



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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

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

For the Fiscal Year Ended June 30, 2025

Prepared by the
Department of Finance



CITY OF DES MOINES, IOWA

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal VII
GFOA Certificate of Achievement XIII
Organizational Chart..... XV
List of Elected and Appointed Officials..... XVII

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 1

MANAGEMENT'S DISCUSSION AND ANALYSIS 5

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position..... 22
Statement of Activities 24

Governmental Fund Financial Statements

Balance Sheet - Governmental Funds 26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 28
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) -
Governmental Funds 30
Reconciliation of the Change in Fund Balances of Governmental Funds to the
Statement of Activities..... 32

Proprietary Fund Financial Statements

Statement of Net Position - Proprietary Funds 34
Reconciliation of the Enterprise Funds Net Position to the Statement of Net Position..... 39
Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Funds 40
Reconciliation of the Change in Net Position of Enterprise Funds to the Statement
of Activities 43
Statement of Cash Flows - Proprietary Funds 44

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position - Fiduciary Funds - Custodial 48
Statement of Changes in Fiduciary Net Position - Fiduciary Funds - Custodial 49

Notes to the Financial Statements 51

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - Budgetary Basis -
All Governmental Funds and Enterprise Funds 111
Budgetary Comparison Schedule - Budget to GAAP Reconciliation 112
Notes to Required Supplementary Information..... 113
Schedule of Changes in the City's Total OPEB Liability and Related Ratios..... 114
Schedule of the City's Proportionate Share of the Net Pension Liability - Iowa Public
Employees' Retirement System (IPERS) 116
Schedule of the City Contributions - IPERS..... 118
Notes to Required Supplementary Information - IPERS Pension Liability 119
Schedule of the City's Proportionate Share of the Net Pension Liability - Municipal
Fire and Police Retirement System of Iowa (MFPRSI)..... 120
Schedule of the City Contributions - MFPRSI 122
Notes to Required Supplementary Information - MFPRSI Pension Liability 123

FINANCIAL SECTION (continued)

Other Supplementary Information

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Governmental Funds

Combining Balance Sheet Schedule - All General Fund Accounts 128
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -
All General Fund Accounts..... 129
Combining Balance Sheet Schedule - All Capital Projects Accounts 130
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -
All Capital Projects Accounts 132
Combining Balance Sheet - Nonmajor Governmental Funds 134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) -
Nonmajor Governmental Funds 136

Proprietary Funds

Combining Schedule of Net Position - All Parking Fund Accounts..... 138
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position -
All Parking Fund Accounts..... 141
Combining Schedule of Cash Flows - All Parking Fund Accounts 142
Combining Statement of Net Position (Deficit) - Nonmajor Enterprise Funds 144
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit) -
Nonmajor Enterprise Funds 145
Combining Statement of Cash Flows - Nonmajor Enterprise Funds 146
Combining Statement of Net Position - Internal Service Funds 148
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit) -
Internal Service Funds 150
Combining Statement of Cash Flows - All Internal Service Funds 152

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function 156
Schedule by Function..... 157

STATISTICAL SECTION (UNAUDITED)

Table 1: Net Position by Component..... 162
Table 2: Changes in Net Position 164
Table 3: Program Revenues by Function/Program 172
Table 4: Fund Balances (Deficits), Governmental Funds 176
Table 5: Changes in Fund Balances (Deficits), Governmental Funds 178
Table 6: Tax Revenues by Source, Governmental funds 181
Table 7: Assessed Value and Estimated Actual Value of Taxable Property..... 182

STATISTICAL SECTION (UNAUDITED) (continued)

Table 8: Direct and Overlapping Property Tax Rates.....	184
Table 9: Property Tax Levies and Collections	187
Table 10: Principal Property Taxpayers	189
Table 11: Ratios of Net General Bonded Debt Outstanding by Type	190
Table 12: Direct and Overlapping Governmental Activities Debt.....	193
Table 13: Legal Debt Margin Information.....	194
Table 14: Pledged-Revenue Coverage	196
Table 15: Demographic and Economic Statistics.....	199
Table 16: Principal Employers	201
Table 17: Full-Time City Governmental Employees by Functions	202
Table 18: Operating Indicators by Function/Program.....	204
Table 19: Capital Asset Statistics by Function/Program	206
Table 20: Schedule of Insurance in Force	208

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standard.....	213
Schedule of Expenditures of Federal Awards	221
Notes to the Schedule of Expenditures of Federal Awards	225
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	226
Schedule of Findings and Questioned Costs	229
Summary Schedule of Prior Year Audit Findings	234
Corrective Action Plan.....	235



INTRODUCTORY SECTION





June 15, 2026

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, 2025.

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 Eide Bailly LLP. They have issued an unmodified ("clean") opinion on the City of Des Moines's financial statements for the year ended June 30, 2025. 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 225,000 people and the central city of a metropolitan area of approximately 750,000. 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 2025, Des Moines received the following accolades:

- Top 15 Best Underrated Travel Destination in the U.S. – [travel.usnews.com](https://www.travel.usnews.com)
- #3 most livable City in the U.S. – [visualcapitalist.com](https://www.visualcapitalist.com)

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: 3.0 percent in 2024, 2.8 percent in 2023, 2.6 percent in 2022.

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.

Major capital asset events during fiscal year 2025 included the following:

- \$26.5 million towards the purchase and construction of the City Administration Building.
- \$7.2 million toward Fires Station 4 construction.
- \$10.9 million toward the rehabilitation of the Walnut Street Bridge.
- \$3.6 million toward University Avenue improvements.
- \$7.9 million for the North Side Community Recreation Center construction.
- \$4.2 million for Des Moines River flood mitigation improvements.
- \$3.8 million toward construction of the Southeast Connector.

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, 2025 balance is 33.9% of expenditures, down from 43.6% in 2024.

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.

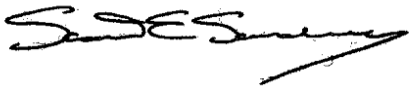
Awards and Acknowledgements

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, 2024. This was the 47th 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 Deputy Finance Director James Remington. This team consisted of colleagues in the Finance Department, the audit team from Eide Bailly 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





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, 2024

Christopher P. Morill

Executive Director/CEO



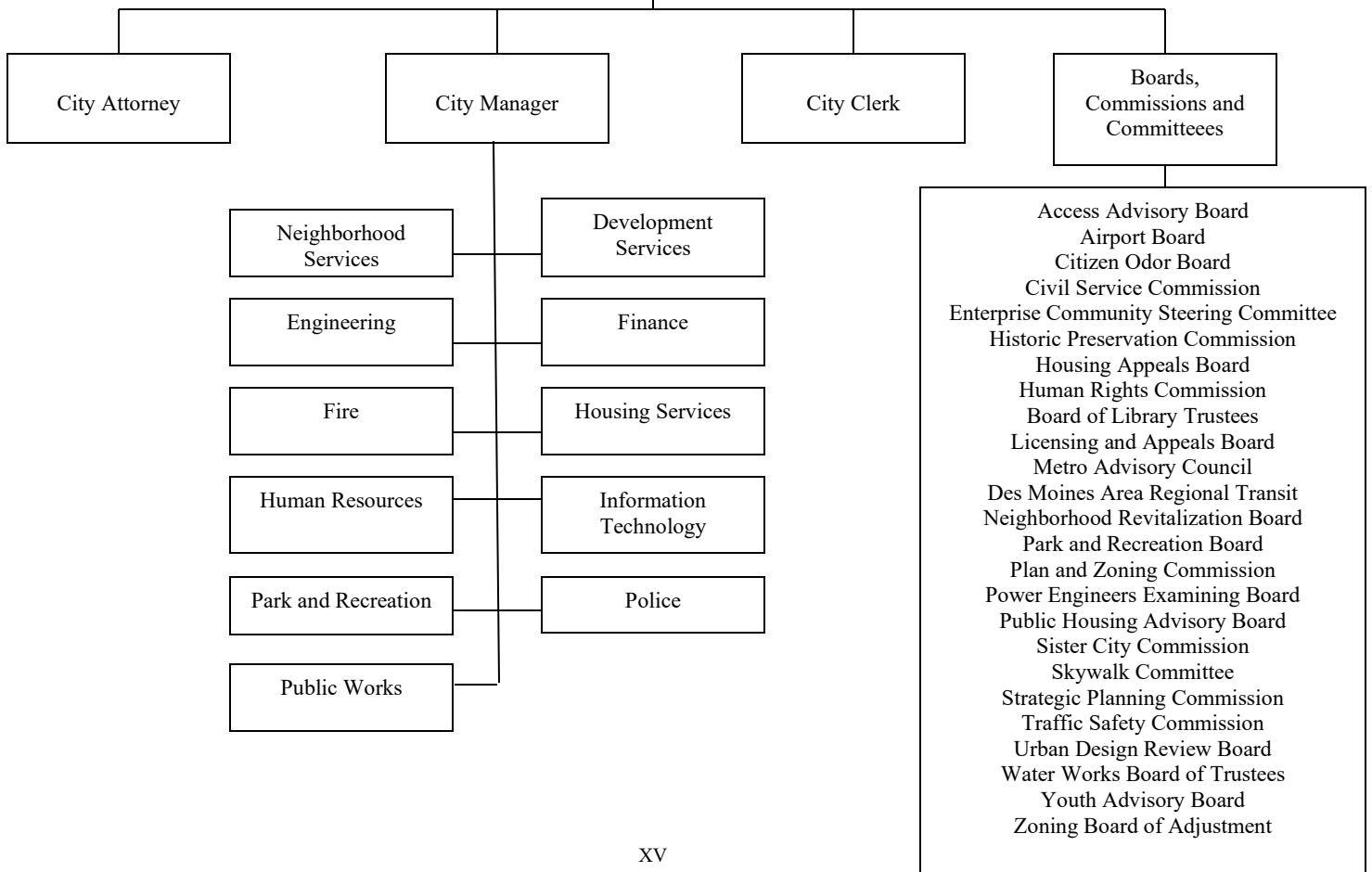
City of Des Moines, Iowa Table of Organization

Citizens of Des Moines

ELECT

Des Moines City Council
 Connie Boesen, Mayor
 Carl Voss, At-Large
 Mike Simonson, At-Large
 Chris Coleman, 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, 2025**

Elected Officials:

Term Expires

Connie Boesen	Mayor	1/1/2028
Carl Voss	Council Member, At-Large	1/1/2028
Mike Simonson	Council Member, At-Large	1/1/2026
Chris Coleman	Council Member, Ward I	1/1/2026
Linda Westergaard	Council Member, Ward II	1/1/2028
Josh Mandelbaum	Council Member, Ward III	1/1/2026
Joe Gatto	Council Member, Ward IV	1/1/2028

Council-Appointed Officials:

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



FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

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, 2025, 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 reports 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, 2025, 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 Des Moines Airport Authority and the Des Moines Public Library Foundation, which collectively represent 100% of assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Des Moines Airport Authority and the Des Moines Public Library Foundation are based solely on the reports 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

Correction of Error

As discussed in Note 18 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for cash as of June 30, 2024, were discovered by management of the City during the current year. Accordingly, a restatement has been made to the Other Employee Benefits Fund fund balance and governmental activities net position as of July 1, 2024, to correct the error. Our opinions are not modified with respect to that 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 schedule, the Iowa Public Employees Retirement System pension plan schedules and the Municipal Fire and Police Retirement System of Iowa pension plan schedules, as listed under 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 GAAS, 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 financial statements 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 GAAS. In our opinion, the combining and individual 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Fargo, North Dakota
June 15, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025. 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 \$1,518,261,478 (*net position*). Last year's June 30, 2024 total net position was \$1,446,922,610. The total unrestricted net position of the City was \$151,112,578. This was comprised of unrestricted governmental net position \$51,705,166 and business type activities net position of \$99,407,412.
- At the close of this current fiscal year, the City of Des Moines' governmental funds reported combined ending fund balances of \$353,159,522 a decrease of \$30,946,507 in comparison with the prior year. This decrease was attributable primarily to a planned increase in capital outlay expenditures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$82,942,248 or 33.9 percent of total General Fund expenditures. This represents a \$4,242,813 decrease 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, Other Employee Benefits and Capital Projects Fund, all of which are considered major funds. Data from the other 7 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 2025. 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, 2025 were \$821,120,557 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 \$1,518,261,478, at the close of the fiscal year ended June 30, 2025.

By far the largest portion of the City of Des Moines' net position, \$1,236,469,632 or 81.4 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 2025	Business-type Activities 2025	Total 2025	Governmental Activities 2024, as restated*	Business-type Activities 2024	Total 2024, as restated*
Current and other assets	\$ 651,392,125	\$ 144,966,052	\$ 796,358,177	\$ 682,769,360	\$ 131,760,041	\$ 814,529,401
Capital assets	1,458,197,977	585,208,072	2,043,406,049	1,373,196,576	584,074,326	1,957,270,902
Total assets	<u>2,109,590,102</u>	<u>730,174,124</u>	<u>2,839,764,226</u>	<u>2,055,965,936</u>	<u>715,834,367</u>	<u>2,771,800,303</u>
Total deferred outflow of resources	<u>63,506,518</u>	<u>4,235,642</u>	<u>67,742,160</u>	<u>62,806,289</u>	<u>5,217,060</u>	<u>68,023,349</u>
Noncurrent liabilities	805,568,546	224,115,944	1,029,684,490	757,559,201	237,755,491	995,314,692
Other liabilities	116,270,205	18,866,359	135,136,564	152,479,364	19,211,142	171,690,506
Total liabilities	<u>921,838,751</u>	<u>242,982,303</u>	<u>1,164,821,054</u>	<u>910,038,565</u>	<u>256,966,633</u>	<u>1,167,005,198</u>
Total deferred inflow of resources	<u>223,613,182</u>	<u>810,672</u>	<u>224,423,854</u>	<u>225,022,103</u>	<u>873,741</u>	<u>225,895,844</u>
Net position:						
Net investment in capital assets	858,940,755	377,528,877	1,236,469,632	847,903,572	371,885,503	1,219,789,075
Restricted	116,998,766	13,680,502	130,679,268	108,566,375	14,107,723	122,674,098
Unrestricted	<u>51,705,166</u>	<u>99,407,412</u>	<u>151,112,578</u>	<u>27,241,610</u>	<u>77,217,827</u>	<u>104,459,437</u>
Total net position	<u>\$ 1,027,644,687</u>	<u>\$ 490,616,791</u>	<u>\$ 1,518,261,478</u>	<u>\$ 983,711,557</u>	<u>\$ 463,211,053</u>	<u>\$ 1,446,922,610</u>

*During fiscal year 2025, the City determined that there was an error in amounts previously reported in the 2024 financial statements resulting in a restatement of the beginning net position. The error related to funds on deposit with the City's third-party administrator for workers' compensation claims which should have been expensed as services were rendered. See note 18 for further information.

An additional portion of the City of Des Moines' net position, \$130,679,268 (8.6 percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* is \$151,112,578. The net pension liability was measured at \$159,269,764 in fiscal 2025, down from \$166,569,523 in fiscal 2024, a difference of \$7,299,759. 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 \$71,068,868 during the current fiscal year. The net position in governmental activities increased by \$43,663,130, while the net position in business-type activities increased by \$27,405,738.

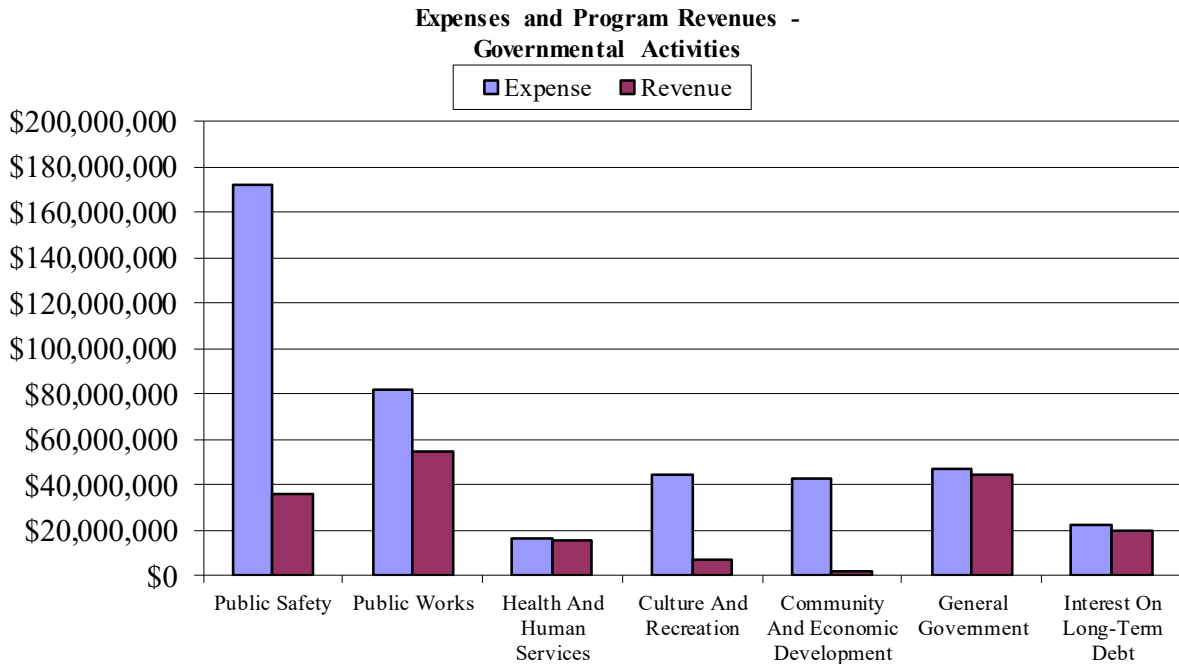
A summary of the City's changes in net position follows:

	City of Des Moines' Changes in Net Position					
	Governmental Activities 2025	Business-type Activities 2025	Total 2025	Governmental Activities 2024, as restated*	Business-type Activities 2024	Total 2024, as restated*
Revenues:						
Program revenues:						
Charges for services	\$ 63,061,183	\$ 121,766,222	\$ 184,827,405	\$ 77,065,044	\$ 115,963,032	\$ 193,028,076
Operating grants and contributions	67,671,739	25,101,845	92,773,584	62,873,720	26,133,289	89,007,009
Capital grants and contributions	29,603,425	3,010,866	32,614,291	47,943,030	3,574,678	51,517,708
General revenues:						
Property taxes	208,514,033	---	208,514,033	192,178,620	---	192,178,620
Other taxes	83,398,138	---	83,398,138	76,901,077	---	76,901,077
Other	23,028,407	9,270,001	32,298,408	23,806,195	8,850,377	32,656,572
Total revenues	<u>475,276,925</u>	<u>159,148,934</u>	<u>634,425,859</u>	<u>480,767,686</u>	<u>154,521,376</u>	<u>635,289,062</u>
Expenses:						
Public safety	171,945,065	---	171,945,065	163,083,174	---	163,083,174
Public works	82,248,584	---	82,248,584	75,998,393	---	75,998,393
Health and social services	16,206,986	---	16,206,986	14,242,238	---	14,242,238
Culture and recreation	44,389,623	---	44,389,623	42,830,320	---	42,830,320
Community and economic development	42,910,873	---	42,910,873	37,743,580	---	37,743,580
General government	47,475,723	---	47,475,723	85,616,402	---	85,616,402
Interest on long-term debt	22,701,407	---	22,701,407	20,334,805	---	20,334,805
Parking facilities system	---	15,547,495	15,547,495	---	13,414,894	13,414,894
Sewer system	---	43,861,413	43,861,413	---	40,738,836	40,738,836
Stormwater utility	---	29,382,138	29,382,138	---	25,519,505	25,519,505
Golf	---	435,281	435,281	---	440,728	440,728
Solid waste	---	18,006,855	18,006,855	---	16,527,382	16,527,382
Municipal Housing Agency	---	27,975,548	27,975,548	---	27,170,597	27,170,597
Total expenses	<u>427,878,261</u>	<u>135,208,730</u>	<u>563,086,991</u>	<u>439,848,912</u>	<u>123,811,942</u>	<u>563,660,854</u>
Increase/(decrease) in net position before transfers	47,398,664	23,940,204	71,338,868	40,918,774	30,709,434	71,628,208
Transfers	(3,465,534)	3,465,534	---	(7,320,080)	7,320,080	---
Increase/(decrease) in net position	43,933,130	27,405,738	71,338,868	33,598,694	38,029,514	71,628,208
Net position - beginning	983,711,557	463,211,053	1,446,922,610	950,112,863	425,181,539	1,375,294,402
Net position - ending	<u>\$ 1,027,644,687</u>	<u>\$ 490,616,791</u>	<u>\$ 1,518,261,478</u>	<u>\$ 983,711,557</u>	<u>\$ 463,211,053</u>	<u>\$ 1,446,922,610</u>

Governmental Activities. Total governmental activities revenue for the fiscal year was \$475,276,925 compared to \$480,767,686 in 2024. The largest single revenue source for the City was property taxes of \$208,514,033. Property taxes increased by \$16,335,413 (8.5 percent) from fiscal 2024. This increase is primarily the result of a change in the amount of being a reassessment year. Other taxes for fiscal year 2025 were \$83,398,138 compared to \$76,901,077 for fiscal 2024. The increase of \$6,497,061 was primarily due to an increase in LOSST receipts.

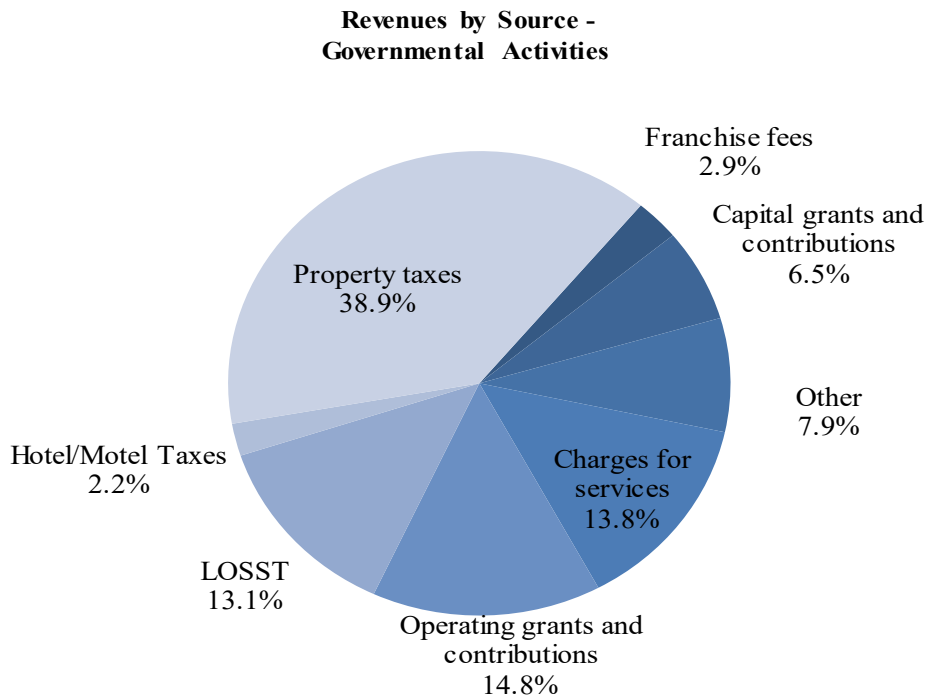
The decrease in Intergovernmental Revenue year-over-year was primarily due to the prior year's numbers being abnormally high due to the recognition of American Rescue Act funds. Governmental activities increased the City's net position by \$43,933,130.

Certain revenues are generated that are specific to governmental program activities. These totaled \$160,336,347 in fiscal 2025 compared to \$187,881,794 in fiscal 2024. The graph below shows a comparison between the expenses by governmental activity type and the revenues generated that are specific to those activities:



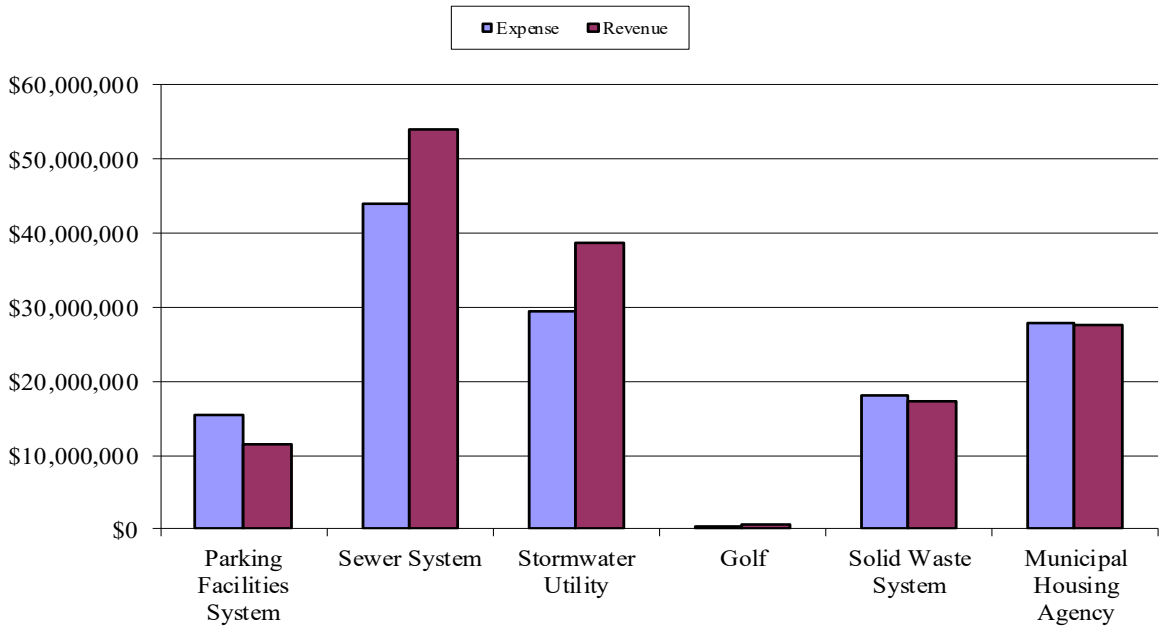
The program expenses shown in the table above were \$427,878,261 in fiscal year 2025 as compared to \$439,578,912 in fiscal year 2024. The decrease is largely due to a decrease in operational expenditures of ARPA funding as that program wraps up.

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



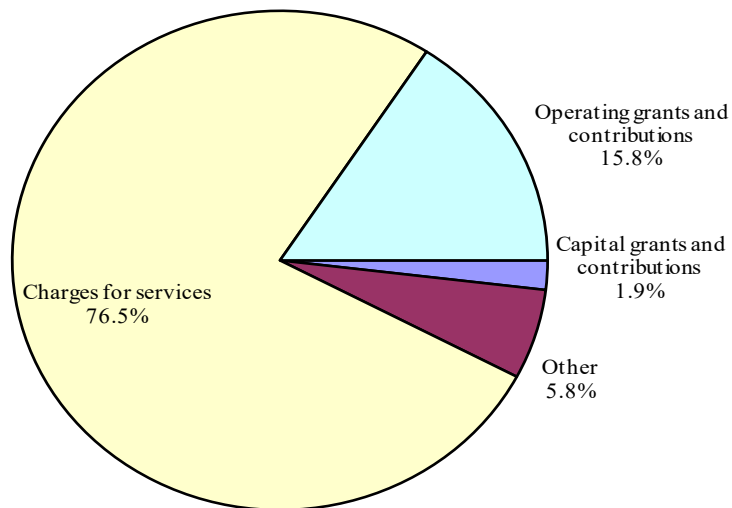
Business-Type Activities. Total business-type activities revenue for the fiscal year was \$159,148,934 compared to \$154,521,376 in 2024. All but \$9,270,001 and \$8,850,377 of this revenue was generated for specific business-type activity expenses in fiscal years 2025 and 2024, respectively. The increase in non-specific business-type revenue was due primarily to overall economic trends resulting in increased 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 \$27,405,738 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 \$11,995,720. This increase was primarily due to increases in revenue from usage and an increase in investment earnings due to favorable interest rates.
- The Storm Water Utility increased by \$18,597,881. This increase was largely due to an increase in revenue from usage.

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 \$353,159,522 a decrease of \$30,946,507 in comparison with the prior year. The decrease was primarily driven by a decrease in the Capital Projects Fund of \$35,233,412. The offsetting increase for fiscal 2025 was in the Tax Increment Fund with a change of \$14,360,729. Fund balance identified as nonspendable totaled \$9,726,925. There were restrictions of \$162,410,918 on the governmental fund balance. Committed fund balance totaled \$100,048,520 and unassigned fund balance totaled \$80,973,159. See footnote 20 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 \$82,942,248 while total fund balance was \$89,268,248. 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 33.9 percent of total General Fund expenditures, while total fund balance represents 36.5 percent of that same amount.

The fund balance of the City of Des Moines' General Fund decreased by \$3,342,997 during the current fiscal year compared to a \$10,899,218 decrease in 2024. This decrease was

primarily the result of expending ARPA funds that had been transferred into the General Fund in fiscal 2023 and 2024 for specific projects.

The Debt Service Fund has a total fund balance of \$31,230,847. The net increase in fund balance during the current year in the Debt Service Fund was \$490,762. This was very consistent with the prior year.

The Tax Increment Fund (TIF) has a total fund balance of \$36,842,157. The net increase in fund balance during the current year in the Tax Increment Fund was \$14,360,729. 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 \$451,997 at the end of fiscal 2025. This was very consistent with past years.

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 \$2,240,434. 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 remained the same as the prior year at zero. The City anticipates the fund being closed out within the next two years as the deadline for expending ARPA funds approaches.

The Other Employee Benefits Fund has a total fund balance of \$2,804,060. The net decrease in fund balance during the current year in the Other Employee Benefits Fund was \$1,581,261. The ending fund balance for this fund will fluctuate year-to-year depending on the timing of payments around year end.

The Capital Projects Fund has a total fund balance of \$140,391,360. The net decrease in fund balance during the current year in the Capital Projects Fund was \$35,233,412. This decrease was due to a significant increase in capital spending in fiscal 2025, which was anticipated.

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 of the Parking Facility System was \$2,874,802; those for the Sewer System were \$61,025,441; the Storm Water Utility were \$50,756,191; and for the Municipal Housing Agency were \$7,146,647. 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, 2025, amounts to \$2,043,406,049 (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 6.2 percent increase for governmental activities and a 0.2 percent increase for business-type activities).

Major capital asset events during fiscal year 2025 included the following:

- \$26.5 million towards the purchase and construction of the City Administration Building.
- \$7.2 million toward Fires Station 4 construction.
- \$10.9 million toward the rehabilitation of the Walnut Street Bridge.
- \$3.6 million toward University Avenue improvements.
- \$7.9 million for the North Side Community Recreation Center construction.
- \$4.2 million for Des Moines River flood mitigation improvements.
- \$3.8 million toward construction of the Southeast Connector.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 180,152	\$ 169,608	\$ 31,100	\$ 29,940	\$ 211,252	\$ 199,548
Buildings	427,866	340,396	129,711	106,110	557,577	446,506
Improvements other than buildings	1,609,803	1,527,608	634,383	582,598	2,244,186	2,110,206
Machinery and equipment	142,988	130,661	27,415	29,288	170,403	159,949
Right of use assets	2,474	2,476	6,642	29,996	9,116	32,472
Construction in progress	190,841	232,466	61,169	95,851	252,010	328,317
Accumulated depreciation	(1,095,926)	(1,030,018)	(305,212)	(289,709)	(1,401,138)	(1,319,727)
Total	\$ 1,458,198	\$ 1,373,197	\$ 585,208	\$ 584,074	\$ 2,043,406	\$ 1,957,271

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 \$675,165,000. Of this amount, \$557,140,000 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	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 542,410	\$ 533,940	\$ 14,730	\$ 15,820	\$ 557,140	\$ 549,760
Revenue bonds	-	-	118,025	124,465	118,025	124,465
Total	\$ 542,410	\$ 533,940	\$ 132,755	\$ 140,285	\$ 675,165	\$ 674,225

The City of Des Moines' total bonded debt increased by \$940,000, which is a 0.1 percent increase from the prior fiscal year. This increase was due to the City of Des Moines issuing \$64,080,000 in bonded debt for governmental activities, offset by principal payments of \$55,610,000 and \$7,530,000, respectively.

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 \$964,448,066, which is significantly in excess of the City of Des Moines' outstanding general obligation debt of \$557,140,000.

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 2025 revenue budget of \$617,127,939 was increased through an amendment to \$639,484,235 an increase of \$22,356,296. The total other financing sources and net transfers per the original budget of \$109,332,618 decreased to \$85,456,410 a decrease of \$23,876,208. The major factor in the difference between original estimates and final estimates was due to timing around the release of restrictions on American Rescue Plan Act funds.

Actual revenues for fiscal 2025 were \$608,910,688 compared to the revised budget projection of \$639,484,235, a difference of \$30,573,547, or 4.8 percent.

The total original fiscal 2025 expenditure budget of \$722,342,948 was increased through an amendment to \$875,388,688 an increase of \$153,045,740. 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 \$111,851,230. This underage was primarily due to the original aforementioned timing of capital improvement expenses being more accurate.

See page 111 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 2025, Des Moines received the following accolades:

- Top 15 Best Underrated Travel Destination in the U.S. – [travel.usnews.com](https://www.travel.usnews.com)
- #3 most livable City in the U.S. – [visualcapitalist.com](https://www.visualcapitalist.com)

Assessed valuations for calendar year 2024 in Des Moines increased 0.89 percent over calendar year 2023. 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 49.1 percent of all General Fund revenues were derived from property taxes during fiscal 2025. Continuous efforts are being made to both diversify revenues and implement strategic expense reductions.

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.



CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION
June 30, 2025

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	LIBRARY FOUNDATION	AIRPORT AUTHORITY
ASSETS					
Current assets:					
Unrestricted current assets:					
Cash and investments	\$ 375,474,506	\$ 114,951,766	\$ 490,426,272	\$ 979,857	\$ 62,717,141
Taxes receivable	220,729,608	---	220,729,608	---	---
Accounts receivable	6,050,198	432,674	6,482,872	67,972	47,992,712
Loans receivable, current	100,000	---	100,000	---	---
Accrued interest receivable	3,587,869	---	3,587,869	---	---
Lease receivable	131,357	---	131,357	---	4,077,636
Internal balances	23,235,764	(23,235,764)	---	---	---
Due from other governmental units	13,565,356	2,936,716	16,502,072	---	---
Inventory	515,473	---	515,473	---	294,013
Prepaid items	3,419,212	70,132	3,489,344	1,201	14,623
Total unrestricted current assets	646,809,343	95,155,524	741,964,867	1,049,030	115,096,125
Restricted assets:					
Cash and investments	---	18,828,615	18,828,615	4,545,363	22,470,952
Interest receivable	---	179,787	179,787	---	---
Total restricted current assets	---	19,008,402	19,008,402	4,545,363	22,470,952
Total current assets	646,809,343	114,163,926	760,973,269	5,594,393	137,567,077
Noncurrent assets:					
Investments	---	30,802,126	30,802,126	---	77,279,464
Restricted accounts receivable	---	---	---	---	893,371
Lease receivable, net	4,054,618	---	4,054,618	---	29,754,480
Loans receivable, net of allowance for Doubtful accounts	528,164	---	528,164	---	---
Other restricted assets	---	---	---	18,810	---
Capital assets:					
Land	180,151,776	31,099,604	211,251,380	---	---
Construction in progress	190,840,761	61,168,803	252,009,564	---	247,328,717
Buildings	427,865,655	129,711,081	557,576,736	---	276,348,302
Improvements other than buildings	1,609,802,546	634,382,941	2,244,185,487	---	288,873,592
Machinery and equipment	142,987,922	27,415,415	170,403,337	13,237	32,802,442
Right of use assets	2,475,492	6,642,314	9,117,806	52,693	3,143,870
Accumulated depreciation and amortization	(1,095,926,175)	(305,212,086)	(1,401,138,261)	(27,311)	(338,106,687)
Total capital assets	1,458,197,977	585,208,072	2,043,406,049	38,619	510,390,236
Total noncurrent assets	1,462,780,759	616,010,198	2,078,790,957	57,429	618,317,551
Total assets	2,109,590,102	730,174,124	2,839,764,226	5,651,822	755,884,628
Deferred Outflows of Resources					
Other postemployment deferred outflows	8,685,826	1,237,000	9,922,826	---	132,153
Pension related deferred outflows	54,820,692	2,998,642	57,819,334	---	577,580
Total deferred outflows of resources	63,506,518	4,235,642	67,742,160	---	709,733

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

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	LIBRARY	AIRPORT
	ACTIVITIES	ACTIVITIES		FOUNDATION	AUTHORITY
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 8,461,651	\$ 1,210,794	\$ 9,672,445	\$ ---	\$ 2,435,879
Contracts payable	17,655,875	3,155,019	20,810,894	---	5,681,733
Accrued wages payable	5,616,169	638,598	6,254,767	16,054	492,284
Compensated absences	8,574,105	788,217	9,362,322	---	85,241
Accrued employee benefits	7,596,553	---	7,596,553	---	---
Good faith, tenant, security, airport deposits	1,164,839	134,538	1,299,377	---	343,951
Accrued interest payable	2,091,256	556,375	2,647,631	---	467,373
Arbitrage payable	754,859	3,043	757,902	---	---
Other liabilities, claims and judgments	12,379,677	---	12,379,677	---	---
Notes, loans, leases, bonds payable and subscription-based IT liabilities	50,004,348	2,682,775	52,687,123	17,455	---
Unearned revenue	1,970,873	---	1,970,873	---	12,438,262
Total current liabilities - from unrestricted	116,270,205	9,169,359	125,439,564	33,509	21,944,723
Current liabilities payable from restricted assets:					
Notes, loans, and bonds payable	---	9,697,000	9,697,000	---	22,003,577
Accrued interest payable	---	---	---	---	467,375
Total current liabilities - from restricted	---	9,697,000	9,697,000	---	22,470,952
Total current liabilities	116,270,205	18,866,359	135,136,564	33,509	44,415,675
Noncurrent liabilities:					
Compensated absences	24,753,821	2,333,560	27,087,381	---	1,513,023
Accrued employee benefits	17,725,291	---	17,725,291	---	---
Other post retirement benefits	33,391,368	4,755,461	38,146,829	---	338,689
Net pension liability	152,090,120	7,179,644	159,269,764	---	2,212,247
Arbitrage payable	1,492,557	543,012	2,035,569	---	---
Other liabilities	---	541,967	541,967	---	---
Notes, loans, leases, bonds payable and subscription-based IT liabilities, net	576,115,389	208,762,300	784,877,689	17,368	120,932,724
Total noncurrent liabilities	805,568,546	224,115,944	1,029,684,490	17,368	124,996,683
Total liabilities	921,838,751	242,982,303	1,164,821,054	50,877	169,412,358
DEFERRED INFLOWS OF RESOURCES					
Property taxes	210,417,027	---	210,417,027	---	---
Lease deferred inflows	3,898,316	---	3,898,316	---	32,205,308
Other postretirement deferred inflows	2,934,979	417,987	3,352,966	---	327,264
Pension related deferred inflows	6,362,860	392,685	6,755,545	---	44,616
Total deferred inflows of resources	223,613,182	810,672	224,423,854	---	32,577,188
NET POSITION					
Net investment in capital assets	858,940,755	377,528,877	1,236,469,632	3,796	466,794,968
Restricted:					
Public housing program	---	1,302,555	1,302,555	---	---
Debt retirement	29,138,070	12,377,947	41,516,017	---	2,933,474
Corpus non-expendable permanent	3,363,477	---	3,363,477	1,144,991	---
Donor restricted temporary	---	---	---	2,405,085	---
Capital projects	2,439,958	---	2,439,958	---	---
Public works	21,892,313	---	21,892,313	---	---
Police and fire	547,757	---	547,757	---	---
Culture and recreation	4,745,390	---	4,745,390	---	---
Community and economic development	46,336,141	---	46,336,141	---	---
Other restricted assets	8,535,660	---	8,535,660	---	20,372,857
Unrestricted	51,705,166	99,407,412	151,112,578	2,047,073	64,503,516
Total net position	\$ 1,027,644,687	\$ 490,616,791	\$ 1,518,261,478	\$ 5,600,945	\$ 554,604,815

CITY OF DES MOINES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SALES AND SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government:				
Governmental activities:				
Public safety	\$ 171,945,065	\$ 31,887,148	\$ 4,014,958	\$ ---
Public works	82,248,584	3,604,658	38,166,686	13,119,261
Health and social services	16,206,986	385,818	14,837,074	---
Culture and recreation	44,389,623	3,799,474	464,222	3,197,704
Community and economic development	42,910,873	566,274	1,599,255	---
General government	47,475,723	22,817,811	8,589,544	13,286,460
Interest on long-term debt	22,701,407	---	---	---
Total governmental activities	427,878,261	63,061,183	67,671,739	29,603,425
Business-type activities:				
Parking facilities system	15,547,495	11,454,766	---	---
Sewer system	43,861,413	53,140,695	---	856,987
Stormwater utility	29,382,138	37,199,837	---	1,496,728
Golf	435,281	710,901	---	8,400
Solid waste system	18,006,855	17,353,364	---	---
Municipal Housing Agency	27,975,548	1,906,659	25,101,845	648,751
Total business-type activities	135,208,730	121,766,222	25,101,845	3,010,866
Total primary government	\$ 563,086,991	\$ 184,827,405	\$ 92,773,584	\$ 32,614,291
Component unit, Des Moines Public Library Foundation				
	\$ 717,765	\$ ---	\$ 1,338,771	\$ ---
Component unit, Des Moines Airport Authority				
	\$ 56,954,615	\$ 69,286,465	\$ ---	\$ 74,309,975
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, as previously reported				
Adjustments (Note 18)				
Net position, beginning, as restated				
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
\$ (136,042,959)	\$ ---	\$ (136,042,959)	\$ ---	\$ ---
(27,357,979)	---	(27,357,979)	---	---
(984,094)	---	(984,094)	---	---
(36,928,223)	---	(36,928,223)	---	---
(40,745,344)	---	(40,745,344)	---	---
(2,781,908)	---	(2,781,908)	---	---
(22,701,407)	---	(22,701,407)	---	---
<u>(267,541,914)</u>	<u>---</u>	<u>(267,541,914)</u>	<u>---</u>	<u>---</u>
---	(4,092,729)	(4,092,729)	---	---
---	10,136,269	10,136,269	---	---
---	9,314,427	9,314,427	---	---
---	284,020	284,020	---	---
---	(653,491)	(653,491)	---	---
---	(318,293)	(318,293)	---	---
---	14,670,203	14,670,203	---	---
\$ (267,541,914)	\$ 14,670,203	\$ (252,871,711)	\$ ---	\$ ---
			\$ 621,006	
				\$ 86,641,825
178,286,510	---	178,286,510	---	---
30,227,523	---	30,227,523	---	---
59,844,625	---	59,844,625	---	---
10,303,660	---	10,303,660	---	---
13,249,853	---	13,249,853	---	---
19,492,809	9,175,373	28,668,182	152,214	8,474,061
3,535,598	---	3,535,598	130,315	---
---	94,628	94,628	---	41,366
(3,465,534)	3,465,534	---	---	---
<u>311,475,044</u>	<u>12,735,535</u>	<u>324,210,579</u>	<u>282,529</u>	<u>8,515,427</u>
43,933,130	27,405,738	71,338,868	903,535	95,157,252
983,981,557	463,211,053	1,447,192,610	4,697,410	459,447,563
(270,000)	---	(270,000)	---	---
<u>983,711,557</u>	<u>463,211,053</u>	<u>1,446,922,610</u>	<u>4,697,410</u>	<u>459,447,563</u>
\$ 1,027,644,687	\$ 490,616,791	\$ 1,518,261,478	\$ 5,600,945	\$ 554,604,815

CITY OF DES MOINES, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	GENERAL	DEBT SERVICE	TAX INCREMENT	BENEFIT TAX ACCOUNTS
ASSETS				
Cash and investments	\$ 78,260,183	\$ 30,914,130	\$ 36,400,358	\$ 229,150
Taxes receivable	82,926,866	31,121,926	48,532,183	25,597,016
Accounts receivable	5,082,214	---	355,573	---
Loans receivable, net of allowance for doubtful accounts	---	---	---	---
Accrued interest receivable	3,575,781	---	---	---
Lease receivable	4,003,392	---	---	---
Due from other funds	2,410,248	---	---	---
Due from other governmental units	325,617	64,375	---	---
Advance to other funds	2,694,164	---	---	---
Inventory	---	---	---	---
Prepaid items	2,126,187	1,521	---	---
Total assets	\$ 181,404,652	\$ 62,101,952	\$ 85,288,114	\$ 25,826,166
LIABILITIES				
Accounts payable	\$ 2,830,780	\$ ---	\$ 109,475	\$ ---
Contracts payable	6,904	---	---	---
Accrued wages payable	4,419,541	---	---	---
Accrued employee benefits	---	---	---	---
Advance from other funds	---	---	---	---
Due to other funds	250	---	---	---
Unearned revenue	---	---	---	---
Good faith, security deposits	1,043,904	---	---	---
Total liabilities	8,301,379	---	109,475	---
DEFERRED INFLOWS OF RESOURCES				
Lease deferred inflows	3,714,618	---	---	---
Unavailable revenue - property taxes	80,120,183	30,871,105	48,336,482	25,374,169
Unavailable revenue - intergovernmental	---	---	---	---
Total deferred inflows of resources	83,834,801	30,871,105	48,336,482	25,374,169
FUND BALANCES (DEFICITS)				
Nonspendable	4,820,351	1,521	---	---
Restricted	505,873	31,229,326	36,842,157	451,997
Committed	1,000,000	---	---	---
Unassigned	82,942,248	---	---	---
Total fund balances	89,268,472	31,230,847	36,842,157	451,997
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 181,404,652	\$ 62,101,952	\$ 85,288,114	\$ 25,826,166

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

LOCAL OPTION SALES TAX	AMERICAN RESCUE PLAN	OTHER EMPLOYEE BENEFITS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 11,242,124	\$ 1,657,339	\$ 2,044,851	\$ 157,302,411	\$ 31,427,205	\$ 349,477,751
6,144,191	---	24,473,425	---	1,890,808	220,686,415
---	---	---	251,043	349,662	6,038,492
---	---	---	---	628,164	628,164
---	---	---	---	12,088	3,587,869
---	---	---	182,583	---	4,185,975
---	---	---	---	186,338	2,596,586
---	---	---	4,320,823	8,825,707	13,536,522
---	---	---	---	---	2,694,164
---	---	---	---	355,934	355,934
282,080	---	18,713	529,381	355,468	3,313,350
<u>\$ 17,668,395</u>	<u>\$ 1,657,339</u>	<u>\$ 26,536,989</u>	<u>\$ 162,586,241</u>	<u>\$ 44,031,374</u>	<u>\$ 607,101,222</u>
\$ 314,344	\$ ---	\$ ---	\$ 1,564,360	\$ 2,234,222	\$ 7,053,181
---	---	---	17,648,971	---	17,655,875
9,765	---	535,162	133,301	363,393	5,461,162
---	---	526,391	---	---	526,391
---	---	---	---	1,068,495	1,068,495
---	---	---	577,443	944,307	1,522,000
---	1,657,339	---	298,935	---	1,956,274
---	---	---	---	120,935	1,164,839
<u>324,109</u>	<u>1,657,339</u>	<u>1,061,553</u>	<u>20,223,010</u>	<u>4,731,352</u>	<u>36,408,217</u>
---	---	---	183,698	---	3,898,316
---	---	24,252,637	---	1,462,451	210,417,027
---	---	---	1,788,173	1,429,967	3,218,140
---	---	<u>24,252,637</u>	<u>1,971,871</u>	<u>2,892,418</u>	<u>217,533,483</u>
282,080	---	18,713	529,381	4,074,879	9,726,925
17,062,206	---	1,204,086	45,387,041	29,728,232	162,410,918
---	---	---	95,087,686	3,960,834	100,048,520
---	---	---	(612,748)	(1,356,341)	80,973,159
<u>17,344,286</u>	<u>---</u>	<u>1,222,799</u>	<u>140,391,360</u>	<u>36,407,604</u>	<u>353,159,522</u>
<u>\$ 17,668,395</u>	<u>\$ 1,657,339</u>	<u>\$ 26,536,989</u>	<u>\$ 162,586,241</u>	<u>\$ 44,031,374</u>	<u>\$ 607,101,222</u>

CITY OF DES MOINES, IOWA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total governmental fund balances \$ 353,159,522

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. 1,439,186,728

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. 3,218,140

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	19,011,249
Other current assets	26,347,425
Deferred outflow of resources, pension related items	719,974
Deferred outflow of resources, OPEB related items	337,364
Other current liabilities	(5,056,746)
Net pension liability - IPERS	(1,723,834)
Other accrued post retirement benefits	(1,296,944)
Other noncurrent liabilities	(709,571)
Deferred inflow of resources, pension related items	(94,284)
Deferred inflow of resources, OPEB related items	(113,997)
	<u>37,420,636</u>

Internal service funds allocated to business-type activities 21,404,495

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	11,957,317
Deferred outflows of resources - MFPRSI	42,143,401
Deferred outflows of resources - OPEB	8,348,462
Deferred inflows of resources - IPERS	(1,565,866)
Deferred inflows of resources - MFPRSI	(4,702,710)
Deferred inflows of resources - OPEB	(2,820,982)
	<u>53,359,622</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	(29,762,722)
Accrued employee benefits	(22,828,845)
Compensated absences	(31,976,815)
Other accrued post retirement benefits	(32,094,424)
Accrued interest payable	(2,091,256)
Notes payable	(48,631,774)
Section 108 loans payable	(3,340,000)
General obligation bonds payable	(542,410,000)
SBITA liabilities	(244,643)
Lease liabilities	(1,730,598)
Other liabilities, claims and judgments	(14,627,093)
Net pension liability - IPERS	(28,629,377)
Net pension liability - MFPRSI	(121,736,909)
	<u>(880,104,456)</u>
Net position of governmental activities	<u>\$ 1,027,644,687</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, 2025

	GENERAL	DEBT SERVICE	TAX INCREMENT	BENEFIT TAX ACCOUNTS
Revenues:				
Taxes	\$ 86,937,026	\$ 30,227,523	\$ 50,788,328	\$ 24,879,907
Franchise fees	13,249,853	---	---	---
Licenses and permits	5,695,088	---	---	---
Fines and forfeitures	6,362,529	---	---	---
Charges for sales and services	21,981,981	---	---	---
Use of money and property	19,232,272	---	2,396,714	---
Miscellaneous	18,792,124	---	---	---
Intergovernmental	4,938,484	1,089,730	---	950,676
Total revenue	<u>177,189,357</u>	<u>31,317,253</u>	<u>53,185,042</u>	<u>25,830,583</u>
Expenditures:				
Current:				
Public safety	148,757,616	---	---	---
Public works	6,003,240	---	---	---
Health and social services	780,837	---	---	---
Culture and recreation	26,342,712	---	---	---
Community and economic development	19,228,990	---	14,665,988	---
General government	38,949,810	374,631	---	---
Capital outlay	157,050	---	---	---
Debt service:				
Principal retirement	1,953,219	55,610,000	953,000	---
Lease principal payments	---	---	29,926	---
Subscription-based principal payments	119,245	---	---	---
Interest and fiscal charges	2,059,802	20,155,494	139,862	---
Total expenditures	<u>244,352,521</u>	<u>76,140,125</u>	<u>15,788,776</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(67,163,164)</u>	<u>(44,822,872)</u>	<u>37,396,266</u>	<u>25,830,583</u>
Other financing sources (uses):				
Transfers in	81,157,497	44,972,466	---	---
Transfers out	(34,347,990)	(67,563,204)	(23,035,537)	(25,991,852)
Premium on bond issue	---	3,824,372	---	---
General obligation bonds issued	---	64,080,000	---	---
Private debt issued	17,000,000	---	---	---
Proceeds from damage claims	300	---	---	---
Proceeds from capital asset sale	10,360	---	---	---
Total other financing sources (uses)	<u>63,820,167</u>	<u>45,313,634</u>	<u>(23,035,537)</u>	<u>(25,991,852)</u>
Net change in fund balances	(3,342,997)	490,762	14,360,729	(161,269)
Fund balances, beginning of year, as previously reported	92,611,469	30,740,085	22,481,428	613,266
Adjustments (Note 18)	---	---	---	---
Fund balances, beginning of year, as adjusted	<u>92,611,469</u>	<u>30,740,085</u>	<u>22,481,428</u>	<u>613,266</u>
Fund balances, end of year	<u>\$ 89,268,472</u>	<u>\$ 31,230,847</u>	<u>\$ 36,842,157</u>	<u>\$ 451,997</u>

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

LOCAL OPTION SALES TAX	AMERICAN RESCUE PLAN	OTHER EMPLOYEE BENEFITS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 59,844,625	\$ ---	\$ 24,650,118	\$ ---	\$ 1,334,791	\$ 278,662,318
---	---	---	---	---	13,249,853
---	---	---	---	88,688	5,783,776
---	---	---	---	10,569	6,373,098
---	---	---	---	885,467	22,867,448
---	---	---	3,295,716	317,651	25,242,353
1,200	---	602,741	3,466,408	949,529	23,812,002
---	2,960,736	941,895	13,283,960	54,552,723	78,718,204
<u>59,845,825</u>	<u>2,960,736</u>	<u>26,194,754</u>	<u>20,046,084</u>	<u>58,139,418</u>	<u>454,709,052</u>
---	---	---	1,274,130	4,352,126	154,383,872
---	---	---	12,089,391	27,265,138	45,357,769
---	292,000	---	---	14,745,392	15,818,229
---	---	---	4,175,273	651,742	31,169,727
---	---	---	3,229,277	2,520,862	39,645,117
7,096,993	---	5,282,103	4,163,157	11,909	55,878,603
---	---	---	143,381,136	278,206	143,816,392
32,800	---	---	---	---	58,549,019
---	---	---	---	---	29,926
---	---	---	---	---	119,245
---	---	---	---	---	22,355,158
<u>7,129,793</u>	<u>292,000</u>	<u>5,282,103</u>	<u>168,312,364</u>	<u>49,825,375</u>	<u>567,123,057</u>
<u>52,716,032</u>	<u>2,668,736</u>	<u>20,912,651</u>	<u>(148,266,280)</u>	<u>8,314,043</u>	<u>(112,414,005)</u>
---	---	3,350,000	123,426,728	2,152,363	255,059,054
(54,956,466)	(2,668,736)	(25,843,912)	(10,401,860)	(13,715,031)	(258,524,588)
---	---	---	---	---	3,824,372
---	---	---	---	---	64,080,000
---	---	---	---	---	17,000,000
---	---	---	6,000	---	6,300
---	---	---	2,000	10,000	22,360
<u>(54,956,466)</u>	<u>(2,668,736)</u>	<u>(22,493,912)</u>	<u>113,032,868</u>	<u>(11,552,668)</u>	<u>81,467,498</u>
(2,240,434)	---	(1,581,261)	(35,233,412)	(3,238,625)	(30,946,507)
19,584,720	---	3,074,060	175,624,772	39,646,229	384,376,029
---	---	(270,000)	---	---	(270,000)
<u>19,584,720</u>	<u>---</u>	<u>2,804,060</u>	<u>175,624,772</u>	<u>39,646,229</u>	<u>384,106,029</u>
<u>\$ 17,344,286</u>	<u>\$ ---</u>	<u>\$ 1,222,799</u>	<u>\$ 140,391,360</u>	<u>\$ 36,407,604</u>	<u>\$ 353,159,522</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, 2025

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

Net change in fund balances: Total governmental funds \$ (30,946,507)

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	143,816,392
Depreciation and amortization	(61,954,454)
	81,861,938

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	(22,360)
Gain (Loss) from sale of capital assets	(223,290)
Capital assets contributed by private sources	1,645,194
	1,399,544

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,761,949

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	1,453,469
Long-term debt issued, including premiums of \$3,824,372	(84,904,372)
Repayment of long-term debt principal	58,549,019
Payments on leases	29,926
Payments on subscription-based information technology agreements	119,245
Interest	(346,249)
Arbitrage	(1,967,409)
	<u>(27,066,371)</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 compensated absences	(4,979,199)
Accrued employee benefits	16,039,208
Other accrued post retirement benefits	(1,944,042)
Claims and judgments	1,775,623
Pension benefit - IPERS	3,367,135
Pension expense - MFPRSI	(1,147,641)
	<u>13,111,084</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.

Change in internal service fund allocations to business-type activities	394,380
	<u>1,417,113</u>
Change in net position of governmental activities	<u>\$ 43,933,130</u>

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, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 4,074,714	\$ 63,657,958	\$ 24,454,410
Taxes receivable	---	---	---
Accounts receivable	7,127	38,075	9,066
Due from other funds	---	---	---
Due from other governmental units	11,580	1,199,128	1,009,671
Inventory	---	---	---
Prepaid items	13,007	4,936	12,016
Total unrestricted current assets	<u>4,106,428</u>	<u>64,900,097</u>	<u>25,485,163</u>
Restricted current assets:			
Cash and investments	---	351,640	18,476,975
Interest receivable	---	---	179,787
Total restricted current assets	<u>---</u>	<u>351,640</u>	<u>18,656,762</u>
Total current assets	<u>4,106,428</u>	<u>65,251,737</u>	<u>44,141,925</u>
Noncurrent assets:			
Investments	---	---	29,499,571
Capital assets:			
Land	14,145,778	2,161,508	13,545,025
Construction in progress	1,166,677	19,347,432	40,654,694
Buildings	86,861,166	573,492	---
Improvements other than buildings	34,861,107	291,928,854	298,213,776
Machinery and equipment	4,576,754	5,114,134	3,883,052
Right of Use Assets	6,642,314	---	---
Accumulated depreciation and amortization	<u>(87,424,072)</u>	<u>(102,175,222)</u>	<u>(57,889,550)</u>
Total capital assets, net of accumulated depreciation	<u>60,829,724</u>	<u>216,950,198</u>	<u>298,406,997</u>
Total noncurrent assets	<u>60,829,724</u>	<u>216,950,198</u>	<u>327,906,568</u>
Total assets	<u>64,936,152</u>	<u>282,201,935</u>	<u>372,048,493</u>
DEFERRED OUTFLOW OF RESOURCES			
Other postemployment benefits related deferred outflows	71,024	455,737	224,909
Pension related deferred outflows	144,738	855,645	868,638
Total deferred outflow of resources	<u>215,762</u>	<u>1,311,382</u>	<u>1,093,547</u>

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
\$ 9,221,913	\$ 13,542,771	\$ 114,951,766	\$ 25,996,755
---	---	---	43,193
97,026	281,380	432,674	11,707
---	---	---	1,535
470,761	245,576	2,936,716	28,834
---	---	---	159,539
37,916	2,257	70,132	105,862
<u>9,827,616</u>	<u>14,071,984</u>	<u>118,391,288</u>	<u>26,347,425</u>
---	---	18,828,615	---
---	---	179,787	---
---	---	19,008,402	---
<u>9,827,616</u>	<u>14,071,984</u>	<u>137,399,690</u>	<u>26,347,425</u>
1,302,555	---	30,802,126	---
1,123,796	123,497	31,099,604	---
---	---	61,168,803	---
40,060,829	2,215,594	129,711,081	---
5,913,168	3,466,036	634,382,941	---
1,684,031	12,157,444	27,415,415	70,484,552
---	---	6,642,314	---
<u>(42,790,803)</u>	<u>(14,932,439)</u>	<u>(305,212,086)</u>	<u>(51,473,303)</u>
<u>5,991,021</u>	<u>3,030,132</u>	<u>585,208,072</u>	<u>19,011,249</u>
<u>7,293,576</u>	<u>3,030,132</u>	<u>616,010,198</u>	<u>19,011,249</u>
<u>17,121,192</u>	<u>17,102,116</u>	<u>753,409,888</u>	<u>45,358,674</u>
201,234	284,096	1,237,000	337,364
<u>408,364</u>	<u>721,257</u>	<u>2,998,642</u>	<u>719,974</u>
<u>609,598</u>	<u>1,005,353</u>	<u>4,235,642</u>	<u>1,057,338</u>

(continued)

CITY OF DES MOINES, IOWA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
June 30, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 444,175	\$ 69,118	\$ 236,217
Contracts payable	381,629	548,035	2,225,355
Accrued wages payable	32,790	150,699	196,046
Compensated absences	43,973	154,934	193,607
Accrued employee benefits	---	---	---
Due to other funds	---	---	---
Tenant security deposits	---	---	---
Accrued interest payable	93,013	54,587	385,764
Revenue bonds payable	---	33,000	246,000
General obligation bonds payable	---	---	515,000
Lease payable	1,273,775	---	---
Arbitrage payable	---	---	3,043
Unearned revenue	---	---	---
Total current liabilities - from unrestricted	<u>2,269,355</u>	<u>1,010,373</u>	<u>4,001,032</u>
Current liabilities payable from restricted assets:			
Revenue bonds payable	---	2,119,000	7,578,000
Accrued interest payable	---	---	---
Total current liabilities - from restricted	<u>---</u>	<u>2,119,000</u>	<u>7,578,000</u>
Total current liabilities	<u>2,269,355</u>	<u>3,129,373</u>	<u>11,579,032</u>
Noncurrent liabilities:			
Compensated absences	170,896	689,975	810,030
Other postemployment benefits	273,041	1,752,012	864,629
Net pension liability	346,547	2,048,668	2,079,779
Advance from other funds	---	---	---
Revenue bonds payable, net	---	37,319,713	134,785,738
General obligation bonds payable, net	---	---	3,923,352
Lease payable, net	21,956,291	---	---
Arbitrage payable	---	---	543,012
Other liabilities	---	---	---
Total noncurrent liabilities	<u>22,746,775</u>	<u>41,810,368</u>	<u>143,006,540</u>
Total liabilities	<u>25,016,130</u>	<u>44,939,741</u>	<u>154,585,572</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related deferred inflows	23,999	153,995	75,998
Pension related deferred inflows	18,954	112,050	113,752
Total deferred inflow of resources	<u>42,953</u>	<u>266,045</u>	<u>189,750</u>
NET POSITION			
Net investment in capital assets	37,218,029	176,930,450	155,584,220
Restricted:			
Public housing program	---	---	---
Debt retirement	---	351,640	12,026,307
Unrestricted (Deficit)	2,874,802	61,025,441	50,756,191
Total net position (deficit)	<u>\$ 40,092,831</u>	<u>\$ 238,307,531</u>	<u>\$ 218,366,718</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
\$ 67,741	\$ 393,543	\$ 1,210,794	\$ 1,408,470
---	---	3,155,019	---
98,004	161,059	638,598	155,007
271,992	123,711	788,217	115,149
---	---	---	2,493,000
205,600	---	205,600	870,521
134,538	---	134,538	---
---	23,011	556,375	---
---	---	279,000	---
---	615,000	1,130,000	---
---	---	1,273,775	---
---	---	3,043	---
---	---	---	14,599
<u>777,875</u>	<u>1,316,324</u>	<u>9,374,959</u>	<u>5,056,746</u>
---	---	9,697,000	---
---	---	---	---
---	---	9,697,000	---
<u>777,875</u>	<u>1,316,324</u>	<u>19,071,959</u>	<u>5,056,746</u>
97,888	564,771	2,333,560	709,571
773,616	1,092,163	4,755,461	1,296,944
977,746	1,726,904	7,179,644	1,723,834
---	1,625,669	1,625,669	---
---	---	172,105,451	---
---	10,777,206	14,700,558	---
---	---	21,956,291	---
---	---	543,012	---
541,967	---	541,967	---
<u>2,391,217</u>	<u>15,786,713</u>	<u>225,741,613</u>	<u>3,730,349</u>
<u>3,169,092</u>	<u>17,103,037</u>	<u>244,813,572</u>	<u>8,787,095</u>
67,998	95,997	417,987	113,997
53,477	94,452	392,685	94,284
<u>121,475</u>	<u>190,449</u>	<u>810,672</u>	<u>208,281</u>
5,991,021	1,805,157	377,528,877	19,011,249
1,302,555	---	1,302,555	---
---	---	12,377,947	---
<u>7,146,647</u>	<u>(991,174)</u>	<u>120,811,907</u>	<u>18,409,387</u>
<u>\$ 14,440,223</u>	<u>\$ 813,983</u>	<u>\$ 512,021,286</u>	<u>\$ 37,420,636</u>



CITY OF DES MOINES, IOWA
RECONCILIATION OF THE ENTERPRISE FUNDS NET POSITION
TO THE STATEMENT OF NET POSITION
June 30, 2025

Net position of enterprise funds \$ 512,021,286

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.

(21,404,495)

Net position of business-type activities

\$ 490,616,791

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, 2025

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	PARKING FACILITIES SYSTEM	SEWER SYSTEM	STORMWATER UTILITY
Operating revenues:			
Charges for sales and services	\$ 11,454,477	\$ 53,123,683	\$ 37,188,645
Intergovernmental	---	---	---
Miscellaneous	289	17,012	11,192
Total operating revenues	<u>11,454,766</u>	<u>53,140,695</u>	<u>37,199,837</u>
Operating expenses:			
Personal services	1,390,617	5,804,033	7,697,383
Contractual services	6,114,994	24,397,351	5,739,991
Commodities	265,012	625,383	485,985
Depreciation	4,445,573	5,703,618	5,801,906
Other charges	2,154,461	6,172,014	5,200,033
Total operating expenses	<u>14,370,657</u>	<u>42,702,399</u>	<u>24,925,298</u>
Operating income (loss)	<u>(2,915,891)</u>	<u>10,438,296</u>	<u>12,274,539</u>
Non-operating revenues (expenses):			
Investment earnings	163,998	2,894,352	5,008,469
Proceeds from damage claims	---	---	---
Interest expense and fiscal charges	(1,079,416)	(738,091)	(4,014,371)
Gain (loss) on disposal of capital assets	---	(351,637)	8,694
Total nonoperating revenues (expenses)	<u>(915,418)</u>	<u>1,804,624</u>	<u>1,002,792</u>
Income (loss) before transfers, capital grants and contributions	(3,831,309)	12,242,920	13,277,331
Capital grants and contributions	---	856,987	1,496,728
Transfers in	1,800,000	4,752,230	8,575,185
Transfers out	<u>(1,000,000)</u>	<u>(5,856,417)</u>	<u>(4,751,363)</u>
Change in net position	(3,031,309)	11,995,720	18,597,881
Total net position - beginning	<u>43,124,140</u>	<u>226,311,811</u>	<u>199,768,837</u>
Total net position - ending	<u>\$ 40,092,831</u>	<u>\$ 238,307,531</u>	<u>\$ 218,366,718</u>

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

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	ACTIVITIES INTERNAL SERVICE FUNDS
\$ 1,906,659	\$ 18,064,265	\$ 121,737,729	\$ 61,183,186
25,101,845	---	25,101,845	---
---	---	28,493	40,859
<u>27,008,504</u>	<u>18,064,265</u>	<u>146,868,067</u>	<u>61,224,045</u>
3,600,515	5,941,245	24,433,793	6,518,371
23,122,862	10,355,142	69,730,340	42,886,149
---	376,469	1,752,849	6,342,561
937,156	621,149	17,509,402	4,870,402
---	835,657	14,362,165	292,841
<u>27,660,533</u>	<u>18,129,662</u>	<u>127,788,549</u>	<u>60,910,324</u>
<u>(652,029)</u>	<u>(65,397)</u>	<u>19,079,518</u>	<u>313,721</u>
394,476	714,077	9,175,372	---
---	---	---	24,217
---	(171,189)	(6,003,067)	---
402,610	34,961	94,628	56,442
<u>797,086</u>	<u>577,849</u>	<u>3,266,933</u>	<u>80,659</u>
145,057	512,452	22,346,451	394,380
648,751	8,400	3,010,866	---
---	---	15,127,415	---
---	(54,101)	(11,661,881)	---
<u>793,808</u>	<u>466,751</u>	<u>28,822,851</u>	<u>394,380</u>
<u>13,646,415</u>	<u>347,232</u>	<u>483,198,435</u>	<u>37,026,256</u>
<u>\$ 14,440,223</u>	<u>\$ 813,983</u>	<u>\$ 512,021,286</u>	<u>\$ 37,420,636</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, 2025

Net changes in net position in enterprise funds \$ 28,822,851

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.

(1,417,113)

Change in net position of business-type activities \$ 27,405,738

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

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025

	BUSINESS-TYPE ACTIVITIES		
	PARKING	SEWER SYSTEM	STORMWATER UTILITY
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	11,452,596	52,924,196	36,778,179
Receipts from interfund services provided	---	---	---
Payments to suppliers	(8,138,492)	(31,180,865)	(11,335,239)
Payments to employees	(1,398,030)	(6,185,517)	(7,705,900)
Receipts from miscellaneous revenue	---	---	11,190
Net cash provided by (used in) operating activities	<u>1,916,074</u>	<u>15,557,814</u>	<u>17,748,230</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to interfund accounts	---	---	---
Proceeds from interfund accounts	---	(24,750)	(50,250)
Transfers in	1,800,000	4,752,230	8,575,185
Transfers out	(1,000,000)	(5,856,417)	(4,751,363)
Net cash provided by (used in) noncapital and related financing activities	<u>800,000</u>	<u>(1,128,937)</u>	<u>3,773,572</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	---	856,987	1,496,728
Interest paid on capital debt	(1,080,179)	(517,002)	(4,927,797)
Principal paid on long-term debt and leases	(1,212,522)	(2,119,000)	(8,063,000)
Proceeds from issuance of revenue bonds and notes from direct borrowings	---	---	---
Proceeds from damage claims	---	---	---
Proceeds from sale of capital assets	---	26,665	52,943
Acquisition and construction of capital assets	(1,235,328)	(2,623,595)	(12,831,457)
Net cash provided by (used in) capital and related financing activities	<u>(3,528,029)</u>	<u>(4,375,945)</u>	<u>(24,272,583)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	---	7,650,984	19,630,963
Purchase of investments	---	(9,317,684)	(28,059,597)
Interest and dividends received	163,998	2,894,352	4,924,271
Net cash provided by investing activities	<u>163,998</u>	<u>1,227,652</u>	<u>(3,504,363)</u>
Net increase (decrease) in cash and cash equivalents	<u>(647,957)</u>	<u>11,280,584</u>	<u>(6,255,144)</u>
Cash and cash equivalents, beginning of year	<u>4,722,671</u>	<u>52,729,014</u>	<u>49,186,529</u>
Cash and cash equivalents, end of year	<u><u>4,074,714</u></u>	<u><u>64,009,598</u></u>	<u><u>42,931,385</u></u>

MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	GOVERNMENTAL ACTIVITIES
			INTERNAL SERVICE FUNDS
26,936,340	17,864,680	145,955,991	37,715,089
---	---	---	24,632,378
(23,092,110)	(11,564,926)	(85,311,632)	(49,780,399)
(3,630,819)	(6,062,644)	(24,982,910)	(6,497,974)
---	---	11,190	---
<u>213,411</u>	<u>237,110</u>	<u>35,672,639</u>	<u>6,069,094</u>
---	(436,461)	(436,461)	---
---	---	(75,000)	---
---	---	15,127,415	---
---	(54,101)	(11,661,881)	---
---	(490,562)	2,954,073	---
648,751	8,400	3,010,866	---
---	(344,253)	(6,869,231)	---
---	(605,000)	(11,999,522)	---
---	---	---	---
---	---	---	24,217
402,610	84,165	566,383	63,167
(24,218)	---	(16,714,598)	(6,617,044)
<u>1,027,143</u>	<u>(856,688)</u>	<u>(32,006,102)</u>	<u>(6,529,660)</u>
---	---	---	---
---	---	---	---
394,476	846,748	9,223,845	---
<u>394,476</u>	<u>846,748</u>	<u>9,223,845</u>	<u>---</u>
1,635,030	(263,392)	15,844,455	(460,566)
8,889,438	13,806,163	129,333,815	26,457,321
<u>10,524,468</u>	<u>13,542,771</u>	<u>145,178,270</u>	<u>25,996,755</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2025

	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	\$ 4,074,714	\$ 63,657,958	\$ 24,454,410
Restricted cash and investments - current	---	351,640	18,476,975
Restricted cash and investments - noncurrent	---	---	29,499,571
Less items not meeting the definition of cash equivalents	---	---	(29,499,571)
Cash and cash equivalents, end of year	<u>4,074,714</u>	<u>64,009,598</u>	<u>42,931,385</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	(2,915,891)	\$ 10,438,296	\$ 12,274,538
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	4,445,573	5,703,618	5,801,906
(Increase) decrease in accounts receivable	(3,010)	96,269	96,961
(Increase) decrease in due from other governmental units	840	(312,768)	(507,428)
Increase (decrease) in inventories	---	---	---
(Increase) decrease in prepaid items	7,036	3,710	1,950
Increase (decrease) in accounts and contracts payable	388,939	10,173	88,820
Increase (decrease) in accrued wages payable	7,683	33,013	43,873
Increase (decrease) in accrued employee benefits and other postemployment benefits	51,219	118,592	138,664
Decrease in due to other governmental units	---	---	---
Decrease in other liabilities, self-sufficiency participation and tenant security deposits	---	---	---
Increase (decrease) in deferred outflows	41,821	417,292	172,049
Increase (decrease) in deferred inflows	(1,846)	(49,874)	8,037
Increase (decrease) in net pension liability	(106,290)	(900,507)	(371,140)
Total adjustments	<u>4,831,965</u>	<u>5,119,518</u>	<u>5,473,692</u>
Net cash provided by (used in) operating activities	<u>1,916,074</u>	<u>15,557,814</u>	<u>17,748,230</u>
Schedule of noncash investing and financing activities:			
Increase (decrease) in fair value of investments	---	---	84,198
Schedule of noncash Capital and Related financing activities:			
Gain (loss) on disposal of capital assets	---	(351,637)	8,694
Payments on accounts or contracts payable for acquisition of capital assets	---	459,123	(478,632)
Capital assets contributed	---	856,987	1,496,728

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

MUNICIPAL HOUSING AGENCY	OTHER ENTERPRISE FUNDS	TOTALS	GOVERNMENTAL ACTIVITIES
			INTERNAL SERVICE FUNDS
\$ 9,221,913	\$ 13,542,771	\$ 114,951,766	\$ 25,996,755
---	---	18,828,615	---
1,302,555	---	30,802,126	---
---	---	(29,499,571)	---
<u>10,524,468</u>	<u>13,542,771</u>	<u>135,082,936</u>	<u>25,996,755</u>
\$ (652,029)	(65,397)	19,079,517	313,721
937,156	621,149	17,509,402	4,870,402
(36,812)	(60,459)	92,949	1,130,583
	(139,126)	(958,482)	(6,826)
67,149	---	67,149	15,603
(37,916)	(883)	(26,103)	23,225
1,519	3,225	492,676	(486,674)
33,536	42,488	160,593	31,696
129,070	124,210	561,755	505,104
(96,375)	---	(96,375)	---
61,023	---	61,023	---
120,695	229,561	981,418	231,635
(5,139)	(14,247)	(63,069)	(15,828)
(308,466)	(503,411)	(2,189,814)	(543,547)
<u>865,440</u>	<u>302,507</u>	<u>16,593,122</u>	<u>5,755,373</u>
<u>213,411</u>	<u>237,110</u>	<u>35,672,639</u>	<u>6,069,094</u>
---	---	84,198	---
---	34,961	(307,982)	54,907
---	---	(19,509)	---
---	---	2,353,715	---

CITY OF DES MOINES, IOWA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
June 30, 2025

	<u>WATER RECLAMATION AUTHORITY</u>
ASSETS	
Cash	\$ 50,812,623
Investments	41,193,928
Receivables	7,408,679
Prepays	297,951
Capital assets, net of depreciation	721,407,376
Total assets	<u>821,120,557</u>
LIABILITIES	
Accounts payable	11,061,103
Accrued employee expenses	2,163,736
Accrued interest payable	863,926
Bonds payable	473,620,344
Total liabilities	<u>487,709,109</u>
Deferred Inflows of Resources , deferred charge on refunding	448,836
NET POSITION (DEFICIT)	
Restricted for other governments	<u>332,962,612</u>
Total net position (deficit)	<u><u>\$ 332,962,612</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, 2025

	<u>WATER RECLAMATION AUTHORITY</u>
Additions:	
Charges for sales and services	\$ 78,621,105
Capital contributions	1,705,512
Investment earnings	4,920,772
Gain on disposal of capital assets	23,859
Total additions	<u>85,271,248</u>
Deductions:	
Payments to suppliers & employees	29,831,627
Interest expense and fiscal charges	10,944,186
Depreciation	28,390,943
Total operating expenses	<u>69,166,756</u>
Operating income (loss)	<u>16,104,492</u>
Change in net position	16,104,492
Total net position (deficit) - beginning	<u>316,858,120</u>
Total net position (deficit) - ending	<u><u>\$ 332,962,612</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, 2025

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, 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) 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.

(c) 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.

(d) 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.

(e) 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%).

(f) 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.

(g) Other Employee Benefits

Other Employee Benefits tracks the receipt of tax revenue levied for the purposes of funding the employers' share of costs of employee benefits that are not related to pensions or retirement.

(h) 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.

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.

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) **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.
- (b) **Sewer System Fund** - To account for the operation and maintenance of the City's Sanitary Sewer System.
- (c) **Stormwater Utility Fund** - To account for the operation and maintenance of the City's Stormwater Utility.
- (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 2025 levy as based on the 2023 assessed valuations. The tax lien date is January 1, 2024. As the levy is intended for use in the 2025 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, 2025 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, 2025, the allowance for uncollectible amounts was \$4,161,311. As of June 30, 2025, the City also had approximately \$4,892,234 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 \$25,000 (\$10,000 if falling under federal grant rules) 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 or 1,000 hours per employee, depending on employment class. Additionally, with the implementation of GASB Statement No. 101, *Compensated Absences*, the City began estimating a liability for sick leave hours that were more likely than not to be used by the employee while still employed by the City.

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 \$31,230,847 for debt service and \$22,277,998 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, 2025, the governmental activities had unspent bond proceeds of \$44,518,390. The City also had unspent bond proceeds of \$6,450,668 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, 2025, there was no allowance for doubtful accounts.

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.

Y. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on net position or fund balance.

2. Individual Fund Disclosures

The following is a summary of deficit fund balances/net position of individual funds at June 30, 2025:

<u>FUND TYPE</u>	<u>INDIVIDUAL FUND</u>	<u>DEFICIT FUND BALANCES</u>	<u>DEFICIT NET POSITION</u>
Governmental	Nonmajor Special Revenue, CDBG	341,961	-
Governmental	Nonmajor Special Revenue, Community Services	557,618	-
Proprietary	Internal Service, Radio Communications	-	87,546
Proprietary	Internal Service, Forestry	-	1,745,496

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, 2024, the balance of \$4,545,363 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, 2025:

Security Description	Current Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 - 5	6 - 10
Commercial Paper Total	\$ 19,640,960	\$ 19,640,960	\$ -	\$ -
FFCB Total	48,714,432	18,393,690	30,320,742	-
FHLB Total	185,845,980	125,828,730	60,017,250	-
FHLMC Total	9,908,900	9,908,900	-	-
FNMA Total	8,851,060	-	8,851,060	-
US Treasury Total	167,208,086	39,537,000	127,671,086	-
Grand Total	\$ 440,169,418	\$ 213,309,280	\$ 226,860,138	\$ -

The above table includes the investments of the WRA, a custodial fund, of \$41,193,928.

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, 2025, the City's investments were rated as follows:

Security Description	Moody's	Standard & Poor's
Commercial Paper	Prime-1	A-1
FFCB	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 (42%) and Treasuries (11%) 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, 2025, 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, 2025, \$440,169,418 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, 2025	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
US Treasury Securities	\$ 170,180,786	\$ 2,972,700.0	\$ 167,208,086	\$ —
US Agency Securities	250,347,672	74,852,680	175,494,992	—
Commercial Paper	19,640,960	—	19,640,960	—
Total	\$ 440,169,418	\$ 77,825,380	\$ 362,344,038	\$ —

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	\$ 191,894,146
Investments	440,169,418
	<u>\$ 632,063,564</u>
 Current assets:	
Unrestricted Cash and investments	\$ 490,426,272
Restricted cash and investments	18,828,615
Noncurrent assets:	
Restricted cash and investments	30,802,126
Fiduciary funds:	
Cash and investments	92,006,551
	<u>\$ 632,063,564</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, 2021A and 2024B 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, 2025, the Series 2015E bonds had a balance of \$20,125,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$4,739,525. As of June 30, 2025, the Series 2021A bonds had a balance of \$27,995,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$7,121,549. As of June 30, 2025, the Series 2024B bonds had a balance of \$23,785,000 and the City of Des Moines' estimated future allocation based on the WRA flows is currently \$10,264,892.

The State Revolving Loans are allocated based on the WRA flows of the participating communities. As of June 30, 2025, the WRA had \$397,459,984 in State Revolving Loans with allocation governed by the WRA Agreement, of which \$139,262,484 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, 2025 is as follows:

Statement of Net Position

Current assets	\$ 76,140,500
Noncurrent assets	744,980,057
Total assets	<u>\$ 821,120,557</u>
Current liabilities	\$ 37,564,164
Noncurrent liabilities	450,144,945
Total liabilities	<u>\$ 487,709,109</u>
Deferred inflow of resources	<u>\$ 448,836</u>
Net position:	
Net investment in capital assets	\$ 248,274,387
Restricted	35,668,174
Unrestricted	49,020,051
	<u>\$ 332,962,612</u>

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues	\$ 78,621,105
Operating expenses	58,222,570
Operating income	<u>20,398,535</u>
Nonoperating, net	(4,294,043)
Change in net position	<u>\$ 16,104,492</u>

Statement of Cash Flows

Cash provided by operating activities	\$ 48,776,999
Cash provided by investing activities	11,349,241
Cash (used in) capital and related financing activities	(47,365,195)
Increase in cash and pooled cash	<u>\$ 12,761,045</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, 2025 were:

	General	Capital Projects	Total
Lease revenue	\$ 182,043	\$ 14,696	\$ 196,739
Interest income	66,455	2,747	69,202

Future principal and interest receipts on the lease assets as of June 30, 2025 are summarized below:

YEAR	General Fund		Capital Projects	
	Principal	Interest	Principal	Interest
2026	\$ 117,914	64,678	\$ 13,442	2,558
2027	125,092	62,790	13,635	2,365
2028	132,545	60,786	13,830	2,170
2029	140,280	58,663	14,028	1,972
2030	148,308	56,415	14,229	1,771
2031-2035	825,210	244,148	74,261	5,739
2036-2040	959,444	173,836	39,158	842
2041-2045	1,091,091	85,839	-	-
2046-2050	28,199	38,569	-	-
2051-2055	30,686	36,081	-	-
2056-2060	33,393	33,375	-	-
2061-2065	36,339	30,429	-	-
2066-2070	39,544	27,224	-	-
2071-2075	43,032	23,736	-	-
2076-2080	46,828	19,940	-	-
2081-2085	50,958	15,810	-	-
2086-2090	55,453	11,315	-	-
2091-2095	60,344	6,423	-	-
2096-2098	38,732	1,326	-	-
Totals	\$ 4,003,392	\$ 1,051,383	\$ 182,583	\$ 17,417

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, 2025, 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, 2025:

	BEGINNING BALANCE 7/1/2024	ADDITIONS	DELETIONS	ENDING BALANCE 6/30/2025
GOVERNMENTAL ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 169,607,929	\$ 10,789,497	\$ (245,650)	\$ 180,151,776
Construction in Progress	232,466,445	102,816,116	(144,441,800)	190,840,761
Total capital assets not being depreciated	<u>402,074,374</u>	<u>113,605,613</u>	<u>(144,687,450)</u>	<u>370,992,537</u>
Capital Assets, being depreciated or amortized:				
Buildings	340,396,264	87,469,391	-	427,865,655
Improvements Other than Buildings	1,527,608,124	82,194,422	-	1,609,802,546
Machinery and Equipment	130,660,696	13,251,004	(923,778)	142,987,922
Right-of-Use Buildings	1,874,083	-	-	1,874,083
Right-of-Use Subscription Assets	601,409	-	-	601,409
Total capital assets being depreciated or amortized	<u>2,001,140,576</u>	<u>182,914,817</u>	<u>(923,778)</u>	<u>2,183,131,615</u>
Less accumulated depreciation and amortization for:				
Buildings	154,470,415	12,066,483	-	166,536,898
Improvements Other than Buildings	775,336,674	45,374,645	-	820,711,319
Machinery and Equipment	99,843,993	9,218,195	(917,053)	108,145,135
Right-of-Use Buildings	135,750	45,250	-	181,000
Right-of-Use Subscription Assets	231,542	120,281	-	351,823
Total accumulated depreciation and amortization	<u>1,030,018,374</u>	<u>66,824,854</u>	<u>(917,053)</u>	<u>1,095,926,175</u>
Total capital assets, being depreciated or amortized, net	<u>971,122,202</u>	<u>116,089,963</u>	<u>(6,725)</u>	<u>1,087,205,440</u>
Governmental activities capital assets, net	<u>\$ 1,373,196,576</u>	<u>\$ 229,695,576</u>	<u>\$ (144,694,175)</u>	<u>\$ 1,458,197,977</u>

The following summary of changes in Business-type Activity capital assets for the year ended June 30, 2025:

	BEGINNING			ENDING
	BALANCE			BALANCE
	7/1/2024	ADDITIONS	DELETIONS	6/30/2025
BUSINESS-TYPE ACTIVITIES				
Capital Assets, not being depreciated:				
Land	\$ 29,939,749	\$ 1,424,470	\$ (264,615)	\$ 31,099,604
Construction in Progress	95,850,619	12,885,135	(47,566,951)	61,168,803
Total capital assets not being depreciated	125,790,368	14,309,605	(47,831,566)	92,268,407
Capital Assets, being depreciated or amortized:				
Buildings	129,463,762	776,077	(528,758)	129,711,081
Improvements Other than Buildings	582,598,727	51,784,214	-	634,382,941
Machinery and Equipment	29,287,961	6,377	(1,878,923)	27,415,415
Right-of-Use Assets	6,642,314	-	-	6,642,314
Total capital assets being depreciated or amortized	747,992,764	52,566,668	(2,407,681)	798,151,751
Less accumulated depreciation and amortization for:				
Buildings	87,876,812	4,065,130	(467,849)	91,474,093
Improvements Other than Buildings	177,210,509	12,065,844	-	189,276,353
Machinery and Equipment	24,109,446	1,207,748	(1,538,274)	23,778,920
Right-of-Use Assets	512,040	170,680	-	682,720
Total accumulated depreciation and amortization	289,708,807	17,509,402	(2,006,123)	305,212,086
Total capital assets, being depreciated or amortized, net	458,283,957	35,057,266	(401,558)	492,939,665
Business-Type activities capital assets, net	\$ 584,074,325	\$ 49,366,871	\$ (48,233,124)	\$ 585,208,072

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

GOVERNMENTAL ACTIVITIES

Public Safety	6,156,847
General Government	5,228,541
Public Works	36,014,567
Health and Social Services	
Culture and Recreation	12,020,895
Community and Economic Development	2,429,104
Internal service assets are charged to the various functions based on their usage of the assets	4,870,401
Total Depreciation and Amortization - Governmental Activities	<u>\$ 66,720,355</u>

BUSINESS-TYPE ACTIVITIES

Parking Facilities System	\$ 4,445,573
Sewer System	5,703,618
Stormwater Utility	5,801,906
Municipal Housing Agency	937,156
Solid Waste System	509,539
Golf	111,610
Total Depreciation and Amortization - Business-type Activities	<u>\$ 17,509,402</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, 2025, the City had the following balances related to its pension accounts:

	IPERS	MFPRSI	Total
Net Pension Liability	\$ 37,532,856	\$ 121,736,908	\$ 159,269,764
Deferred Inflows	2,052,834	4,702,711	6,755,545
Deferred Outflows	15,675,935	42,143,399	57,819,334
Pension Expense	4,196,335	17,040,342	21,236,677

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

\$9,370,589 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, 2026. 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
2026	\$ (4,525,204)
2027	9,465,478
2028	582,007
2029	(1,234,233)
2030	(35,536)
Total	<u>\$ 4,252,512</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions: The total pension liability in the June 30, 2024 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, 2024 valuation were based on the result of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the PubG-2010 Generational Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements were anticipated using Projection Scale MP-2021.

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	25.5%	3.04%
Domestic Equity	21.0%	3.52%
Private Equity	17.0%	8.89%
International Equity	13.0%	5.18%
Private Real Assets	9.0%	4.25%
Global Smart Beta Equity	5.0%	4.12%
Private Credit	5.5%	8.89%
Public Credit	3.0%	4.53%
Cash	1.0%	1.69%
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.

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
City's proportionate share of the net pension liability	\$ 92,104,944	\$ 37,532,856	\$ (8,171,564)

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, 2025, the City reported payables to the defined benefit pension plan of \$186,176 for legally required employer contributions and \$124,051 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 9.55% of earnable compensation for the year ended June 30, 2025.

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 22.66% for the year ended June 30, 2025.

The City's contributions to MFPRSI for the year ended June 30, 2025 were \$16,421,857.

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, 2025.

Net Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions: At June 30, 2025, the City reported a liability of \$121,736,909 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 18.4231% which was a decrease of 0.5689% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$17,040,342. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,837,080	\$ —
Changes of assumptions	439,415	—
Net difference between projected and actual earnings on pension plan investments	8,147,830	—
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>4,297,217</u>	<u>(4,702,711)</u>
Total deferred amounts to be recognized in pension expense in future periods	25,721,542	(4,702,711)
City contributions subsequent to the measurement date	16,421,857	—
Total deferred amounts related to pension	<u><u>\$ 42,143,399</u></u>	<u><u>\$ (4,702,711)</u></u>

\$16,421,857 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, 2026. 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
2026	\$ (2,898,225)
2027	18,459,789
2028	4,424,152
2029	924,495
2030	108,620
Total	<u>\$ 21,018,831</u>

Actuarial Assumptions: The total pension liability in the June 30, 2024 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, 2024 valuation were based on the results of actuarial experience study for the 10-year period ending June 30, 2023.

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 June

30, 2024 (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	4.8%
Broad U.S. Equity	7.5%
Global Equity	7.6%
Broad Non-U.S. Equity	7.7%
Managed Futures	5.5%
Real Estate-Core	6.0%
Opportunistic Real Estate	9.8%
Global Infrastructure	6.7%
Private Credit	9.4%
Private Equity	10.2%

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at 9.55% 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	\$ 211,804,950	\$ 121,736,909	\$ 47,185,327

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, 2025, the City of Des Moines reported payables to the defined benefit pension plan of \$319,080 for legally required employer contributions and \$136,870 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, 2025, the City made \$4,079,091 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, 2025:

	BALANCE JUNE 30, 2024	ADDITIONS	RETIREMENTS	BALANCE JUNE 30, 2025	DUE WITHIN ONE YEAR	RANGE OF INTEREST RATES
Governmental Activities:						
General Obligation Bonds	\$ 533,940,000	\$ 64,080,000	\$ (55,610,000)	\$ 542,410,000	\$ 46,525,000	0.50% to 5.00%
Add premiums	31,216,191	3,824,372	(5,277,840)	29,762,723	—	
Net General Obligation Bonds	565,156,191	67,904,372	(60,887,840)	572,172,723	46,525,000	
Section 108 Loans payable	4,293,000	—	(953,000)	3,340,000	1,008,000	2.55% to 2.87%
Notes Payable	899,873	—	(463,099)	436,774	436,774	2.80% to 10.55%
Notes from Direct Borrowings and Private Placement	33,000,000	17,000,000	(1,805,000)	48,195,000	1,880,000	4.00%
Lease Liabilities	1,763,326	—	(32,729)	1,730,597	33,289	0.85% to 1.70%
Subscription-Based Liabilities	363,889	—	(119,246)	244,643	121,285	1.00% to 2.00%
Liability for Arbitrage	1,658,481	624,589	(35,654)	2,247,416	754,859	N/A
Compensated Absences	28,759,956	18,232,937	(13,664,967)	33,327,926	8,574,105	N/A
Accrued Employee Benefits	41,172,052	11,006,520	(26,856,728)	25,321,844	7,596,553	N/A
Liability for Claims/Judgments	14,155,300	2,230,851	(4,006,474)	12,379,677	12,379,677	N/A
	<u>\$ 691,222,068</u>	<u>\$ 116,999,269</u>	<u>\$ (108,824,737)</u>	<u>\$ 699,396,600</u>	<u>\$ 79,309,542</u>	
Business-type Activities						
General Obligation Bonds	\$ 15,820,000	\$ —	\$ (1,090,000)	\$ 14,730,000	\$ 1,130,000	1.25% to 5.00%
Add Premiums	1,340,175	—	(239,617)	1,100,558	—	
Net General Obligation Bonds	17,160,175	—	(1,329,617)	15,830,558	1,130,000	
Revenue Bonds	124,465,000	—	(6,440,000)	118,025,000	6,670,000	2.00% to 5.00%
Add Premiums	6,052,904	—	(777,899)	5,275,005	—	
Net Revenue Bonds	130,517,904	—	(7,217,899)	123,300,005	6,670,000	
Revenue Bonds from Direct Borrowings & Private Placement	61,896,000	108,986	(3,223,539)	58,781,447	3,275,000	1.02% to 2.00%
Lease Liabilities	6,237,109	—	(133,624)	6,103,485	135,537	1.07% to 2.50%
Financed Purchase	18,205,478	—	(1,078,898)	17,126,580	1,138,238	4.15% to 7.50%
Liability for Arbitrage	129,326	416,729	—	546,055	3,043	N/A
Compensated Absences	2,777,278	1,835,619	(1,491,120)	3,121,777	788,217	N/A
	<u>\$ 236,923,270</u>	<u>\$ 2,361,334</u>	<u>\$ (14,474,697)</u>	<u>\$ 224,809,907</u>	<u>\$ 13,140,035</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</u>	
	<u>GENERAL OBLIGATION BONDS</u>		<u>GENERAL OBLIGATION BONDS</u>		<u>Activities Total</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 36,290,000	\$ 14,431,576	\$ 10,235,000	\$ 4,618,411	\$ 46,525,000	\$ 19,049,987
2027	34,650,000	12,790,413	9,365,000	4,207,311	44,015,000	16,997,724
2028	35,640,000	11,295,832	9,675,000	3,852,192	45,315,000	15,148,024
2029	33,825,000	9,861,432	9,770,000	3,501,092	43,595,000	13,362,524
2030	29,875,000	8,507,732	11,035,000	3,140,017	40,910,000	11,647,749
2031-2035	129,170,000	29,030,945	48,395,000	10,999,207	177,565,000	40,030,152
2036-2040	82,710,000	11,784,849	26,065,000	4,950,724	108,775,000	16,735,573
2041-2044	24,435,000	1,869,131	11,275,000	928,369	35,710,000	2,797,500
Totals	<u>\$ 406,595,000</u>	<u>\$ 99,571,910</u>	<u>\$ 135,815,000</u>	<u>\$ 36,197,323</u>	<u>\$ 542,410,000</u>	<u>\$ 135,769,233</u>

Proceeds from the Series 2024A & 2024B General Obligation Bonds totaling \$56,700,000 were allocated to certain capital improvement projects.

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, 2025 Balance	Maturity Fiscal Year	Purpose
General Obligation 2020D	\$ 10,605,000	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 \$12,422,919. Principal and interest paid for the current year was \$891,131.

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, 2025 Balance	Maturity Fiscal Year	Purpose
General Obligation 2020A	\$ 4,125,000	2032	Refunding

The bonds are intended to be paid by stormwater 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 \$4,125,000. Principal and interest paid for the current year was \$489,600.

Business-Type Activities		
General Obligation Bonds		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 1,130,000	\$ 418,981
2027	1,160,000	362,481
2028	1,195,000	304,481
2029	1,235,000	244,731
2030	1,275,000	195,331
2031-2035	4,755,000	559,919
2036-2040	3,980,000	221,594
Totals	<u>\$ 14,730,000</u>	<u>\$ 2,307,518</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:

<u>Series</u>	<u>June 30, 2025 Balance</u>	<u>Maturity Fiscal Year</u>	<u>Purpose</u>
Series 2016C	\$ 2,590,000	2031	Refund & Capital Improvements
Series 2016D	4,625,000	2030	Refund
Series 2018C	34,475,000	2038	Capital Improvements
Series 2020F	18,440,000	2040	Capital Improvements
Series 2021H	24,550,000	2041	Capital Improvements
Series 2022B	18,030,000	2042	Capital Improvements
Series 2023B	21,030,000	2043	Capital Improvements

The City has pledged future 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 \$152,563,397. Principal and interest paid for the current year and total customer net revenues were \$10,914,813 and \$34,218,359, respectively.

Future principal and interest payments on the Enterprise Funds Revenue Bonds as of June 30, 2025 is summarized as follows:

Business-Type Activities		
Revenue Bonds		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 6,670,000	\$ 4,174,013
2027	6,910,000	3,862,213
2028	7,155,000	3,550,463
2029	7,425,000	3,226,063
2030	7,710,000	2,946,363
2031-2035	36,575,000	11,099,306
2036-2040	36,355,000	5,022,763
2041-2043	9,225,000	657,213
Totals	<u>\$ 118,025,000</u>	<u>\$ 34,538,397</u>

Net position of certain enterprise funds of \$12,377,947 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, 2025, is \$3,340,000 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 \$1,060,134 and \$37,396,266, respectively.

Notes Payable, Governmental Activities: Two notes payable were created in fiscal year 2022, one 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, 2025 were \$121,894 and \$314,880, respectively. The direct financing purchase of these two notes is scheduled to mature in fiscal 2026. The principal and interest on the body-worn cameras direct financing purchase is paid from the Local Option Sales Tax fund and the taser lease is paid from the annual police budget in the General Fund. Total principal and interest remaining to be paid on the notes payable is \$436,774. Principal and interest paid in the current year and the debt service levy were \$463,099 and \$30,227,523, 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
2026	\$ 1,008,000	\$ 80,621	\$ 436,774	\$ —
2027	1,069,000	51,535	—	—
2028	1,263,000	18,124	—	—
Totals	\$ 3,340,000	\$ 150,280	\$ 436,774	\$ —

Direct placement debt, Governmental Activities: In fiscal year 2024, the City secured a \$50,000,000 line of credit known as Tax-Exempt Limited Levy General Obligation Capital Loan Notes, Series 2023. The note is for the purchase and renovation of property at 1200 Locust Street in Des Moines, IA which will serve to replace City offices currently located in City Hall and the Armory Building. As of June 30, 2025, the City had drawn the full \$50,000,000. The balance of the note payable is \$48,195,000 and is payable through 2038. The total principal and interest remaining to be paid on the notes payable is \$69,648,971. Principal and interest paid for the current year was \$3,858,579.

Future principal and interest payments on the Governmental Direct borrowings as of June 30, 2025 is summarized as follows:

Governmental Activities		
Notes from Direct Borrowings and Direct Payments		
YEAR	PRINCIPAL	INTEREST
2026	\$ 1,880,000	\$ 2,308,540
2027	1,955,000	2,218,488
2028	2,030,000	2,124,884
2029	2,115,000	2,027,607
2030	2,200,000	1,926,299
2031-2035	12,380,000	7,965,291
2036-2038	25,635,000	2,882,862
Totals	\$ 48,195,000	\$ 21,453,971

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, 2025, 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,

\$11,134,102 of the Riverbend Sewer Separation project, all \$6,247,000 of the Near West Side Sewer Separation Supplemental project, and \$15,000,000 of the West Ingersoll Sewer Separation project and \$7,027,688 of the phase three 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, 2025, is \$7,722,000 in the Sanitary Sewer fund for the Near West Side Sewer Separation project and Yeader Creek Sewer Separation projects, \$4,836,000 in the Sanitary Sewer fund for the Lower Oak Park Sewer Separation project, \$4,225,000 in the Sanitary Sewer fund for the Riverbend Sewer Separation project, \$2,770,000 in the Sanitary Sewer fund for the Near West Side Sewer Separation Supplemental project, \$13,716,446 in the Sanitary Sewer fund for the West Ingersoll Sewer Separation project and \$6,450,000 in the Sanitary Sewer fund for the phase three West Ingersoll Sewer Separation project, \$7,269,000 in the Stormwater fund for the Near West Side Sewer Separation project, \$4,836,000 in the Stormwater fund for the Lower Oak Park Sewer Separation project, \$4,225,000 for the Riverbend Sewer Separation project, and \$2,732,000 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>
2026	\$ 3,275,000	\$ 953,490
2027	3,325,000	900,862
2028	3,382,000	847,416
2029	3,432,000	792,953
2030	3,487,000	737,664
2031-2035	18,276,000	2,825,679
2036-2040	19,009,000	1,298,278
2041-2043	4,595,447	106,995
Totals	<u>\$ 58,781,447</u>	<u>\$ 8,463,337</u>

Financed Purchase, Business-type Activities: The City entered into a Capital Lease for 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 Capital Lease Purchase agreement as of June 30, 2025 are summarized as follows:

PARKING RAMP LEASE PURCHASE		
YEAR	PRINCIPAL	INTEREST
2026	\$ 1,138,238	\$ 941,962
2027	1,200,841	879,359
2028	1,119,012	961,188
2029	1,191,748	888,452
2030	1,269,211	810,988
2031-2035	7,472,396	2,928,603
2036-2037	3,735,134	426,265
Totals	<u>\$ 17,126,580</u>	<u>\$ 7,836,817</u>

Leases, Governmental and Business-type Activities: The City has entered into a variety of leases for buildings and land improvements.

Future principal and interest payments on the lease liabilities for both the governmental and business-type leases as of June 30, 2025 are summarized below:

YEAR	GOVERNMENTAL LEASES		BUSINESS-TYPE LEASES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2026	\$ 33,289	\$ 29,365	\$ 135,537	\$ 86,615
2027	33,859	28,795	137,478	84,674
2028	34,438	28,216	139,447	82,705
2029	35,028	27,626	141,444	80,708
2030	35,628	27,026	143,470	78,682
2031-2035	187,502	125,769	748,764	361,998
2036-2040	204,113	109,157	803,936	306,826
2041-2045	222,197	91,073	863,175	247,587
2046-2050	241,883	71,388	926,778	183,984
2051-2055	263,313	49,958	995,067	115,695
2056-2060	286,641	26,629	1,068,389	42,374
2061-2063	152,706	3,928	-	-
Totals	<u>\$ 1,730,597</u>	<u>\$ 618,930</u>	<u>\$ 6,103,485</u>	<u>\$ 1,671,848</u>

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, 2025 are summarized below:

YEAR	GOVERNMENTAL SBITAs	
	PRINCIPAL	INTEREST
2026	\$ 121,285	4,183
2027	123,358	2,109
Totals	\$ 244,643	\$ 6,292

Additional information on arbitrage, claims/judgments and accrued employee benefits can be found in Note 15, Commitments and Contingent Liabilities Subsection C, Self-insurance.

Additional information on compensated absences can be found in Note 1, Summary of Significant Accounting Policies Subsection O, Compensated Absences.

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, \$351,640 of net position is restricted for bond reserves. In the Stormwater Utility Fund, \$12,026,307 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, 2025, there were two series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$5,285,000. 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, 2025 were:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General	\$ 2,410,248	\$ 250
Other Governmental Funds	186,338	944,307
Capital Projects	—	577,443
Municipal Housing Agency, Enterprise	—	205,600
Internal Service Funds	1,535	870,521
Total	<u>\$ 2,598,121</u>	<u>\$ 2,598,121</u>

	<u>ADVANCES RECEIVABLE</u>	<u>ADVANCES PAYABLE</u>
General	\$ 2,694,164	\$ —
Other Governmental Funds	—	1,068,495
Other Enterprise Funds	—	1,625,669
Total	<u>\$ 2,694,164</u>	<u>\$ 2,694,164</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
	<u> </u>	<u> </u>
General Fund	\$ 81,157,497	\$ 34,347,990
Debt Service	44,972,466	67,563,204
Tax Increment	—	23,035,537
Benefit Tax Accounts	—	25,991,852
Local Option Sales Tax	—	54,956,466
Capital Projects	123,426,728	10,401,860
ARPA	—	2,668,736
Other Employee Benefits	3,350,000	25,843,912
Other Governmental Funds	2,152,363	13,715,031
Parking Facilities System	1,800,000	1,000,000
Sewer System	4,752,230	5,856,417
Stormwater Utility	8,575,185	4,751,363
Other Enterprise Funds	—	54,101
Total	<u>\$ 270,186,469</u>	<u>\$ 270,186,469</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 Capital Project and General funds to cover costs for projects tracked in those funds.

Other Employee Benefits – the transfers out are to the General Fund to cover expenses incurred for employee benefits. Transfers in are from the General Fund as necessary to cover costs.

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, 2025, the following employees were utilizing benefits described herein:

Employees utilizing City's health insurance:	
Active	1,728
Retired (inactive currently receiving benefits)	<u>172</u>
Total	1,900

The City's total OPEB liability as of June 30, 2025 was 38,146,829. 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	5.20 percent
Health Care Trend Rates	8.00 percent in fiscal 2025, decreasing to 4.50 percent by fiscal 2032

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-2021.
- MFPRSI Employees and Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2024	\$ 34,008,842
Service cost	1,955,018
Interest	1,476,963
Changes in assumptions	1,124,240
Difference between expected and actual experience	1,363,320
Benefit payments	(1,781,554)
Balance as of June 30, 2025	<u>\$ 38,146,829</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 (4.20%) or 1% higher (6.20%) than the current discount rate:

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	\$ 40,955,673	\$ 38,146,829	\$ 35,499,658

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 (7.00% decreasing to 3.50%) or 1% higher (9.00% decreasing to 5.50%) than the current health care cost trend rate:

	1% Decrease (7.00% Decreasing to 3.50%)	Health Care Cost Trend Rate (8.00% Decreasing to 4.50%)	1% Increase (9.00% Decreasing to 5.50%)
Total OPEB Liability	\$ 34,012,339	\$ 38,146,829	\$ 42,993,122

OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2025, the City recognized OPEB expense of \$4,206,784. At June 30, 2025, 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	\$ 8,122,083	\$ (1,291,114)
Changes in assumptions	1,800,743	(2,061,852)
Balance as of June 30, 2023	<u>\$ 9,922,826</u>	<u>\$ (3,352,966)</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
2026	\$ 774,802
2027	766,387
2028	937,293
2029	952,586
2030	1,062,610
Thereafter	2,076,181
Total	<u>\$ 6,569,859</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, 2025.

B. Litigation

The City Attorney reported that as of June 30, 2025, 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, 2025 (with comparative amounts for 2024):

	<u>WORKERS COMPENSATION</u>	
	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 20,805,285	\$ 18,062,767
Current year claims and changes in estimate	8,513,520	9,392,998
Claim payments	<u>(6,489,961)</u>	<u>(6,650,480)</u>
Balance at end of year	<u>\$ 22,828,844</u>	<u>\$ 20,805,285</u>

	<u>LEGAL SETTLEMENTS</u>	
	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 14,155,300	\$ 8,818,000
Current year claims and changes in estimate	2,230,851	8,377,098
Claim payments	<u>(4,006,474)</u>	<u>(3,039,798)</u>
Balance at end of year	<u>\$ 12,379,677</u>	<u>\$ 14,155,300</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, 2025 (with comparative amounts for 2024) is as follows:

	<u>2025</u>	<u>2024</u>
Claims payable, beginning of the year	\$ 2,304,000	\$ 1,615,000
Current year claims and changes in estimate	33,673,683	26,551,532
Claim payments	<u>(33,484,683)</u>	<u>(25,862,532)</u>
Claims payable, end of the year	<u>\$ 2,493,000</u>	<u>\$ 2,304,000</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, 2025. The

City has additional commitments for signed construction contracts of approximately \$171.28 million as of June 30, 2025.

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. At June 30, 2025, the City owed arbitrage rebates of \$754,859, payable in fiscal 2026 for the Series 2021F General Obligation Bonds, \$1,348,072, payable in fiscal 2027 for the Series 2022A General Obligation Bonds, and \$88,702, payable in fiscal 2028 for the Series 2023A General Obligation Bonds, and \$55,783, payable in fiscal 2029 for the Series 2024A General Obligation Bonds. In addition, at June 30, 2025, the City's Stormwater Utility fund owed arbitrage rebates of \$53,360, payable in fiscal 2027 for Series 2016C Stormwater Management Utility Revenue Bonds, \$3043, payable in fiscal 2026 for Series 2020F Stormwater Management Utility Revenue Bonds, \$84,980, payable in fiscal 2027 for Series 2021G Stormwater Management Utility Revenue Bonds, \$229,392, and \$229,392, payable in fiscal 2028 for Series 2022B Stormwater Management Utility Revenue Bonds, and \$175,280, payable in fiscal 2029 for Series 2023B Stormwater Management Utility Revenue Bonds.

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 120 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 \$322.52 million exist, of which \$17.26 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 16.

G. Significant Encumbrances

The City had outstanding purchase orders (excluding construction contracts disclosed in Section D above) at June 30, 2025 that represented agreements to purchase goods and services. The balances by fund were as follows:

General Fund	\$ 644,010
Capital Projects	12,464,953
Other Governmental Funds	1,196,915
Internal Service Funds	2,109,956
	<u>\$ 16,415,834</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, 2025, the City abated \$5,522,580 of property tax which would have otherwise flowed to its General Fund and a further \$8,718,106 which would have flowed to other local taxing authorities.

17. New Pronouncements

GASB Statement No. 101, *Compensated Absences*, was implemented during fiscal year 2025. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the City's financial statements as a result of the implementation of this standard.

GASB Statement No. 102, *Certain Risk Disclosures*, was implemented during fiscal year 2025. This standard requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There was no effect of the implementation of this standard on disclosures during the year.

As of June 30, 2025, 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. 103, *Financial Reporting Model Improvements*, issued in April 2024, will be effective for the City beginning with its fiscal year ended June 30, 2026. This Statement's objective is to improve components of the financial reporting model to enhance effectiveness in providing essential information for decision making and to assess a government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued in September 2024, will be effective beginning with its fiscal year ended June 30, 2026. This Statement requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

GASB Statement No. 105, *Subsequent Events*, issued in December 2025, will be effective beginning with its fiscal year ended June 30, 2027. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This statement helps clarify subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The City's management has not yet determined the effect of Statement Nos. 103, 104 or 105.

18. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2025, the City determined that there was an error in amounts previously reported in the 2024 financial statements resulting in a restatement of the beginning net position and fund balance of the Other Employee Benefits fund. The error related to funds on deposit with the City's third-party administrator for workers' compensation claims which should have been expensed as services were rendered.

Beginning net position and fund balance were restated as follows:

	July 1, 2024, As Previously Reported	Error Correction	July 1, 2024, As Restated
Government-Wide			
Governmental Activities	\$ 983,981,557	\$ (270,000)	\$ 983,711,557
Governmental Funds			
Other Employee Benefits Fund	\$ 3,074,060	\$ (270,000)	\$ 2,804,060

If these amounts had been properly recorded in the prior year, there would be no adjustment to the change in net position and change in fund balance for the year ended June 30, 2024.

19. Subsequent Events

On November 12, 2025, the City issued \$66,880,000 of General Obligation Bonds, Series 2025A, which will be used for various new money purposes. Principal payments on the General Obligation Bonds begin on June 1, 2026, and continue annually until June 1, 2045. Interest rates on this issue range from 4.00% to 7.00%.

On November 12, 2025, the City issued \$6,035,000 of Taxable General Obligation Bonds, Series 2025B, which will be used for various new money purposes. Principal payments on the Taxable General Obligation Bonds begin on June 1, 2026, and continue annually until June 1, 2030. Interest rates on this issue range from 3.65% to 3.80%.

20. 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>	<u>BENEFIT TAX ACCOUNTS</u>
Nonspendable:				
Advances	\$ 2,694,164	\$ ---	\$ ---	\$ ---
Inventories	---	---	---	---
Prepays	2,126,187	1,521	---	---
Corpus for permanent funds	---	---	---	---
Total nonspendable	<u>4,820,351</u>	<u>1,521</u>	<u>---</u>	<u>---</u>
Restricted:				
Road Use	---	---	---	---
Maintenance on public land, cemetery	---	---	---	---
Debt Service	---	31,229,326	---	---
Capital improvements and maintenance	---	---	---	---
Employee benefits	505,873	---	---	451,997
Police department	---	---	---	---
Fire department	---	---	---	---
SSMID districts	---	---	---	---
Community projects	---	---	---	---
Library gift fund	---	---	---	---
Sales Tax	---	---	---	---
Economic development	---	---	36,842,157	---
Human Rights	---	---	---	---
Scholarship	---	---	---	---
Total restricted	<u>505,873</u>	<u>31,229,326</u>	<u>36,842,157</u>	<u>451,997</u>
Committed				
Capital improvements and maintenance	---	---	---	---
Maintenance on public land, cemetery	---	---	---	---
Litigation	1,000,000	---	---	---
Economic development	---	---	---	---
Total committed	<u>1,000,000</u>	<u>---</u>	<u>---</u>	<u>---</u>
Unassigned	<u>82,942,248</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total fund balances	<u>\$ 89,268,472</u>	<u>\$ 31,230,847</u>	<u>\$ 36,842,157</u>	<u>\$ 451,997</u>

LOCAL OPTION SALES TAX	AMERICAN RESCUE PLAN	OTHER EMPLOYEE BENEFITS	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,694,164
---	---	---	---	355,934	355,934
282,080	---	18,713	529,381	355,468	3,313,350
---	---	---	---	3,363,477	3,363,477
<u>282,080</u>	<u>---</u>	<u>18,713</u>	<u>529,381</u>	<u>4,074,879</u>	<u>9,726,925</u>
---	---	---	---	21,892,313	21,892,313
---	---	---	---	3,979,053	3,979,053
---	---	---	---	---	31,229,326
---	---	---	45,387,041	1,571,307	46,958,348
---	---	1,204,086	---	4,027	2,165,983
---	---	---	---	519,631	519,631
---	---	---	---	28,126	28,126
---	---	---	---	122,370	122,370
---	---	---	---	157,913	157,913
---	---	---	---	766,336	766,336
17,062,206	---	---	---	---	17,062,206
---	---	---	---	682,598	37,524,755
---	---	---	---	3,480	3,480
---	---	---	---	1,078	1,078
<u>17,062,206</u>	<u>---</u>	<u>1,204,086</u>	<u>45,387,041</u>	<u>29,728,232</u>	<u>162,410,918</u>
---	---	---	95,087,686	---	95,087,686
---	---	---	---	207,455	207,455
---	---	---	---	---	1,000,000
---	---	---	---	3,753,379	3,753,379
---	---	---	95,087,686	3,960,834	100,048,520
---	---	---	(612,748)	(1,356,341)	80,973,159
<u>\$ 17,344,286</u>	<u>\$ ---</u>	<u>\$ 1,222,799</u>	<u>\$ 140,391,360</u>	<u>\$ 36,407,604</u>	<u>\$ 353,159,522</u>



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, 2025

	GOVERNMENTAL		ENTERPRISE		BUDGETED AMOUNTS		FINAL TO ACTUAL
	FUND TYPES		FUND TYPES		ORIGINAL	FINAL	
	BUDGETARY BASIS ACTUAL AMOUNTS	BUDGETARY BASIS ACTUAL AMOUNTS	NET				
Revenue:							
Taxes	\$ 278,662,318	\$ ---	\$ 278,662,318	\$ 281,082,273	\$ 278,851,022	\$ (188,704)	
Franchise fees	13,249,853	---	13,249,853	13,630,000	13,630,000	(380,147)	
Licenses and permits	5,783,776	---	5,783,776	4,320,110	5,328,399	455,377	
Fines and forfeitures	6,373,098	---	6,373,098	8,500,000	8,500,000	(2,126,902)	
Charges for sales and services	22,867,448	121,737,729	144,605,177	125,487,461	127,877,168	16,728,009	
Use of money and property	24,981,428	9,051,406	34,032,834	11,864,429	11,647,362	22,385,472	
Miscellaneous	23,812,002	28,492	23,840,494	31,459,110	34,183,512	(10,343,018)	
Intergovernmental	77,261,293	25,101,845	102,363,138	140,784,556	159,466,772	(57,103,634)	
Total revenue	452,991,216	155,919,472	608,910,688	617,127,939	639,484,235	(30,573,547)	
Expenditure:							
Current:							
Public safety	155,651,060	---	155,651,060	147,817,751	150,929,512	(4,721,548)	
Public works	45,357,769	---	45,357,769	35,864,410	38,428,945	(6,928,824)	
Health and social services	15,818,229	---	15,818,229	11,167,619	12,868,249	(2,949,980)	
Culture and recreation	31,169,727	---	31,169,727	28,942,407	28,909,877	(2,259,850)	
Community and economic development	39,645,117	---	39,645,117	48,846,830	53,492,608	13,847,491	
General government	56,421,684	---	56,421,684	36,219,974	50,744,348	(5,677,336)	
Business-type	---	110,449,761	110,449,761	140,608,050	187,630,345	77,180,584	
Capital outlay	143,816,392	66,876,273	210,692,665	192,248,492	269,782,045	59,089,380	
Debt service	80,904,177	17,427,269	98,331,446	80,627,415	82,602,759	(15,728,687)	
Total expenditure	568,784,155	194,753,303	763,537,458	722,342,948	875,388,688	111,851,230	
Excess (deficiency) of revenue over expenditure	(115,792,939)	(38,833,831)	(154,626,770)	(105,215,009)	(235,904,453)	81,277,683	
Other financing sources (uses):							
Transfers in	255,059,054	15,127,415	270,186,469	254,160,229	304,444,412	(34,257,943)	
Other financing sources (uses)	84,922,672	(2,879,372)	82,043,300	109,332,618	85,456,410	(3,413,110)	
Transfers out	(258,524,588)	(11,661,881)	(270,186,469)	(254,160,229)	(304,444,412)	34,257,943	
Total other financing sources (uses)	81,457,138	586,162	82,043,300	109,332,618	85,456,410	(3,413,110)	
Net change in fund balances	(34,335,801)	(38,247,669)	(72,583,470)	\$ 4,117,609	\$ (150,448,043)	\$ 77,864,573	
Fund balances, beginning of year	420,649,115	93,925,812	514,574,927				
Fund balances, end of year	\$ 386,313,314	\$ 55,678,143	\$ 441,991,457				

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, 2025

	GOVERNMENTAL FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	MODIFIED
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 452,991,216	\$ 1,717,836	\$ 454,709,052
Expenditures	568,784,155	(1,661,098)	567,123,057
Net	(115,792,939)	3,378,934	(112,414,005)
Other financing sources (uses)	81,457,138	10,360	81,467,498
Beginning fund balances	420,649,115	(36,273,086)	384,106,029
Ending fund balances	\$ 386,313,314	\$ (33,153,792)	\$ 353,159,522

	ENTERPRISE FUND TYPES		
	BUDGET MODIFIED	ACCRUAL	
	ACCRUAL BASIS	ADJUSTMENTS	ACCRUAL BASIS
Revenues	\$ 155,919,472	\$ 123,967	\$ 156,043,439
Expenses	194,753,303	(66,964,754)	127,788,549
Net	(38,833,831)	67,088,721	28,254,890
Other financing sources (uses)	586,162	(18,201)	567,961
Beginning fund balances	93,925,812	384,493,058	483,198,435
Ending fund balances	\$ 55,678,143	\$ 451,563,578	\$ 512,021,286

See notes to required supplementary information.

CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING
June 30, 2025

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 \$203,329,923. 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, 2025, disbursements exceeded the amounts budgeted in the following functions: public safety, public works, health and social services, culture and recreation function, general government and debt service.

**CITY OF DES MOINES, IOWA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION**

	June 30, 2025*	June 30, 2024	June 30, 2023	June 30, 2022
Total OPEB liability				
Service cost	\$ 1,955,018	\$ 1,722,782	\$ 1,658,004	\$ 1,594,405
Interest	1,476,963	1,247,716	1,168,690	520,941
Differences between expected and actual experience	1,363,320	3,028,807	414,782	6,811,675
Changes of assumptions or other inputs	1,124,240	349,652	(76,674)	(2,831,913)
Benefit payments	(1,781,554)	(1,640,170)	(1,546,653)	(1,205,530)
Net change in total OPEB liability	4,137,987	4,708,787	1,618,149	4,889,578
Total OPEB liability – beginning	34,008,841	29,300,054	27,681,905	22,792,325
Total OPEB liability – ending	<u>\$ 38,146,828</u>	<u>\$ 34,008,841</u>	<u>\$ 29,300,054</u>	<u>\$ 27,681,903</u>
Covered-employee payroll	\$ 171,522,020	\$ 165,911,827	\$ 151,699,734	\$ 138,829,279
Total OPEB liability as a percentage of covered-employee payroll	22.24%	20.50%	19.31%	19.94%

Notes to Required Supplementary Information:

Funding: There are no assets accumulated in a trust that meets the criteria in para 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:

2025	5.20%
2024	4.21%
2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%

***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.

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
\$ 1,524,709	\$ 1,454,823	\$ 702,378	\$ 1,784,438
632,453	798,010	891,160	785,904
(1,636,097)	855,763	(2,537,829)	1,009,672
645,877	(993,390)	999,676	(933,920)
<u>(1,244,470)</u>	<u>(1,042,697)</u>	<u>(1,155,130)</u>	<u>(1,192,403)</u>
(77,528)	1,072,509	(1,099,745)	1,453,691
22,869,853	21,797,344	22,897,089	21,443,398
<u>\$ 22,792,325</u>	<u>\$ 22,869,853</u>	<u>\$ 21,797,344</u>	<u>\$ 22,897,089</u>
\$ 133,211,961	\$ 129,018,849	\$ 125,853,482	\$ 121,243,537
17.11%	17.73%	17.32%	18.89%

**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, 2024*</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
City's proportion of the net pension liability	1.016378%	1.032485%	1.000436%	0.988061%
City's proportionate share of the net pension liability	\$ 37,532,856	\$ 47,641,220	\$ 39,708,284	\$ 1,385,179
City's covered payroll	\$ 95,156,451	\$ 92,659,449	\$ 84,779,306	\$ 80,298,604
City's proportionate share of the net pension liability as a percentage of its covered payroll	39.44%	51.42%	46.84%	1.73%
Plan fiduciary net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	99.65%

*Amounts presented for each fiscal year were determined as of the above measurement date.

See notes to required supplementary information

<u>June 30, 2020</u>	<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>
0.975698%	0.977094%	0.976427%	0.947660%	0.953277%	0.961187%
\$ 68,062,237	\$ 56,960,233	\$ 61,771,261	\$ 62,561,805	\$ 59,448,726	\$ 47,487,290
\$ 75,547,523	\$ 74,801,432	\$ 73,341,533	\$ 70,050,080	\$ 68,356,528	\$ 65,822,469
90.09%	76.15%	84.22%	89.31%	86.97%	72.14%
81.87%	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
2025	\$ 9,370,589	\$ 9,370,589	\$ ---	\$ 99,384,802	9.429%
2024	8,970,840	8,970,840	---	95,156,451	9.427%
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%

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 2024 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, 2024*</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
City's proportion of the net pension liability	18.4231%	18.9921%	18.5375%
City's proportionate share of the net pension liability	\$ 121,736,909	\$ 118,928,293	\$ 104,100,910
City's covered payroll	\$ 68,923,772	\$ 68,347,887	\$ 62,608,615
City's proportionate share of the net pension liability as a percentage of its covered payroll	176.63%	174.00%	166.27%
Plan fiduciary net position as a percentage of the total pension liability	83.37%	83.53%	84.62%

*Amounts presented for each fiscal year were determined as of the above measurement date.

See notes to required supplementary information

<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
18.3743%	18.2230%	18.4372%	18.5243%	18.0072%
\$ 41,263,888	\$ 145,346,816	\$ 120,934,295	\$ 110,294,179	\$ 105,607,726
\$ 59,247,812	\$ 57,411,473	\$ 55,811,804	\$ 53,870,249	\$ 50,736,981
69.65%	253.17%	216.68%	204.74%	208.15%
93.62%	76.47%	79.94%	81.07%	80.60%

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
2025	\$ 16,421,857	\$ 16,421,857	\$ ---	\$ 71,908,811	22.837%
2024	15,902,123	15,902,123	---	68,923,772	23.072%
2023	15,894,534	15,894,534	---	68,347,887	23.255%
2022	16,451,910	16,451,910	---	62,608,615	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%

See notes to required supplementary information

**CITY OF DES MOINES, IOWA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MFPSI 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, 2024, 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 investment 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, 2025

	GENERAL	OTHER	TOTALS
ASSETS			
Cash and investments	\$ 68,949,159	\$ 9,311,024	\$ 78,260,183
Taxes receivable	82,926,866	---	82,926,866
Accounts receivable	5,027,214	55,000	5,082,214
Accrued interest receivable	3,575,781	---	3,575,781
Lease receivable	4,003,392	---	4,003,392
Due from other funds	2,410,248	---	2,410,248
Due from other governmental units	275,617	50,000	325,617
Advance to other funds	2,694,164	---	2,694,164
Prepaid items	2,126,187	---	2,126,187
Total assets	\$171,988,628	\$ 9,416,024	\$181,404,652
LIABILITIES			
Accounts payable	\$ 2,664,176	\$ 166,604	\$ 2,830,780
Contracts payable	6,904	---	6,904
Accrued wages payable	4,387,729	31,812	4,419,541
Due to other funds	250	---	250
Good faith, security deposits	1,043,904	---	1,043,904
Total liabilities	8,102,963	198,416	8,301,379
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - leases	3,714,618	---	3,714,618
Unavailable revenue - property taxes	80,120,183	---	80,120,183
Total deferred inflows of resources	83,834,801	---	83,834,801
FUND BALANCES (DEFICITS)			
Nonspendable	4,820,351	---	4,820,351
Restricted	505,873	---	505,873
Committed	1,000,000	---	1,000,000
Unassigned	73,724,640	9,217,608	82,942,248
Total fund balance	80,050,864	9,217,608	89,268,472
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$171,988,628	\$ 9,416,024	\$181,404,652

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, 2025

	GENERAL	OTHER	TOTALS
Revenues:			
Taxes	\$ 86,937,026	\$ ---	\$ 86,937,026
Franchise fees	13,249,853	---	13,249,853
Licenses and permits	5,695,088	---	5,695,088
Fines and forfeitures	6,362,529	---	6,362,529
Charges for sales and services	21,980,086	1,895	21,981,981
Use of money and property	18,946,196	286,076	19,232,272
Miscellaneous	18,402,332	389,792	18,792,124
Intergovernmental	4,916,775	21,709	4,938,484
Total revenues	<u>176,489,885</u>	<u>699,472</u>	<u>177,189,357</u>
Expenditures:			
Current:			
Public safety	148,521,053	236,563	148,757,616
Public works	6,003,240	---	6,003,240
Health and social services	780,837	---	780,837
Culture and recreation	26,342,712	---	26,342,712
Community and economic development	14,055,790	5,173,200	19,228,990
General governmental	38,920,046	29,764	38,949,810
Capital outlay	157,050	---	157,050
Debt Service:			
Principal retirement	1,953,219	---	1,953,219
Subscription-based principal payments	119,245	---	119,245
Interest and fiscal charges	2,059,802	---	2,059,802
Total expenditures	<u>238,912,994</u>	<u>5,439,527</u>	<u>244,352,521</u>
Excess (deficiency) of revenues over expenditures	<u>(62,423,109)</u>	<u>(4,740,055)</u>	<u>(67,163,164)</u>
Other financing sources (uses):			
Transfers in	68,287,031	12,870,466	81,157,497
Transfers out	(34,220,990)	(127,000)	(34,347,990)
Private debt issued	17,000,000	---	17,000,000
Proceeds from damage claims	300	---	300
Proceeds from capital asset sale	10,360	---	10,360
Total other financing sources (uses)	<u>51,076,701</u>	<u>12,743,466</u>	<u>63,820,167</u>
Net changes in fund balance	(11,346,408)	8,003,411	(3,342,997)
Fund balances (deficits), beginning of year	91,397,272	1,214,197	92,611,469
Fund balances (deficits), end of year	<u>\$ 80,050,864</u>	<u>\$ 9,217,608</u>	<u>\$ 89,268,472</u>

CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET SCHEDULE
ALL CAPITAL PROJECTS ACCOUNTS
June 30, 2025

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
ASSETS				
Cash and investments	\$12,346,501	\$ 44,615,159	\$ 61,121,493	\$ 18,266,318
Accounts receivable	---	24,402	148,281	77,446
Lease Receivable	---	---	---	182,583
Due from other governmental units	1,283,771	---	2,044,726	978,462
Prepaid items	---	19,834	---	---
Total assets	<u>\$13,630,272</u>	<u>\$ 44,659,395</u>	<u>\$ 63,314,500</u>	<u>\$ 19,504,809</u>
LIABILITIES				
Accounts payable	\$ 2,857	\$ 141,655	\$ 1,036,531	\$ 157,597
Contracts payable	1,689,963	5,300,725	9,197,975	1,408,886
Accrued wages payable	6,604	8,221	76,261	37,198
Due to other funds	---	---	---	---
Unearned revenue	---	---	263,630	---
Total liabilities	<u>1,699,424</u>	<u>5,450,601</u>	<u>10,574,397</u>	<u>1,603,681</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - leases	---	---	---	183,698
Unavailable revenue - intergovernmental	1,283,771	---	108,877	395,525
Total deferred inflows of resources	<u>1,283,771</u>	<u>---</u>	<u>108,877</u>	<u>579,223</u>
FUND BALANCES (DEFICITS)				
Nonspendable	---	19,834	---	---
Restricted	8,271,358	1,976,956	26,456,414	---
Committed	2,375,719	37,212,004	26,174,812	17,321,905
Unassigned	---	---	---	---
Total fund balances (deficits)	<u>10,647,077</u>	<u>39,208,794</u>	<u>52,631,226</u>	<u>17,321,905</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$13,630,272</u>	<u>\$ 44,659,395</u>	<u>\$ 63,314,500</u>	<u>\$ 19,504,809</u>

FIRE PROTECTION PROJECTS	LIBRARY PROJECTS	SPECIAL ASSESSMENT PROJECTS	URBAN RENEWAL PROJECTS	OTHER CAPITAL PROJECTS	TOTALS
\$ 8,723,100	\$ 551,578	\$ 868,651	\$ ---	\$ 10,809,611	\$ 157,302,411
---	914	---	---	---	251,043
---	---	---	---	---	182,583
---	---	---	---	13,864	4,320,823
---	---	---	---	509,547	529,381
<u>\$ 8,723,100</u>	<u>\$ 552,492</u>	<u>\$ 868,651</u>	<u>\$ ---</u>	<u>\$ 11,333,022</u>	<u>\$ 162,586,241</u>
\$ ---	\$ 87,581	\$ ---	\$ ---	\$ 138,139	\$ 1,564,360
---	25,499	---	---	25,923	17,648,971
---	794	---	---	4,223	133,301
---	---	---	577,443	---	577,443
---	---	---	35,305	---	298,935
---	113,874	---	612,748	168,285	20,223,010
---	---	---	---	---	183,698
---	---	---	---	---	1,788,173
---	---	---	---	---	1,971,871
---	---	---	---	509,547	529,381
7,375,044	438,618	868,651	---	---	45,387,041
1,348,056	---	---	---	10,655,190	95,087,686
---	---	---	(612,748)	---	(612,748)
<u>8,723,100</u>	<u>438,618</u>	<u>868,651</u>	<u>(612,748)</u>	<u>11,164,737</u>	<u>140,391,360</u>
<u>\$ 8,723,100</u>	<u>\$ 552,492</u>	<u>\$ 868,651</u>	<u>\$ ---</u>	<u>\$ 11,333,022</u>	<u>\$ 162,586,241</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, 2025

	BRIDGE PROJECTS	MUNICIPAL BUILDINGS PROJECTS	STREET PROJECTS	PARK IMPROVEMENT PROJECTS
Revenues:				
Use of money and property	\$ 17,028	\$ 47,508	\$ 133,073	\$ 660,240
Miscellaneous	---	933,735	948,100	1,548,130
Intergovernmental	3,229,006	682,364	7,327,328	2,031,398
Total revenue	<u>3,246,034</u>	<u>1,663,607</u>	<u>8,408,501</u>	<u>4,239,768</u>
Expenditures:				
Current:				
Public safety	---	---	---	---
Public works	100,742	---	11,425,395	---
Culture and recreation	---	---	---	958,377
Community and economic development	---	---	---	---
General government	---	1,353,660	---	---
Capital outlay	<u>13,225,651</u>	<u>43,520,741</u>	<u>61,368,906</u>	<u>16,237,659</u>
Total expenditures	<u>13,326,393</u>	<u>44,874,401</u>	<u>72,794,301</u>	<u>17,196,036</u>
Excess (deficiency) of revenues over expenditures	<u>(10,080,359)</u>	<u>(43,210,794)</u>	<u>(64,385,800)</u>	<u>(12,956,268)</u>
Other financing sources (uses):				
Transfers in	5,288,897	35,674,440	54,453,707	11,888,780
Transfers out	---	(5,988,904)	(2,275,000)	(1,002,956)
Proceeds from damage claims	---	---	---	6,000
Proceeds from capital asset sale	---	---	2,000	---
Total other financing sources (uses)	<u>5,288,897</u>	<u>29,685,536</u>	<u>52,180,707</u>	<u>10,891,824</u>
Net changes in fund balance	<u>(4,791,462)</u>	<u>(13,525,258)</u>	<u>(12,205,093)</u>	<u>(2,064,444)</u>
Fund balances (deficits), beginning of year	15,438,539	52,734,052	64,836,319	19,386,349
Fund balances (deficits), end of year	<u>\$10,647,077</u>	<u>\$ 39,208,794</u>	<u>\$ 52,631,226</u>	<u>\$ 17,321,905</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>
\$ 11,468	\$ 6,769	\$ ---	\$ ---	\$ 2,419,630	\$ 3,295,716
---	33,943	---	---	2,500	3,466,408
---	---	---	---	13,864	13,283,960
<u>11,468</u>	<u>40,712</u>	<u>---</u>	<u>---</u>	<u>2,435,994</u>	<u>20,046,084</u>
413,172	---	---	---	860,958	1,274,130
---	---	---	---	563,254	12,089,391
---	917,162	---	---	2,299,734	4,175,273
---	---	25,620	---	3,203,657	3,229,277
---	---	---	---	2,809,497	4,163,157
<u>4,826,382</u>	<u>497,955</u>	<u>---</u>	<u>---</u>	<u>3,703,842</u>	<u>143,381,136</u>
<u>5,239,554</u>	<u>1,415,117</u>	<u>25,620</u>	<u>---</u>	<u>13,440,942</u>	<u>168,312,364</u>
<u>(5,228,086)</u>	<u>(1,374,405)</u>	<u>(25,620)</u>	<u>---</u>	<u>(11,004,948)</u>	<u>(148,266,280)</u>
3,875,000	1,530,000	---	---	10,715,904	123,426,728
---	(135,000)	---	---	(1,000,000)	(10,401,860)
---	---	---	---	---	6,000
---	---	---	---	---	2,000
<u>3,875,000</u>	<u>1,395,000</u>	<u>---</u>	<u>---</u>	<u>9,715,904</u>	<u>113,032,868</u>
<u>(1,353,086)</u>	<u>20,595</u>	<u>(25,620)</u>	<u>---</u>	<u>(1,289,044)</u>	<u>(35,233,412)</u>
<u>10,076,186</u>	<u>418,023</u>	<u>894,271</u>	<u>(612,748)</u>	<u>12,453,781</u>	<u>175,624,772</u>
<u>\$ 8,723,100</u>	<u>\$ 438,618</u>	<u>\$ 868,651</u>	<u>\$ (612,748)</u>	<u>\$ 11,164,737</u>	<u>\$ 140,391,360</u>

**CITY OF DES MOINES, IOWA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025**

	SPECIAL REVENUE			
	CDBG	COMMUNITY SERVICES	ROAD USE TAX	OTHER SPECIAL REVENUE
ASSETS				
Cash and investments	\$ 210,982	\$ ---	\$ 17,526,524	\$ 6,895,688
Taxes receivable	---	---	---	1,890,808
Accounts receivable	---	---	105,537	242,137
Loans receivable, net of allowance for doubtful accounts	212,612	---	45,000	370,552
Due from other funds	250	---	---	186,088
Due from other governmental units	1,176,318	2,241,848	5,032,914	374,627
Inventory	---	---	355,934	---
Prepaid items	---	132,413	29,751	193,304
Total assets	\$ 1,600,590	\$ 2,374,261	\$ 23,095,660	\$ 10,164,864
LIABILITIES				
Accounts payable	396,071	1,166,192	520,957	151,002
Accrued wages payable	59,471	7,217	296,705	---
Advance from other funds	---	1,068,495	---	---
Due to other funds	747,017	---	---	197,290
Good faith, security deposits	---	---	---	120,935
Total liabilities	1,202,559	2,241,904	817,662	469,227
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	---	---	---	1,462,451
Unavailable revenue - intergovernmental	739,992	689,975	---	---
Total deferred inflows of resources	739,992	689,975	---	1,462,451
FUND BALANCES (DEFICITS)				
Nonspendable	---	132,413	385,685	193,304
Restricted	---	---	21,892,313	4,403,397
Committed	---	---	---	3,960,834
Unassigned	(341,961)	(690,031)	---	(324,349)
Total fund balances (deficits)	(341,961)	(557,618)	22,277,998	8,233,186
Total liabilities, deferred inflows of resources and fund balances	\$ 1,600,590	\$ 2,374,261	\$ 23,095,660	\$ 10,164,864

PERMANENT

PERMANENT			
PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	TOTALS
\$ 6,390,900	\$ 400,461	\$ 2,650	\$ 31,427,205
---	---	---	1,890,808
1,988	---	---	349,662
---	---	---	628,164
---	---	---	186,338
---	---	---	8,825,707
---	---	---	355,934
---	---	---	355,468
<u>\$ 6,392,888</u>	<u>\$ 400,461</u>	<u>\$ 2,650</u>	<u>\$ 44,031,374</u>
---	---	---	2,234,222
---	---	---	363,393
---	---	---	1,068,495
---	---	---	944,307
---	---	---	120,935
---	---	---	4,731,352
---	---	---	1,462,451
---	---	---	1,429,967
---	---	---	2,892,418
2,986,418	374,409	2,650	4,074,879
3,406,470	26,052	---	29,728,232
---	---	---	3,960,834
---	---	---	(1,356,341)
<u>6,392,888</u>	<u>400,461</u>	<u>2,650</u>	<u>36,407,604</u>
<u>\$ 6,392,888</u>	<u>\$ 400,461</u>	<u>\$ 2,650</u>	<u>\$ 44,031,374</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, 2025

	SPECIAL REVENUE			
	CDBG	COMMUNITY SERVICES	ROAD USE TAX	OTHER SPECIAL REVENUE
Revenues:				
Taxes	\$ ---	\$ ---	\$ ---	\$ 1,334,791
Licenses and permits	---	---	88,688	---
Fines and forfeitures	---	---	10,569	---
Charges for sales and services	---	---	712,575	4,520
Use of money and property	10,176	49,732	4	217,225
Miscellaneous	320,617	1,980	33,039	593,893
Intergovernmental	6,472,113	8,615,341	33,658,522	5,806,747
Total revenues	<u>6,802,906</u>	<u>8,667,053</u>	<u>34,503,397</u>	<u>7,957,176</u>
Expenditures:				
Current:				
Public safety	---	---	---	4,352,126
Public works	---	---	26,715,138	550,000
Health and social services	6,692,931	8,052,461	---	---
Culture and recreation	---	---	---	651,742
Community and economic development	---	---	---	2,520,862
General government	---	---	---	11,909
Capital outlay	---	---	---	278,206
Total expenditures	<u>6,692,931</u>	<u>8,052,461</u>	<u>26,715,138</u>	<u>8,364,845</u>
Excess (deficiency) of revenues over expenditures	<u>109,975</u>	<u>614,592</u>	<u>7,788,259</u>	<u>(407,669)</u>
Other financing sources (uses):				
Transfers in	---	---	150,000	2,002,363
Transfers out	(500,000)	---	(11,214,752)	(1,992,279)
Proceeds from capital asset sale	---	10,000	---	---
Total other financing sources (uses)	<u>(500,000)</u>	<u>10,000</u>	<u>(11,064,752)</u>	<u>10,084</u>
Net changes in fund balances	<u>(390,025)</u>	<u>624,592</u>	<u>(3,276,493)</u>	<u>(397,585)</u>
Fund balances (deficits), beginning of year	<u>48,064</u>	<u>(1,182,210)</u>	<u>25,554,491</u>	<u>8,630,771</u>
Fund balances (deficits), end of year	<u>\$ (341,961)</u>	<u>\$ (557,618)</u>	<u>\$ 22,277,998</u>	<u>\$ 8,233,186</u>

PERMANENT

PERMANENT CEMETERY MAINTENANCE	SWARTZELL ENDOWMENT	WEISE BIRD HABITATS	TOTALS
\$ ---	\$ ---	\$ ---	\$ 1,334,791
---	---	---	88,688
---	---	---	10,569
168,372	---	---	885,467
25,523	14,991	---	317,651
---	---	---	949,529
---	---	---	54,552,723
<u>193,895</u>	<u>14,991</u>	<u>---</u>	<u>58,139,418</u>
---	---	---	4,352,126
---	---	---	27,265,138
---	---	---	14,745,392
---	---	---	651,742
---	---	---	2,520,862
---	---	---	11,909
---	---	---	278,206
<u>---</u>	<u>---</u>	<u>---</u>	<u>49,825,375</u>
<u>193,895</u>	<u>14,991</u>	<u>---</u>	<u>8,314,043</u>
---	---	---	2,152,363
---	(8,000)	---	(13,715,031)
---	---	---	10,000
<u>---</u>	<u>(8,000)</u>	<u>---</u>	<u>(11,552,668)</u>
193,895	6,991	---	(3,238,625)
6,198,993	393,470	2,650	39,646,229
<u>\$ 6,392,888</u>	<u>\$ 400,461</u>	<u>\$ 2,650</u>	<u>\$ 36,407,604</u>

CITY OF DES MOINES, IOWA
COMBINING SCHEDULE OF NET POSITION
ALL PARKING ACCOUNTS
June 30, 2025

	PARKING	PARK AND RIDE	TOTALS
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 3,207,990	\$ 866,724	\$ 4,074,714
Accounts receivable	7,127	---	7,127
Due from other governmental units	11,580	---	11,580
Prepaid items	13,007	---	13,007
Total current assets	<u>3,239,704</u>	<u>866,724</u>	<u>4,106,428</u>
Noncurrent, capital assets:			
Land	12,409,949	1,735,829	14,145,778
Construction in progress	1,166,677	---	1,166,677
Buildings	84,719,862	2,141,304	86,861,166
Improvements other than buildings	17,045,102	17,816,005	34,861,107
Machinery and equipment	4,576,754	---	4,576,754
Right of Use Assets	6,642,314	---	6,642,314
Accumulated depreciation and amortization	<u>(71,151,216)</u>	<u>(16,272,856)</u>	<u>(87,424,072)</u>
Total capital assets, net of accumulated depreciation	<u>55,409,442</u>	<u>5,420,282</u>	<u>60,829,724</u>
Total assets	<u>58,649,146</u>	<u>6,287,006</u>	<u>64,936,152</u>
DEFERRED OUTFLOW OF RESOURCES			
Other postemployment benefits related deferred outflows	71,024	---	71,024
Pension related deferred outflows	144,738	---	144,738
Total deferred outflow of resources	<u>215,762</u>	<u>---</u>	<u>215,762</u>

	PARKING	PARK AND RIDE	TOTALS
LIABILITIES			
<hr/>			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 338,992	\$ 105,183	\$ 444,175
Contracts payable	381,629	---	381,629
Accrued wages payable	31,922	868	32,790
Compensated absences	43,973	---	43,973
Accrued interest payable	93,013	---	93,013
Lease payable	1,273,775	---	1,273,775
Total current liabilities	<u>2,163,304</u>	<u>106,051</u>	<u>2,269,355</u>
Noncurrent liabilities:			
Compensated absences	170,896	---	170,896
Other postemployment benefits	273,041	---	273,041
Net pension liability	346,547	---	346,547
Lease payable, net	21,956,291	---	21,956,291
Total noncurrent liabilities	<u>22,746,775</u>	<u>---</u>	<u>22,746,775</u>
Total liabilities	<u>24,910,079</u>	<u>106,051</u>	<u>25,016,130</u>
DEFERRED INFLOWS OF RESOURCES			
<hr/>			
Other postemployment benefits related deferred inflows	23,999	---	23,999
Pension related deferred inflows	18,954	---	18,954
Total deferred inflow of resources	<u>42,953</u>	<u>---</u>	<u>42,953</u>
NET POSITION			
<hr/>			
Net investment in capital assets	31,797,747	5,420,282	37,218,029
Unrestricted	2,114,129	760,673	2,874,802
Total net position	<u>\$ 33,911,876</u>	<u>\$ 6,180,955</u>	<u>\$ 40,092,831</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, 2025**

	PARKING	PARK AND RIDE	TOTALS
Operating revenues:			
Charges for sales and services	\$ 10,082,850	\$ 1,371,627	\$ 11,454,477
Miscellaneous	289	---	289
Total operating revenues	<u>10,083,139</u>	<u>1,371,627</u>	<u>11,454,766</u>
Operating expenses:			
Personal services	1,374,359	16,258	1,390,617
Contractual services	3,679,297	2,435,697	6,114,994
Commodities	264,729	283	265,012
Depreciation and amortization	3,779,384	666,189	4,445,573
Other charges	1,816,494	337,967	2,154,461
Total operating expenses	<u>10,914,263</u>	<u>3,456,394</u>	<u>14,370,657</u>
Operating income (loss)	<u>(831,124)</u>	<u>(2,084,767)</u>	<u>(2,915,891)</u>
Non-operating revenues (expenses):			
Investment earnings	111,484	52,514	163,998
Interest expense and fiscal charges	(1,079,416)	---	(1,079,416)
Total nonoperating revenues (expenses)	<u>(967,932)</u>	<u>52,514</u>	<u>(915,418)</u>
Income (Loss) before transfers, capital grants and contributions	(1,799,056)	(2,032,253)	(3,831,309)
Transfers in	1,800,000	---	1,800,000
Transfers out	(1,000,000)	---	(1,000,000)
Change in net position	<u>(999,056)</u>	<u>(2,032,253)</u>	<u>(3,031,309)</u>
Total net position (deficit) - beginning	<u>34,910,932</u>	<u>8,213,208</u>	<u>43,124,140</u>
Total net position (deficit) - ending	<u>\$ 33,911,876</u>	<u>\$ 6,180,955</u>	<u>\$ 40,092,831</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2025

	PARKING	PARK AND RIDE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	10,077,200	1,375,396	11,452,596
Payments to Suppliers	(5,433,412)	(2,705,080)	(8,138,492)
Payments to Employees	(1,382,381)	(15,649)	(1,398,030)
Net cash provided by (used in) operating activities	<u>\$ 3,261,407</u>	<u>\$ (1,345,333)</u>	<u>\$ 1,916,074</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	1,800,000	---	1,800,000
Transfers Out	(1,000,000)	---	(1,000,000)
Net cash provided by (used in) noncapital and related financing activities	<u>800,000</u>	<u>---</u>	<u>800,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid on capital debt	(1,080,179)	---	(1,080,179)
Principal paid on long-term debt	(1,212,522)	---	(1,212,522)
Acquisition and construction of capital assets	(1,235,328)	---	(1,235,328)
Net cash provided in capital and related financing activities	<u>(3,528,029)</u>	<u>---</u>	<u>(3,528,029)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	111,484	52,514	163,998
Net increase in cash and cash equivalents	644,862	(1,292,819)	(647,957)
Cash and cash equivalents, beginning of year	2,563,128	2,159,543	4,722,671
Cash and cash equivalents, end of year	<u><u>\$ 3,207,990</u></u>	<u><u>\$ 866,724</u></u>	<u><u>\$ 4,074,714</u></u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL PARKING ACCOUNTS
For the Fiscal Year Ended June 30, 2025

	<u>PARKING</u>	<u>PARK AND RIDE</u>	<u>TOTALS</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (831,124)	\$ (2,084,767)	\$ (2,915,891)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation expense	3,779,384	666,189	4,445,573
(Increase) decrease in accounts receivable	(6,779)	3,769	(3,010)
(Increase) decrease in due from other government	840	---	840
(Increase) decrease in prepaid items	7,036	---	7,036
Increase (decrease) in accounts payable and contracts	320,072	68,867	388,939
Increase (decrease) in accrued wages payable	7,074	609	7,683
Increase (decrease) in accrued employee benefits and other postemployment benefits	51,219	---	51,219
Increase (decrease) in deferred outflows	41,821	---	41,821
Increase (decrease) in deferred inflows	(1,846)	---	(1,846)
Increase (decrease) in net pension liability	(106,290)	---	(106,290)
Total adjustments	<u>4,092,531</u>	<u>739,434</u>	<u>4,831,965</u>
Net cash (used in) provided by operating activities	<u>\$ 3,261,407</u>	<u>\$ (1,345,333)</u>	<u>\$ 1,916,074</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION (DEFICIT)
NONMAJOR ENTERPRISE FUNDS
June 30, 2025

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
ASSETS			
Current assets:			
Unrestricted current assets:			
Cash and investments	\$ 4,500	\$ 13,538,271	\$ 13,542,771
Accounts receivable	---	281,380	281,380
Due from other governmental units	---	245,576	245,576
Prepaid items	---	2,257	2,257
Total current assets	<u>4,500</u>	<u>14,067,484</u>	<u>14,071,984</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	11,509,479	12,157,444
Accumulated depreciation	(3,248,253)	(11,684,186)	(14,932,439)
Total capital assets, net of accumulated depreciation	<u>1,805,157</u>	<u>1,224,975</u>	<u>3,030,132</u>
Total assets	<u>1,809,657</u>	<u>15,292,459</u>	<u>17,102,116</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits related deferred outflows	---	284,096	284,096
Pension related deferred outflows	---	721,257	721,257
Total deferred outflows of resources	<u>---</u>	<u>1,005,353</u>	<u>1,005,353</u>
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	30,036	363,507	393,543
Accrued wages payable	---	161,059	161,059
Compensated absences	---	123,711	123,711
Accrued interest payable	---	23,011	23,011
General obligation bonds payable	---	615,000	615,000
Total current liabilities	<u>30,036</u>	<u>1,286,288</u>	<u>1,316,324</u>
Noncurrent liabilities:			
Compensated absences	---	564,771	564,771
Other postemployment benefits	---	1,092,163	1,092,163
Net pension liability	---	1,726,904	1,726,904
Advance from other funds	1,625,669	---	1,625,669
General obligation bonds payable, net	---	10,777,206	10,777,206
Total noncurrent liabilities	<u>1,625,669</u>	<u>14,161,044</u>	<u>15,786,713</u>
Total liabilities	<u>1,655,705</u>	<u>15,447,332</u>	<u>17,103,037</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related deferred inflows	---	95,997	95,997
Pension related deferred inflows	---	94,452	94,452
Total deferred inflows of resources	<u>---</u>	<u>190,449</u>	<u>190,449</u>
NET POSITION (DEFICIT)			
Investment in capital assets	1,805,157	---	1,805,157
Unrestricted	(1,651,205)	660,031	(991,174)
Total net position (deficit)	<u>\$ 153,952</u>	<u>\$ 660,031</u>	<u>\$ 813,983</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, 2025**

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
Operating revenues:			
Charges for sales and services	\$ 710,901	\$ 17,353,364	\$ 18,064,265
Total operating revenues	710,901	17,353,364	18,064,265
Operating expenses:			
Personal services	---	5,941,245	5,941,245
Contractual services	303,741	10,051,401	10,355,142
Commodities	5,530	370,939	376,469
Depreciation	111,610	509,539	621,149
Other charges	18,283	817,374	835,657
Total operating expenses	439,164	17,690,498	18,129,662
Operating income (loss)	271,737	(337,134)	(65,397)
Non-operating revenues (expenses):			
Investment earnings	---	714,077	714,077
Interest expense and fiscal charges	---	(171,189)	(171,189)
Gain (loss) on disposal of capital assets	---	34,961	34,961
Total nonoperating revenues (expenses)	---	577,849	577,849
Income (loss) before transfers, capital grants and contributions	271,737	240,715	512,452
Capital grants and contributions	8,400	---	8,400
Transfers out	(54,101)	---	(54,101)
Change in net position	226,036	240,715	466,751
Total net position (deficit) - beginning	(72,084)	419,316	347,232
Total net position (deficit) - ending	\$ 153,952	\$ 660,031	\$ 813,983

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2025

	GOLF COURSES	SOLID WASTE SYSTEM	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	794,971	17,069,709	17,864,680
Payments to Suppliers	(312,809)	(11,252,117)	(11,564,926)
Payments to Employees	-	(6,062,644)	(6,062,644)
Net cash provided by (used in) operating activities	<u>\$482,162</u>	<u>\$ (245,052)</u>	<u>\$ 237,110</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to Interfund Accounts	(436,461)	---	(436,461)
Transfers Out	(54,101)	---	(54,101)
Net cash provided by (used in) noncapital and financing activities	<u>(490,562)</u>	<u>---</u>	<u>(490,562)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from intergovernmental and capital grants	8,400	---	8,400
Interest paid on capital debt	---	(344,253)	(344,253)
Proceeds from sale of capital assets	---	84,165	84,165
Principal paid on long-term debt	---	(605,000)	(605,000)
Net cash provided by (used in) capital and related financing activities	<u>8,400</u>	<u>(865,088)</u>	<u>(856,688)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	---	846,748	846,748
Net cash provided by investing activities	<u>---</u>	<u>846,748</u>	<u>846,748</u>
Net increase in cash and cash equivalents	---	(263,392)	(263,392)
Cash and cash equivalents, beginning of year	4,500	13,801,663	13,806,163
Cash and cash equivalents, end of year	<u>\$ 4,500</u>	<u>\$13,538,271</u>	<u>\$13,542,771</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2025

	<u>GOLF</u> <u>COURSES</u>	<u>SOLID</u> <u>WASTE</u> <u>SYSTEM</u>	<u>TOTALS</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$271,737	\$ (337,134)	\$ (65,397)
Adjustments to reconcile operating income to net cash provided (used in) by operating activities			
Depreciation expense	111,610	509,539	621,149
(Increase) decrease in prepaid items	---	(883)	(883)
(Increase) decrease in accounts receivable	84,070	(144,529)	(60,459)
(Increase) decrease in due from other government	---	(139,126)	(139,126)
Increase (decrease) in accounts payable	14,745	(11,520)	3,225
Increase (decrease) in accrued wages payable	---	42,488	42,488
(Increase) decrease in accrued employee benefits	---	-	-
(Increase) decrease other postemployment benefits	---	124,210	124,210
(Increase) decrease in deferred outflows	---	229,561	229,561
Increase (decrease) in deferred inflows	---	(14,247)	(14,247)
Increase (decrease) in net pension liability	---	(503,411)	(503,411)
Total adjustments	<u>210,425</u>	<u>92,082</u>	<u>302,507</u>
Net cash (used in) provided by operating activities	<u>\$482,162</u>	<u>\$ (245,052)</u>	<u>\$ 237,110</u>
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	---	34,961	34,961

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2025

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES
ASSETS			
Current assets:			
Cash and investments	\$ 3,043,181	\$ 6,444	\$ 545,420
Taxes receivable	43,193	---	---
Accounts receivable	66	---	---
Due from other funds	---	---	---
Due from other governmental units	23,852	4,982	---
Inventory	87,592	---	71,947
Prepaid items	10,871	884	30,922
Total current assets	3,208,755	12,310	648,289
Noncurrent assets, capital assets:			
Machinery and equipment	212,018	---	1,114,041
Accumulated depreciation	(201,365)	---	(1,114,041)
Total capital assets, net of accumulated depreciation	10,653	---	---
Total assets	3,219,408	\$ 12,310	648,289
DEFERRED OUTFLOW OF RESOURCES			
Other postemployment benefits related deferred outflows	189,397	106,536	41,431
Pension related deferred outflows	434,556	189,676	9,413
Total deferred outflow of resources	623,953	296,212	50,844
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts payable	461,662	18,090	7,296
Accrued wages payable	85,027	44,324	---
Compensated absences	71,528	32,001	---
Accrued employee benefits	---	---	---
Due to other funds	---	868,986	---
Unearned revenue	---	---	---
Total current liabilities	618,217	963,401	7,296
Noncurrent liabilities:			
Compensated absences	485,050	166,077	---
Other postemployment benefits	728,109	409,561	159,274
Net pension liability	1,040,456	454,141	22,539
Total noncurrent liabilities	2,253,615	1,029,779	181,813
Total liabilities	2,871,832	1,993,180	189,109
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits related deferred inflows	63,998	35,999	14,000
Pension related deferred inflows	56,907	24,839	1,233
Total deferred inflow of resources	120,905	60,838	15,233
NET POSITION (DEFICIT)			
Investment in capital assets	10,653	---	---
Unrestricted	839,971	(1,745,496)	494,791
Total net position (deficit)	\$ 850,624	\$ (1,745,496)	\$ 494,791

RADIO COMMUNI- CATIONS	EQUIPMENT REPLACEMENT	RADIO REPLACEMENT	GROUP HEALTH INSURANCE	TOTALS
\$ 75,092	\$ 10,062,247	\$ 20,049	\$ 12,244,322	\$ 25,996,755
---	---	---	---	43,193
---	100	---	11,541	11,707
---	---	1,535	---	1,535
---	---	---	---	28,834
---	---	---	---	159,539
59,642	3,543	---	---	105,862
<u>134,734</u>	<u>10,065,890</u>	<u>21,584</u>	<u>12,255,863</u>	<u>26,347,425</u>
21,328	66,761,106	2,376,059	---	70,484,552
<u>(21,328)</u>	<u>(47,760,510)</u>	<u>(2,376,059)</u>	<u>---</u>	<u>(51,473,303)</u>
---	19,000,596	---	---	19,011,249
<u>134,734</u>	<u>29,066,486</u>	<u>21,584</u>	<u>12,255,863</u>	<u>45,358,674</u>
---	---	---	---	337,364
<u>86,329</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>719,974</u>
<u>86,329</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,057,338</u>
458	88,861	---	832,103	1,408,470
20,084	---	---	5,572	155,007
11,620	---	---	---	115,149
---	---	---	2,493,000	2,493,000
---	1,535	---	---	870,521
---	---	---	14,599	14,599
<u>32,162</u>	<u>90,396</u>	<u>---</u>	<u>3,345,274</u>	<u>5,056,746</u>
58,444	---	---	---	709,571
---	---	---	---	1,296,944
<u>206,698</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>1,723,834</u>
<u>265,142</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>3,730,349</u>
<u>297,304</u>	<u>90,396</u>	<u>---</u>	<u>3,345,274</u>	<u>8,787,095</u>
---	---	---	---	113,997
<u>11,305</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>94,284</u>
<u>11,305</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>208,281</u>
---	19,000,596	---	---	19,011,249
<u>(87,546)</u>	<u>9,975,494</u>	<u>21,584</u>	<u>8,910,589</u>	<u>18,409,387</u>
<u>\$ (87,546)</u>	<u>\$ 28,976,090</u>	<u>\$ 21,584</u>	<u>\$ 8,910,589</u>	<u>\$ 37,420,636</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, 2025**

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES
Operating revenues:			
Charges for sales and services	\$ 13,284,380	\$ 2,517,484	\$ 463,438
Miscellaneous	---	---	---
Total operating revenue	13,284,380	2,517,484	463,438
Operating expenses:			
Personal services	3,632,658	1,876,017	(3,399)
Contractual services	2,023,381	469,789	298,781
Commodities	6,126,481	51,115	78,736
Depreciation	6,444	---	---
Other charges	114,990	142,012	---
Total operating expenses	11,903,954	2,538,933	374,118
Operating income (loss)	1,380,426	(21,449)	89,320
Non-operating revenues (expenses):			
Proceeds from damage claims	---	---	---
Gain/ (loss) on disposal of capital assets	---	---	---
Total nonoperating revenues (expenses)	---	---	---
Change in net position	1,380,426	(21,449)	89,320
Total net position (deficit) - beginning	(529,802)	(1,724,047)	405,471
Total net position (deficit) - ending	\$ 850,624	\$ (1,745,496)	\$ 494,791

<u>RADIO COMMUN- ICATIONS</u>	<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ 1,078,355	\$ 7,775,951	\$ ---	\$ 36,063,578	\$ 61,183,186
767	40,092	---	---	40,859
<u>1,079,122</u>	<u>7,816,043</u>	<u>---</u>	<u>36,063,578</u>	<u>61,224,045</u>
785,565	---	---	227,530	6,518,371
400,214	626,902	---	39,067,082	42,886,149
86,229	---	---	---	6,342,561
---	4,863,958	---	---	4,870,402
---	---	---	35,839	292,841
<u>1,272,008</u>	<u>5,490,860</u>	<u>---</u>	<u>39,330,451</u>	<u>60,910,324</u>
<u>(192,886)</u>	<u>2,325,183</u>	<u>---</u>	<u>(3,266,873)</u>	<u>313,721</u>
---	24,217	---	---	24,217
---	54,907	1,535	---	56,442
---	79,124	1,535	---	80,659
<u>(192,886)</u>	<u>2,404,307</u>	<u>1,535</u>	<u>(3,266,873)</u>	<u>394,380</u>
105,340	26,571,783	20,049	12,177,462	37,026,256
<u>\$ (87,546)</u>	<u>\$ 28,976,090</u>	<u>\$ 21,584</u>	<u>\$ 8,910,589</u>	<u>\$ 37,420,636</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2025

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 542,899	\$ ---	\$ ---
Receipts from Interfund services provided	12,725,002	2,512,503	463,464
Payments to Suppliers	(8,721,347)	(671,292)	(364,859)
Payments to Employees	(3,640,102)	(1,834,767)	---
Net cash provided by (used in) operating activities	<u>906,452</u>	<u>6,444</u>	<u>98,605</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	---	---	---
Proceeds from sale of capital assets	---	---	---
Proceeds from damage claims	---	---	---
Net cash used in capital and related financing activities	<u>-</u>	<u>---</u>	<u>---</u>
Net increase (decrease) in cash and cash equivalents	906,452	6,444	98,605
Cash and cash equivalents, beginning of year	<u>2,136,729</u>	<u>---</u>	<u>446,815</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,043,181</u></u>	<u><u>\$ 6,444</u></u>	<u><u>\$ 545,420</u></u>

<u>RADIO COMMUN- ICATIONS</u>	<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ ---	\$ ---	\$ ---	\$ 37,172,190	\$ 37,715,089
1,079,123	7,852,286	---	---	24,632,378
(469,929)	(534,497)	---	(39,018,475)	(49,780,399)
(797,097)	---	---	(226,008)	(6,497,974)
<u>(187,903)</u>	<u>7,317,789</u>	<u>---</u>	<u>(2,072,293)</u>	<u>6,069,094</u>
---	(6,617,044)	---	---	(6,617,044)
---	63,167	---	---	63,167
---	24,217	---	---	24,217
<u>---</u>	<u>(6,529,660)</u>	<u>---</u>	<u>---</u>	<u>(6,529,660)</u>
(187,903)	788,129	---	(2,072,293)	(460,566)
262,995	9,274,118	20,049	14,316,615	26,457,321
<u>\$ 75,092</u>	<u>\$ 10,062,247</u>	<u>\$ 20,049</u>	<u>\$ 12,244,322</u>	<u>\$ 25,996,755</u>

CITY OF DES MOINES, IOWA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
ALL INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2025

	EQUIPMENT SERVICE CENTER	FORESTRY	CENTRAL SERVICES
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,380,426	\$ (21,449)	\$ 89,320
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation expense	6,444	---	---
(Increase) decrease in due from other governmental	(1,844)	(4,982)	---
(Increase) decrease in accounts and taxes receivable	(14,636)	---	26
(Increase) decrease in inventories	5,786	---	9,817
(Increase) decrease in prepaid items	(853)	(554)	3,895
Increase (decrease) in accounts payable	(461,427)	(7,821)	(1,054)
Increase (decrease) in accrued wages payable	13,768	11,251	---
Increase (decrease) in accrued employee benefits and other postemployment benefits	173,224	114,994	18,114
(Increase) decrease in deferred outflows	149,735	45,453	8,174
Increase (decrease) in deferred inflows	(11,441)	(1,582)	(4,563)
Increase (decrease) in net pension liability	(332,730)	(128,866)	(25,124)
Total adjustments	<u>(473,974)</u>	<u>27,893</u>	<u>9,285</u>
Net cash provided by (used in) operating activities	<u>\$ 906,452</u>	<u>\$ 6,444</u>	<u>\$ 98,605</u>
Schedule of noncash capital and related financing activities:			
Gain (loss) on disposal of capital assets	\$ ---	\$ ---	\$ ---

<u>RADIO COMMUN- ICATIONS</u>	<u>EQUIPMENT REPLACEMENT</u>	<u>RADIO REPLACEMENT</u>	<u>GROUP HEALTH INSURANCE</u>	<u>TOTALS</u>
\$ (192,886)	\$ 2,325,183	\$ ---	\$ (3,266,873)	\$ 313,721
---	4,863,958	---	---	4,870,402
---	---	---	---	(6,826)
---	36,244	---	1,108,949	1,130,583
---	---	---	---	15,603
17,194	3,543	---	---	23,225
(679)	88,861	---	(104,554)	(486,674)
5,155	---	---	1,522	31,696
9,772	---	---	189,000	505,104
28,610	---	---	(337)	231,635
1,758	---	---	---	(15,828)
(56,827)	---	---	---	(543,547)
<u>4,983</u>	<u>4,992,606</u>	<u>---</u>	<u>1,194,580</u>	<u>5,755,373</u>
<u>\$ (187,903)</u>	<u>\$ 7,317,789</u>	<u>\$ ---</u>	<u>\$ (2,072,293)</u>	<u>\$ 6,069,094</u>
\$ ---	\$ 54,907	\$ ---	\$ ---	\$ 54,907

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, 2025

Function:	GOVERNMENTAL FUNDS CAPITAL ASSETS			GOVERNMENTAL FUNDS CAPITAL ASSETS
	JUNE 30, 2024	ADDITIONS	DELETIONS	JUNE 30, 2025
Public safety	\$ 136,107,179	\$ 20,642,432	\$ (65,476)	\$ 156,684,135
General government	502,435,692	176,937,878	(144,441,800)	534,931,770
Public works	1,291,397,611	67,379,401	(349,497)	1,358,427,515
Health and social services	13,989	---	---	13,989
Culture and recreation	353,692,672	24,943,675	---	378,636,347
Community and economic development	54,985,846	---	(40,000)	54,945,846
Total Governmental Funds Capital Assets	\$ 2,338,632,989	\$ 289,903,386	\$ (144,896,773)	\$ 2,483,639,602

* 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, 2025

	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	\$ 71,713,320	\$ 26,177,245	\$ 47,300,388	\$ ---	\$ ---	\$ 156,684,135
General government	138,564,972	186,695,036	1,371,527	16,858,065	190,840,761	601,409	534,931,770
Public works	31,494,761	11,172,451	1,310,449,021	5,311,282	---	---	1,358,427,515
Health and social services	---	---	---	13,989	---	---	13,989
Culture and recreation	6,895,345	111,916,423	256,878,633	2,945,946	---	---	378,636,347
Community and economic development	4,534,295	46,368,425	2,095,342	73,701	---	1,874,083	54,945,846
Total Governmental Funds Capital Assets	\$ 192,982,555	\$ 427,865,655	\$ 1,596,971,768	\$ 72,503,371	\$ 190,840,761	\$ 2,475,492	\$ 2,483,639,602

* 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.



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	162
<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	181
<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	190
<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	199
<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	204
<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)

	2025	2024	2023	2022
Governmental activities:				
Net investment in capital assets	\$ 858,940,755	\$ 847,903,572	\$ 830,648,182	\$ 802,111,537
Restricted:				
Debt retirement	29,138,070	28,993,703	17,538,321	6,940,325
Corpus/Endowments/permanently restricted	3,363,477	3,363,477	3,363,477	3,335,565
Donor restricted temporary	-	-	-	-
Capital projects	2,439,958	2,465,985	3,254,807	3,476,330
Public works	21,892,313	24,949,002	22,395,325	19,420,218
Police and fire	547,757	799,225	567,631	2,721,586
Culture and recreation	4,745,390	4,543,303	3,455,849	2,054,022
Community and economic development	46,336,141	33,498,816	13,550,004	28,958,688
Other restricted assets	8,535,660	9,952,864	30,161,134	26,064,431
Unrestricted	51,705,166	27,241,610	25,178,133	(53,132,908)
Total governmental activities net position	\$ 1,027,644,687	\$ 983,711,557	\$ 950,112,863	\$ 841,949,794
Business-type activities:				
Net investment in capital assets	\$ 377,528,877	\$ 371,885,503	\$ 360,408,441	\$ 351,539,366
Restricted:				
Capital projects	-	-	-	-
Public housing program	1,302,555	1,723,591	1,655,186	1,606,069
Debt retirement	12,377,947	12,384,132	10,612,628	11,253,763
Unrestricted	99,407,412	77,217,827	52,505,284	36,608,678
Total business-type activities net position	\$ 490,616,791	\$ 463,211,053	\$ 425,181,539	\$ 401,007,876
Primary government:				
Net investment in capital assets	\$ 1,236,469,632	\$ 1,219,789,075	\$ 1,191,056,623	\$ 1,153,650,903
Restricted:				
Capital projects	2,439,958	2,465,985	3,254,807	3,476,330
Public housing program	1,302,555	1,723,591	1,655,186	1,606,069
Debt retirement	41,516,017	41,377,835	28,150,949	18,194,088
Endowments/permanently restricted	3,363,477	3,363,477	3,363,477	3,335,565
Donor restricted purposes/temporarily restricted	-	-	-	-
Police and fire	547,757	799,225	567,631	2,721,586
Public works	21,892,313	24,949,002	22,395,325	19,420,218
Culture and recreation	4,745,390	4,543,303	3,455,849	2,054,022
Community and economic development	46,336,141	33,498,816	13,550,004	28,958,688
Other restricted assets	8,535,660	9,952,864	30,161,134	26,064,431
Unrestricted	151,112,578	104,459,437	77,683,417	(16,524,230)
Total primary government net position	\$ 1,518,261,478	\$ 1,446,922,610	\$ 1,375,294,402	\$ 1,242,957,670

*As restated for GASB 75. See Notes to the Financial Statements for further information.

Table 1

2021	2020	2019	2018	2017*	2016
\$ 763,997,971	\$ 703,716,716	\$ 668,196,568	\$ 639,424,605	\$ 612,859,417	\$ 648,729,341
13,342,282	13,156,334	4,924,629	3,148,524	24,886,321	3,180,672
4,114,621	4,249,971	4,097,300	3,983,061	3,830,999	3,709,917
-	-	-	-	906,494	921,067
3,262,701	2,369,327	2,370,310	3,192,588	879,835	881,071
12,457,076	10,421,670	12,076,600	9,873,168	10,149,716	9,588,074
481,664	531,296	573,280	1,265,369	-	-
1,475,997	1,748,302	1,765,923	1,608,974	1,646,955	1,628,645
17,289,053	-	-	-	-	-
39,668,136	12,184,995	3,575,571	4,776,639	3,372,846	2,559,058
(90,009,943)	(50,530,271)	(38,030,704)	(65,470,632)	(64,464,296)	(101,642,381)
<u>\$ 766,079,558</u>	<u>\$ 697,848,340</u>	<u>\$ 659,549,477</u>	<u>\$ 601,802,296</u>	<u>\$ 594,068,287</u>	<u>\$ 569,555,464</u>
\$ 342,096,930	\$ 338,541,335	\$ 308,497,550	\$ 316,765,007	\$ 277,688,763	\$ 282,428,015
-	-	-	-	2,287,721	-
1,707,735	2,912,354	2,896,344	3,135,420	4,339,945	4,491,284
9,254,367	7,146,596	7,146,596	4,454,546	4,454,546	5,018,646
23,115,386	22,678,750	19,603,224	10,715,246	46,281,655	27,750,785
<u>\$ 376,174,418</u>	<u>\$ 371,279,035</u>	<u>\$ 338,143,714</u>	<u>\$ 335,070,219</u>	<u>\$ 335,052,630</u>	<u>\$ 319,688,730</u>
\$ 1,106,094,901	\$ 1,042,258,051	\$ 976,694,118	\$ 956,189,612	\$ 890,548,180	\$ 931,157,356
3,262,701	2,369,327	2,370,310	3,192,588	3,167,556	881,071
1,707,735	2,912,354	2,896,344	3,135,420	4,339,945	4,491,284
22,596,649	20,302,930	12,071,225	7,603,070	29,340,867	8,199,318
4,114,621	4,249,971	4,097,300	3,983,061	3,830,999	3,709,917
-	-	-	-	906,494	921,067
481,664	531,296	573,280	1,265,369	-	-
12,457,076	10,421,670	12,076,600	9,873,168	10,149,716	9,588,074
1,475,997	1,748,302	1,765,923	1,608,974	1,646,955	1,628,645
17,289,053	-	-	-	-	-
39,668,136	12,184,995	3,575,571	4,776,639	3,372,846	2,559,058
(66,894,557)	(27,851,521)	(18,427,480)	(54,755,386)	(18,182,641)	(73,891,596)
<u>\$ 1,142,253,976</u>	<u>\$ 1,069,127,375</u>	<u>\$ 997,693,191</u>	<u>\$ 936,872,515</u>	<u>\$ 929,120,917</u>	<u>\$ 889,244,194</u>

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022	2021
Expenses:					
Governmental activities:					
Public safety	\$ 171,945,065	\$ 163,083,174	\$ 148,300,581	\$ 129,826,976	\$ 147,553,966
Public works	82,248,584	75,998,393	67,964,266	59,167,661	65,268,316
Health and social services	16,206,986	14,242,238	15,372,035	10,589,681	11,094,869
Culture and recreation	44,389,623	42,830,320	41,154,434	37,077,618	33,865,746
Community and economic development	42,910,873	37,743,580	34,508,684	36,945,357	35,885,238
General Government	47,475,723	85,346,402	59,302,327	52,492,330	49,931,107
Interest on long-term debt	22,701,407	20,334,805	12,451,616	11,488,702	11,539,387
Total governmental activities expenses	427,878,261	439,578,912	379,053,943	337,588,325	355,138,629
Business-type activities:					
Parking facilities system	15,547,495	13,414,894	13,522,165	11,467,622	10,716,509
Sewer system	43,861,413	40,738,836	39,360,464	38,873,120	40,043,204
Stormwater utility	29,382,138	25,519,505	23,664,287	21,903,403	22,158,196
Golf	435,281	440,728	667,473	632,321	676,692
Solid waste system	18,006,855	16,527,382	15,889,961	14,833,586	13,770,043
Municipal Housing Agency	27,975,548	27,170,597	24,745,617	22,166,962	23,939,252
Total business-type activities expenses	135,208,730	123,811,942	117,849,967	109,877,014	111,303,896
Total primary government expenses	563,086,991	563,390,854	496,903,910	447,465,339	466,442,525
Program revenue:					
Governmental activities:					
Charges for services:					
Public safety	31,887,148	30,523,280	32,315,674	30,394,845	28,711,991
Public works	3,604,658	3,602,732	5,981,063	3,674,650	4,102,995
Health and social services	385,818	742,822	348,873	398,248	151,050
Culture and recreation	3,799,474	3,914,021	4,836,830	3,098,039	3,274,911
Community and economic development	566,274	4,060,657	215,104	559,565	700,283
General Government	22,817,811	34,221,532	28,166,719	25,174,362	32,637,292
Interest on long-term debt	-	-	-	-	-

Table 2

2020	2019	2018	2017	2016
\$ 146,897,935	\$ 133,479,994	\$ 120,232,843	\$ 108,995,939	\$ 112,162,186
59,581,938	56,342,138	55,883,069	58,724,734	53,423,423
9,902,331	9,578,685	9,643,000	9,528,495	18,613,187
33,393,608	32,790,812	32,646,689	32,102,902	33,828,194
26,461,222	24,412,677	41,587,724	19,132,739	20,226,141
38,695,179	37,847,520	36,726,594	31,039,641	26,732,006
12,341,923	13,174,684	12,136,101	14,649,355	14,897,447
327,274,136	307,626,510	308,856,020	274,173,805	279,882,584
10,682,504	12,753,187	14,784,051	16,531,115	12,625,176
41,163,607	37,884,466	36,629,644	35,361,004	33,593,378
19,541,537	20,312,642	18,069,451	16,333,453	16,851,616
301,658	364,359	344,436	274,661	222,351
13,499,100	14,290,636	14,025,099	12,868,357	12,599,520
24,325,138	23,978,374	22,495,280	21,554,655	21,452,997
109,513,544	109,583,664	106,347,961	102,923,245	97,345,038
436,787,680	417,210,174	415,203,981	377,097,050	377,227,622
27,373,638	23,854,592	19,856,782	22,548,480	22,916,078
2,978,646	4,499,746	4,542,178	7,918,911	11,473,360
275,145	646,862	427,177	535,310	157,414
2,791,514	3,202,191	3,713,972	2,864,389	4,442,482
226,615	1,428,558	1,887,540	158,495	1,478,853
33,628,699	35,160,101	29,163,845	32,919,680	27,627,092
-	-	-	275,633	479,524

(Continued)

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022	2021
Operating grants and contributions:					
Public safety	\$ 4,014,958	\$ 4,128,783	\$ 5,223,983	\$ 3,658,142	\$ 4,507,463
Public works	38,166,686	37,379,831	25,973,301	28,716,983	30,061,407
Health and social services	14,837,074	11,712,865	11,487,456	10,435,602	10,205,863
Culture and recreation	464,222	1,486,548	1,639,351	656,730	978,651
Community and economic development	1,599,255	1,934,980	25,753	5,152,013	6,892,924
General Government	8,589,544	6,230,713	5,228,805	7,293,519	8,800,040
Interest on long-term debt	-	-	-	-	1,479,221
Capital grants and contributions:					
Public safety	-	-	140,616	2,309,560	100,010
Public works	13,119,261	11,093,359	18,591,702	22,478,626	17,797,731
Health and social services	-	-	-	-	-
Culture and recreation	3,197,704	1,815,669	1,268,477	912,338	850,736
Community and economic development	-	-	-	-	-
General Government	13,286,460	35,034,002	54,094,072	7,240,943	500,000
Total governmental activities program revenue	160,336,347	187,881,794	195,537,779	152,154,165	151,752,568
Business-type activities:					
Charges for services:					
Parking facilities system	11,454,766	11,225,388	11,108,528	9,910,115	8,045,592
Sewer system	53,140,695	50,213,472	47,921,654	46,672,995	50,553,992
Stormwater utility	37,199,837	34,574,108	32,656,569	31,945,724	30,345,944
Golf	710,901	768,022	677,239	708,287	527,792
Solid waste system	17,353,364	17,413,777	15,863,169	16,159,158	15,346,330
Municipal Housing Agency	1,906,659	1,768,265	1,665,701	1,578,076	1,857,737
Operating grants and contributions:					
Municipal Housing Agency	25,101,845	26,133,289	20,969,757	19,227,454	21,173,380

Table 2 (Continued)

	2020	2019	2018	2017	2016
\$	3,309,766	\$ 4,524,279	\$ 5,022,809	\$ 5,346,957	\$ 5,074,250
	28,288,240	27,904,610	27,027,302	26,300,446	23,767,246
	7,999,801	9,056,185	6,526,872	8,180,904	17,506,167
	744,791	685,195	762,771	581,423	1,167,128
	31,015	45,505	69,846	20,993	62,121
	3,160,317	2,338,555	3,267,989	4,260,121	2,207,958
	3,053,724	5,346,333	4,358,560	4,392,752	5,444,846
	203,178	310,457	563,311	1,577,281	837,498
	21,590,076	16,645,845	11,725,740	14,256,747	17,045,179
	-	-	-	-	-
	4,515,930	744,153	770,082	1,635,555	2,269,613
	962,639	-	-	17,723	-
	1,815	2,000,000	-	246,980	20,851
	141,135,549	138,393,167	119,686,776	134,038,780	143,977,660
	10,892,706	12,987,938	11,048,191	10,626,608	10,632,984
	45,059,794	45,790,283	43,851,403	42,171,051	40,227,829
	28,044,245	26,313,896	24,258,001	24,938,001	22,141,238
	478,702	267,337	465,081	505,667	649,733
	15,034,953	14,537,461	12,671,821	12,881,284	12,383,400
	1,421,899	1,510,156	1,440,612	1,523,489	1,441,062
	22,062,606	20,080,393	19,009,341	17,602,214	17,821,648

(Continued)

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022	2021
Capital grants and contributions:					
Parking facilities system	\$ -	\$ -	\$ 30,000	\$ 60,000	\$ -
Sewer system	856,987	1,357,455	489,103	79,542	561,429
Stormwater utility	1,496,728	1,903,270	403,715	3,147,412	1,261,092
Golf	8,400	6,200	700	2,100	3,900
Municipal Housing Agency	648,751	307,753	1,365,456	292,957	1,544,595
Total business-type activities program revenues	149,878,933	145,670,999	133,151,591	129,783,820	131,221,783
Total primary government program revenues	310,215,280	333,552,793	328,689,370	281,937,985	282,974,351
Net (expense) revenue:					
Governmental activities	(267,541,914)	(251,697,118)	(183,516,164)	(185,434,160)	(203,386,061)
Business-type activities	14,670,203	21,859,057	15,301,624	19,906,806	19,917,887
Total primary government net expense	(252,871,711)	(229,838,061)	(168,214,540)	(165,527,354)	(183,468,174)

Table 2 (Continued)

2020	2019	2018	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -
1,636,942	1,001,829	934,186	846,485	340,943
3,419,677	806,872	3,177,112	4,275,195	6,003,844
3,000	3,895	3,500	1,500	3,000
926,979	769,078	907,772	1,107,391	615,879
128,981,503	124,069,138	117,767,020	116,478,885	112,261,560
270,117,052	262,462,305	237,453,796	250,517,665	256,239,220
(186,138,587)	(169,233,343)	(189,169,244)	(140,135,025)	(135,904,924)
19,467,959	14,485,474	11,419,059	13,555,640	14,916,522
(166,670,628)	(154,747,869)	(177,750,185)	(126,579,385)	(120,988,402)

(Continued)

CITY OF DES MOINES, IOWA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 178,286,510	\$ 163,850,024	\$ 165,255,816	\$ 154,713,417
Property taxes, levied for debt service	30,227,523	28,328,596	29,119,931	28,113,917
Local Option Sales taxes	59,844,625	53,595,072	60,285,067	55,240,296
Hotel/Motel taxes	10,303,660	10,065,246	8,720,139	7,610,216
Franchise taxes	13,249,853	13,240,759	15,187,574	15,626,934
Investment earnings	19,492,809	19,332,885	15,842,174	3,331,694
Miscellaneous	3,535,598	858,002	381,860	167,681
Gain on sale of capital asset	-	3,615,308	223,939	118,638
Transfers--internal activities	(3,465,534)	(7,320,080)	(3,337,268)	(3,618,397)
Total governmental activities	311,475,044	285,565,812	291,679,232	261,304,396
Business-type activities:				
Investment earnings	9,175,373	8,769,254	5,499,525	315,328
Miscellaneous	-	-	16,467	-
Gain (Loss) on sale of capital asset	94,628	81,123	18,779	81,764
Transfers--internal activities	3,465,534	7,320,080	3,337,268	3,618,397
Total business-type activities	12,735,535	16,170,457	8,872,039	4,015,489
Total primary government	324,210,579	301,736,269	300,551,271	265,319,885
Changes in net position:				
Governmental activities	43,933,130	18,023,898	39,982,114	77,788,232
Business-type activities	27,405,738	30,840,660	30,731,096	19,317,113
Total primary government	\$ 71,338,868	\$ 48,864,558	\$ 70,713,210	\$ 97,105,345

Table 2 (Continued)

2021	2020	2019	2018	2017	2016
\$ 156,903,801	\$ 142,199,633	\$ 139,322,876	\$ 122,593,271	\$ 117,100,978	\$ 113,624,373
27,831,493	25,443,098	29,741,049	30,036,110	30,149,073	28,329,549
51,442,395	41,340,012	-	-	-	-
4,041,075	6,199,754	7,226,054	6,338,200	5,944,042	6,059,311
14,398,834	18,089,946	19,955,046	20,092,159	19,118,675	17,972,341
210,503	3,037,955	4,059,878	2,663,865	2,946,635	2,800,540
144,167	-	123,499	3,311,313	309,930	2,153,413
30,480	(215,232)	2,760	402,555	424,411	345,694
15,214,133	(11,657,716)	26,549,362	11,465,780	(425,952)	(2,418,000)
270,216,881	224,437,450	226,980,524	196,903,253	175,567,792	168,867,221
175,595	1,725,493	3,209,452	2,002,885	1,266,342	779,503
-	161,526	20,512	4,062	2,440	64,311
16,034	122,627	11,907,312	160,930	113,526	630,279
(15,214,133)	11,657,716	(26,549,362)	(11,465,780)	425,952	2,418,000
(15,022,504)	13,667,362	(11,412,086)	(9,297,903)	1,808,260	3,892,093
255,194,377	238,104,812	215,568,438	187,605,350	177,376,052	172,759,314
84,782,721	21,051,389	40,841,937	27,669,910	(13,601,452)	28,732,196
4,884,302	33,585,249	8,055,873	5,187,571	13,227,319	17,447,733
\$ 89,667,023	\$ 54,636,638	\$ 48,897,810	\$ 32,857,481	\$ (374,133)	\$ 46,179,929

CITY OF DES MOINES, IOWA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022	2021
Governmental activities:					
Charges for services:					
Public safety	\$ 31,887,148	\$ 30,523,280	\$ 32,315,674	\$ 30,394,845	\$ 28,711,991
Public works	3,604,658	3,602,732	5,981,063	3,674,650	4,102,995
Health and social services	385,818	742,822	348,873	398,248	151,050
Culture and recreation	3,799,474	3,914,021	4,836,830	3,098,039	3,274,911
Community and economic development	566,274	4,060,657	215,104	559,565	700,283
General Government	22,817,811	34,221,532	28,166,719	25,174,362	32,637,292
Interest on long-term debt	-	-	-	-	-
Operating grants and contributions:					
Public safety	4,014,958	4,128,783	5,223,983	3,658,142	4,507,463
Public works	38,166,686	37,379,831	25,973,301	28,716,983	30,061,407
Health and social services	14,837,074	11,712,865	11,487,456	10,435,602	10,205,863
Culture and recreation	464,222	1,486,548	1,639,351	656,730	978,651
Community and economic development	1,599,255	1,934,980	25,753	5,152,013	6,892,924
General Government	8,589,544	6,230,713	5,228,805	7,293,519	8,800,040
Interest on long-term debt	-	-	-	-	1,479,221
Capital grants and contributions					
Public safety	-	-	140,616	2,309,560	100,010
Public works	13,119,261	11,093,359	18,591,702	22,478,626	17,797,731
Health and social services	-	-	-	-	-
Culture and recreation	3,197,704	1,815,669	1,268,477	912,338	850,736
Community and economic development	-	-	-	-	-
General Government	13,286,460	35,034,002	54,094,072	7,240,943	500,000
Total governmental activities program revenue	160,336,347	187,881,794	195,537,779	152,154,165	151,752,568
Business-type activities:					
Charges for services:					
Parking facilities system	11,454,766	11,225,388	11,108,528	9,910,115	8,045,592
Sewer system	53,140,695	50,213,472	47,921,654	46,672,995	50,553,992
Stormwater utility	37,199,837	34,574,108	32,656,569	31,945,724	30,345,944
Golf	710,901	768,022	677,239	708,287	527,792
Solid waste system	17,353,364	17,413,777	15,863,169	16,159,158	15,346,330
Municipal Housing Agency	1,906,659	1,768,265	1,665,701	1,578,076	1,857,737

Table 3

	2020	2019	2018	2017	2016
\$	27,373,638	\$ 23,854,592	\$ 19,856,782	\$ 22,548,480	\$ 22,916,078
	2,978,646	4,499,746	4,542,178	7,918,911	11,473,360
	275,145	646,862	427,177	535,310	157,414
	2,791,514	3,202,191	3,713,972	2,864,389	4,442,482
	226,615	1,428,558	1,887,540	158,495	1,478,853
	33,628,699	35,160,101	29,163,845	32,919,680	27,627,092
	-	-	-	275,633	479,524
	3,309,766	4,524,279	5,022,809	5,346,957	5,074,250
	28,288,240	27,904,610	27,027,302	26,300,446	23,767,246
	7,999,801	9,056,185	6,526,872	8,180,904	17,506,167
	744,791	685,195	762,771	581,423	1,167,128
	31,015	45,505	69,846	20,993	62,121
	3,160,317	2,338,555	3,267,989	4,260,121	2,207,958
	3,053,724	5,346,333	4,358,560	4,392,752	5,444,846
	203,178	310,457	563,311	1,577,281	837,498
	21,590,076	16,645,845	11,725,740	14,256,747	17,045,179
	-	-	-	-	-
	4,515,930	744,153	770,082	1,635,555	2,269,613
	962,639	-	-	17,723	-
	1,815	2,000,000	-	246,980	20,851
	141,135,549	138,393,167	119,686,776	134,038,780	143,977,660
	10,892,706	12,987,938	11,048,191	10,626,608	10,632,984
	45,059,794	45,790,283	43,851,403	42,171,051	40,227,829
	28,044,245	26,313,896	24,258,001	24,938,001	22,141,238
	478,702	267,337	465,081	505,667	649,733
	15,034,953	14,537,461	12,671,821	12,881,284	12,383,400
	1,421,899	1,510,156	1,440,612	1,523,489	1,441,062

(Continued)

CITY OF DES MOINES, IOWA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022	2021
Operating grants and contributions:					
Parking facilities system	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Housing Agency	25,101,845	26,133,289	20,969,757	19,227,454	22,062,606
Capital grants and contributions:					
Parking facilities system	-	-	30,000	60,000	-
Sewer system	856,987	1,357,455	489,103	79,542	1,636,942
Stormwater utility	1,496,728	1,903,270	403,715	3,147,412	3,419,677
Golf	8,400	6,200	700	2,100	3,000
Municipal Housing Agency	648,751	307,753	1,365,456	292,957	926,979
Total business-type activities program revenues	149,878,933	145,670,999	133,151,591	129,783,820	134,726,591
Total primary government program revenues	\$ 310,215,280	\$ 333,552,793	\$ 328,689,370	\$ 281,937,985	\$ 286,479,159

Table 3 (Continued)

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -
20,080,393	19,009,341	17,602,214	17,821,648	17,267,565
-	-	-	-	-
1,001,829	934,186	846,485	340,943	378,068
806,872	3,177,112	4,275,195	6,003,844	191,525
3,895	3,500	1,500	3,000	4,000
769,078	907,772	1,107,391	615,879	804,361
<u>123,594,366</u>	<u>125,438,982</u>	<u>117,567,894</u>	<u>117,431,414</u>	<u>106,121,765</u>
<u>\$ 264,729,915</u>	<u>\$ 263,832,149</u>	<u>\$ 237,254,670</u>	<u>\$ 251,470,194</u>	<u>\$ 250,099,425</u>

CITY OF DES MOINES, IOWA
FUND BALANCES (DEFICITS), GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022
General Fund:				
Nonspendable	\$ 4,820,351	\$ 3,177,451	\$ 3,913,258	\$ 3,795,744
Restricted	505,873	1,248,957	1,248,957	1,430,349
Committed	1,000,000	1,000,000	1,000,000	1,000,000
Unassigned	82,942,248	87,185,061	97,348,472	55,592,142
Total General Fund	\$ 89,268,472	\$ 92,611,469	\$ 103,510,687	\$ 61,818,235
All Other Governmental Funds:				
Nonspendable	\$ 4,906,574	\$ 4,558,782	\$ 4,026,848	\$ 4,441,537
Restricted	161,905,045	110,510,556	93,751,585	83,303,535
Committed	99,048,520	179,084,750	151,928,222	129,583,029
Unassigned	(1,969,089)	(2,659,528)	(722,024)	(4,784,967)
Total all other government funds	\$ 263,891,050	\$ 291,494,560	\$ 248,984,631	\$ 212,543,134

Table 4

2021	2020	2019	2018	2017	2016
\$ 4,541,429	\$ 5,655,589	\$ 5,400,481	\$ 5,795,608	\$ 6,440,820	\$ 7,070,710
1,432,995	-	175,380	143,875	143,875	143,875
1,000,000	1,000,000	1,000,000	1,000,000	1,400,000	1,250,000
53,371,093	38,735,708	44,374,483	32,604,828	27,775,452	28,308,731
<u>\$ 60,345,517</u>	<u>\$ 45,391,297</u>	<u>\$ 50,950,344</u>	<u>\$ 39,544,311</u>	<u>\$ 35,760,147</u>	<u>\$ 36,773,316</u>
\$ 4,474,133	\$ 4,972,291	\$ 4,566,594	\$ 4,738,470	\$ 4,623,609	\$ 4,236,516
73,582,816	61,179,480	41,857,638	26,700,446	46,086,174	22,226,428
91,217,562	56,476,166	44,641,966	45,000,829	44,957,761	33,591,823
(1,820,553)	(2,302,296)	(1,309,108)	(632,429)	(606,761)	(5,633,375)
<u>\$ 167,453,958</u>	<u>\$ 120,325,641</u>	<u>\$ 89,757,090</u>	<u>\$ 75,807,316</u>	<u>\$ 95,060,783</u>	<u>\$ 54,421,392</u>

CITY OF DES MOINES, IOWA
CHANGES IN FUND BALANCES, (DEFICITS) GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	2025	2024	2023	2022	2021
Revenues:					
Taxes	\$ 278,662,318	\$ 255,838,938	\$ 263,380,953	\$ 262,924,526	\$ 222,972,083
Franchise fees	13,249,853	13,240,759	15,187,574	15,626,934	14,398,834
Licenses and permits	5,783,776	4,787,755	4,120,839	4,279,081	4,002,772
Fines and Forfeitures	6,373,098	5,679,194	6,934,424	6,946,186	6,868,173
Charges for sales and services	22,867,448	22,816,348	24,764,100	23,283,219	21,177,338
Use of money and property	25,242,353	21,909,717	18,340,574	3,681,100	2,410,860
Miscellaneous	23,812,002	22,805,790	22,351,298	19,991,403	22,354,985
Intergovernmental	78,718,204	102,909,452	122,538,389	80,152,384	97,724,525
Total revenue	454,709,052	449,987,953	477,618,151	416,884,833	391,909,570
Expenditures:					
Public safety	154,383,872	147,044,840	140,007,946	131,757,527	122,151,073
Public works	45,357,769	41,477,256	37,742,388	30,065,717	31,645,681
Health and social services	15,818,229	14,015,165	15,429,348	10,678,613	10,708,268
Culture and recreation	31,169,727	30,577,904	30,251,504	26,619,971	22,001,347
Community and economic development	39,645,117	34,992,258	31,979,664	35,520,620	35,459,524
General Government	55,878,603	52,832,151	47,672,158	44,059,600	36,105,533
Capital outlay	143,816,392	128,929,339	101,716,526	98,666,091	132,646,680
Debt service:					
Principal retirement	58,549,019	50,406,210	49,270,550	75,634,618	106,888,766
Lease principal payments	29,926	32,177	42,836	80,545	-
Subscription-based principal payments	119,245	113,274	460,728	-	-
Interest and fiscal charges	22,355,158	20,101,081	18,837,888	18,943,239	17,772,597
Total expenditures	567,123,057	520,521,655	473,411,536	472,026,541	515,379,469
Excess (deficiency) of revenue over expenditures	(112,414,005)	(70,533,702)	4,206,615	(55,141,708)	(123,469,899)
Other financing sources (uses):					
Transfers in	255,059,054	278,965,440	267,912,340	250,699,204	258,318,979
Transfers out	(258,524,588)	(286,385,520)	(271,249,607)	(254,317,601)	(243,216,401)
Premium on bond issue	3,824,372	3,254,207	6,485,430	8,811,754	14,067,917
General obligation bonds issued	64,080,000	69,665,000	69,725,000	94,175,000	154,785,000
Other debt issued	17,000,000	33,000,000	937,891	2,222,825	111,555
Proceeds from damage claims	6,300	1,000	2,457	81,045	30,477
Proceeds from capital asset sale	22,360	3,914,286	113,823	31,375	54,513
Total other financing sources (uses)	81,467,498	102,414,413	73,927,334	101,703,602	184,152,040
Net changes in fund balance	\$ (30,946,507)	\$ 31,880,711	\$ 78,133,949	\$ 46,561,894	\$ 60,682,141
Debt service as a percentage of noncapital expenditures	19.1%	18.0%	18.5%	25.4%	32.6%

Table 5

	2020	2019	2018	2017	2016
\$	215,182,497	\$ 176,289,979	\$ 158,967,581	\$ 153,194,093	\$ 148,013,233
	18,089,946	19,955,046	20,092,159	19,118,675	17,972,341
	4,427,534	4,804,484	4,740,483	5,258,556	6,055,968
	6,494,366	7,212,504	3,889,340	6,831,709	6,520,277
	18,210,351	16,201,286	14,971,112	18,440,168	19,125,930
	5,055,134	5,997,366	4,702,896	2,946,635	2,800,540
	23,087,044	21,875,867	21,843,232	26,549,885	25,847,782
	62,893,445	66,248,789	57,744,429	69,681,949	65,782,573
	<u>353,440,317</u>	<u>318,585,321</u>	<u>286,951,232</u>	<u>302,021,670</u>	<u>292,118,644</u>
	119,537,011	118,212,221	110,575,960	109,138,129	105,026,519
	32,468,112	27,692,137	28,729,788	33,833,455	30,094,569
	9,377,836	9,198,093	9,272,889	9,077,016	18,337,890
	21,380,898	21,528,737	20,245,050	20,396,748	22,955,145
	26,065,349	24,125,445	42,089,399	18,819,812	19,969,567
	33,663,506	30,445,685	31,011,748	25,178,926	21,995,185
	82,843,393	80,919,632	59,942,356	51,571,361	45,625,899
	91,707,908	46,954,838	109,305,337	53,841,896	70,494,428
	-	-	-	-	-
	-	-	-	-	-
	18,624,053	18,140,014	17,592,139	18,036,562	18,369,838
	<u>435,668,066</u>	<u>377,216,802</u>	<u>428,764,666</u>	<u>339,893,905</u>	<u>352,869,040</u>
	<u>(82,227,749)</u>	<u>(58,631,481)</u>	<u>(141,813,434)</u>	<u>(37,872,235)</u>	<u>(60,750,396)</u>
	166,531,129	147,886,324	136,250,660	104,017,243	83,413,129
	(178,188,845)	(121,336,962)	(124,784,880)	(104,443,195)	(85,831,129)
	12,589,360	1,991,865	7,589,148	4,163,796	4,595,136
	106,060,000	45,640,000	97,805,000	72,370,000	61,770,000
	-	8,326,000	4,000,000	-	-
	4,339	28,585	314,236	307,221	337,876
	241,270	1,451,476	5,169,966	1,083,392	3,208,250
	<u>107,237,253</u>	<u>83,987,288</u>	<u>126,344,130</u>	<u>77,498,457</u>	<u>67,493,262</u>
\$	<u>25,009,504</u>	<u>\$ 25,355,807</u>	<u>\$ (15,469,304)</u>	<u>\$ 39,626,222</u>	<u>\$ 6,742,866</u>
	31.3%	22.0%	34.4%	24.9%	28.9%



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
2024-25	\$ 204,236,611	\$ 59,844,625	\$ 10,303,660	\$ 3,683,872	\$ 134,619	\$ 458,929	\$ 278,662,316
2023-24	188,458,278	53,595,072	10,065,246	3,548,025	143,832	28,485	\$ 255,838,938
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
Change							
2015-2024	48.029%	N/A	70.047%	-3.836%	18.352%	1072.682%	88.269%

Source: Amounts in the ACFR document, "ACFR 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
2024	\$ 13,653,040,306	\$ 3,273,113,688	\$ -	\$ 357,899,932	\$ 11,080,500
2023	13,605,921,185	3,263,552,259	-	296,818,412	11,154,210
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

Source:

State of Iowa Department of Management

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
\$ 27,941,348	\$ 701,584,424	\$ 18,024,660,198	\$ 16.61000	0.89%	\$ 10,601,119,199	59%
27,773,809	660,504,879	17,865,724,754	16.61000	11.10%	10,507,405,076	59%
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%

**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
2024-2025	7.94118	0.00000	0.39000	0.00000	5.41882	2.86	16.61000	6.77099	2.39364	0.03175	0.25772
2023-2024	8.10000	0.00000	0.28999	0.00000	5.30943	2.91058	16.61000	6.77099	2.39364	0.03175	0.25772
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	0.0369	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

Source: Polk County Auditor and Polk County Treasurer

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
0.00180	0.75916	0.95000	14.67446	17.91253	15.44253	13.07621	13.88867	12.21816
0.00180	0.75916	0.95000	14.67446	17.91253	15.44253	13.07621	13.88867	12.21816
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	12.89	18.35111	13.27
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



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
2025	2023	\$ 210,943,386	\$ 210,129,788	99.61%	\$ 250,441	\$ 210,380,229	99.73%
2024	2022	\$ 191,938,222	\$ 194,398,324	101.28%	(1,256,067)	\$ 193,142,257	100.63%
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%

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	2024*			2014		
	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.	\$210,312,393	1	2.28%	\$196,144,820	2	1.10%
Mid-American Energy	190,714,677	2	2.07%	576,183,073	1	3.10%
Wellmark, Inc.	95,695,295	3	1.04%	105,680,800	7	0.70%
Wells Fargo Financial, Inc	94,901,504	4	1.03%	109,957,675	6	0.60%
Eighth & Grand Owner, LLC	78,766,297	5	0.86%			
Employers Mutual Casualty Co	77,268,387	6	0.84%			
Nationwide Mutual Life	74,122,295	7	0.81%	171,472,280	4	0.90%
Linden Street Investments LLC	73,646,148	8	0.80%			
Kemin Holdings LC	35,244,762	9	0.38%			
Polk County	35,159,161	10	0.38%			
Prairie Meadows				116,703,000	5	0.60%
Mercy Hospital				64,269,910	10	0.40%
R & R Investors				183,012,885	3	0.80%
Pioneer Hi-Bred				75,768,378	8	0.40%
Valley West Mall				67,650,000	9	0.40%
Total	\$965,830,919		10.49%	\$1,666,842,821		9.00%

Source: Polk County Auditor

*Taxable valuation of 1/1/2023 for fiscal year 2024

CITY OF DES MOINES, IOWA
RATIOS OF DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities								
Fiscal Year	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
2025	\$ 572,172,723	\$ 31,229,326	\$ 540,943,397	\$ 3,340,000	\$ 48,631,774	\$ 1,730,597	\$ 244,643	\$ -
2024	565,156,191	30,738,710	534,417,481	4,293,000	33,899,873	1,763,326	363,889	-
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

(1) Per capita numbers since 2021 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
\$ 58,781,447	\$ 15,830,558	\$ 123,300,005	\$ 23,230,065	\$ 847,017,169	13.24%	3,781	\$ 556,773,955	\$ 2,486	3.09%
61,896,000	17,160,175	130,517,904	24,442,588	839,129,057	13.72%	3,919	551,577,656	2,576	3.43%
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%



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	\$ 699,396,600	100.00 %	\$ 699,396,600
Polk County	474,828,188	0.31	1,485,155
School Districts:			
Carlisle	18,799,835	21.76	4,090,844
Johnston	29,005,247	5.85	1,696,807
Saydel	28,969,515	2.23	646,020
Southeast Polk	100,689,610	6.49	6,534,756
Urbandale Sanitary Sewer District	4,965,796	0.13	6,456
Area XI Community College	100,512,323	16.00	16,081,972
Total overlapping	757,770,514		30,542,009
Total direct and overlapping	\$ 1,457,167,114		\$ 729,938,609

*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 2025

Assessed value	\$ 19,288,961,321
Debt limit (5% of assessed value)	<u>964,448,066</u>
Debt applicable to limit:	
General obligation bonds	557,140,000
Other Legal Indebtedness (TIF Rebates and Leases)	<u>51,971,774</u>
Total net debt applicable to limit	<u>609,111,774</u>
Legal debt margin	<u>\$ 355,336,292</u>

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Debt limit	\$ 964,448,066	\$ 964,798,967	\$ 803,564,354	\$ 792,697,654
Total net debt applicable to limit	<u>609,111,774</u>	<u>620,327,753</u>	<u>671,064,474</u>	<u>596,497,550</u>
Legal debt margin	<u>\$ 355,336,292</u>	<u>\$ 344,471,214</u>	<u>\$ 132,499,880</u>	<u>\$ 196,200,104</u>
Total net debt applicable to the limit as a percentage of debt limit	63.16%	64.30%	70.92%	71.75%

Table 13

2021	2020	2019	2018	2017	2016
\$ 725,257,392	\$ 716,441,672	\$ 633,944,619	\$ 577,394,243	\$ 569,816,717	\$ 542,887,856
514,321,570	514,081,949	415,647,116	406,792,071	425,109,841	403,990,465
<u>\$ 210,935,822</u>	<u>\$ 202,359,723</u>	<u>\$ 218,297,503</u>	<u>\$ 170,602,172</u>	<u>\$ 144,706,876</u>	<u>\$ 138,897,391</u>
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	
2025	\$ 53,140,695	\$ 36,998,781	\$ 16,141,914	\$ 2,110,272	\$ 732,966	5.68
2024	50,213,472	34,356,505	15,856,967	2,089,051	655,979	5.78
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

Table 14

Stormwater Bonds						
Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
			Principal	Interest		
\$ 37,199,837	\$ 19,123,392	\$ 18,076,445	\$ 6,440,000	\$ 4,449,746	1.66	
34,574,108	15,864,159	18,709,949	7,114,051	4,888,989	1.56	
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	



CITY OF **DES MOINES**

**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)
2025	214,133	\$67,297	\$36,822	34.5	30,836	3.8%
2024	214,133	60,882	37,526	34.4	30,801	3.0%
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%

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	2025*		Percentage of Total City Employment	2016***	
	Number of Employees*	Rank		Number of Employees	Rank
HyVee Food Stores	11,868	1	2.9%	6,400	4
Wells Fargo	11,000	2	2.7%	14,500	1
MercyOne	5,641	3	1.4%	7,055	3
Principal Financial Group	5,575	4	1.4%	6,182	5
Unity Point Health Partners	5,512	5	1.4%	7,797	2
Des Moines Public Schools	5,200	6	1.3%	5,003	6
Amazon	4,100	7	1.0%		
John Deere Companies	3,374	8	0.8%	1,900	10
Care Initiatives	3,300	9	0.8%		
Nationwide/Allied Insurance	3,300	10	0.8%	4,442	7
Dupont Pioneer				2,495	8
Kum and Go				2,043	9
Total employment**	406,400				

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	2025	2024	2023	2022
GOVERNMENTAL FUND TYPES				
Public safety				
Police Department	449.0	447.0	447.0	444.0
Fire Department	313.0	312.0	312.0	313.0
Development and Neighborhood Services	68.9	69.9	69.9	65.9
Total public safety	830.9	828.9	828.9	822.9
Public works				
Engineering	103.0	103.0	102.0	101.0
Public Works Department	86.1	86.1	86.1	86.1
Total public works	189.1	189.1	188.1	187.1
Health and social services				
Neighborhood Services Grants	25.9	25.9	25.9	25.9
Human Rights	6.0	6.0	6.0	6.0
Total health and social services	31.9	31.9	31.9	31.9
Culture and recreation				
Parks Department	62.0	61.0	60.0	57.0
Public Libraries	71.0	71.0	70.0	65.0
Total culture and recreation	133.0	132.0	130.0	122.0
Community and economic development				
Development Services	30.0	29.0	29.0	28.0
Total Community and economic development	30.0	29.0	29.0	28.0
General government				
City Clerk	7.0	7.0	7.0	7.0
City Manager	53.1	54.1	49.1	45.1
Finance Department	25.0	25.0	24.0	24.0
Human Resources	14.0	14.0	13.0	13.0
Information Technology	47.0	47.0	47.0	35.0
Legal	21.3	21.3	21.3	21.3
Mayor and Council	7.0	7.0	7.0	7.0
Parks Department	8.0	8.0	9.0	9.0
Total general government	182.4	183.4	177.4	161.4
Total governmental fund types	1397.3	1394.3	1385.3	1353.3
PROPRIETARY FUNDS				
Airport	17.0	17.0	17.0	17.0
Parking facilities system	14.0	14.0	14.0	14.0
Sewer system	46.1	46.1	55.5	55.5
Stormwater utility	75.5	75.5	64.1	64.1
Solid waste system	49.8	49.8	49.8	49.8
Municipal Housing Agency	34.0	34.0	35.0	35.0
Internal service funds	61.0	61.0	60.0	63.0
Total proprietary funds	297.4	297.4	295.4	298.4
Total City employment	1694.7	1691.7	1680.7	1651.7

Source: City records.

Table 17

2021	2020	2019	2018	2017	2016
446.0	446.0	444.0	448.0	448.0	448.0
306.0	303.0	296.0	295.0	295.0	283.0
62.9	57.9	54.0	54.9	50.1	44.7
814.9	806.9	794.0	797.9	793.1	775.7
100.0	97.0	95.0	90.0	86.8	84.8
86.1	86.1	86.1	88.0	87.0	86.0
186.1	183.1	181.1	178.0	173.8	170.8
22.9	25.9	26.7	25.9	27.7	27.1
6.0	5.0	5.0	5.0	5.0	4.0
28.9	30.9	31.7	30.9	32.7	31.1
52.0	51.0	50.0	49.0	50.0	70.0
65.0	64.0	59.0	56.0	56.0	56.0
117.0	115.0	109.0	105.0	106.0	126.0
24.0	7.0	7.0	7.0	7.0	7.0
24.0	7.0	7.0	7.0	7.0	7.0
7.0	7.0	7.0	7.0	7.0	7.0
41.1	39.1	35.0	36.0	33.0	12.0
21.0	22.0	22.0	22.0	22.0	21.0
11.0	11.0	11.0	11.0	11.0	10.0
35.0	34.0	33.0	31.0	31.0	28.0
21.3	21.3	20.3	20.3	18.3	18.3
7.0	7.0	7.0	7.0	7.0	7.0
9.0	9.0	9.0	9.0	9.0	9.0
152.4	150.4	144.3	143.3	138.3	112.3
1323.3	1293.3	1267.1	1262.1	1250.9	1222.9
17.0	17.0	17.0	17.0	17.0	19.0
14.0	14.0	14.0	14.0	14.3	14.3
55.5	54.3	54.6	54.3	53.4	53.1
64.1	65.3	64.7	63.7	63.6	63.9
49.8	49.8	49.6	49.0	50.0	50.0
35.0	34.0	34.0	34.0	35.0	37.0
63.0	63.0	61.0	60.0	60.0	60.0
298.4	297.4	294.9	292.0	293.3	297.3
1621.7	1590.7	1562.0	1554.1	1544.2	1520.2

CITY OF DES MOINES, IOWA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(Unaudited)

	2025	2024	2023
Public safety:			
Police Department--calls for service	206,900	203,296	201,323
Criminal Investigation Division--person offenses reported	4,593	9,876	11,992
Criminal Investigation Division--property offenses reported	12,212	16,939	11,272
Fire Department--total incidents	33,583	34,120	33,093
Fire suppression--total fires	257	847	851
Emergency medical services--medic calls	20,609	21,249	20,880
Emergency medical services--transports	15,619	17,175	17,647
Permit and Development Center--number of permits issued	16,383	17,143	16,791
Permit and Development Center--number of inspections	23,875	39,211	36,254
Permit and Development Center--number of plan reviews	7,381	14,440	14,361
Public works:			
Engineering Department--cost of awarded contracts	\$180,641,297	\$75,682,408	\$97,467,932
Public Works Department--snow and ice control-lane miles	2,215	2,215	2,215
Health and social services:			
Low-income energy assistance (number of households)	**	**	**
Furnace repair/replacements (number of households)	**	**	**
Energy reconnect project (number of households)	**	**	**
FED (formerly NCS) applications taken	120	243	151
Senior Living Program applications taken (households)	**	**	**
Culture and recreation:			
Library usage--annual visits	931,651	887,821	788,407
Aquatic center/pools attendance	110,883	133,657	121,447
Annuals (plants) distributed to organizations	226,412	215,900	158,200
Community center attendance (calendar year)	69,644	64,631	56,315
Cemeteries--burials	581	499	489
Community and economic development:			
Increment valuations in tax increment financing districts	3,463,392,354	3,107,007,829	2,696,833,078
General government:			
Animal licenses issued (cat and dog)	13,225	12,861	14,170
Legal Department--written legal opinions	1,055	1,544	1,473
Tort litigation--traffic court trials	267	440	342
Enterprise funds:			
Number of sanitary sewer feet cleaned per year	1,255,629	1,502,056	1,820,442
Number of storm sewer feet cleaned per year	35,885	7,413	70,078
Solid waste collected annually (lbs) per year	133,126,000	131,634,000	130,550,000
Rounds of golf	133,582	126,720	120,782

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

2022	2021	2020	2019	2018	2017	2016
203,001	195,768	200,409	446,723	389,044	367,194	363,543
3,458	3,845	1,158	5,127	4,931	8,788	9,314
12,468	10,887	9,207	12,810	13,818	13,776	12,306
31,834	29,325	27,684	26,721	26,130	24,971	23,206
816	836	706	609	726	619	587
20,357	18,604	18,240	18,272	18,437	17,540	16,587
16,997	15,570	15,439	20,204	15,300	14,406	13,452
15,571	15,073	17,703	18,091	17,287	15,567	15,543
35,532	35,253	40,622	50,071	41,813	12,399	41,254
13,360	11,014	12,953	12,928	13,261	35,803	12,770
\$107,370,919	\$123,165,045	\$106,828,709	\$104,067,204	\$68,117,323	\$50,534,697	\$34,798,141
2,207	2,207	2,207	2,207	2,207	2,207	2,207
**	**	**	**	**	**	**
**	**	**	**	**	**	**
**	**	**	**	**	**	**
5	-	95	53	54	42	37
**	**	**	**	**	**	**
599,230	278,963	658,588	881,497	813,042	866,329	2,223,053
89,241	72,142	19,797	96,313	91,331	114,404	113,154
153,350	144,500	179,000	210,000	233,000	258,000	323,300
67,264	25,021	64,294	86,630	73,505	91,951	126,665
597	579	515	507	560	504	613
2,553,399,298	\$2,474,157,134	\$2,126,182,194	\$1,945,522,995	\$1,332,180,629	\$1,367,806,860	\$1,235,548,361
14,227	16,717	17,950	19,286	19,510	20,174	22,355
1,206	1,403	1,394	1,347	1,359	1,335	1,297
557	688	815	631	624	988	1532*
1,535,819	2,916,656	2,981,663	2,986,489	3,202,117	4,002,646	2,931,359
56,200	153,663	339,349	794,691	800,529	515,145	562,710
136,266,000	140,976,000	128,374,000	158,126,431	162,013,940	153,713,820	169,916,000
107,959	110,059	103,271	84,961	84,057	87,185	84,990

**CITY OF DES MOINES, IOWA
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (Unaudited)**

	2025	2024	2023	2022
Function/Program				
Public Safety:				
Police:				
Number of Stations	1	1	1	1
Fire:				
Number of Stations	11	11	11	11
Stations with EMS transport capability	10	10	10	10
Public Works:				
Streets paved lane miles	2,167	2,167	2,167	2,167
Streets unpaved lane miles	79	79	79	79
Sanitary sewer miles	1,017	1,017	1,011	1,005
Storm sewer miles	597	560	583	571
Number of street lights	24,461	24,400	24,500	24,500
Area--number of city square miles	91	91	91	91
Culture and Recreation:				
Parks-number of park areas	77	77	77	76
Total park acres	5,637	5,637	5,585	4,033
Number of boulevards	9	9	9	9
Number of playgrounds	70	65	63	61
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	55	57	57	57
Number of softball diamonds	9	9	8	8
Number of baseball diamonds	9	9	10	8
Number of community centers	2	2	2	2
Miles of bike trails	98	95	89	88
Cemeteries:				
Number of facilities	8	8	7	7
Number of acres	392	392	392	345
Library:				
Number of Facilities	6	6	6	6
Number of Volumes*	422,549	445,406	445,564	453,053

Source: City Records

Note: Some information is not available for some of the years.

Table 19

2021	2020	2019	2018	2017	2016
1	1	1	1	1	1
10	10	10	10	10	10
9	9	9	9	8	8
2,167	2,167	2,143	2,141	2,139	2,139
79	79	74	74	74	74
1,005	1,006	942	942	942	942
571	568	529	529	529	529
25,200	25,200	25,200	24,880	24,750	25,900
91	91	91	91	91	91
76	76	75	75	75	76
4,033	4,033	4,031	4,031	4,031	4,031
9	9	9	9	9	9
61	59	58	58	62	63
3	3	3	3	3	3
12	12	12	12	12	12
5	5	5	5	5	5
57	64	64	64	64	64
8	8	8	8	8	8
8	8	8	8	8	8
2	2	2	2	2	3
86	86	83	81	81	81
7	7	7	7	7	7
345	345	345	345	345	345
6	6	6	6	6	6
450,658	481,218	478,237	478,993	548,848	522,809

CITY OF DES MOINES, IOWA
SCHEDULE OF INSURANCE IN FORCE
June 30, 2025
(Unaudited)

<u>TYPE OF INSURANCE / INSURANCE COMPANY</u>	<u>POLICY PERIOD</u>
<u>PROPERTY INSURANCE</u>	
Alliant Insurance Services, Inc.	7-1-24/25
Housing Authority Property Insurance	1-1-25/26
<u>FLOOD INSURANCE</u>	
Selective Insurance Co. (N.F.I.P.)	7-1-24/25
Selective Insurance Co. (N.F.I.P.)	1-1-25/26
<u>CRIME INSURANCE</u>	
Travelers Casualty & Surety Co. of America	7-1-24/25
<u>SPECIAL EXCESS LIABILITY INSURANCE</u>	
States Self-Insurers Risk Retention Group	7-1-24/25
<u>GENERAL LIABILITY INSURANCE</u>	
Housing Authority Risk Retention Group	7-1-24/25
<u>AUTO LIABILITY INSURANCE</u>	
The Travelers Indemnity Company of America	7-1-24/25
<u>WORKERS COMPENSATION INSURANCE</u>	
American International Group	7-1-24/25
Mutual of Omaha	7-1-24/25
American International Group	7-1-24/25
<u>EXCESS WORKERS COMPENSATION INSURANCE</u>	
Safety National Casualty Corp	7-1-24/25

Table 20

NAMED INSURED / DETAILS OF COVERAGE	POLICY LIMITS	ANNUAL PREMIUM
<u>City of Des Moines</u>		
Buildings & Contents	\$ 750,000,000	\$1,921,810
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	\$ 50,931,624	\$ 92,456
<u>City of Des Moines & Housing Authority</u> (6 buildings in Flood Zone "A")		
2309 Euclid Ave	\$ Various	\$ 18,706
	\$ 421,000	\$ 819
<u>Shared: City, WRA & DMMHA</u>		
Employee Theft	\$ 5,000,000	\$ 18,875
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 SIR	\$ 376,231
<u>Municipal Housing Agency</u>		
General Liability	\$ 2,000,000	\$ 59,204
<u>Shared: City & DMMHA</u>		
Following enterprise fund activities included:	\$ 2,000,000	\$ 162,765
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	\$ 24,716
Excess Occupational Medical	500,000	11,739
Excess Occupational Medical	500,000	9,740
<u>City of Des Moines (including WRA Operations)</u>		
Employers Liability Limit	\$ 1,500,000	\$ 520,050
WRA Operations Liability Limit	500,000	



COMPLIANCE SECTION





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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 15, 2026.

Our report includes reference to other auditors who audited the financial statements of the Des Moines Airport Authority and the Des Moines Public Library Foundation, which are discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the Des Moines Airport Authority auditors. The financial statements of the Des Moines Public Library Foundation were not audited in accordance with *Government Auditing Standards*.

The City's basic financial statements include the Municipal Housing Agency, a major enterprise fund of the City. This report does not include the results of our testing of internal control over financial reporting and on compliance and other matters for the Municipal Housing Agency, a major enterprise fund of the City, as these results are reported on separately by us.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we considered to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany Schedule of Findings and Questioned Costs as item 2025-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instances of noncompliance or other matters which are disclosed in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2025, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part IV of the accompanying schedule of findings and questioned costs. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Sallie LLP".

Fargo, North Dakota
June 15, 2026



**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Des Moines, Iowa's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID-19 Community Development Block Grants/Entitlement Grants (CDBG) Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the CDBG program for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on COVID-19 Community Development Block Grants/Entitlement Grants (CDBG) Program

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing No. 14.218 CDBG as described in finding number 2025-003 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City’s basic financial statements include the operations of the Municipal Housing Agency, a major enterprise fund of the City, which expended \$25,750,596 in federal awards which is not included in the City’s schedule of expenditures of federal awards during the year ended June 30, 2025. Our compliance audit, described in the “Qualified and Unmodified Opinions” does not include the operations of the Municipal Housing Agency because the Municipal Housing Agency engaged us to perform an audit of compliance separately.

The City’s basic financial statements include the operations of the Des Moines Airport Authority, a discretely presented component unit, which expended \$71,462,236 in federal awards which is not included in the City’s schedule of expenditures of federal awards during the year ended June 30, 2025. Our compliance audit, described in the “Qualified and Unmodified Opinions” does not include the operations of the Des Moines Airport Authority because the Des Moines Airport Authority has a separately issued audit of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-004 and 2025-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 15, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Fargo, North Dakota
June 15, 2026

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

FEDERAL GRANTOR AND PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES (7/1/24 - 6/30/25)
U.S. Department of Housing and Urban Development				
Community Development Block Grant Program Entitlement:				
Community Development Block Grant - 2023	14.218			\$ 500,000
Community Development Block Grant - 2024	14.218		2,720,238	4,545,924
Community Development Block Grant - 2025	14.218			1,497,579
Community Development Block Grant - 2020 COVID	14.218		223,997	247,271
CDBG - Entitlement Grants Cluster - 14.218 Total			2,944,235	6,790,774
Fair Housing Assistance Program	14.401		---	56,277
Continuum of Care Program:				
HMIS				
November 1, 2023 - October 31, 2024	14.267		38,336	40,280
HMIS				
November 1, 2024 - October 31, 2025	14.267		68,676	71,682
Primary Health Care Rapid Re-Housing				
October 1, 2023 - September 30, 2024	14.267		105,225	114,131
Primary Health Care Rapid Re-Housing				
October 1, 2024 - September 30, 2025	14.267		263,155	268,203
Anawim Homeless Opportunity Program				
November 1, 2023 - October 31, 2024	14.267		368,534	377,130
Anawim Homeless Opportunity Program				
November 1, 2024 - October 31, 2025	14.267		691,220	706,014
CoC Planning				
December 1, 2024 - November 30, 2025	14.267		42,485	42,485
IHYC-Rapid Re-Housingjg				
November 1, 2023 - October 31, 2024	14.267		18,773	19,999
IHYC-Rapid Re-Housingjg				
November 1, 2024 - October 31, 2025	14.267		83,647	88,719
Primary Health Care - Centralized Intake				
September 1, 2023 - August 31, 2024	14.267		23,631	26,249
Primary Health Care - Centralized Intake				
September 1, 2024 - August 31, 2025	14.267		123,354	127,319
IHYC-Transitional & Rapid Re-Housingjg				
October 1, 2023 - September 30, 2024	14.267		26,312	31,827
IHYC-Transitional & Rapid Re-Housingjg				
October 1, 2024 - September 30, 2025	14.267		227,294	232,513
CFI - Rapid Re-Housing				
September 1, 2023 - August 31, 2024	14.267		12,864	13,445
CFI - Rapid Re-Housing				
September 1, 2024 - August 31, 2025	14.267		84,697	86,790
Anawim Permanent Supportive Housing				
January 1, 2024 - December 31, 2024	14.267		106,658	113,843
Anawim Permanent Supportive Housing				
January 1, 2025 - December 31, 2025	14.267		98,994	102,962
CFI - Rapid Re-Housing/Transitional Housing				
January 1, 2025 - December 31, 2025	14.267		120,294	121,929

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

FEDERAL GRANTOR AND PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES (7/1/24 - 6/30/25)
U.S. Department of Housing and Urban Development (continued)				
Shelter Plus Care - Anawim II - Consolidated April 1, 2024 - April 30, 2025	14.267		1,290,716	1,290,716
		14.267 Total	<u>3,794,865</u>	<u>3,876,236</u>
Youth Homelessness - Children & Families of Iowa October 1, 2023 - September 30, 2024	14.276		42,357	44,248
Youth Homelessness - Children & Families of Iowa October 1, 2024 - September 30, 2025	14.276		85,141	88,200
Youth Homelessness - HMIS October 1, 2023 - September 30, 2024	14.276		12,972	12,972
Youth Homelessness - HMIS October 1, 2024 - September 30, 2025	14.276		37,470	37,470
Youth Homelessness - Primary Health Care October 1, 2023 - September 30, 2024	14.276		6,915	7,310
Youth Homelessness - Primary Health Care October 1, 2024 - September 30, 2025	14.276		57,471	60,057
Youth Homelessness - Iowa Homeless Youth Center RRH October 1, 2023 - September 30, 2024	14.276		33,850	38,070
Youth Homelessness - Iowa Homeless Youth Center RRH October 1, 2024 - September 30, 2025	14.276		195,262	200,546
Youth Homelessness - Iowa Homeless Youth Center Drop-In October 1, 2024 - September 30, 2025	14.276		115,322	119,307
Youth Homelessness - Anawim October 1, 2023 - September 30, 2024	14.276		47,985	48,713
Youth Homelessness - Anawim October 1, 2024 - September 30, 2025	14.276		143,015	145,601
		14.276 Total	<u>777,760</u>	<u>802,494</u>
Emergency Shelter Grant Program - 2022	14.231		114	114
Emergency Shelter Grant Program - 2023	14.231		133,775	133,775
Emergency Shelter Grant Program - 2024	14.231		302,965	317,269
Emergency Shelter Grant Program - 2025	14.231			4,462
Emergency Shelter Grant Program - RUSH	14.231		104,833	123,378
		14.231 Total	<u>541,687</u>	<u>578,998</u>
Home Investment in Affordable Housing - 2024	14.239			178,601
Home Investment in Affordable Housing - 2025	14.239			1,837,684
Home Investment in Affordable Housing - ARP	14.239			725,198
		14.239 Total	<u>---</u>	<u>2,741,483</u>
Total U.S. Department of Housing and Urban Development			\$ 8,058,547	\$ 14,846,262
U.S. Department of Justice				
Public Safety and Community Policing Grants:				
Edward Byrne Memorial Justice Assistance Grant-2022	16.738		\$ ---	\$ 87,022
Edward Byrne Memorial Justice Assistance Grant-2023	16.738		---	18,914
Edward Byrne Memorial Justice Assistance Grant-2024	16.738		---	173,109
(Passed through the Iowa Governor's Office of Drug Control Policy)				
Iowa Byrne Justice Assistance Grant Program	16.738	21-JG-550787	---	13,500
		16.738 Total	<u>---</u>	<u>292,545</u>

(Continued)

CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

FEDERAL GRANTOR AND PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES (7/1/24 - 6/30/25)
U.S. Department of Justice (continued)				
Violence Against Women-2024	16.588		---	6,574
Violence Against Women-2025	16.588		---	1,924
		16.588 Total	---	8,498
Project Safe Neighborhoods-2023	16.609		---	10,565
Project Safe Neighborhoods-2024	16.609		---	62,125
		16.609 Total	---	72,690
Equitable Sharing Agreement	16.922		---	203,491
Public Safety Partnership and Community Policing Grants	16.710		---	80,266
(Passed through the Iowa Governor's Office of Drug Control Policy)				
2023 Law Enforcement Agency De-Escalation Grant	16.710	15JCOPS-23-GG-02542-PPSE	---	69,500
		16.710 Total	---	149,766
Total U.S. Department of Justice			\$ ---	\$ 726,990
U.S. Department of Transportation				
(Passed through the Iowa Department of Public Safety)				
Governor's Traffic Safety Program				
October 1, 2023 - September 30, 2024	20.600	2024 TASK 5-40-25PAP402-AL-2024 TAS	---	62,849
Governor's Traffic Safety Program				
October 1, 2024 - September 30, 2025	20.600	402-PT-2025 05-40-29/402-AL-2025 02-40-29	---	206,715
		Highway Safety Cluster - 20.600 Total	---	269,564
(Passed through the Iowa Department of Transportation)				
Central Place Trail Phase 1	20.205	TAP-T-1945(866)--8V-77	---	612,621
SE Connector from SE 30th to US 65	20.205	STP-U-1945(879)--70-77	---	365,481
SW 9th Street Viaduct Rehab	20.205	BRM-1945(869)--8N-77	---	519,035
Carlisle Multi-Use Trail Connection-STBG Funds	20.205	TAP-T-1945(863)--8V-77	---	50,000
Intelligent Transportation Systems Upgrade Ph 4	20.205	STP-U-1945(872)--70-77	---	339,087
Walnut Street Bridge Replacement	20.205	STP-U-1945(858)--SG-77	---	1,340,129
		20.205 Total	---	3,226,353
Carlisle Multi-Use Trail Connection-RTP Funds	20.219	TAP-T-1945(863)--8V-77	---	20,000
SE Connector from SE 30th to US 65	20.934	HDP-1945(411)--71-77	---	1,360,350
Total U.S. Department of Transportation			\$ ---	\$ 4,876,267
U.S. Department of Homeland Security				
(Passed through the IA Dept of Homeland Security)				
Homeland Security Grant Program	97.067	EMW-2024-SS-05024	---	253,340
Homeland Security Grant Program	97.067	EMW-2021-SS-00003	---	222,333
Homeland Security Grant Program	97.067	EMW-2024-SS-05024	---	155,286

(Continued)

**CITY OF DES MOINES, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025**

FEDERAL GRANTOR AND PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES (7/1/24 - 6/30/25)
U.S. Department of Homeland Security				
(continued)				
(Passed through Iowa Dept of Homeland Security)				
2021 Homeland Security Grant Program	97.067	000-U0001-00	---	7,687
2021 WMD Homeland Security Grant	97.067		---	4,129
2021 WMD Homeland Security Grant	97.067		---	2,362
		97.067 Total	---	645,137
Total U.S. Department of Homeland Security			\$ ---	\$ 645,137
U.S. Department of Natural Resources				
(Passed through Iowa Dept of Homeland Security)				
Chesterfield Park Water Playground & Improvement	15.916	LWCF-19-01345	---	200,000
SW 1st Street Bridge Park	15.916	LWCF-19-01364	---	100,118
Stone Park Pickleball Improvements	15.916	LWCF-19-01373	---	200,000
Total U.S. Department of Natural Resources			\$ ---	\$ 500,118
Other				
Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027		---	2,960,736
U.S. Federal Emergency Management Agency				
(Passed through Iowa Dept of Homeland Security)				
Disaster Mitigation	97.036	HMGP-DR-4421	---	650,097
U.S. Department of Agriculture				
Inflation Reduction Act Urban & Community Forestry Program	10.727		---	550,000
Total Other			---	4,160,833
Total All Federal Grants			\$ 8,058,547	\$ 25,755,607

City of Des Moines, Iowa

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Des Moines, Iowa under programs of the federal government for the year ended June 30, 2025. The accompanying schedule of expenditures of federal awards does not include any awards pertaining to the Municipal Housing Agency, an enterprise fund of the City or the Des Moines Airport Authority and the Des Moines Public Library Foundation, which are discretely presented component units, which are reported under separate covers. All other federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies expended during the year is included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net positions or cash flows of the City.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period in which the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all major programs except for 14.218 (CDBG), which was qualified.
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	Yes

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 Community Development Block Grants Cluster Entitlement Grants/Special Purpose (CDBG)	14.218
Home Investment Partnership Program	14.239
Continuum of Care Program	14.267
Youth Homelessness Demonstration Program	14.276
Nationally Significant Freight and Highway Projects	20.934
Dollar threshold used to distinguish between type A and type B programs:	\$772,668
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

**2025-001 Unsupported Cash on Deposits With Others Balance
Material Weakness**

Criteria: Proper financial reporting requires that cash balances be supported through reconciliations, statements, or other appropriate documentation and that account balances be periodically reviewed to ensure they represent valid and existing assets in accordance with generally accepted accounting principles.

Condition: At June 30, 2025, the Other Employee Benefits Fund reported cash on deposits with others that was overstated by approximately \$270,000. During the audit, the City was unable to provide sufficient supporting documentation or an explanation for this balance. Further inquiry indicated the balance had remained unchanged since fiscal year 2014, with no evidence of activity, reconciliation, or confirmation of the existence of the asset.

As a result, the balance was determined to be unsupported and was removed from the financial statements through a prior period adjustment in the Other Employees Benefit Fund and governmental activities.

Cause: The City did not have adequate procedures in place to periodically review, reconcile, and substantiate long-outstanding balance sheet accounts. As a result, an unsupported balance remained on the books for multiple years without investigation or resolution.

Effect: The lack of support for the reported balance resulted in an overstatement of cash in the Other Employee Benefits Fund and required a prior period adjustment to correct the error. Additionally, the absence of periodic review increased the risk that material misstatements could occur and remain undetected in the financial statements.

Recommendation: We recommend the City implement formal procedures to periodically review, reconcile, and document all balance sheet accounts, particularly cash and cash equivalents. Long-outstanding or unusual balances should be investigated timely, resolved, and appropriately adjusted when support cannot be obtained. Management should also ensure that all significant balances are adequately supported at year-end.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

**2025-002 Unsupported Committed Fund Balance Classification
Significant Deficiency**

Criteria: Under generally accepted accounting principles, fund balance may be reported as committed only when the constraints on the use of resources are imposed by formal action of the government's highest level of decision-making authority (e.g., City Council resolution or ordinance). The commitment must be documented and in place prior to fiscal year-end.

Condition: At June 30, 2025, the City reported the following committed fund balance classifications:

- General Fund: Committed for litigation totaling \$1,000,000
- Nonmajor Governmental Funds: Committed for economic development totaling \$3,744,670

During the audit, the City was unable to provide supporting documentation demonstrating that these amounts were properly committed in accordance with applicable accounting and reporting requirements. Specifically, the City could not provide evidence for formal City Council action or other documentation identifying the nature, purpose, and timing of the commitments or substantiating the amounts reported.

Cause: The City lacked sufficient procedures to ensure that committed fund balance classifications are formally approved, documented, and periodically reviewed for continued validity. As a result, commitments were recorded in the financial statements without adequate support.

Effect: Without appropriate documentation, the City cannot demonstrate that the reported amounts meet the criteria for committed fund balance classification. This increases the risk that the fund balance is improperly classified in the financial statements and that committed resources may not be clearly distinguishable from other available fund balance categories.

Recommendation: We recommend the City establish and maintain formal documentation to support all committed fund balance classifications, including City Council resolutions or other official actions that clearly identify the purpose and amount of each commitment. Management should also implement periodic reviews of fund balance classifications to ensure commitments remain valid, properly documented, and accurately presented in the financial statements.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

Section III – Federal Award Findings and Questioned Costs

2025-003 **Federal Grantor:** Department of Housing and Urban Development
Program: COVID-19 Community Development Block Grants/Entitlement Grants (CDBG) Program
Award No. and Year: B20-MW-19-0003 and 2020, B23-MC-19-0003 and 2023, B24-MC-19-0003 and 2024, B25-MC-19-0003 and 2025
Federal Financial Assistance Listing Number: 14.218

Compliance Requirement: Reporting
Type of Finding: Material Weakness in Internal Control over Compliance and Material Noncompliance

Criteria: CFR Section 200.303(a), Internal Controls, states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

CFR Appendix A to Part 170I(a)(2), Reporting Requirements, states the recipient must report each subaward to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) no later than the end of the month following the month in which the subaward was issued.

Condition: During our testing of the City's compliance with reporting requirements, we noted the City did not have any formal controls in place over the review and approval of reports. Reports were prepared, certified and submitted by the same individual.

Additionally, during our testing, we noted for two (2) subaward reports submitted to FSRS, the information was not submitted timely.

Cause: The City did not have a formal review process in place over the reports under the program. Additionally, the City did not have a process in place to ensure reports were submitted to FSRS timely.

Effect: Reports could be submitted with inaccurate information. Additionally, reports were not submitted to FSRS in accordance with the reporting requirements per Appendix A to Part 170I(a)(2).

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sample of six (6) of eleven (11) reports were selected. The condition above was identified during our testwork of the City's internal controls over reporting.

Repeat Finding from Prior Years: No.

Recommendation: We recommend that the City adhere to their policies and procedures in accordance with 2 CFR 200.332 to ensure compliance with subrecipient monitoring requirements.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

2025-004

Federal Grantor: Department of Housing and Urban Development

Program: Youth Homelessness Demonstration Program

Award No. and Year: IA0158Y7D022201, IA0134Y7D022202, IA0135Y7D022202, IA0156Y7D022201, IA0157Y7D022201 and 2024, and IA0158Y7D022302, IA0134Y7D022303, IA0135Y7D022303, IA156Y7D022302, IA0137Y7D022303 and 2025

Federal Financial Assistance Listing Number: 14.276

Compliance Requirement: Cash Management

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: CFR Section 200.303(a), Internal Controls, states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: During our testing of the City's compliance with cash management requirements, we noted for two (2) reimbursement requests, there was no evidence of the Federal Funds Administrator's review and approval prior to the request being submitted.

Cause: The City did not maintain supporting documentation indicating that the Federal Funds Administrator reviewed and approved the reimbursement request prior to it being submitted.

Effect: The City's control was not consistently followed, which requires the Federal Funds Administrator's review and approval over the reimbursement request to be documented prior to submission.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sample of four (4) of twelve (12) reimbursement requests were selected. The condition above was identified during our testwork of the City's internal controls over cash management.

Repeat Finding from Prior Years: No.

Recommendation: We recommend the City adhere to their policies and ensure the review and approval of reimbursement requests are documented.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

2025-005

Federal Grantor: Department of Housing and Urban Development

Program: Youth Homelessness Demonstration Program

Award No. and Year: IA0158Y7D022201, IA0134Y7D022202, IA0135Y7D022202, IA0156Y7D022201, IA0157Y7D022201 and 2024, and IA0158Y7D022302, IA0134Y7D022303, IA0135Y7D022303, IA156Y7D022302, IA0137Y7D022303 and 2025

Federal Financial Assistance Listing Number: 14.276

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: CFR 200.303(a) establishes that the auditee must establish and maintain effective internal control over the federal award that provides assurance that the entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition: During our testing of the City's compliance with subrecipient monitoring requirements, we noted there was no evidence that the Federal Funds Administrator reviewed and approved the risk assessments for three (3) subrecipients.

Cause: The City did not maintain supporting documentation indicating that the Federal Funds Administrator reviewed and approved the risk assessment performed over subrecipients.

Effect: The City's control was not consistently followed, which requires the Federal Funds Administrator's review and approval over the subrecipient risk assessments to be documented.

Questioned Costs: No questioned costs were identified as a result of our procedures.

Context/Sampling: A nonstatistical sample of three (3) of five (5) subrecipients were selected. The condition above was identified during our testwork of the City's internal controls over subrecipient monitoring.

Repeat Finding from Prior Years: No.

Recommendation: We recommend the City adhere to their policies and ensure the review and approval of subrecipient risk assessments are documented.

Views of Responsible Officials: Management agrees with the finding. See separate corrective action plan.

Section IV – Other Findings Related to Required Statutory Reporting

- 2025-IA-A Certified Budget:** Disbursements during year ended June 30, 2025 did not exceed the amounts budgeted.
- 2025-IA-B Questionable Expenditures:** We noted no expenditures that we believe may fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- 2025-IA-C Travel Expense:** No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- 2025-IA-D Business Transactions:** The City represents there are no business transactions between the City and City officials or employees in accordance with Chapter 362.5(10) of the Code of Iowa and none were noted in performing the audit.
- 2025-IA-E Restricted Donor Activity:** No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2025-IA-F Bond Coverage:** Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2025-IA-G Council Minutes:** No transactions were found that we believe should have been approved in the Council minutes but were not.
- 2025-IA-H Deposits and Investments:** No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- 2025-IA-I Debt:** No instances of noncompliance with the provisions of the City’s debt resolutions were noted.

2025-IA-J Financial Condition: As of June 30, 2025, the City had a deficit balance in the following funds:

Fund	Amount
Special Revenue, CDBG	\$342,646
Special Revenue, Community Services	557,618
Internal Service, Forestry	1,745,496
Internal Service, Radio Communications	87,546

Recommendation: The City should investigate alternatives to eliminate these deficits to return these funds to a sound financial position.

Views of Responsible Officials: The City will review available resources to return these funds to a sound financial position.

2025-IA-K Urban Renewal Area TIF Indebtedness/Increment Tax Reconciliation: The County Auditor’s reconciliation does not agree with the City records or the Urban Renewal Annual Report.

Recommendation: The City should perform its own reconciliation to ensure the County Auditor’s reconciliation and TIF forms agree with the City records and reports.

Views of Responsible Officials: The City will review available resources to return these funds to a sound financial position.

2025-IA-L Unclaimed Property: Per review of the June 30, 2025, bank reconciliation, checks were not remitted to the State as unclaimed property properly.

Recommendation: The City should review its outstanding checks and ensure checks outstanding for over 3 years are properly remitted to the State as unclaimed property.

Views of Responsible Officials: The City will review available resources to return these funds to a sound financial position.

2025-IA-M Annual Financial Report: The City’s annual financial report for fiscal year ending June 30, 2024, was not submitted to the Iowa Department of Management on or before December 1.

Recommendation: The City should submit the annual financial report to the State on or before December 1.

Views of Responsible Officials: The City will review available resources to return these funds to a sound financial position.

**Summary Schedule of Prior Audit Findings
For the year ended June 30, 2025**

Internal Control Findings

Finding 2024-001:

Initial Fiscal Year Finding Occurred: 2024

Finding: The Single Audit package was not submitted to the Federal Clearinghouse within the required time period.

Status: Outstanding. The City engaged a new audit firm for the fiscal 2026 financials and anticipates this arrangement to allow us to solve this issue going forward with fiscal 2026.

**Corrective Action Plan
For the year ended June 30, 2025**

Finding 2025-001:

Finding Summary: The Other Employee Benefits Fund reported cash on deposit with others that was overstated by approximately \$270,000. During the audit, the City was unable to provide sufficient supporting documentation or an explanation for this balance. Further inquiry indicated the balance had remained unchanged since fiscal year 2014, with no evidence of activity, reconciliation, or confirmation of the existence of the asset.

Corrective Actions Taken or Planned: The City has performed a review of balance sheet accounts that have not had activity in the past three years, or that have balances in excess of activity in those years, to ensure balances are appropriate and documentation explaining those balances is on hand.

Responsible Individual: James Remington, CPA – Deputy Finance Director

Anticipated Completion Date: June 30, 2026

Finding 2025-002:

Finding Summary: The City was unable to provide supporting documentation demonstrating that these amounts were properly committed in accordance with applicable accounting and reporting requirements. Specifically, the City could not provide evidence for formal City Council action or other documentation identifying the nature, purpose, and timing of the commitments or substantiating the amounts reported.

Corrective Actions Taken or Planned: The City will undertake an annual process of reviewing committed amounts and submitting any changes to Council for approval going forward.

Responsible Individual: James Remington, CPA – Deputy Finance Director

Anticipated Completion Date: June 30, 2026

Finding 2025-003:

Finding Summary: The City does not have formal controls in place over the review and approval of reports for some Federal awards. Reports were prepared, certified and submitted by the same individual.

Corrective Actions Taken or Planned: The City will establish a process of documenting the approval of submitted reports along with the source of information input into said reports. Additionally, the City will establish a more formalized process for reporting to help ensure more uniform timing on reporting.

Responsible Individual: James Remington, CPA – Deputy Finance Director

Anticipated Completion Date: June 30, 2026

Finding 2025-004:

Finding Summary: During testing of the City’s compliance with cash management requirements, we noted for two (2) reimbursement requests, there was no evidence of the Federal Funds Administrator’s review and approval prior to the request being submitted.

Corrective Actions Taken or Planned: The City will establish a process of documenting the approval of submitted reports along with the source of information input into said reports.

Responsible Individual: James Remington, CPA – Deputy Finance Director

Anticipated Completion Date: June 30, 2026

Finding 2025-005:

Finding Summary: During testing of the City’s compliance with subrecipient monitoring requirements, we noted there was no evidence that the Federal Funds Administrator reviewed and approved the risk assessments for three (3) subrecipients.

Corrective Actions Taken or Planned: The City will establish a process of documenting the approval of submitted reports along with the source of information input into said reports.

Responsible Individual: James Remington, CPA – Deputy Finance Director

Anticipated Completion Date: June 30, 2026