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City of Tiffin

Independent Auditor's Reports
Basic Financial Statements
Supplementary and Other Information
Schedule of Findings and Responses

June 30, 2025

City of Tiffin
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City of Tiffin
Officials
June 30, 2025

Elected Officials	Title	Term Expires
Tim Kasparek	Mayor	December 2025
Tim Orris	Mayor Pro-Tem	December 2025
Al Havens	Council Member	December 2025
Eric Schnedler	Council Member	December 2025
Christine Olney	Council Member	December 2027
Skylar Limkemann	Council Member	December 2027

City Staff	
Doug Boldt	City Administrator
Abigail Hora	City Clerk
Crystal Raiber	Attorney

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Tiffin
Tiffin, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business type activities, and each major fund of the City of Tiffin, Iowa, as of and for the year ended June 30, 2025, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business type activities, and each major fund of City of Tiffin as of June 30, 2025, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

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. 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 of Tiffin 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.

Basis of Accounting

As discussed in Note 1, these basic financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The management of the City of Tiffin is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting 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, which 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Tiffin's basic financial statements. The supplementary information included in Schedules 1 through 3, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these 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, the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions as listed in the Table of Contents 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 January 8, 2026, on our consideration of the City of Tiffin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Tiffin's internal control over financial reporting and compliance.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 8, 2026

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BASIC FINANCIAL STATEMENTS

City of Tiffin
Cash Basis Statement of Activities and Net Position
Year Ended June 30, 2025

		Program Receipts		
Functions/Programs	Disbursements	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	$ 705,152	$ 51,542	$ 26,032	$ -
Public safety	1,384,193	417,873	-	165,811
Public works	954,948	893,400	640,791	498
Culture and recreation	692,411	278,818	-	11,799
Community and economic development	659,006	9,450	-	-
Debt service	2,936,249	-	-	-
Capital projects	5,122,690	-	-	-
Total governmental activities	12,454,649	1,651,083	666,823	178,108
Business-type activities				
Water	2,303,489	1,279,572	14,733	-
Sewer	1,327,787	1,464,651	280	-
Recycling	506,709	522,307	-	-
Stormwater management	7,015	125,337	-	-
Total business-type activities	4,145,000	3,391,867	15,013	-
Total primary government	$ 16,599,649	$ 5,042,950	$ 681,836	$ 178,108

General receipts
- Property and other city tax levied for
  - General purposes
  - Debt service
  - Other purposes
- Commerical/industrial tax replacement
- Tax increment financing
- Local option sales tax
- Use of money and property
- Miscellaneous
- Sale of capital assets
- Transfers
- Proceeds from long-term debt
  - Total general receipts

Change in cash basis net position
Cash basis net position beginning of year

Cash basis net position end of year

See notes to basic financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Position

Governmental Activities	Business-Type Activities	Total
$ (627,578)	$ -	$ (627,578)
(800,509)	-	(800,509)
579,741	-	579,741
(401,794)	-	(401,794)
(649,556)	-	(649,556)
(2,936,249)	-	(2,936,249)
(5,122,690)	-	(5,122,690)
(9,958,635)	-	(9,958,635)
-	(1,009,184)	(1,009,184)
-	137,144	137,144
-	15,598	15,598
-	118,322	118,322
-	(738,120)	(738,120)
(9,958,635)	(738,120)	(10,696,755)
2,670,426	-	2,670,426
1,034,914	-	1,034,914
258,093	-	258,093
25,933	-	25,933
2,032,604	-	2,032,604
951,951	-	951,951
322,350	86,346	408,696
5,738	-	5,738
31,000	-	31,000
23,500	(23,500)	-
5,503,793	-	5,503,793
12,860,302	62,846	12,923,148
2,901,667	(675,274)	2,226,393
8,481,003	2,632,364	11,113,367
$ 11,382,670	$ 1,957,090	$ 13,339,760

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City of Tiffin
Cash Basis Statement of Activities and Net Position
Year Ended June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash Basis Net Position			
Restricted			
Expendable			
Streets	$ 132,807	$ -	$ 132,807
Capital projects	8,382,851	86,127	8,468,978
Tax increment financing	1,333,182	-	1,333,182
Unspent grant funds	54,274	-	54,274
Employee benefits	238,423	-	238,423
Assessment reduction	995,932	-	995,932
Debt service	101,802	-	101,802
Utility deposits	-	71,280	71,280
Unrestricted	143,399	1,799,683	1,943,082
Total cash basis net position	$ 11,382,670	$ 1,957,090	$ 13,339,760

City of Tiffin
Statement of Cash Receipts, Disbursements, and
Changes in Cash Fund Balances -
Governmental Funds
Year Ended June 30, 2025

		Special Revenue		
	General	Road Use Tax (110)	Employee Benefits (112)	LOST - Assessment Reduction (121)
Receipts				
General property taxes	$ 2,701,353	$ -	$ 207,982	$ -
Tax increment	-	-	-	-
Commercial and industrial tax replacement	25,933	-	-	-
Other city tax	19,184	-	-	951,951
Licenses and permits	469,120	-	-	-
Intergovernmental	171,414	640,791	-	-
Charges for services	199,383	-	-	-
Use of money and property	264,088	-	-	-
Miscellaneous	127,146	410	-	-
Total receipts	3,977,621	641,201	207,982	951,951
Disbursements				
Current				
General government	637,676	-	67,476	-
Public safety	1,255,314	-	128,879	-
Public works	62,198	804,474	88,276	-
Community and economic development	196,464	-	49	-
Culture and recreation	621,853	-	70,558	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay				
Public safety	299,195	-	-	-
Public works	-	-	-	-
Community and economic development	-	-	-	-
Culture and recreation	55,984	-	-	-
Total disbursements	3,128,684	804,474	355,238	-
Excess of receipts over (under) disbursements	848,937	(163,273)	(147,256)	951,951
Other Financing Sources (Uses)				
Sale of capital asset	5,000	26,000	-	-
Bond issuance	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	115,290	200,000	-
Transfers out	(160,290)	-	-	(300,662)
Total other financing sources (uses)	(155,290)	141,290	200,000	(300,662)
Net change in cash fund balances	693,647	(21,983)	52,744	651,289
Cash Fund Balances				
Beginning of year	5,622,709	154,790	185,679	344,643
End of year	$ 6,316,356	$ 132,807	$ 238,423	$ 995,932

See notes to basic financial statements.

Special Revenue		Debt Service	Capital Projects	
Tax Increment Financing (125)	FEMA (170)	Debt Service (200)	Capital Projects (300-346)	Total Governmental Funds
$ -	$ -	$ 1,034,914	$ -	$ 3,944,249
2,032,604	-	-	-	2,032,604
-	-	-	-	25,933
-	-	-	-	971,135
-	-	-	-	469,120
-	-	-	-	812,205
-	-	-	-	199,383
-	-	-	58,262	322,350
-	-	-	893,488	1,021,044
2,032,604	-	1,034,914	951,750	9,798,023
-	-	-	-	705,152
-	-	-	-	1,384,193
-	-	-	-	954,948
462,493	-	-	-	659,006
-	-	-	-	692,411
-	-	2,245,000	-	2,245,000
-	-	601,488	89,761	691,249
-	-	-	88,636	387,831
-	-	-	3,789,182	3,789,182
-	-	-	246,908	246,908
-	-	-	642,785	698,769
462,493	-	2,846,488	4,857,272	12,454,649
1,570,111	-	(1,811,574)	(3,905,522)	(2,656,626)
-	-	-	-	31,000
-	-	-	5,350,000	5,350,000
-	-	-	153,793	153,793
-	-	1,814,249	-	2,129,539
(1,645,087)	-	-	-	(2,106,039)
(1,645,087)	-	1,814,249	5,503,793	5,558,293
(74,976)	-	2,675	1,598,271	2,901,667
1,408,158	54,274	99,127	611,623	8,481,003
$ 1,333,182	$ 54,274	$ 101,802	$ 2,209,894	$ 11,382,670

City of Tiffin
Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances
Governmental Funds
Year Ended June 30, 2025

		Special Revenue		
	General Fund	Road Use Tax (110)	Employee Benefits (112)	LOST - Assessment Reduction (121)
Cash Basis Fund Balances				
Restricted for				
Streets	$ -	$ 132,807	$ -	$ -
Capital projects	-	-	-	-
Tax increment financing	-	-	-	-
Unspent grant funds	-	-	-	-
Debt service	-	-	-	-
Assessment reduction	-	-	-	995,932
Employee benefits	-	-	238,423	-
Unassigned	6,316,356	-	-	-
Total cash fund balances	$ 6,316,356	$ 132,807	$ 238,423	$ 995,932

Special Revenue		Debt Service	Capital Projects	
Tax Increment Financing (125)	FEMA (170)	Debt Service (200)	Capital Projects (300-346)	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 132,807
-	-	-	8,382,851	8,382,851
1,333,182	-	-	-	1,333,182
-	54,274	-	-	54,274
-	-	101,802	-	101,802
-	-	-	-	995,932
-	-	-	-	238,423
-	-	-	(6,172,957)	143,399
$ 1,333,182	$ 54,274	$ 101,802	$ 2,209,894	$ 11,382,670

City of Tiffin
Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances -
Proprietary Funds
Year Ended June 30, 2025

	Enterprise Funds				
	Water (600-608)	Sewer (610-618)	Recycling (670)	Storm Water (740)	Total
Operating Receipts					
Charges for services	$ 1,279,572	$ 1,464,651	$ 522,307	$ 125,337	$ 3,391,867
Miscellaneous	14,733	280	-	-	15,013
Total operating receipts	1,294,305	1,464,931	522,307	125,337	3,406,880
Operating Disbursements					
Business type activities	995,800	741,689	506,709	7,015	2,251,213
Excess of operating receipts over operating disbursements	298,505	723,242	15,598	118,322	1,155,667
Nonoperating Receipts (Disbursements)					
Use of money and property	86,346	-	-	-	86,346
Debt service	-	(511,132)	-	-	(511,132)
Capital projects	(1,307,689)	(74,966)	-	-	(1,382,655)
Total nonoperating receipts (disbursements)	(1,221,343)	(586,098)	-	-	(1,807,441)
Excess of reciepts over (under) disbursements	(922,838)	137,144	15,598	118,322	(651,774)
Other Financing Sources (Uses)					
Transfers in	88,000	-	-	-	88,000
Transfers out	(111,500)	-	-	-	(111,500)
Total other financing sources (uses)	(23,500)	-	-	-	(23,500)
Change in cash balances	(946,338)	137,144	15,598	118,322	(675,274)
Cash Balances					
Beginning of year	1,514,907	508,909	139,939	468,609	2,632,364
End of year	$ 568,569	$ 646,053	$ 155,537	$ 586,931	$ 1,957,090
Cash Basis Fund Balances					
Restricted for					
Capital projects	$ -	$ 86,127	$ -	$ -	$ 86,127
Utility deposits	71,280	-	-	-	71,280
Unrestricted	497,289	559,926	155,537	586,931	1,799,683
Total cash basis fund balances	$ 568,569	$ 646,053	$ 155,537	$ 586,931	$ 1,957,090

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Tiffin is a political subdivision of the State of Iowa located in Johnson County. It was first incorporated in 1906 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a nonpartisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development, water utilities, sewer utilities, recycling utilities, stormwater utilities and general government services.

A. Reporting Entity and Jointly Governed Organizations

For financial reporting purposes, the City of Tiffin has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and 1) the ability of the City to impose its will on that organization or 2) the potential for the organization to provide specific benefits or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria other than noted below.

Jointly Governed Organizations

The City participates in several jointly governed organizations for which the City is not financially accountable or the nature and significance of the relationship with the City are such that exclusion does not cause the City's basic financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Johnson County Assessor's Conference Board, City Assessor's Conference Board, Johnson County Emergency Management Commission, Johnson County Landfill Commission and Johnson County Joint 911 Service Board.

B. Basis of Presentation

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

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

- Expendable Restricted Net Position results when constraints placed on the use of cash balances is either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements – Separate basic financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The Road Use Tax Special Revenue Fund – This fund is used to account for road use tax and related activity.

The Employee Benefits Special Revenue Fund – This fund is utilized to account for property tax to be used for nonproprietary fund payroll taxes and employee fringe benefits.

The LOST – Assessment Reduction Special Revenue Fund – This fund is utilized to account for sales tax collections related to Assessment Reduction and the related expenditures.

The Tax Increment Financing Special Revenue Fund – This fund is utilized to account for tax increment financing revenue and the related expenditures.

The FEMA Special Revenue Fund – This fund is utilized to account for FEMA grants and related expenditures.

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

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

The City reports the following major proprietary funds:

The Enterprise Water Fund – This fund accounts for the operation and maintenance of the City's water system.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Enterprise Recycling Fund – This fund accounts for the operations of the City's recycling collection and disposal.

The Enterprise Storm Water Fund – This fund accounts for the operation and maintenance of the City's storm water system.

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Governmental Cash Basis Fund Balances

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

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

- Unassigned – All amounts not included in the preceding classifications.

The City does not have a fund balance policy that addresses minimum unassigned General Fund balance or order of spending.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2025, disbursements did exceed budgeted amounts in the Community and economic development and Capital outlay.

NOTE 2 – CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2025, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy to only make deposits in the State of Iowa where deposits are covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. The City's deposits in banks at June 30, 2025, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds. The City had $5,516,155 in certificates of deposit, $7,823,605 in checking and savings accounts at June 30, 2025.

NOTE 3 – LONG-TERM DEBT

A summary of changes in bonds, financed purchases and notes payable for the year ended June 30, 2025, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities				
General obligation bonds	$ 20,155,000	$ 5,350,000	$ 2,245,000	$ 23,260,000
Financed purchases	-	305,000	28,104	276,896
Total governmental activities	20,155,000	5,655,000	2,273,104	23,536,896
Business type activities				
Sewer revenue notes	$ 6,630,236	$ -	$ 432,588	$ 6,197,648

NOTE 3 – LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for general obligation notes, general obligation bonds, and revenue notes of the City are as follows:

Year Ending	G.O. Bonds and Notes		Revenue Notes		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 2,635,000	$ 798,710	$ 440,588	$ 58,829	$ 3,075,588	$ 857,539
2027	2,820,000	700,335	447,588	54,606	3,267,588	754,941
2028	2,640,000	617,568	454,588	50,310	3,094,588	667,878
2029	2,340,000	534,030	462,588	45,940	2,802,588	579,970
2030	2,375,000	455,060	470,588	41,487	2,845,588	496,547
2031-2035	7,560,000	1,194,981	2,468,941	137,869	10,028,941	1,332,850
2036-2040	2,890,000	326,800	1,452,767	24,107	4,342,767	350,907
Total	$ 23,260,000	$ 4,627,484	$ 6,197,648	$ 413,148	$ 29,457,648	$ 5,040,632

A. General Obligation Bonds

On December 20, 2017, the City issued $5,140,000 of general obligation corporate purpose bonds to provide funds for various improvement projects and land acquisition. The bonds bear interest rates ranging from 3.00% to 3.15% per annum and mature on June 1, 2033. During the year ended June 30, 2025, the City paid principal of $330,000 and interest of $101,280 on the bonds. The outstanding principal balance at June 30, 2025, was $3,025,000.

On April 4, 2018, the City issued $1,100,000 of general obligation corporate purpose bonds to provide funds for acquisition of a fire truck for use by the municipal fire department. The bonds bear interest rates of 4.00% per annum and mature on June 1, 2038. During the year ended June 30, 2025, the City paid principal of $45,000 and interest of $34,400 on the bonds. The outstanding principal balance at June 30, 2025, was $815,000.

On September 4, 2019, the City issued $4,500,000 of general obligation corporate purpose bonds to provide funds for various improvement projects and land acquisition. The bonds bear interest rates ranging from 2.00% to 2.35% per annum and mature on June 1, 2031. During the year ended June 30, 2025, the City paid principal of $400,000 and interest of $70,030 on the bonds. The outstanding principal balance at June 30, 2025, was $2,580,000.

On August 25, 2020, the City issued $7,670,000 of general obligation urban renewal and refunding bonds to provide funds for various improvement projects and refunding previous bond issues. The bonds bear interest rates at 2.00% per annum and mature on June 1, 2035. During the year ended June 30, 2025, the City paid principal of $770,000 and interest of $109,800 on the bonds. The outstanding principal balance at June 30, 2025, was $4,720,000.

On March 9, 2021, the City issued $2,510,000 of general obligation annual appropriation refunding bonds to refund previous bond issues. The bonds bear interest rates at 2.00% per annum and mature on June 1, 2028. During the year ended June 30, 2025, the City paid principal of $355,000 and interest of $29,700 on the bonds. The outstanding principal balance at June 30, 2025, was $1,130,000.

NOTE 3 – LONG-TERM DEBT (CONTINUED)

A. General Obligation Bonds (Continued)

On May 18, 2022, the City issued $2,740,000 of general obligation corporate purpose bonds to provide funds for various improvement projects and land acquisition. The bonds bear interest rates ranging from 2.35% to 3.5% per annum and mature on June 1, 2038. During the year ended June 30, 2025, the City paid principal of $175,000 and interest of $75,183 on the bonds. The outstanding principal balance at June 30, 2025, was $2,245,000.

On May 30, 2024, the City issued $3,565,000 of general obligation corporate purpose bonds to provide funds for various improvement projects and land acquisition. The bonds bear interest rates 5% per annum and mature on June 1, 2032. During the year ended June 30, 2025, the City paid principal of $170,000 and interest of $178,745 on the bonds. The outstanding principal balance at June 30, 2025, was $3,395,000.

On April 24, 2025, the City issued $5,350,000 of general obligation corporate purpose bonds to provide funds for various improvement projects and land acquisition. The bonds bear interest rates 4% to 5% per annum and mature on June 1, 2040. During the year ended June 30, 2025, the City paid principal of $0 and interest of $0 on the bonds. The outstanding principal balance at June 30, 2025, was $5,350,000.

B. Revenue Notes – Direct Borrowing

On September 30, 2016, the City entered into an agreement with the Iowa Finance Authority (IFA) and the Iowa Department of Natural Resources for the issuance of sewer revenue bonds of up to $2,296,000 with interest at 1.75% per annum. The agreement also requires the City to annually pay a 0.25% servicing fee on the outstanding principal balance. The bonds were issued pursuant to the provisions of Chapter 384.24A to finance construction of certain wastewater treatment facilities. The bonds mature June 1, 2037. During the year ended June 30, 2025, the City paid principal of $102,000 and interest of $25,935 on the bonds. The outstanding principal balance at June 30, 2025, was $1,380,000.

On May 11, 2018, the City entered into an agreement with the Iowa Finance Authority (IFA) and the Iowa Department of Natural Resources for the issuance of sewer revenue bonds of up to $5,624,000 with interest at 1.75% per annum. The agreement also requires the City to annually pay a 0.25% servicing fee on the outstanding principal balance. The bonds were issued pursuant to the provisions of Chapter 384.24A to finance construction of certain wastewater treatment facilities. The bonds mature June 1, 2038. During the year ended June 30, 2025, the City paid principal of $302,000 and interest of $37,034 on the bonds. The outstanding principal balance at June 30, 2025, was $4,446,000.

On March 4, 2022, the City entered into an agreement with the Iowa Finance Authority (IFA) and the Iowa Department of Natural Resources for the issuance of sewer revenue bonds of up to $486,000 with interest at 0% per annum. The bonds were issued pursuant to the provisions of Chapter 384.24A to finance construction of certain wastewater treatment facilities. The bonds mature June 1, 2038. During the year ended June 30, 2025, the City paid principal of $28,588 and interest of $0 on the bonds. The outstanding principal balance at June 30, 2025, was $371,648.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay $6,197,648 of sewer revenue bonds. Annual principal and interest payments on the bonds are expected to require less than 91% of net receipts. For the current year, principal and interest paid and total customer net receipts were $495,557 and $723,242, respectively.

NOTE 3 – LONG-TERM DEBT (CONTINUED)

B. Revenue Notes – Direct Borrowing (Continued)
The resolutions providing for the issuance of the water and sewer revenue bonds include the following provisions:

- The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- Sufficient monthly transfers shall be made to separate water and sewer revenue bond sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.
- User rates shall be established at a level which produces and maintains net revenues at a level not less than 110% of the amount of principal and interest on the bonds falling due in the same year.
- The City shall cause the books and accounts of the sewer and water utilities to be audited annually.
- All users of the system, including the City, shall pay for usage. The City does not pay for use of the systems as required by the water and sewer revenue bond resolutions.

C. Financed Purchases – Direct Borrowing
Annual debt service requirements to maturity for financed purchases of the City are as follows:

Year Ending	Financed Purchases		
June 30,	Principal	Interest	Total
2026	$ 58,520	$ 13,104	$ 71,624
2027	55,765	15,859	71,624
2028	59,792	11,833	71,625
2029	64,109	7,515	71,624
2030	38,710	2,886	41,596
Total	$ 276,896	$ 51,197	$ 328,093

On August 16, 2024, the City entered into a financed purchase agreement for a street sweeper. The loan bears interest at 6.9% per annum and matures on November 1, 2028. During the year ended June 30, 2025, the City paid principal of $28,104 and interest of $1,924 on the loan. The outstanding principal balance at June 30, 2025, was $101,896.

On January 15, 2025, the City entered into a financed purchase agreement for a sewer cleaner. The loan bears interest at 7.2% per annum and matures on July 1, 2029. During the year ended June 30, 2025, the City paid principal of $0 and interest of $0 on the loan. The outstanding principal balance at June 30, 2025, was $175,000.

NOTE 4 – PENSION PLAN

A. Plan Description

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

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

B. Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a regular member's monthly IPERS benefit includes:

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

B. Pension Benefits (Continued)

Protection occupation members may retire at normal retirement age, which is generally age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

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

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

NOTE 4 – PENSION PLAN (CONTINUED)

C. 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.

D. Contributions

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

In fiscal year 2025, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll for a total rate of 15.73%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%

The City's contributions to IPERS for the year ended June 30, 2025, were $162,674.

E. Net Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the City reported a liability of $428,295 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the City's proportion was 0.012713%, which was an increase of 0.001225% from its proportion measured as of June 30, 2023. At June 30, 2024, for the Protection Plan, the City's proportion was 0.032285%, which was an increase of 0.025971% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City's pension expense, deferred outflows of resources and collective deferred inflows of resources totaled $62,177, $222,894, and $4,941, respectively.

There were no non-employer contributing entities to IPERS.

NOTE 4 – PENSION PLAN (CONTINUED)

F. Actuarial Assumptions

The total pension liability (asset) 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 (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25% to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of a quadrennial experience study dated July 1, 2017, through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0 %	3.52 %
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	100.0 %	

NOTE 4 – PENSION PLAN (CONTINUED)

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

H. 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% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the net pension liability	$ 1,202,389	$ 428,295	$ (220,085)

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

NOTE 5 – COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation and compensatory time for subsequent use or for payment upon termination, retirement, or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned other leave payable to employees at June 30, 2025, primarily relating to the General Fund is $141,356.

This liability has been computed based on rates of pay as of June 30, 2025.

NOTE 6 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 – DEVELOPMENT AGREEMENTS

The City has entered into a development agreement to assist in certain urban renewal projects. The agreement requires the City to rebate portions of the incremental property tax paid by the developer in exchange for the construction of buildings and certain infrastructure improvements by the developers.

The total to be paid by the City under the agreements is not to exceed $16,432,000. The total amount rebated during the year ended June 30, 2025, was $462,493. The outstanding balance of the agreements at June 30, 2025, was $15,454,743.

These agreements are not a general obligation of the City. However, the agreements are subject to the constitutional debt limitation of the City.

NOTE 8 – 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 receipts 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.

A. City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the *Code of Iowa*. For these types of projects, the City enters into agreements to rebate a portion of the property tax collected. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2025, the City abated $429,529 of property tax collected under the urban renewal and economic development agreements.

NOTE 9 – INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2025, are as follows:

	Transfers In				
Transfers Out	Road Use Tax	Debt Service	Employee Benefits	Water	Total
General	$ 115,290	$ 45,000	$ -	$ -	$ 160,290
LOST - Assessment Reduction	-	100,662	200,000	-	300,662
Tax increment financing	-	1,557,087	-	88,000	1,645,087
Water	-	111,500	-	-	111,500
Total	$ 115,290	$ 1,814,249	$ 200,000	$ 88,000	$ 2,217,539

Transfers above move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

NOTE 10 – COMMITMENTS

The City entered into construction contracts that were unfinished at June 30, 2025. At June 30, 2025, the City had remaining construction commitments of $30,822,311.

Note 11 – SUBSQUENT EVENT

On August 14, 2025, the City issued $14,384,000 of Water Revenue Bonds Series 2025. The bonds were issued with an interest rate 3.21% and will mature on June 1, 2046.

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OTHER INFORMATION

City of Tiffin
Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances-
Budget and Actual (Cash basis) - All Governmental Funds and Proprietary Funds
Year Ended June 30, 2025

	Governmental Funds Actual	Proprietary Funds Actual	Total
Receipts			
Property tax	$ 3,970,182	$ -	$ 3,970,182
Tax increment financing	2,032,604	-	2,032,604
Other city tax	971,135	-	971,135
Licenses and permits	469,120	-	469,120
Use of money and property	322,350	86,346	408,696
Intergovernmental	812,205	-	812,205
Charges for services	199,383	3,391,867	3,591,250
Miscellaneous	1,021,044	15,013	1,036,057
Total receipts	9,798,023	3,493,226	13,291,249
Disbursements			
Public safety	1,384,193	-	1,384,193
Public works	954,948	-	954,948
Culture and recreation	692,411	-	692,411
Community and economic development	659,006	-	659,006
General government	705,152	-	705,152
Debt service	2,936,249	511,132	3,447,381
Capital outlay	5,122,690	1,382,655	6,505,345
Business type activities	-	2,251,213	2,251,213
Total disbursements	12,454,649	4,145,000	16,599,649
Excess (deficiency) of receipts over (under) disbursements	(2,656,626)	(651,774)	(3,308,400)
Debt issuance and other financing sources (uses), net	5,558,293	(23,500)	5,534,793
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	2,901,667	(675,274)	2,226,393
Balances beginning of year	8,481,003	2,632,364	11,113,367
Balances end of year	$ 11,382,670	$ 1,957,090	$ 13,339,760

See notes to other information – budgetary reporting.

Budgeted Amounts		Final to Total
Original	Final	Variance
$ 3,790,898	$ 3,790,898	$ 179,284
2,180,390	2,180,390	(147,786)
693,287	693,287	277,848
441,573	441,573	27,547
148,796	148,796	259,900
750,559	750,559	61,646
3,580,650	3,580,650	10,600
32,700	32,700	1,003,357
11,618,853	11,618,853	1,672,396
1,489,863	2,299,863	(915,670)
822,700	1,340,700	(385,752)
674,497	749,857	(57,446)
623,356	623,356	35,650
662,010	1,221,340	(516,188)
2,848,116	4,505,911	(1,058,530)
4,453,000	5,835,655	669,690
3,937,230	3,177,209	(925,996)
15,510,772	19,753,891	(3,154,242)
(3,891,919)	(8,135,038)	4,826,638
3,718,000	9,118,000	(3,583,207)
(173,919)	982,962	1,243,431
8,888,382	8,888,382	2,224,985
$ 8,714,463	$ 9,871,344	$ 3,468,416

City of Tiffin
Notes to Other Information – Budgetary Reporting

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

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

Formal and legal budgetary control is based upon eight major classes of disbursements known as functions, not by fund. The eight functions are: public safety, public works, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund.

During the year ended June 30, 2025, disbursements did exceed budgeted amounts in the Community and economic development and Capital outlay.

City of Tiffin
Schedule of the City's Proportionate Share
of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Four Years*
(In Thousands)
Other Information

	2025	2024	2023	2022
City's Proportion of the net pension liability (asset)				
Regular	0.012713 %	0.011488 %	0.010173 %	0.009961 %
Protection	0.032285 %	0.006314 %		
City's Proportionate share of the net pension liability (asset)				
Regular	$ 469	$ 530	$ 404	$ 14
Protection	(41)	(5)	-	-
City's Covered payroll				
Regular	$ 1,545	$ 1,295	$ 1,060	$ 861
Protection	181	148	-	-
Proportionate share of the net pension liability (asset) as a percentage of covered payroll				
Regular	30.36 %	40.93 %	38.11 %	1.63 %
Protection	-22.65 %	-3.38 %		
Plan fiduciary net position as a percentage of the total pension liability	92.30 %	90.13 %	91.41 %	100.81 %

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

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

City of Tiffin
Schedule of the Primary Government's Contributions
Iowa Public Employees' Retirement System
Last Four Fiscal Years
(In Thousands)
Other Information

	2025	2024	2023	2022
Statutorily required contribution	$ 163	$ 127	$ 100	$ 81
Contributions in relation to the Statutorily required contribution	(163)	(127)	(100)	(81)
Contribution deficiency	$ -	$ -	$ -	$ -
City's covered payroll	$ 1,726	$ 1,443	$ 1,060	$ 861
Contributions as a percentage of covered payroll	9.44%	8.80%	9.43%	9.41%

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

Changes of Benefit Terms
There are no significant changes in benefit terms.

Changes of Assumptions
The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for regular members.
- Lowered disability rates for regular members.
- Adjusted termination rates for all membership groups.

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SUPPLEMENTARY INFORMATION

City of Tiffin
Schedule 1
Schedule of Indebtedness
Year Ended June 30, 2025

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General Obligation			
Corporate Purpose, Series 2017A	December 20, 2017	3.00%-3.15%	$ 5,140,000
Fire Truck Acquisition, Series 2018A	April 4, 2018	4.00%	1,100,000
Corporate Purpose, Series 2019A	September 4, 2019	2.00%-2.35%	4,500,000
Urban Renewal and Refunding, Series 2020A	August 25, 2020	2.00%	7,670,000
Annual Appropriation Refunding, Series 2021A	March 9, 2021	2.00%	2,510,000
Corporate Purpose, Series 2012A	May 18, 2022	2.35%-3.15%	2,740,000
Corporate Purpose, Series 2024A	May 30, 2024	5.00%	3,565,000
Corporate Purpose, Series 2025A	April 14, 2025	5.00%-4.00%	5,350,000
Financed Purchases			
2013 Street Sweeper	August 16, 2024	6.90%	130,000
2012 Sewer Cleaner	January 15, 2025	7.20%	175,000
Total			$ 32,880,000
Revenue Notes - Direct Borrowing			
Sewer Revenue Loan	September 30, 2016	1.75%	$ 2,296,000
Sewer Revenue Loan	February 5, 2021	0.78%	5,624,000
Sewer Revenue Loan	March 4, 2022	0.00%	486,000
Total			$ 8,406,000

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
$ 3,355,000	$ -	$ 330,000	$ 3,025,000	$ 101,280
860,000	-	45,000	815,000	34,400
2,980,000	-	400,000	2,580,000	70,030
5,490,000	-	770,000	4,720,000	109,800
1,485,000	-	355,000	1,130,000	29,700
2,420,000	-	175,000	2,245,000	75,183
3,565,000	-	170,000	3,395,000	178,745
-	5,350,000	-	5,350,000	-
-	130,000	28,104	101,896	1,924
-	175,000	-	175,000	-
$ 20,155,000	$ 5,655,000	$ 2,273,104	$ 23,536,896	$ 601,062
$ 1,482,000	$ -	$ 102,000	$ 1,380,000	$ 25,935
4,748,000	-	302,000	4,446,000	37,034
400,236	-	28,588	371,648	-
$ 6,630,236	$ -	$ 432,588	$ 6,197,648	$ 62,969

City of Tiffin
Schedule 2
Bond and Note Maturities
Year Ended June 30, 2025

	General Obligation			
	Corporate Purpose Series 2017A		Fire Truck Acquisition Series 2018A	
Year	Issued December 20, 2017		Issued April 4, 2018	
Ending June 30,	Interest Rates	Amount	Interest Rates	Amount
2026	3.00%	$ 340,000	4.00%	$ 50,000
2027	3.00%	350,000	4.00%	50,000
2028	3.00%	360,000	4.00%	55,000
2029	3.00%	370,000	4.00%	55,000
2030	3.00%	385,000	4.00%	55,000
2031	3.00%	395,000	4.00%	60,000
2032	3.00%	405,000	4.00%	60,000
2033	3.15%	420,000	4.00%	65,000
2034		-	4.00%	65,000
2035		-	4.00%	70,000
2036		-	4.00%	75,000
2037		-	4.00%	75,000
2038		-	4.00%	80,000
2039		-		-
2040		-		-
Total		$ 3,025,000		$ 815,000

	Revenue Notes	
	Sewer Revenue Notes Sewer Rev SRF Loan Series 2016	
Year	Issued September 30, 2016	
Ending June 30,	Interest Rates	Amount
2026	1.75%	$ 104,000
2027	1.75%	106,000
2028	1.75%	108,000
2029	1.75%	110,000
2030	1.75%	112,000
2031	1.75%	114,000
2032	1.75%	116,000
2033	1.75%	118,000
2034	1.75%	120,000
2035	1.75%	122,000
2036	1.75%	124,000
2037	1.75%	126,000
2038		-
Total		$ 1,380,000

General Obligation		General Obligation			
Corporate Purpose		Urban Renewal and Refunding		Refunding	
Series 2019A		Series 2020A		Series 2021A	
Issued September 4, 2019		Issued May 21, 2011		Issued March 9, 2021	
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2.35%	$ 405,000	2.00%	$ 790,000	2.00%	$ 370,000
2.35%	415,000	2.00%	800,000	2.00%	375,000
2.35%	425,000	2.00%	460,000	2.00%	385,000
2.35%	435,000	2.00%	475,000		-
2.35%	445,000	2.00%	480,000		-
2.35%	455,000	2.00%	450,000		-
	-	2.00%	455,000		-
	-	2.00%	260,000		-
	-	2.00%	270,000		-
	-	2.00%	280,000		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	$ 2,580,000		$ 4,720,000		$ 1,130,000

Revenue Notes		Revenue Notes		
Sewer Revenue Notes		Sewer Revenue Notes		
Sewer Rev SRF Loan		Sewer Rev SRF Loan		
Series 2021		Series 2022		
Issued February 5, 2021		Issued March 4, 2022		
Interest Rates	Amount	Interest Rates	Amount	Total
0.78%	$ 308,000	0.00%	$ 28,588	$ 440,588
0.78%	313,000	0.00%	28,588	447,588
0.78%	318,000	0.00%	28,588	454,588
0.78%	324,000	0.00%	28,588	462,588
0.78%	330,000	0.00%	28,588	470,588
0.78%	335,000	0.00%	28,588	477,588
0.78%	341,000	0.00%	28,588	485,588
0.78%	347,000	0.00%	28,588	493,588
0.78%	353,000	0.00%	28,588	501,588
0.78%	360,000	0.00%	28,588	510,588
0.78%	366,000	0.00%	28,588	518,588
0.78%	372,000	0.00%	28,588	526,588
0.78%	379,000	0.00%	28,592	407,592
	$ 4,446,000		$ 371,648	$ 6,197,648

City of Tiffin
Schedule 2
Bond and Note Maturities
Year Ended June 30, 2025

	General Obligation			
	Corporate Purpose Series 2022A		Corporate Purpose Series 2024A	
Year	Issued May 18, 2022		Issued May 30, 2024	
Ending June 30,	Interest Rates	Amount	Interest Rates	Amount
2026	2.70%	$ 195,000	5.00%	$ 415,000
2027	2.70%	195,000	5.00%	440,000
2028	2.95%	200,000	5.00%	460,000
2029	2.95%	210,000	5.00%	485,000
2030	3.15%	180,000	5.00%	505,000
2031	3.15%	185,000	5.00%	530,000
2032	3.15%	190,000	5.00%	560,000
2033	3.30%	200,000		-
2034	3.30%	200,000		-
2035	3.50%	115,000		-
2036	3.50%	120,000		-
2037	3.50%	125,000		-
2038	3.50%	130,000		-
2039		-		-
2040		-		-
Total		$ 2,245,000		$ 3,395,000

General Obligation Corporate Purpose Series 2025A Issued April 24, 2025		
Interest Rates	Amount	Total
5.00%	$ 70,000	$ 2,635,000
5.00%	195,000	2,820,000
5.00%	295,000	2,640,000
5.00%	310,000	2,340,000
5.00%	325,000	2,375,000
5.00%	340,000	2,415,000
5.00%	360,000	2,030,000
4.00%	375,000	1,320,000
4.00%	390,000	925,000
4.00%	405,000	870,000
4.00%	420,000	615,000
4.00%	440,000	640,000
4.00%	455,000	665,000
4.00%	475,000	475,000
4.00%	495,000	495,000
	$ 5,350,000	$ 23,260,000

City of Tiffin
Schedule 3
Schedule of Receipts by Source
and Disbursements by Function - All Governmental Funds
For the Last Four Years

	2025	2024	2023	2022
Receipts				
Property tax	$ 3,944,249	$ 3,405,844	$ 3,026,082	$ 2,593,148
Tax increment financing	2,032,604	1,877,507	1,653,892	1,571,759
Commercial and industrial tax replacement	25,933	11,114	29,638	37,048
Other city tax	971,135	355,146	7,960	7,158
Licenses and permits	469,120	531,886	511,421	554,814
Use of money and property	322,350	130,668	110,972	44,570
Intergovernmental	812,205	864,996	1,109,093	1,020,983
Charges for services	199,383	105,688	190,530	75,930
Special assessments	-	11,331	22,355	4,035
Miscellaneous	1,021,044	95,995	266,273	330,144
Total	$ 9,798,023	$ 7,390,175	$ 6,928,216	$ 6,239,589
Disbursements				
Operating				
Public safety	$ 1,384,193	$ 1,072,037	$ 807,986	$ 693,774
Public works	954,948	876,374	558,736	703,832
Culture and recreation	692,411	558,838	522,120	509,592
Community and economic development	659,006	150,774	121,360	152,925
General government	705,152	1,056,038	638,112	453,112
Debt service	2,936,249	2,702,997	2,166,350	1,992,945
Capital projects	5,122,690	1,693,260	3,892,606	3,689,809
Total	$ 12,454,649	$ 8,110,318	$ 8,707,270	$ 8,195,989

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

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Tiffin
Tiffin, 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 basic financial statements of the governmental activities, the business-type activities, and each major fund of the City of Tiffin as of and for the year ended June 30, 2025, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 8, 2026. Our report expressed unmodified opinions on the governmental activities, the business type activities, and each major fund, which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. general accepted accounting principles.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the basic 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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Responses to be material weaknesses, Audit Finding 2025-001.

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

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

City's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the responses.

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.

BerganKDV, Ltd.

St. Cloud, Minnesota
January 8, 2026

City of Tiffin
Schedule of Findings and Responses

Part I – Findings Related to the Basic Financial Statements:

2025-001 - LACK OF SEGREGATION OF ACCOUNTING DUTIES

Criteria:
An effective internal control system provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. The segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City's financial information.

Condition:
The City has a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. This lack of segregation can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- The City Clerk has access to all areas of the accounting system.
- The Utility Billing Clerk reviews meter readings, makes adjustments, and prepares utility bills without review.
- The City Clerk has the ability to record journal entries without review.
- The City Clerk has the ability to add employees, is the backup for processing payroll, and has the ability to authorize wire transfers.

This finding impacts the internal control for all significant accounting functions.

Cause:
The City has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect or Potential Effect:
Inadequate segregation of duties could adversely affect the City's ability to prevent or detect and correct misstatements, errors, or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation:
The City should segregate accounting duties to the extent possible.

Views of Responsible Officials:
The City continues to improve where we can in the area of segregation of duties. With limited staff available, it makes it hard to be efficient as well as consistent with our accounting functions.

Conclusion:
Response accepted.

City of Tiffin
Schedule of Findings and Responses

Part II - Other Findings Related to Statutory Reporting

25-II-A –Certified Budget
Disbursements in the Community and Economic Development and Capital outlay exceeded amounts budgeted during the year.

Auditor's Recommendation:
The budget should have been amended in accordance with Chapter 384.18 of the *Code of Iowa* before disbursements were allowed to exceed the budget.

Views of Responsible Officials:
The budget will be amended in the future prior to exceeding it.

Conclusion:
Response accepted.

25-II-B –Questionable Disbursements
We noted no material expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

25-II-C –Travel Expense
No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

25-II-D –Business Transactions
There were no business transactions between the City and City officials or employees that exceeded $6,000.

25-II-E –Restricted Donor Activity
No transactions were noted between the City, City officials or City employees and restricted donors in compliance with Chapter 68B of the *Code of Iowa* (Government Ethics and Lobbying Act).

25-II-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 that the coverage is adequate for current operations.

25-II-G –Council Minutes
No transactions were found that we believe should have been approved in the Council minutes but were not.

25-II-H –Deposits and Investments
No instances of noncompliance with the deposit and investment provision of Chapter 12B and 12C of the *Code of Iowa* and the City's investment policy were noted.

25-II-I –Revenue Bonds and Notes
No instances of non-compliance with the revenue bond and note resolutions were noted.

Part II - Other Findings Related to Statutory Reporting (Continued)

25-II-J – Tax Increment Financing
The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City of Tiffin properly completed the Tax Increment Debt Certificate Forms to request TIF property taxes.

25-II-K –Annual Urban Renewal Report
The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 384.22(2)(a) of the *Code of Iowa* but it was noted that the expenditures, receipts and ending cash balances on the Levy Authority Summary did not agree with the City's records.

Recommendation:
The City should ensure the amounts reported on the Levy Authority Summary agree with the City's records.

Views of Responsible Officials:
The City will ensure the Levy Authority Summary agrees with City records in the future.

Conclusion:
Response accepted.

25-II-L –Unclaimed Property
Chapter 556.11 of the *Code of Iowa* requires each City to report and remit obligations, including checks outstanding for more than two years to the Office of Treasurer of State annually. The City's list of outstanding checks includes checks outstanding over two years.

Auditor's Recommendation:
Outstanding checks should be reviewed annually and items over two years old should be remitted to the Office of Treasurer of State, as required.

Views of Responsible Officials:
We will implement the procedures necessary to comply with the Code requirements.

Conclusion:
Response accepted.