, IOWA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

Table 10

Taxpayer	2023*			2013		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Principal Life Insurance Co.	\$293,791,478	1	3.29%	\$200,090,200	1	2.80%
Mid-American Energy	\$187,557,428	2	2.10%			
Nationwide Mutual Life	143,786,342	3	1.61%	173,946,600	2	2.44%
Wells Fargo Financial, Inc	112,544,164	4	1.26%	96,811,700	5	1.36%
Wellmark, Inc.	109,243,951	5	1.22%	126,790,000	4	1.78%
Employers Mutual Casualty Co	91,813,874	6	1.03%	54,607,770	6	0.77%
Linden Street Investments LLC	73,656,975	7	0.82%			
Federal Home Loan Bank of DSM	34,356,015	8	0.38%			
Kemin Holdings LC	32,243,879	9	0.36%			
Merle Hay Investors	29,434,705	10	0.33%			
Meredith Corporation				30,990,900	8	0.43%
Mercy Medical Plaza				156,563,000	3	2.19%
Iowa Methodist Medical Center				48,360,000	7	0.68%
LB Properties SLLC				28,950,000	9	0.41%
Lexington TNI Des Moines LP					10	0.38%
Total	\$1,108,428,811		12.41%	\$917,110,170		13.24%

Source: Polk County Auditor

*Taxable valuation of 1/1/2022 for fiscal year 2023

CITY OF DES MOINES, IOWA
RATIOS OF DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt (A)	Loans Payable	Notes Payable	Lease Liabilities	Subscription-Based IT Liabilities	Revenue Bonds
2023	\$ 545,772,238	\$ 19,049,604	\$ 526,722,634	\$ 5,196,000	\$ 2,528,083	\$ 1,795,503	\$ 477,163	\$ -
2022	522,652,993	6,940,325	515,712,668	6,048,000	4,001,633	2,081,939	-	-
2021	500,436,317	14,775,110	485,661,207	6,852,000	3,269,426	-	-	-
2020	420,295,504	13,483,866	406,811,638	7,610,000	4,311,444	-	-	22,391,221
2019	397,397,090	2,046,509	395,350,581	8,326,000	5,228,354	-	-	23,271,867
2018	390,289,790	3,982,978	386,306,812	8,360,000	5,763,190	-	-	25,116,614
2017	397,716,254	19,909,175	377,807,079	8,391,000	2,442,527	-	-	26,890,402
2016	376,029,634	4,141,941	371,887,693	8,420,000	3,105,424	-	-	28,578,302
2015	381,215,119	2,135,271	379,079,848	8,449,000	3,810,852	-	-	30,190,400
2014	384,225,358	1,330,845	382,894,513	8,476,000	3,396,356	-	-	31,750,878

(1) Per capita numbers for current year and prior year are based on 2020 census data all others are based upon 2010 census data

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

Table 11

Business-Type Activities									
Notes Payable	General Obligation Bonds (B)	Revenue Bonds	Lease Liabilities	Total Primary Government	Percentage of Per Capita Income(1)	Per Capita(1)	Total General Bonded Debt (A+B)	Net General Bonded Debt Per Capita	Percentage of Actual Property Value
\$ 61,495,289	\$ 18,192,664	\$ 114,324,219	\$ 25,596,977	\$ 774,900,973	12.67%	3,619	\$ 544,915,298	\$ 2,545	3.39%
51,999,451	19,822,168	100,809,770	26,696,192	734,112,146	12.01%	3,428	535,534,836	2,501	3.69%
47,347,204	21,147,778	80,927,176	21,389,984	681,369,885	11.14%	3,182	506,808,985	2,367	3.49%
34,243,930	7,320,212	62,351,904	22,534,981	581,059,196	10.87%	2,856	414,131,850	2,036	2.89%
15,166,772	20,315,008	67,218,277	22,534,981	559,458,349	10.46%	2,750	415,665,589	2,043	3.52%
88,716	24,341,714	30,691,401	22,534,981	507,186,406	9.49%	2,493	410,648,526	2,018	3.78%
262,403	26,940,897	47,848,636	-	510,492,119	9.55%	2,509	404,747,976	1,989	3.73%
431,243	29,517,277	39,093,893	-	485,175,773	9.07%	2,385	401,404,970	1,973	3.70%
595,373	32,074,950	44,666,175	-	501,001,869	9.37%	2,463	411,154,798	2,021	3.78%
1,358,023	34,618,703	50,687,942	-	514,513,260	9.62%	2,529	417,513,216	2,052	3.89%



CITY OF DES MOINES, IOWA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR
(Unaudited)

Table 12

NAME OF GOVERNMENTAL UNIT	NET GOVERNMENTAL ACTIVITIES LONG-TERM DEBT OUTSTANDING *	PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	CITY OF DES MOINES SHARE OF DEBT
City of Des Moines	\$ 555,768,987	100.00 %	\$ 555,768,987
Polk County	142,105,826	0.30	426,948
School Districts:			
Carlisle	14,605,000	21.76	3,178,048
Johnston	9,220,000	5.85	539,370
Saydel	20,340,000	2.23	453,582
Southeast Polk	86,075,000	6.49	5,586,268
Urbandale Sanitary Sewer District	484,575	0.13	630
Area XI Community College	86,510,000	16.00	13,841,600
Total overlapping	<u>359,340,401</u>		<u>24,026,445</u>
Total direct and overlapping	<u>\$ 915,109,388</u>		<u>\$ 579,795,432</u>

*Excludes revenue-supported debt, tax and aid anticipation certificates and school energy loans.

Source: Polk County Auditor, DMAACC, individual school districts, the Iowa Dept. of Management and the official statements for the issued debt.

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 Des Moines. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident of, and therefore responsible for repaying the debt of, each overlapping government.

**CITY OF DES MOINES, IOWA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 16,071,287,088
Debt limit (5% of assessed value)	<u>803,564,354</u>
Debt applicable to limit:	
General obligation bonds	651,350,200 (1)
Other Legal Indebtedness (TIF Rebates and Leases)	<u>19,714,274</u>
Total net debt applicable to limit	<u>671,064,474</u>
Legal debt margin	<u>\$ 132,499,880</u>

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt limit	\$ 803,564,354	\$ 792,697,654	\$ 725,257,392	\$ 716,441,672
Total net debt applicable to limit	<u>671,064,474</u>	<u>596,497,550</u>	<u>514,321,570</u>	<u>514,081,949</u>
Legal debt margin	<u>\$ 132,499,880</u>	<u>\$ 196,200,104</u>	<u>\$ 210,935,822</u>	<u>\$ 202,359,723</u>
Total net debt applicable to the limit as a percentage of debt limit	83.51%	75.25%	70.92%	71.75%

Table 13

2019	2018	2017	2016	2015	2014
\$ 633,944,619	\$ 577,394,243	\$ 569,816,717	\$ 542,887,856	\$ 536,568,585	\$ 545,879,527
415,647,116	406,792,071	425,109,841	403,990,465	410,589,515	420,745,764
\$ 218,297,503	\$ 170,602,172	\$ 144,706,876	\$ 138,897,391	\$ 125,979,070	\$ 125,133,763
70.45%	74.60%	74.42%	76.52%	77.08%	69.49%

**CITY OF DES MOINES, IOWA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (Unaudited)**

Sanitary Sewer Bonds						
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$ 47,291,542	\$ 24,531,665	\$ 22,759,877	\$ 1,977,000	\$ 476,445	9.28
2022	45,677,188	23,953,581	21,723,607	3,646,000	393,453	5.38
2021	43,402,971	25,081,080	18,321,891	1,843,000	351,540	8.35
2020	44,596,347	24,769,557	19,826,790	1,331,000	313,310	12.06
2019	43,235,162	24,066,934	19,168,228	4,743,000	352,673	3.76
2018	42,256,608	20,843,397	21,413,211	6,838,879	4,267,184	1.93
2017	40,817,623	13,468,591	27,349,032	6,344,619	3,849,276	2.68
2016	40,227,829	16,383,252	23,844,577	5,910,380	4,190,492	2.36
2015	36,695,644	14,041,889	22,653,755	6,061,897	4,735,653	2.10
2014	34,800,047	15,736,151	19,063,896	17,746,569	4,334,845	0.86

Table 14

Stormwater Bonds						
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
			Principal	Interest		
\$ 32,484,260	\$ 14,098,051	\$ 18,386,209	\$ 7,259,000	\$ 4,395,120	1.58	
31,232,954	13,185,444	18,047,510	7,099,000	3,761,467	1.66	
29,191,308	12,770,563	16,420,745	5,432,000	3,206,728	1.90	
27,891,788	12,810,190	15,081,598	3,421,000	2,442,658	2.57	
26,213,274	12,324,026	13,889,248	3,810,000	2,275,790	2.28	
24,368,563	10,058,517	14,310,046	4,480,000	1,272,462	2.49	
23,590,839	9,006,510	14,584,329	3,135,000	1,205,494	3.36	
22,141,238	9,766,466	12,374,772	2,970,000	907,398	3.19	
20,569,761	8,970,669	11,599,092	3,117,918	990,264	2.82	
19,677,703	8,194,280	11,483,423	3,029,222	1,070,579	2.80	



CITY OF DES MOINES, IOWA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Table 15

Fiscal Year Ended June 30,	Population(1)	Median Family Income(1)	Per Capita Income (State of Iowa)	Median Age(1)	School Enrollment (3)	Unemployment Rate(2)
2023	214,133	\$58,018	\$34,915	35	30,801	2.8%
2022	214,133	\$60,693	\$33,107	35.1	30,774	2.5%
2021	214,133	53,859	33,107	35.2	31,621	4.7%
2020	203,443	51,851	31,559	33.5	32,545	9.2%
2019	203,443	51,851	30,865	33.5	32,789	2.6%
2018	203,443	51,851	30,047	33.5	33,057	2.4%
2017	203,443	51,851	28,628	33.5	32,979	3.1%
2016	203,443	51,851	26,280	33.5	32,582	3.8%
2015	203,443	51,851	26,280	33.5	32,396	3.4%
2014	203,443	51,851	26,280	33.5	32,413	4.1%

Sources:

1. US Census Bureau.
2. U.S. Bureau of Labor Statistics. > LAUS Publications > Overview > News Releases > Archived
3. Des Moines Public Schools.

Notes: The demographic statistic is being added to the report.
 Personal Income data is not available.



**CITY OF DES MOINES, IOWA
 PRINCIPAL EMPLOYERS GREATER DES MOINES
 CURRENT YEAR
 (Unaudited)**

Table 16

Employer	2022*		Percentage of Total City Employment	2015***	
	Number of Employees*	Rank		Number of Employees	Rank
Wells Fargo	13,000	1	3.4%	14,500	1
HyVee Food Stores	11,184	2	2.9%	7,500	2
Principal Financial Group	6,100	3	1.6%	6,184	5
MercyOne	5,777	4	1.5%	7,055	3
Unity Point Health Partners	5,492	5	1.4%	6,435	4
Des Moines Public Schools	5,200	6	1.3%	4,927	6
Amazon	3,500	7	0.9%		
John Deere Companies	3,328	8	0.9%	3,089	8
Nationwide/Allied Insurance	3,300	9	0.9%	4,282	7
Corteva Agriscience/Dupont Pioneer	2,255	10		3,000	9
Kum and Go				1,820	10
Total employment**	385,700				

Source:

*Greater Des Moines Partnership

**Bureau of Labor Statistics > Economic Releases > Archived News Releases > June 2023 > Metropolitan Area

***City Records

CITY OF DES MOINES
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTIONS
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTIONS/PROGRAMS	2023	2022	2021	2020
GOVERNMENTAL FUND TYPES				
Public safety				
Police Department	447.0	444.0	446.0	446.0
Fire Department	312.0	313.0	306.0	303.0
Development and Neighborhood Services	69.9	65.9	62.9	57.9
Total public safety	828.9	822.9	814.9	806.9
Public works				
Engineering	102.0	101.0	100.0	97.0
Public Works Department	86.1	86.1	86.1	86.1
Total public works	188.1	187.1	186.1	183.1
Health and social services				
Neighborhood Services Grants	25.9	25.9	22.9	25.9
Human Rights	6.0	6.0	6.0	5.0
Total health and social services	31.9	31.9	28.9	30.9
Culture and recreation				
Parks Department	60.0	57.0	52.0	51.0
Public Libraries	70.0	65.0	65.0	64.0
Total culture and recreation	130.0	122.0	117.0	115.0
Community and economic development				
Development Services	29.0	28.0	24.0	7.0
Total Community and economic development	29.0	28.0	24.0	7.0
General government				
City Clerk	7.0	7.0	7.0	7.0
City Manager	49.1	45.1	41.1	39.1
Finance Department	24.0	24.0	21.0	22.0
Human Resources	13.0	13.0	11.0	11.0
Information Technology	47.0	35.0	35.0	34.0
Legal	21.3	21.3	21.3	21.3
Mayor and Council	7.0	7.0	7.0	7.0
Parks Department	9.0	9.0	9.0	9.0
Total general government	177.4	161.4	152.4	150.4
Total governmental fund types	1385.3	1353.3	1323.3	1293.3
PROPRIETARY FUNDS				
Airport	17.0	17.0	17.0	17.0
Parking facilities system	14.0	14.0	14.0	14.0
Sewer system	55.5	55.5	55.5	54.3
Stormwater utility	64.1	64.1	64.1	65.3
Solid waste system	49.8	49.8	49.8	49.8
Municipal Housing Agency	35.0	35.0	35.0	34.0
Internal service funds	60.0	63.0	63.0	63.0
Total proprietary funds	295.4	298.4	298.4	297.4
Total City employment	1680.7	1651.7	1621.7	1590.7

Source: City records.

Table 17

2019	2018	2017	2016	2015	2014
444.0	448.0	448.0	448.0	450.0	450.0
296.0	295.0	295.0	283.0	283.0	283.0
54.0	54.9	50.1	44.7	45.7	45.4
794.0	797.9	793.1	775.7	778.7	778.4
95.0	90.0	86.8	84.8	84.5	85.5
86.1	88.0	87.0	86.0	86.0	86.0
181.1	178.0	173.8	170.8	170.5	171.5
26.7	25.9	27.7	27.1	26.4	27.6
5.0	5.0	5.0	4.0	3.0	3.0
31.7	30.9	32.7	31.1	29.4	30.6
50.0	49.0	50.0	70.0	71.3	72.5
59.0	56.0	56.0	56.0	55.0	55.0
109.0	105.0	106.0	126.0	126.3	127.5
7.0	7.0	7.0	7.0	5.0	5.0
7.0	7.0	7.0	7.0	5.0	5.0
7.0	7.0	7.0	7.0	7.0	7.0
35.0	36.0	33.0	12.0	10.0	10.0
22.0	22.0	22.0	21.0	21.0	21.0
11.0	11.0	11.0	10.0	10.0	10.0
33.0	31.0	31.0	28.0	28.0	29.0
20.3	20.3	18.3	18.3	17.0	18.0
7.0	7.0	7.0	7.0	7.0	7.0
9.0	9.0	9.0	9.0	9.4	11.2
144.3	143.3	138.3	112.3	109.4	113.2
1267.1	1262.1	1250.9	1222.9	1219.3	1226.2
17.0	17.0	17.0	19.0	21.0	21.0
14.0	14.0	14.3	14.3	14.5	14.5
54.6	54.3	53.4	53.1	53.0	52.0
64.7	63.7	63.6	63.9	64.0	64.0
49.6	49.0	50.0	50.0	50.0	50.0
34.0	34.0	35.0	37.0	47.0	50.0
61.0	60.0	60.0	60.0	60.0	60.0
294.9	292.0	293.3	297.3	309.5	311.5
1562.0	1554.1	1544.2	1520.2	1528.8	1537.7

CITY OF DES MOINES, IOWA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(Unaudited)

	2023	2022	2021
Public safety:			
Police Department--calls for service	201,323	203,001	195,768
Criminal Investigation Division--person offenses reported	11,992	3,458	3,845
Criminal Investigation Division--property offenses reported	11,272	12,468	10,887
Fire Department--total incidents	33,093	31,834	29,325
Fire suppression--total fires	851	816	836
Emergency medical services--medic calls	20,880	20,357	18,604
Emergency medical services--transports	17,647	16,997	15,570
Permit and Development Center--number of permits issued	16,791	15,571	15,073
Permit and Development Center--number of inspections	36,254	35,532	35,253
Permit and Development Center--number of plan reviews	14,361	13,360	11,014
Public works:			
Engineering Department--cost of awarded contracts	\$97,467,932	\$107,370,919	\$123,165,045
Public Works Department--snow and ice control-lane miles	2,215	2,207	2,207
Health and social services:			
Low-income energy assistance (number of households)	**	**	**
Furnace repair/replacements (number of households)	**	**	**
Energy reconnect project (number of households)	**	**	**
NCS applications taken	-	5	-
Senior Living Program applications taken (households)	**	**	**
Culture and recreation:			
Library usage--annual visits	788,407	599,230	278,963
Aquatic center/pools attendance	121,447	89,241	72,142
Annuals (plants) distributed to organizations	158,200	153,350	144,500
Community center attendance (calendar year)	56,315	67,264	25,021
Cemeteries--burials	489	597	579
Community and economic development:			
Increment valuations in tax increment financing districts	\$2,696,833,078	\$2,553,399,298	\$2,474,157,134
General government:			
Animal licenses issued (cat and dog)	14,170	14,227	16,717
Legal Department--written legal opinions	1,473	1,206	1,403
Tort litigation--traffic court trials	342	557	688
Enterprise funds:			
Number of sanitary sewer feet cleaned per year	1,820,442	1,535,819	2,916,656
Number of storm sewer feet cleaned per year	70,078	56,200	153,663
Solid waste collected annually (lbs) per year	130,550,000	136,266,000	140,976,000
Rounds of golf	120,782	107,959	110,059

Source: City records.

* Current year not available

** The Community Action Agency was taken over by Impact Community Action Partnership on October 1, 2015.

Table 18

2020	2019	2018	2017	2016	2015	2014
200,409	446,723	389,044	367,194	363,543	372,977	380,692
1,158	5,127	4,931	8,788	9,314	9,212	5,720
9,207	12,810	13,818	13,776	12,306	13,010	13,782
27,684	26,721	26,130	24,971	23,206	22,440	21,833
706	609	726	619	587	653	715
18,240	18,272	18,437	17,540	16,587	15,547	16,009
15,439	20,204	15,300	14,406	13,452	13,004	12,681
17,703	18,091	17,287	15,567	15,543	15,464	15,039
40,622	50,071	41,813	12,399	41,254	41,172	33,438
12,953	12,928	13,261	35,803	12,770	12,455	10,646
\$106,828,709	\$104,067,204	\$68,117,323	\$50,534,697	\$34,798,141	\$16,483,904	\$32,538,737
2,207	2,207	2,207	2,207	2,207	2,207	2,207
**	**	**	**	**	6,001	6,194
**	**	**	**	**	148	179
**	**	**	**	**	-	5
95	53	54	42	37	3	8
**	**	**	**	**	99	142
658,588	881,497	813,042	866,329	2,223,053	2,674,409	973,456
19,797	96,313	91,331	114,404	113,154	107,161	64,309
179,000	210,000	233,000	258,000	323,300	277,660	211,369
64,294	86,630	73,505	91,951	126,665	98,974	188,209
515	507	560	504	613	645	594
\$2,126,182,194	\$1,945,522,995	\$1,332,180,629	\$1,367,806,860	\$1,235,548,361	\$1,220,550,250	\$1,245,474,135
17,950	19,286	19,510	20,174	22,355	21,731	21,306
1,394	1,347	1,359	1,335	1,297	1,041	1,140
815	631	624	988	1532*	1,532	820
2,981,663	2,986,489	3,202,117	4,002,646	2,931,359	3,191,128	2,812,129
339,349	794,691	800,529	515,145	562,710	670,900	515,626
128,374,000	158,126,431	162,013,940	153,713,820	169,916,000	167,000,000	161,000,000
103,271	84,961	84,057	87,185	84,990	87,903	82,948

**CITY OF DES MOINES, IOWA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

	2023	2022	2021	2020
Function/Program				
Public Safety:				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	11	11	10	10
Stations with EMS transport capability	10	10	9	9
	2,136			
Public Works:				
Streets paved lane miles	2,135	2,167	2,167	2,167
Streets unpaved lane miles	80	79	79	79
Sanitary sewer miles	1,011	1,005	1,005	1,006
Storm sewer miles	583	571	571	568
Number of street lights	24,500	24,500	25,200	25,200
Area--number of city square miles	91	91	91	91
Culture and Recreation:				
Parks-number of park areas	77	76	76	76
Total park acres	5,585	4,033	4,033	4,033
Number of boulevards	9	9	9	9
Number of playgrounds	63	61	61	59
Number of golf courses	3	3	3	3
Number of soccer fields	12	12	12	12
Number of aquatic centers/pools	5	5	5	5
Number of tennis courts	57	57	57	64
Number of softball diamonds	8	8	8	8
Number of baseball diamonds	10	8	8	8
Number of community centers	2	2	2	2
Miles of bike trails	89	88	86	86
Cemeteries:				
Number of facilities	7	7	7	7
Number of acres	392	345	345	345
Library:				
Number of Facilities	6	6	6	6
Number of Volumes*	445,564	453,053	450,658	481,218

Source: City Records

Note: Some information is not available for some of the years.

Table 19

2019	2018	2017	2016	2015	2014
1	1	1	1	1	1
10	10	10	10	10	10
9	9	8	8	8	7
2,143	2,141	2,139	2,139	2,134	2,133
74	74	74	74	74	74
942	942	942	942	935	935
529	529	529	529	493	493
25,200	24,880	24,750	25,900	25,700	25,500
91	91	91	91	91	91
75	75	75	76	76	76
4,031	4,031	4,031	4,031	3,877	2,877
9	9	9	9	9	9
58	58	62	63	63	63
3	3	3	3	3	3
12	12	12	12	12	12
5	5	5	5	5	5
64	64	64	64	64	59
8	8	8	8	8	8
8	8	8	8	8	8
2	2	2	3	3	3
83	81	81	81	78	45
7	7	7	7	7	7
345	345	345	345	345	345
6	6	6	6	6	6
478,237	478,993	548,848	522,809	560,890	590,242

CITY OF DES MOINES, IOWA
SCHEDULE OF INSURANCE IN FORCE
June 30, 2023
(Unaudited)

<u>TYPE OF INSURANCE / INSURANCE COMPANY</u>	<u>POLICY PERIOD</u>
<u>PROPERTY INSURANCE</u>	
Alliant Insurance Services, Inc.	7-1-22/23
Housing Authority Property Insurance	1-1-23/24
<u>FLOOD INSURANCE</u>	
Selective Insurance Co. (N.F.I.P.)	7-1-22/23
Selective Insurance Co. (N.F.I.P.)	12-14-22/23
<u>CRIME INSURANCE</u>	
Travelers Casualty & Surety Co. of America	7-1-22/23
<u>SPECIAL EXCESS LIABILITY INSURANCE</u>	
States Self-Insurers Risk Retention Group	7-1-22/23
<u>GENERAL LIABILITY INSURANCE</u>	
Housing Authority Risk Retention Group	1-1-23/24
<u>AUTO LIABILITY INSURANCE</u>	
The Travelers Indemnity Company of America	7-1-22/23
<u>WORKERS COMPENSATION INSURANCE</u>	
National Union Fire Ins. Co. of Pittsburgh, PA (VFIS)	7-1-22/23
National Union Fire Ins. Co. of Pittsburgh, PA	7-1-22/23
Mutual of Omaha	7-1-22/23
<u>EXCESS WORKERS COMPENSATION INSURANCE</u>	
Safety National Casualty Corp	7-1-22/23

Table 20

NAMED INSURED / DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<u>City of Des Moines</u>		
Buildings & Contents	\$ 813,779,356	\$ 933,600
Policy Aggregate Loss Limit:	500,000,000	
Business Interruption & Extra Expense	100,000,000	Included
Boiler & Machinery	100,000,000	Included
Earthquake	20,000,000	Included
Flood	5,000,000	Included
<u>Municipal Housing Agency</u>		
Buildings & Contents	\$ 51,798,708	\$ 88,237
<u>City of Des Moines & Housing Authority</u> (6 buildings in Flood Zone "A")		
2309 Euclid Ave	\$ Various	\$ 20,445
	\$ 421,000	\$ 839
<u>Shared: City, WRA & DMMHA</u>		
Employee Theft	\$ 5,000,000	\$ 17,865
Computer Fraud	5,000,000	included
Funds Transfer Fraud	5,000,000	included
<u>Shared: City & DMMHA</u>		
Citywide General, Automobile, Law Enforcement, Public Officials Liability, etc	\$ 10,000,000 2,000,000	\$ 325,885 SIR
<u>Municipal Housing Agency</u>		
General Liability	\$ 2,000,000	\$ 51,232
<u>Shared: City & DMMHA</u>		
Following enterprise fund activities included:	\$ 2,000,000	\$ 145,181
Curbside Recycling Pickup Program		Included
Sanitary/Storm Sewer		Included
Solid Waste Collection		Included
Municipal Housing Agency		Included
<u>City - HazMat Team/Fire Dept Mutual Aid</u>		
Primary Occupational Medical	\$ 250,000	\$ 23,176
Excess Occupational Medical	500,000	9,740
Excess Occupational Medical	500,000	11,704
<u>City of Des Moines (including WRA Operations)</u>		
Employers Liability Limit	\$ 1,500,000	\$ 449,481
WRA Operations Liability Limit	500,000	



APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(This page has been left blank intentionally.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Des Moines, State of Iowa (the "Issuer"), in connection with the issuance of \$ _____ General Obligation Bonds, Series 2024A and \$ _____ Taxable General Obligation Bonds, Series 2024B (the "Bonds") dated November 12, 2024. The Bonds are being issued pursuant to a Resolution of the Issuer approved on October 21, 2024 (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 _____, 2024.

"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 two hundred seventy (270) days after the end of the Issuer's fiscal year (presently June 30th), commencing with information for the 2023/2024 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) The City's Annual Comprehensive Financial Report ("Annual Audit") for the prior fiscal year, prepared in accordance with the prevailing Certificate of Achievement program requirements of the Government Finance Officers Association ("GFOA"); provided, however, that the City does not undertake, as a part hereof, to submit its Annual Audit to the GFOA in any future year for such purposes, nor does the City make any representation as to whether any future Annual Audit will receive said Certificate of Achievement.

c) To the extent such information is not included in the materials submitted under subparagraphs (a) and (b) of this Section 4, a table or schedule, prepared as of the end of the prior fiscal year, containing information of the type set forth in the final Official Statement with respect to the Bonds under the following headings:

- Property Valuations
- Trend of Valuations
- Larger Taxpayers
- Direct Debt
- Levies and Tax Collections
- City Tax Rates

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: 12th day of November, 2024.

CITY OF DES MOINES, 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 Des Moines, Iowa.

Name of Bond Issue: \$_____ General Obligation Bonds, Series 2024A

Dated Date of Issue: November 12, 2024

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 DES MOINES, STATE OF IOWA

By: _____
Its: _____

EXHIBIT A-2

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: City of Des Moines, Iowa.

Name of Bond Issue: \$_____ Taxable General Obligation Bonds, Series 2024B

Dated Date of Issue: November 12, 2024

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 DES MOINES, STATE OF IOWA

By: _____
Its: _____

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OFFICIAL BID FORM – SERIES 2024A BONDS

To: City Council of
Des Moines, Iowa

Sale Date: October 2, 2024
10:00 A.M., Central Time

RE: \$57,645,000* General Obligation Bonds, Series 2024A (the “Series 2024A Bonds”)

This bid is a firm offer for the purchase of the Series 2024A Bonds identified in the TERMS OF OFFERING and on the terms set forth in this bid form and is not subject to any conditions, except as permitted by the TERMS OF OFFERING.

For all or none of the above Series 2024A Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$ _____ (not less than \$56,953,260) plus accrued interest to date of delivery for fully registered Series 2024A Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2025	_____	_____	2035	_____
_____	2026	_____	_____	2036	_____
_____	2027	_____	_____	2037	_____
_____	2028	_____	_____	2038	_____
_____	2029	_____	_____	2039	_____
_____	2030	_____	_____	2040	_____
_____	2031	_____	_____	2041	_____
_____	2032	_____	_____	2042	_____
_____	2033	_____	_____	2043	_____
_____	2034	_____	_____	2044	_____

* Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2024A Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$60,000,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2024A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2024A Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

We hereby designate that the following Series 2024A Bonds to be aggregated into term Bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term Bonds are specified):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Aggregate Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated September 16, 2024 and represent we are a bidder with an established industry reputation for underwriting new issuances of municipal Series 2024A Bonds. In the event of failure to deliver the Series 2024A Bonds in accordance with the TERMS OF OFFERING, as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____ % (Dated date November 12, 2024)

Account Manager: _____ By: _____

Account Members: _____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 2nd day of October 2024.

Attest: _____ By: _____

Title: _____ Title: _____

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OFFICIAL BID FORM – SERIES 2024B BONDS

To: City Council of
Des Moines, Iowa

Sale Date: October 2, 2024
10:00 A.M., Central Time

RE: \$10,185,000* Taxable General Obligation Bonds, Series 2024B (the “Series 2024B Bonds”)

This bid is a firm offer for the purchase of the Series 2024B Bonds identified in the TERMS OF OFFERING and on the terms set forth in this bid form and is not subject to any conditions, except as permitted by the TERMS OF OFFERING.

For all or none of the above Series 2024B Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$ _____ (not less than \$10,083,150) plus accrued interest to date of delivery for fully registered Series 2024B Bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2025	_____	_____	2028	_____
_____	2026	_____	_____	2029	_____
_____	2027	_____			

* Preliminary; subject to change. The City reserves the right to increase or decrease the aggregate principal amount of the Series 2024B Bonds and to increase or reduce each scheduled maturity thereof after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$10,500,000. Interest rates specified by the successful bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.

The dollar amount of the purchase price proposed by the successful bidder will be changed if the aggregate principal amount of the Series 2024B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2024B Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive and shall be binding upon the successful bidder.

We hereby designate that the following Series 2024B Bonds to be aggregated into term bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Aggregate Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____
_____ through _____	_____	_____

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated September 16, 2024 and represent we are a bidder with an established industry reputation for underwriting new issuances of municipal Series 2024B Bonds. In the event of failure to deliver the Series 2024B Bonds in accordance with the TERMS OF OFFERING, as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____ % (Dated date November 12, 2024)

Account Manager: _____ By: _____

Account Members: _____

The foregoing offer is hereby accepted by and on behalf of the City Council of the City of Des Moines, Iowa this 2nd day of October 2024.

Attest: _____ By: _____

Title: _____ Title: _____