City of Sioux Center, Iowa

Sioux Center
growing • bright

Annual Financial Report

for the fiscal year ended June 30, 2015

Prepared by:
Finance Department
Darryl Ten Pas, Finance Director

CITY OF SIOUX CENTER, IOWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015
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March 21, 2015

The Honorable Mayor
Members of the City Council
Citizens of the City of Sioux Center, Iowa:

The Comprehensive Annual Financial Report for the City of Sioux Center for fiscal year ended June 30, 2015, has been prepared by the finance department and is submitted herewith. State law requires that every general-purpose local government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. 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 material misstatements.

The City of Sioux Center's financial statements have been audited by Williams & Company, P.C., a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance the financial statements of the City of Sioux Center for the fiscal year ended June 30, 2015, is free of material misstatements. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used by management and evaluating the overall financial statement presentation. The independent auditor concluded that the City of Sioux Center's financial statements for the fiscal year ended June 30, 2015, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City of Sioux Center, incorporated in 1891, is located in the northwest corner of Iowa, approximately 45 miles northeast of Sioux City, Iowa, and 60 miles southeast of Sioux Falls, South Dakota. Sioux Center is surrounded by rich farmland and consequently much of its local business and industrial base is agriculturally oriented.

The City provides the full range of municipal services authorized by state law and city ordinance. This includes police and fire protection, street system, sanitation system, library, parks and recreation, municipal airport, planning and zoning and code enforcement, and general administrative services necessary to serve the citizens of the community. The City also operates water, wastewater treatment, electric, and natural gas utility systems and a downtown mall.

The City operates under a council-manager form of government. Policy-making and legislative authority are vested in the city council consisting of the mayor and five members. The city council is responsible for passing ordinances, adopting the budget, appointing committees, and setting policy. The city manager is responsible for carrying out the policies of the council and for overseeing day-to-day operations of the City. The city council is elected on a non-partisan basis. Council members serve four-year staggered terms with an election every two years. The mayor is elected for a four-year term.

The annual budget serves as the foundation for the City of Sioux Center's financial planning and control. All departments of the City are required to submit their budget requests to be included in the budgeting process. The city manager, utility manager, and finance director compile these requests and present the proposed budget to the city council. The council considers the proposed budget, makes changes, and must adopt a final budget by March 15 of each year. The final adopted budget is the framework under which the City will operate in the next fiscal year. The legal level of budgetary control is at the function level rather than at the fund level. Budget-to-actual comparisons are provided in this report for each function.

Economic Condition and Outlook

Construction activity in the City remained consistent for both residential and commercial activity in calendar year 2014. 22 building permits for new and remodeling were issued for commercial construction, 61 permits for new and remodeling were issued for residential construction, and no permits were issued for tax-exempt construction. A total estimated taxable value of $19,663,110 was added to the tax base in 2014.

Taxable retail sales in the City increased in 2014. Taxable sales were $140,972,111 a 5.6% increase from 2013. The City's retail sales account for 40.4% of all taxable sales in Sioux county.

Based on current conditions, we expect to see positive growth in commercial and residential building construction in the future. Although growth has a positive impact on the local economy, it does present challenges for the orderly development of the community and infrastructure expansion and maintenance.

Long-term Financial Planning

The city council and administration routinely consider the long-term outlook regarding financial matters. Operating budget decisions are based on the long-term impact of appropriations and funding. When considering capital improvement projects, the City considers the impact of investment in infrastructure and economic development, the associated debt burden, and additional operating commitments to ensure fiscally responsible decisions.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the dedicated services of the entire finance department. We wish to express our appreciation to all staff members who assisted and contributed to its preparation. We also thank the mayor and members of the city council for their continued interest and support of the City in a responsible and progressive manner.

Sincerely,

Paul Clousing
City Manager

Darryl Ten Pas
Finance Director

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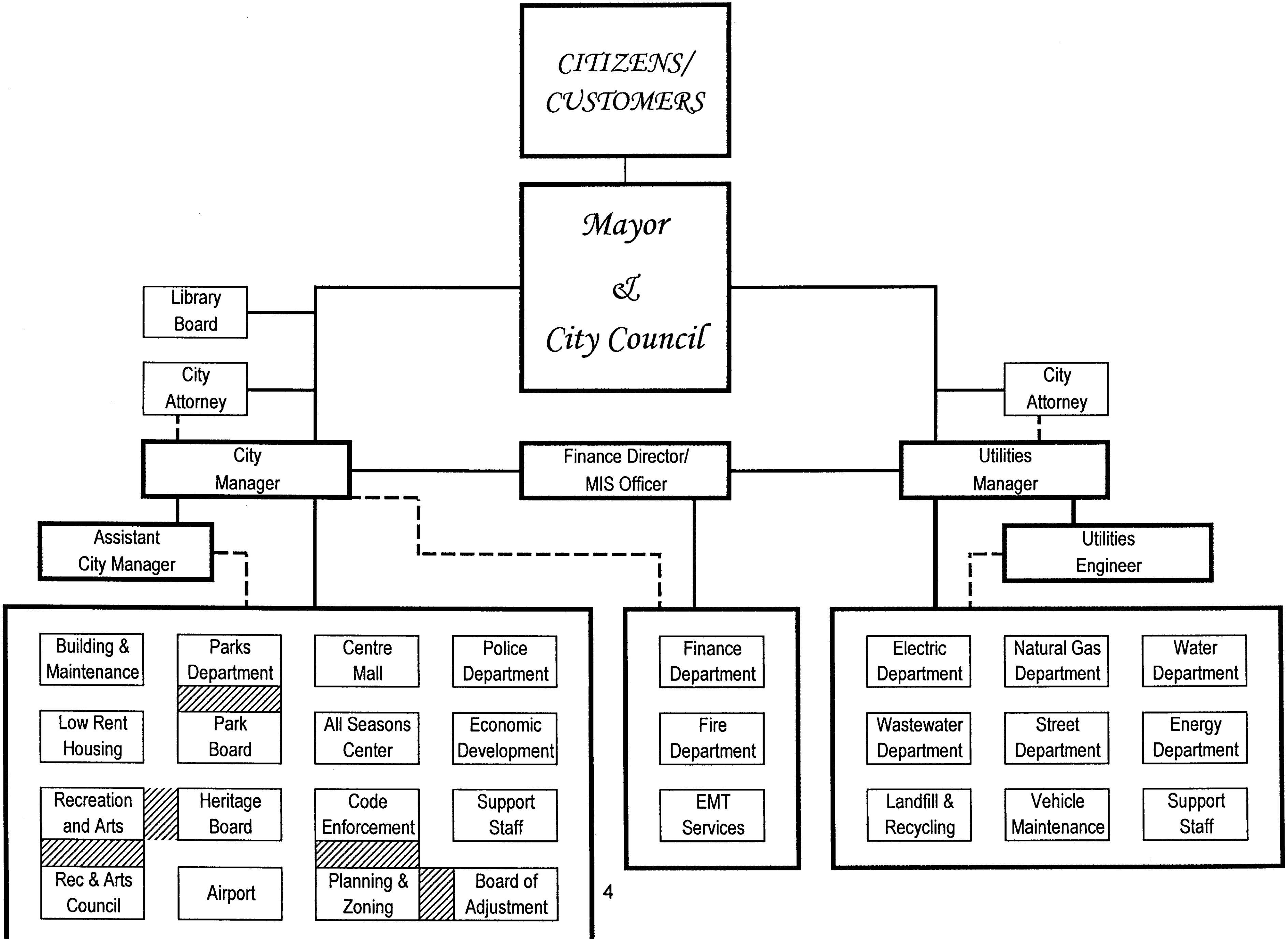
City of Sioux Center
ORGANIZATIONAL STRUCTURE



CITY OF SIOUX CENTER, IOWA

OFFICIALS

Name	Title	Term Expires
Dennis Walstra	Mayor	Jan 2016
Dave Krahling	Council Member	Jan 2016
Verlyn Rozeboom	Council Member	Jan 2016
Jamie Van Ravenswaay	Council Member	Jan 2018
Randy Vreugdenhil	Council Member	Jan 2018
W. Dale Den Herder	Council Member	Jan 2018
Paul Clousing	City Manager	Indefinite
Darryl Ten Pas	Treasurer, Finance Director	Indefinite
Brian Van Engen	Attorney	Indefinite

WILLIAMS
& COMPANY P.C.
Certified Public Accountants

21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the City Council
City of Sioux Center, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CENTER, IOWA (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sioux Center Community Foundation, (a discretely presented component unit), which statements reflect total assets of $1,519,109 and total program revenues of $302,183 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Sioux Center Community Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Sioux Center Community Foundation were not audited in accordance with Government Auditing Standards.

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

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

Opinions

In our opinion, and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sioux Center, Iowa, as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the City of Sioux Center, Iowa adopted new accounting guidance related to the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of funding progress for retiree health plan, Schedule of the City's Proportionate Share of the Net Pension Liability and Schedule of City's Contributions to Iowa Public Employees' Retirement System on pages 8 through 16 and 61 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Other 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 introductory section, combining nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2016, on our consideration of the City of Sioux Center'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 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 Sioux Center's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 21, 2016

Sioux Center
growing bright
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Management Discussion and Analysis

June 30, 2015

As management of the City of Sioux Center, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Sioux Center for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

Financial Highlights:

> The assets of the City of Sioux Center exceeded liabilities at the close of business on June 30, 2015 by $79,454,225 (net position). Of this amount, $20,616,456 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
>
> The City's net position, after restated beginning balance, increased by $2,791,784 during the fiscal year. An increase of $1,316,827 is attributable to governmental activities and an increase of $1,474,957 to business type activities.
>
> The City's long-term debt decreased $3,957,000 due to principal payoff over the past year and calling of a GO Bond. General Obligation debt totaled $5,900,000 and other long-term debt totaled $2,683,000. In addition the City has issued internal debt for capital projects in the amount of $1,478,693 that will be paid with TIF funds over the next five years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Sioux Center's basic financial statements. The City of Sioux Center's 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 Sioux Center's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Sioux Center is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets 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 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 Sioux Center 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 include public safety, culture and recreation, public works, community and economic development, general government, and interest on long-term debt. The business type activities of the City include electric, gas, water, sewer, and Centre Mall.

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 Sioux Center, 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 Sioux Center 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 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 financing 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 city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Sioux Center adopts an annual appropriated budget. A budget comparison statement has been provided to demonstrate compliance with the budget.

Proprietary Funds

The City of Sioux Center 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. The City uses enterprise funds to account for the activities of the electric utility, gas utility, water utility, sewer utility and the Centre Mall. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Sioux Center uses an internal service fund to account for vehicle maintenance and self-funded part or the City's health insurance. Because these services benefit both governmental and business-type functions, they have been apportioned accordingly in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements include a statement of cash flows in addition to the basic financial reports.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Sioux Center's programs. The accounting used for these funds is much like that used for proprietary funds. The City has one type of fiduciary fund: agency fund.

Government-wide Financial Analysis

As stated earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by $79,454,225 at the close of the most recent fiscal year.

City of Sioux Center Net Assets

	Governmental Activities		Business-type		Total	
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014
Current and other assets	$8,851,112	$9,667,195	$24,259,559	$25,737,729	$33,110,671	$35,404,924
Capital assets	43,485,652	43,798,112	21,210,544	19,427,809	64,696,196	63,225,921
Total assets	52,336,764	53,465,307	45,470,103	45,165,538	97,806,867	98,630,845
Deferred Outflows	254,400	-	244,450	-	$498,850	-
Long-Term Liabilities	4,754,143	6,466,743	3,717,928	4,061,257	8,472,071	10,528,000
Other liabilities	2,037,456	1,911,702	2,529,457	2,677,457	4,566,913	4,589,159
Total liabilities	6,791,599	8,378,445	6,247,385	6,738,714	13,038,984	15,117,159
Dererred Inflows	5,453,998	4,893,088	358,510	-	5,812,508	4,893,088
Net Position:						
Net Investment in Capital Assets	38,508,224	36,127,931	17,604,973	15,792,606	56,113,197	51,920,537
Restricted	2,291,050	1,379,909	433,522	750,566	2,724,572	2,130,475
Unrestricted (Deficit)	(453,707)	2,685,934	21,070,163	21,883,652	20,616,456	24,569,586
Total net assets	$40,345,567	$40,193,774	$39,108,658	$38,426,824	$79,454,225	$78,620,598

The largest part of the City's net assets (70.6 percent) reflects its investment in capital assets (e.g. land buildings, machinery, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in 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 long-term liabilities.

An additional portion of the City of Sioux Center's net assets (3.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($20,616,456) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Sioux Center is able to report positive balances in all three categories of net assets, both for the government as a whole and business type activities. The unrestricted balance was negative for governmental activities due primarily to the adoption of GASB 68 related to net pension liability.

The City's total net assets increased during the current fiscal year. The increase in net assets in the business-type activities and the increase in the governmental activities column is explained in further detail in the following section.

Governmental Activities

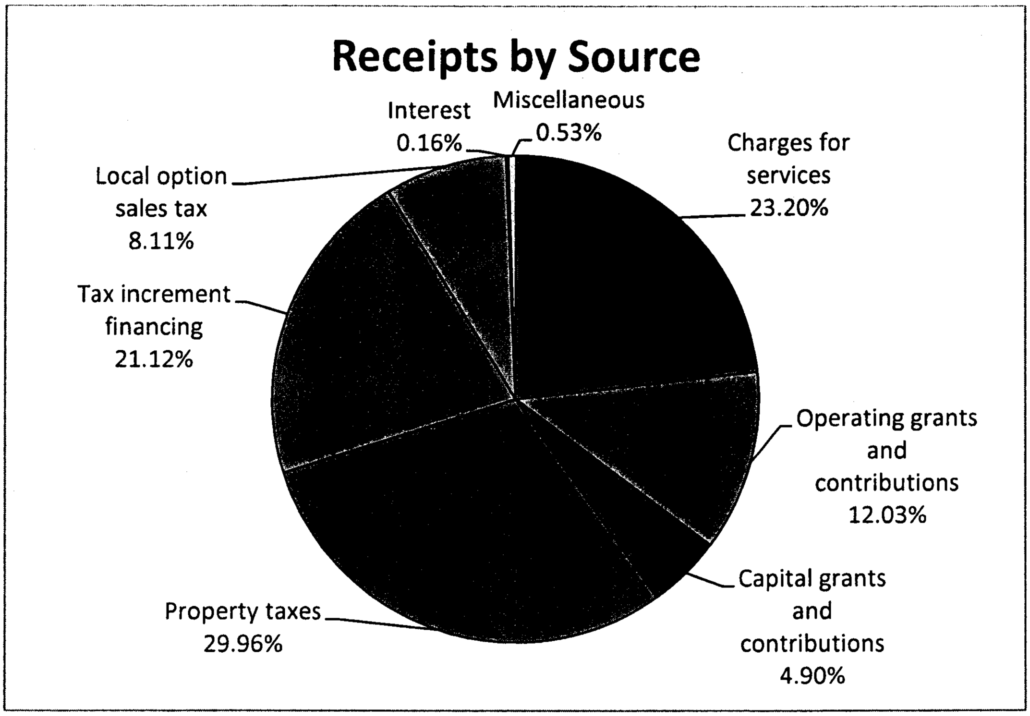
A summary of the City's changes in net assets follows:

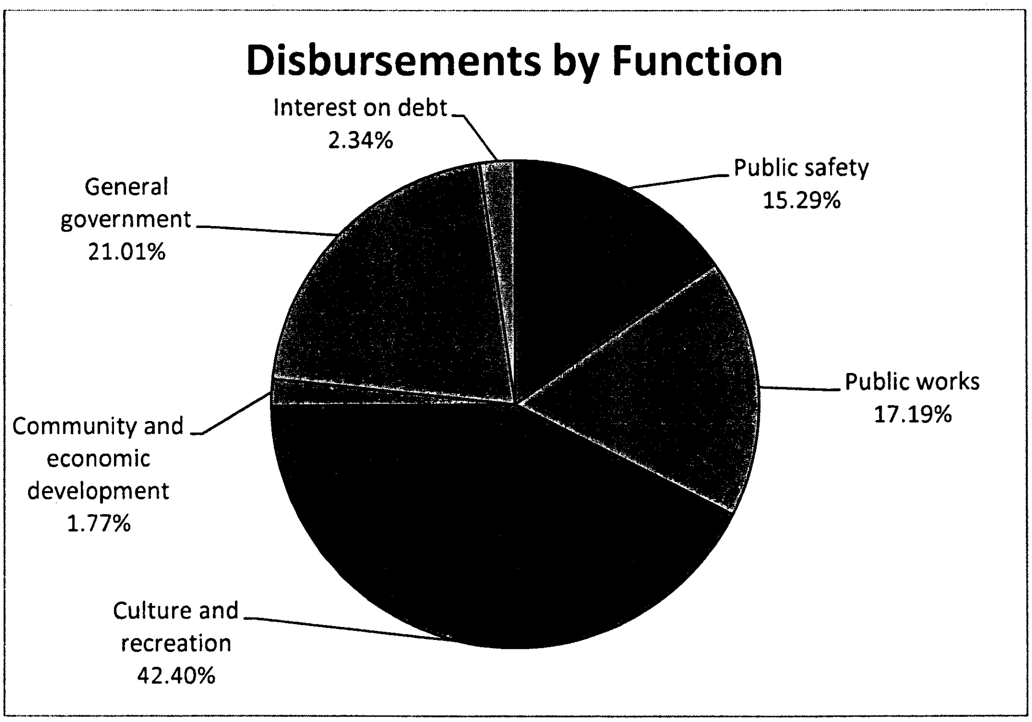
City of Sioux Center Change Net Assets

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Charges for services	$2,296,199	$1,514,457	$22,149,366	$23,355,117	$24,445,565	$24,869,574
Operating grants and contributions	1,190,341	703,769	-	-	1,190,341	703,769
Capital grants and contributions	484,727	288,330	-	-	484,727	288,330
General Revenues:						
Property taxes	2,965,060	2,884,832	-	-	2,965,060	2,884,832
Tax increment financing	2,090,177	1,857,358	-	-	2,090,177	1,857,358
Local option sales tax	802,540	732,227	-	-	802,540	732,227
Interest	15,401	10,817	74,822	272,058	90,223	282,875
Miscellaneous	52,316	1,359,547	694,984	(874,066)	747,300	485,481
Total Revenues:	9,896,761	9,351,337	22,919,172	22,753,109	32,815,933	32,104,446
Expenses:						
Public safety	1,378,410	1,232,254	-	-	1,378,410	1,232,254
Public works	1,411,372	2,028,060	-	-	1,411,372	2,028,060
Culture and recreation	3,823,595	4,414,137	-	-	3,823,595	4,414,137
Community and economic development	159,876	285,022	-	-	159,876	285,022
General government	1,894,813	1,146,253	-	-	1,894,813	1,146,253
Interest on debt	211,194	226,094	-	-	211,194	226,094
Centre Mall	-	-	935,506	901,545	935,506	901,545
Water Utility	-	-	1,282,811	1,248,792	1,282,811	1,248,792
Sewer Utility	-	-	1,062,633	1,010,493	1,062,633	1,010,493
Electric Utility	-	-	9,437,069	9,196,469	9,437,069	9,196,469
Gas Utility	-	-	8,426,870	10,919,217	8,426,870	10,919,217
Total Expenses	8,879,261	9,331,820	21,144,889	23,276,516	30,024,149	32,608,336
Increase/(decrease) in net position before transfers	1,017,500	19,517	1,774,283	(523,407)	2,791,784	(503,890)
Transfers	299,326	215,504	(299,326)	(215,504)	-	-
Increase/(decrease) in net position	1,316,827	235,021	1,474,957	(738,911)	2,791,784	(503,890)
Net Position-beginning (as restated)	39,028,740	39,958,752	37,633,701	39,165,735	76,662,441	79,124,487
Net Position-ending	$40,345,567	$40,193,773	$39,108,658	$38,426,824	$79,454,225	$78,620,597

Governmental Activities

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





Sioux Center's property tax revenues for general purposes increased by $80,228 or approximately 2.78%. This increase is due to continued growth in property valuations.

The increase in net position in the governmental activities column in 2015 was $1,316,827. In 2014 there was an increase in net position for governmental activities of

$235,021. This discrepancy is due to the timing of grants, refunds and miscellaneous revenues for the City's capital projects that occur over several fiscal years.

Historically increases in expenses closely paralleled inflation and growth in demand for services, both in the general government and business-type activities.

Business-Type Activities

Business-type activities increased the City of Sioux Center's net position by $1,474,957.

The net revenue (expense) by business activity is shown in the following table:

City of Sioux Center Business-Type Activities

Business Type Activity	2015	2014
Electric Utility	$1,006,729	$262,088
Natural Gas Utility	118,980	(1,363,518)
Water Utility	265,494	272,209
Sewer Utility	35,077	91,434
Centre Mall	48,677	(1,124)
Change in Net Assets	$1,474,957	($738,911)

The change in net position for the electric utility in 2015 was higher because of an increase in interest earned and earnings from MBMECA. Additionally, community grants decreased compared to 2014.

Change in net position in the gas utility in 2015 was positive because reduced community grants compared to 2014. In 2014 a loss was recorded on the sale of land to the Sioux County Conservation Board.

The water utility had a gain in 2015. Water sales were below average because of a wet summer which resulted in less gallons being sold. System repair and maintenance were higher than then 2014. A rate increase was implemented in the summer of 2014.

The sewer utility also had a gain 2015. The gain was lower than 2014 primarily due to lower volume and increased expenses for repairs and maintenance. A rate increases was put into effect during the fiscal year.

The Centre Mall's change in net assets increased from 2014 to 2015. This increase compared to 2014 was due to increased revenue from Charges for Services.

Financial Analysis of the City's Funds

As noted earlier, Sioux Center uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's governmental funds is to provide information on near-term resources. Unreserved fund balance may serve as a useful measure of a government's net resources available at the end of a fiscal year. The City's governmental funds reported combined ending total fund balances of $2,685,435 an increase of $282,544 from last fiscal year.

The general fund is the primary fund of the City. The general total fund balance increased by $31,298 as of June 30, 2015 compared to June 30, 2014.

Budgetary Highlights

The City of Sioux Center adopted one budget amendment during fiscal year. The total amendment increased budget disbursements by $3,974,000. The increase was due to higher cost for electric gas gas purchases than what was budgeted for fiscal 2015 and additional cost for cost for recreation programs and purchase of a new ambulance rig. There was also some carry over of capital projects from Fiscal 2014. Total disbursements did not exceed the amended budget in fiscal year 2015.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to $56,113,197 (net of accumulated depreciation and related debt). Capital assets include land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total governmental-type capital assets (net of depreciation and related debt) increased $2,380,292. The increase in capital assets in business-type activities totaled $1,536,927. The net increase in capital assets for all activities for the fiscal year was $3,917,219. The increase in capital assets for business-type activities is due to increased spending in infrastructure. Most of the increase in capital assets for governmental activities is due to a GO bond that was called.

For further information on additions and deletions to the City's capital assets this fiscal year, refer to the Capital Assets section in the Notes to Financial Statements.

Debt Administration

The City of Sioux Center had total bond debt of $8,583,000 at the end of the current fiscal year. Of this amount $5,900,000 was general obligation debt which is debt backed by the full faith and credit of the government. The remainder of $2,683,000 is revenue bonds (and notes) debt that is secured by specific revenue sources. This is a net decrease of $3,957,000 from the balance at the end of the previous fiscal year and is due to the calling of the 2007 GO bonds. No new bonds were issued during the fiscal year.

The City's general obligation debt is limited by the State of Iowa to 5% of the actual value of all taxable property in the community. The City's general obligation debt limit is $22,885,123. Net bonded debt applicable to the City's debt limit (total issues outstanding less funds reserved for repayment of debt) is $5,900,00 or 26% of the City's total debt limit.

For further information on the City's change in debt this fiscal year, refer to the Changes in Long-term Liabilities section in the Notes to Financial Statements.

Economic Factors

Construction activity in the City had solid activity in calendar year 2014. 22 building permits were issued for commercial construction, 61 permits were issued for residential construction and no permits were issued for tax exempt construction.

Total estimated valuation of this construction was $19,663,110 compared to $27,705,524 in the prior year.

Taxable retail sales in fiscal year 2014 increased by $7,532,774 for a total of $140,972,111. The City's retail sales account for 40% of all taxable sales in the county.

Contacting Sioux Center's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Sioux Center's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to: Darryl Ten Pas, Finance Director, City of Sioux Center, 335 1st Ave NW, Sioux Center, Iowa 51250.

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CITY OF SIOUX CENTER, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Sioux Center Community Foundation
ASSETS				
Cash and Cash Equivalents	$ 2,767,089	$ 8,117,055	$ 10,884,144	$ 1,519,109
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	113,217	1,855,092	1,968,309	-
Taxes	8,654	-	8,654	-
Subsequent Year Taxes	5,024,367	-	5,024,367	-
Accrued Interest	-	22,174	22,174	-
Estimated Unbilled Usage	-	609,532	609,532	-
Special Assessments	240,426	-	240,426	-
Notes Receivable	75,000	2,497,932	2,572,932	-
Due from Other Governmental Agencies	468,956	-	468,956	-
Inventories	-	987,655	987,655	-
Prepaid Assets	153,403	134,660	288,063	-
Investment in Joint Venture	-	2,987,548	2,987,548	-
Land Held for Resale	-	6,632,797	6,632,797	-
Restricted Assets, Cash and Investments:				-
Revenue Bond Current Debt Service Account - Cash				-
& Cash Equivalents	-	415,114	415,114	-
Land	8,929,873	1,510,056	10,439,929	-
Construction in Progress	1,695,386	760,357	2,455,743	-
Infrastructure, Property and Equipment, Net				-
of Accumulated Depreciation	32,860,393	18,940,131	51,800,524	-
Total Assets	52,336,764	45,470,103	97,806,867	1,519,109
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferred Outflows	224,013	170,068	394,081	-
Unamortized bond discount	30,387	74,382	104,769	-
Total Deferred Outflows of Resources	254,400	244,450	498,850	-
LIABILITIES				
Accounts Payable	683,082	1,590,685	2,273,767	-
Accrued Expenses	18,811	185,406	204,217	-
Customer Deposits	16,215	46,827	63,042	-
Accrued Interest	8,707	9,880	18,587	-
Noncurrent Liabilities:				
Due within one year:				
Revenue Bonds Payable	-	448,000	448,000	-
General Obligation Bonds	1,267,895	212,105	1,480,000	-
Compensated Absences and Benefits	42,746	36,554	79,300	-
Due in more than one year:				
Revenue Bonds Payable	-	2,235,000	2,235,000	-
General Obligation Bonds	3,709,534	710,466	4,420,000	-
Net Pension Liability	912,556	659,806	1,572,362	-
Other Post Employment Benefits	3,814	2,997	6,811	-
Compensated Absences and Benefits, Long-Term	128,239	109,659	237,898	-
Total Liabilities	6,791,599	6,247,385	13,038,984	-
DEFERRED INFLOW OF RESOURCES				
Deferred Revenue - Subsequent Year Taxes	5,024,367	-	5,024,367	-
Pension Related Deferred Inflows	429,631	310,636	740,267	-
Unamortized bond premium	-	47,874	47,874	
Total Deferred Inflow of Resources	5,453,998	358,510	5,812,508	-
NET POSITION				
Net Investment in Capital Assets	38,508,224	17,604,973	56,113,197	-
Restricted for:				
Debt Service	7,240	433,522	440,762	-
TIF	4,319	-	4,319	-
Specific Revenues	1,106	-	1,106	-
Local Option Sales Tax	559,485	-	559,485	-
Road Use Tax	1,718,900	-	1,718,900	-
Unrestricted	(453,707)	21,070,163	20,616,456	1,519,109
Total Net Position	$ 40,345,567	$ 39,108,658	$ 79,454,225	$ 1,519,109

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Public Safety	$ 1,378,410	$ 345,828	$ 15,000	$ 68,000
Public Works	1,411,372	486,249	750,961	389,478
Culture and Recreation	3,823,595	940,108	403,169	27,249
Community and Economic Development	159,876	-	-	-
General Government	1,894,813	524,014	17,635	-
Debt Service	211,195	-	3,576	-
Total governmental activities	8,879,261	2,296,199	1,190,341	484,727
Business-Type Activities:				
Electric Utility	9,437,069	10,434,989	-	-
Water Utility	1,282,811	1,565,667	-	-
Sewer Utility	1,062,633	1,063,220	-	-
Gas Utility	8,426,870	8,582,176	-	-
Centre Mall	935,506	503,314		
Total Business-Type Activities:	21,144,889	22,149,366	-	-
Total Primary Government	$ 30,024,150	$ 24,445,565	$ 1,190,341	$ 484,727
Component Unit:				
Sioux Center Community Foundation	$ 208,693	$ -	$ -	$ 302,183

General Revenues:
- Property taxes
- Tax Increment Financing
- Local Option Sales Tax
- Interest
- Unrestricted Intergovernmental Revenues
- Miscellaneous

Interfund Transfers

Total general revenues and transfers

Change in net position

Net Position - beginning

Prior Period Adjustment

Net Position - beginning as restated

Net Position - ending

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit Sioux Center Community Foundation
$ (949,582)		$ (949,582)	
215,316		215,316	
(2,453,069)		(2,453,069)	
(159,876)		(159,876)	
(1,353,164)		(1,353,164)	
(207,619)		(207,619)	
(4,907,994)		(4,907,994)	
	$ 997,920	997,920	
	282,856	282,856	
	587	587	
	155,306	155,306	
	(432,192)	(432,192)	
	1,004,477	1,004,477	
(4,907,994)	1,004,477	(3,903,517)	
			$ 93,490
2,965,060	-	2,965,060	-
2,090,177	-	2,090,177	-
802,539	-	802,539	-
15,403	74,822	90,225	-
52,316	-	52,316	-
-	694,984	694,984	-
299,326	(299,326)	-	-
6,224,821	470,480	6,695,301	-
1,316,827	1,474,957	2,791,784	93,490
40,221,437	38,426,823	78,648,260	1,425,619
(1,192,697)	(793,122)	(1,985,819)	-
39,028,740	37,633,701	76,662,441	1,425,619
$ 40,345,567	$ 39,108,658	$ 79,454,225	$ 1,519,109

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2015

	General	Road Use Tax	TIF
Assets			
Cash and Pooled Investments	$ 1,085,921	$ 839,514	$ 382
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	113,217	-	-
Taxes	3,302	-	3,937
Subsequent Year Taxes	1,996,314	-	2,183,800
Special Assessments	240,426	-	-
Notes Receivable	75,000	-	-
Due from Other Funds	1,977,146	851,355	-
Due from Other Governmental Agencies	40,745	72,470	-
Total Assets	5,532,071	1,763,339	2,188,119
Liabilities			
Accounts Payable	317,676	44,439	-
Customer Deposits	16,215	-	-
Due to Other Funds	-	-	-
Total Liabilities	333,891	44,439	-
Deferred Inflow of Resources			
Unavailable Revenue - Special Assessments	240,426	-	-
Unavailable Revenue - Subsequent Year Taxes	1,996,314	-	2,183,800
Total Deferred Inflow of Resources	2,236,740	-	2,183,800
Fund Balances (Deficits)			
Restricted for:			
Debt Service	-	-	-
TIF	-	-	4,319
Employee Benefit	-	-	-
Road Use Tax	-	1,718,900	-
Committed for:			
Storm Sewer	85,856	-	-
Local Option Sales Tax	-	-	-
Assigned for:			
Fire Department	177,704	-	-
Event Center	10,000	-	-
Capital Projects	-	-	-
Unassigned	2,687,880	-	-
Total Fund Balances (Deficits)	2,961,440	1,718,900	4,319
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,532,071	$ 1,763,339	$ 2,188,119

See Accompanying Notes to Financial Statements

Capital Projects		Other	Total
Commercial Industrial Park	Convention Center	Other Governmental Funds	Total Governmental Funds
$ 340,032	$ 7,500	$ 435,162	$ 2,708,511
-	-	-	113,217
-	-	1,415	8,654
-	-	844,253	5,024,367
-	-	-	240,426
-	-	-	75,000
-	-	-	2,828,501
229,145	-	126,596	468,956
569,177	7,500	1,407,426	11,467,632
290,659	-	19,914	672,688
-	-	-	16,215
966,960	999,721	861,820	2,828,501
1,257,619	999,721	881,734	3,517,404
-	-	-	240,426
-	-	844,253	5,024,367
-	-	844,253	5,264,793
-	-	886	886
-	-	-	4,319
-	-	1,106	1,106
-	-	-	1,718,900
-	-	-	85,856
-	-	559,485	559,485
-	-	-	177,704
-	-	-	10,000
-	-	1,696	1,696
(688,442)	(992,221)	(881,734)	125,483
(688,442)	(992,221)	(318,561)	2,685,435
$ 569,177	$ 7,500	$ 1,407,426	$ 11,467,632

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balance - Governmental Funds (page 21)		$ 2,685,435
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds		43,485,652
Deferred revenues that provide current financial resources for governmental activities		240,426
The internal service fund is used by management to allocate capital equipmenent operational expenses to various departments.		(10,101)
Accrued expenses from the balance sheet that require current financial resources for governmental activities		(8,707)
Accrued compensated absences, net pension liability, and other post employment benefits not reported on the modified accrual basis		(1,054,815)
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	246,014	
Deferred Inflows of Resources	(414,311)	(168,297)
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources		153,403
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds		(4,977,429)
Total Net Position - Governmental Activities (page 17)		$ 40,345,567

See Accompanying Notes to Financial Statements

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CITY OF SIOUX CENTER, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended June 30, 2015

	General	Road Use Tax	TIF
Revenue:			
Taxes	$ 2,123,165	$ -	$ -
Special Assessments	48,439	-	-
Licenses and Permits	90,052	-	-
Intergovernmental	120,360	750,961	-
Charges for Services	1,450,178	-	-
Use of Money and Property	349,939	-	-
TIF Revenue	-	-	2,066,001
Local Option Sales Tax	-	-	-
Interest on Investments	-	-	742
Miscellaneous	762,997	-	-
Total Revenue	4,945,130	750,961	2,066,743
Expenditures:			
Public Safety	1,284,798	-	-
Public Works	1,004,560	190,796	-
Culture and Recreation	3,473,949	-	-
Community and Economic Development	161,874	-	-
General Government	1,092,187	-	-
Capital Projects	138,500	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest/Bond Costs	-	-	-
Total Expenditures	7,155,868	190,796	-
Excess (deficiency) of revenues over expenditures	(2,210,738)	560,165	2,066,743
Other financing sources (uses):			
Refunding Bonds Retired	-	-	-
Transfers In	2,488,536	-	-
Transfers Out	(246,500)	(100,000)	(2,032,777)
Total other financing sources (uses)	2,242,036	(100,000)	(2,032,777)
Net Change in Fund Balance	31,298	460,165	33,966
Fund balances (Deficits)-beginning of year	2,805,320	1,204,357	(29,647)
Prior Period Adjustment	124,822	54,378	-
Fund balances (Deficits)-beginning of year as restated	2,930,142	1,258,735	(29,647)
Fund balances (Deficits)- end of year	$ 2,961,440	$ 1,718,900	$ 4,319

See Accompanying Notes to Financial Statements

Capital Projects		Other	Total
Commercial Industrial Park	Convention Center	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 848,531	$ 2,971,696
-	-	-	48,439
-	-	-	90,052
347,044	-	78,602	1,296,967
-	-	-	1,450,178
-	-	-	349,939
-	-	-	2,066,001
-	-	802,540	802,540
-	-	6,376	7,118
-	7,500	12,293	782,790
347,044	7,500	1,748,342	9,865,720
-	-	-	1,284,798
-	-	-	1,195,356
-	-	-	3,473,949
-	-	107,047	268,921
-	-	-	1,092,187
965,585	-	392,549	1,496,634
-	-	1,258,495	1,258,495
-	-	196,974	196,974
965,585	-	1,955,065	10,267,314
(618,541)	7,500	(206,723)	(401,594)
-	-	(1,434,257)	(1,434,257)
-	234,000	1,303,459	4,025,995
-	-	(1,347,392)	(3,726,669)
-	234,000	(1,478,190)	(1,134,931)
(618,541)	241,500	(1,684,913)	(1,536,525)
(25,268)	(1,233,721)	(318,152)	2,402,889
(44,633)	-	1,684,504	1,819,071
(69,901)	(1,233,721)	1,366,352	4,221,960
$ (688,442)	$ (992,221)	$ (318,561)	$ 2,685,435

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds (page 24)		$ (1,536,525)
Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlay exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	$ 2,206,576	
Depreciation expense	(2,047,731)	158,845
Revenues reported in the funds that are not available to provide current financial resources		(48,884)
The internal service fund is used by management to allocate capital equipment operational expenses to various departments. The net revenue of the internal service funds is reported with governmental activities:		5,290
Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources		(3,143)
Accrued interest expense that does not require current financial resources		6,354
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 the governmental funds, as follows:		
Compensated absences	$ (37,593)	
Pension expense	100,306	62,713
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:		2,692,752
The effect of bond issuance discounts and premiums are show in the governmental funds when new debt is issued, whereas, these amounts are deferred and accreted in the Statement of Activities		(20,575)
Change in net position of governmental activities (page 19)		$ 1,316,827

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CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2015

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 3,506,313	$ -	$ 572,240
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	870,537	122,510	78,173
Accrued Interest	11,087	-	-
Estimated Unbilled Usage	437,394	82,013	51,550
Notes Receivable	875,162	-	-
Due from Other Funds	1,078,283	-	-
Inventories	730,806	154,545	-
Prepaid Assets	41,056	25,987	36,419
Total Current Assets	7,550,638	385,055	738,382
Non Current Assets			
Land Held for Resale	3,461,728	-	-
Investment in Joint Venture	2,987,548	-	-
Restricted Assets:			
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	415,114	-
Land	578,393	78,274	45,035
Construction in Progress	31,176	433,046	92,982
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	4,044,410	6,887,695	2,703,051
Total Noncurrent Assets	11,103,255	7,814,129	2,841,068
Total Assets	18,653,893	8,199,184	3,579,450
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	42,822	38,045	38,016
Unamortized bond discount	-	66,592	2,330
Total Deferred Outflows of Resources	42,822	104,637	40,346
LIABILITIES			
Current Liabilities			
Accounts Payable	1,019,685	103,087	34,030
Accrued Expenses	-	-	-
Customer Deposits	18,849	9,424	-
Due to Other Funds	-	463,283	615,000
Accrued Interest	-	8,100	639
Total Current Liabilities	1,038,534	583,894	649,669
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	-	300,000	148,000
General Obligation Bonds	-	38,400	43,705
Compensated Absences	6,531	10,060	7,628
Due in more than one year:			
Revenue Bonds Payable	-	2,080,000	155,000
General Obligation Bonds	-	237,943	202,523
Net Pension Liability	166,133	147,601	147,493
Other Post Employment Benefits	817	545	579
Compensated Absences and Benefits, Long-Term	19,592	30,180	22,884
Total Liabilities	1,231,607	3,428,623	1,377,481
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	78,216	69,490	69,439
Unamortized bond premium	-	47,874	-
Total Deferred Inflow of Resources	78,216	117,364	69,439
NET POSITION			
Net Investment in Capital Assets	4,653,979	4,742,672	2,291,840
Restricted for:			
Debt Service	-	425,732	2,330
Unrestricted	12,732,913	(410,570)	(121,294)
Total Net Position	$ 17,386,892	$ 4,757,834	$ 2,172,876

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities
	Nonmajor		
Gas Utility	Centre Mall	Total	Internal Service
$ 3,767,806	$ 270,696	$ 8,117,055	$ 58,578
744,125	39,747	1,855,092	-
11,087	-	22,174	-
38,575	-	609,532	-
1,622,770	-	2,497,932	-
-	-	1,078,283	-
102,304	-	987,655	-
10,789	20,409	134,660	-
6,297,456	330,852.00	15,302,383	58,578
3,171,069	-	6,632,797	-
-	-	2,987,548	-
-	-	415,114	-
572,592	235,762	1,510,056	-
67,825	135,328	760,357	-
2,611,299	2,693,676	18,940,131	-
6,422,785	3,064,766	31,246,003	-
12,720,241	3,395,618	46,548,386	58,578
32,046	19,139	170,068	8,388
-	5,460	74,382	-
32,046	24,599	244,450	8,388
398,695	35,188	1,590,685	10,396
-	185,406	185,406	18,811
18,554	-	46,827	-
-	-	1,078,283	-
-	1,141	9,880	-
417,249	221,735	2,911,081	29,207
-	-	448,000	-
-	130,000	212,105	-
7,665	4,670	36,554	
-	-	2,235,000	-
-	270,000	710,466	-
124,329	74,250	659,806	32,540
647	409	2,997	-
22,994	14,009	109,659	-
572,884	715,073	7,325,668	61,747
58,534	34,957	310,636	15,320
-	-	47,874	-
58,534	34,957	358,510	15,320
3,251,716	2,664,766	17,604,973	-
-	5,460	433,522	-
8,869,153	(39)	21,070,163	(10,101)
$ 12,120,869	$ 2,670,187	$ 39,108,658	$ (10,101)

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended June 30, 2015

	Business Type Activities		
	Electric Utility	**Water Utility**	**Sewer Utility**
Operating Revenues:			
Charges for Services	$ 10,434,989	$ 1,565,667	$ 1,063,220
Total Operating Revenue	10,434,989	1,565,667	1,063,220
Operating Expenses:			
Operating and Maintenance	8,961,503	846,553	735,229
Depreciation	460,662	365,390	306,088
Total Operating Expenses	9,422,165	1,211,943	1,041,317
Operating Income	1,012,824	353,724	21,903
Non-Operating Income (Expense):			
Interest Income	34,557	2,282	2,827
Other Non-operating Revenues	456,113	56,347	16,460
Interest Expense	-	(70,868)	(21,316)
Loss on Sale of Fixed Assets	(14,904)	-	-
Total Non-Operating Income (Expenses)	475,766	(12,239)	(2,029)
Income (Loss) before Transfers	1,488,590	341,485	19,874
Transfers In	-	3,041	15,203
Transfers Out	(481,861)	(79,032)	-
Change in Net Position	1,006,729	265,494	35,077
Net Position - Beginning	16,466,663	4,741,034	2,332,964
Prior Period Adjustment	(86,500)	(248,694)	(195,165)
Net Position - Beginning (Restated)	16,380,163	4,492,340	2,137,799
Net Position - Ending	$ 17,386,892	$ 4,757,834	$ 2,172,876

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities
Gas Utility	Nonmajor Centre Mall	Total	Internal Service Fund
$ 8,582,176	$ 503,314	$ 22,149,366	$ 313,284
8,582,176	503,314	22,149,366	313,284
8,233,167	591,854	19,368,306	313,815
193,703	321,849	1,647,692	-
8,426,870	913,703	21,015,998	313,815
155,306	(410,389)	1,133,368	(531)
33,738	1,418	74,822	-
144,154	21,910	694,984	5,821
-	(21,803)	(113,987)	-
-	-	(14,904)	-
177,892	1,525	640,915	5,821
333,198	(408,864)	1,774,283	5,290
-	457,541	475,785	-
(214,218)	-	(775,111)	-
118,980	48,677	1,474,957	5,290
12,166,403	2,719,759	38,426,823	27,666
(164,514)	(98,249)	(793,122)	(43,057)
12,001,889	2,621,510	37,633,701	(15,391)
$ 12,120,869	$ 2,670,187	$ 39,108,658	$ (10,101)

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2015

	Business Type Activities		
	Electric Utility	**Water Utility**	**Sewer Utility**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 10,044,309	$ 1,512,065	$ 1,026,769
Cash Paid to Suppliers for Goods and Services	(8,576,096)	(544,378)	(407,994)
Cash Paid to Employees for Services	(416,117)	(290,378)	(339,481)
Other Nonoperating Income	321,886	56,347	16,460
Net Cash Provided (Used) by Operating Activities	1,373,982	733,656	295,754
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(85,845)	(602,075)	(776,103)
Principal Paid on Notes and Bonds	-	(332,229)	(180,897)
Interest Paid on Notes and Bonds	-	(68,425)	(15,333)
Net Cash (Used) for Capital and Related Financing Activities	(85,845)	(1,002,729)	(972,333)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers From (To) Other Funds	(481,860)	(75,991)	15,203
Due From (To) Other Funds	(1,068,283)	453,283	615,000
Decrease in Notes Receivable	30,121	-	-
Net Cash Provided (Used) for Non-Capital Financing Activities	(1,520,022)	377,292	630,203
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investment Securities	(132,072)	-	-
Proceeds from Sale of Investment Securities	757,321	-	-
Interest and Dividends on Investments	39,067	2,282	2,827
Net Cash Provided by Investing Activities	664,316	2,282	2,827
Net Increase (Decrease) in Cash and Cash Equivalents	432,431	110,501	(43,549)
Cash and Cash Equivalents at Beginning of Year	3,073,882	304,613	615,789
Cash and Cash Equivalents at End of Year	$ 3,506,313	$ 415,114	$ 572,240

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities
	Nonmajor		
Gas Utility	Centre Mall	Total	Internal Service
$ 8,954,959	$ 463,567	$ 22,001,669	$ 313,284
(8,124,142)	(422,244)	(18,074,854)	(199,524)
(294,473)	(158,129)	(1,498,578)	(98,732)
144,154	21,910	560,757	5,821
680,498	(94,896)	2,988,994	20,849
(71,085)	(127,024)	(1,662,132)	-
-	(295,000)	(808,126)	-
-	(14,672)	(98,430)	-
(71,085)	(436,696)	(2,568,688)	-
(214,218)	457,541	(299,325)	-
-	-	-	-
199,020	-	229,141	-
(15,198)	457,541	(70,184)	-
-	-	(132,072)	-
-	-	757,321	-
34,455	1,418	80,049	-
34,455	1,418	705,298	-
628,670	(72,633)	1,055,420	20,849
3,139,136	343,329	7,476,749	37,729
$ 3,767,806	$ 270,696	$ 8,532,169	$ 58,578

continued

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended June 30, 2015

	Business Type Activities		
	Electric Utility	**Water Utility**	**Sewer Utility**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	$ 1,012,824	$ 353,724	$ 21,903
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	460,662	365,390	306,088
Other Non-Operating Income	321,886	56,347	16,460
(Increase) Decrease in Assets:			
Accounts Receivable	43,060	26,560	15,099
Inventories	(29,135)	7,590	-
Prepaid Expenses	(15,564)	(1,362)	(2,217)
Estimated Unbilled Usage	(437,394)	(82,013)	(51,550)
Deferred Outflows of Resources	(12,604)	(11,198)	(11,189)
Increase (Decrease) in Liabilities			
Accounts Payable	33,933	13,803	(1,617)
Accrued Wages and Compensated Absences	(2,456)	7,483	7,258
Accrued Expenses	-	-	-
Customer Deposits	3,653	1,851	-
Net Pension Liability	(83,916)	(74,554)	(74,499)
Deferred Inflows of Resources	78,216	69,490	69,439
OPEB Liability	817	545	579
Total Adjustments	361,158	379,932	273,851
Net Cash Provided by Operating Activities	1,373,982	733,656	295,754
Cash and Cash Equivalents	3,506,313	-	572,240
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	415,114	-
Total Cash and Cash Equivalents	$ 3,506,313	$ 415,114	$ 572,240

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities
	Nonmajor		
Gas Utility	Centre Mall	Total	Internal Service
$ 155,306	$ (410,389)	$ 1,133,368	$ (531)
193,703	321,849	1,647,692	-
144,154	21,910	560,757	5,821
408,000	(39,747)	452,972	-
(2,977)	-	(24,522)	-
(325)	(1,348)	(20,816)	-
(38,575)	-	(609,532)	
(9,432)	(5,634)	(50,057)	(2,469)
	-	-	
(176,160)	16,202	(113,839)	333
7,064	4,532	23,881	-
-	276	276	18,811
3,358	-	8,862	-
(62,799)	(37,504)	(333,272)	(16,436)
58,534	34,957	310,636	15,320
647	-	2,588	
525,192	315,493	1,855,626	21,380
680,498	(94,896)	2,988,994	$ 20,849
3,767,806	270,696	8,117,055	58,578
-		415,114	-
$ 3,767,806	$ 270,696	$ 8,532,169	$ 58,578

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Agency Fund
JUNE 30, 2015

ASSETS		
Cash and Cash Equivalents	$	414,915
Taxes Receivable		30,434
Total Assets		445,349
LIABILITIES		
Accounts Payable		445,349
Total Liabilities	$	445,349

See Accompanying Notes to Financial Statements

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sioux Center, Iowa is a political subdivision of the State of Iowa located in Sioux County. The City operates under a Council-Manager form of government and administers the following programs as authorized by its charter: public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides electric, water, sewer, gas utilities and a municipal shopping mall for its citizens.

The City's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

A. Reporting Entity

For financial reporting purposes, the City of Sioux Center, Iowa, 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 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 to, or impose specific financial burdens on the City.

These financial statements present the City of Sioux Center, Iowa (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Complete financial statements of the individual component unit, which issued separate financial statements as noted below, can be obtained from their respective administrative office.

Discretely Presented Component Unit – The government-wide financial statements include The Sioux Center Community Foundation as a component unit. The Foundation is a legally separate entity with a December 31 year end. The Foundation is fiscally dependent upon the City to provide financing for capital purchases and for operations and could present a financial burden to the City. Complete financials are available at the Foundation.

Jointly Governed Organizations - The City also participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following Boards and Commissions: Sioux County Conference Board, Sioux County Emergency Management Commission, Sioux County Joint E911 Service Board and Sioux County Regional Airport Board.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements-Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, and capital project funds are classified as governmental activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, culture and recreation, community and economic development, general government, etc.) and business-type activities. The functions are also supported by general government expenses (including depreciation) by related program revenue, operating grants, and capital grants. Program revenue must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year activities.

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 a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City electively added funds, as major funds, which had a specific community focus. The non-major funds are combined into a single column in the fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Fund Types – The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

1) General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation.

2) Special Revenue Fund - The Road Use Tax Fund is used to account for the operation of street maintenance and construction financed by allocations of state fuel taxes.

3) Special Revenue Fund – The TIF Fund (Tax Incremental Financing) is used to account for property taxes received to be expended for public improvements, construction of public infrastructure as well as economic development opportunities, incentives, sites, land, rebates, and grant agreements.

4) Capital Projects Fund – The Commercial Industrial Park Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

5) Capital Projects Fund – The Convention Center Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

1) Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The major enterprise funds are listed as follows:

The Electric Fund is used to account for the operation and maintenance of the City's electric systems.

The Water Fund is used to account for the operation and maintenance of the City's water system.

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

The Natural Gas Fund is used to account for the operation and maintenance of the City's gas system.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements. The City's agency funds includes the payroll clearing fund and sales tax fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, expenditures exceeded the amount budgeted in the Public Safety, Culture and Recreation, Community and Economic Development, and Debt Service functions.

F. Cash And Cash Equivalents And Investments

The City is authorized by statute to invest public funds not currently needed for operating expenses in notes, certificates, bonds, prime eligible bankers acceptances, certain high rated commercial paper, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits or savings accounts in depositories approved by the City Council.

1) Cash and Cash Equivalents

   Includes demand deposits, cash on hand and cash investments with original maturities of three months or less.

G. Property Tax Receivable

Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the City Council to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City Council is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2014. Any county collections on the 2014-2015 tax levy remitted to the City within 60 days subsequent to June 30, 2015, are recorded as property tax revenue.

H. Short-Term Interfund Receivables/Payables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2015, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Inventories

Inventories of enterprise funds are valued at cost using FIFO. Inventories are recorded as expenses when consumed rather than when purchased.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015 are recorded as prepaid items.

K. Restricted Assets

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds.

L. Property and Equipment

Assets with an initial individual cost of $5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost of $25,000 or more beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings	40 – 50 Years
Building Improvements	25 – 50 Years
Infrastructure	30 – 50 Years
Machinery & Equipment	3 – 20 Years
Vehicles	3 – 10 Years
Infrastructure	30 – 50 Years

M. Compensated Absences

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability for this and any related benefits is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts and related benefits is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

O. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

P. Landfill Closure Costs

The City does not operate a sanitary landfill; therefore, no closure/post closure costs are included in these statements.

Q. Classifying Fund Balance Amounts

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The City fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the City incurs an expenditure and both restricted and unrestricted amounts are available, the City considers restricted amounts to have been spent. When the City incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

R. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position 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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s)

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

S. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employers' Retirement System (IPERS) and additions to/deductions from IPER's fiduciary net position have been determined on the same basis as they are reported by IPERS. 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.

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City's deposits at June 30, 2015, were entirely covered by Federal Depository Insurance collateralized or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligation 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; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Deposits at June 30, 2015, are shown below:

	Primary Government	Component Unit	Fiduciary Fund	Total
Demand Deposits	$ 11,299,258	$ 1,519,109	$ 414,913	$ 13,233,280

Interest Rate Risk: The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - (Continued)

investments with maturities longer than 397 days but the maturities shall be consistent with the needs and uses of the City.

Credit Risk: The City's investment policy addresses the issue of credit risk. Investments are limited to certain types of investments and by diversifying the investment portfolio.

Note 3 - DUE FROM OTHER GOVERNMENTS

At June 30, 2015, amounts due from other governments were as follows:

Due from the Iowa Department of Transportation for road use tax allocations	$ 72,470
Due from the Iowa Department of Transportation for RISE Grant	229,145
Due from the State of Iowa for local option sales taxes	126,596
Due from the State of Iowa for hotel and motel sales taxes	40,745
Total Due from Other Governments	$ 468,956

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2015, short-term interfund borrowings were as follows:

Fund Due To	Fund Due From	Amount
General Fund	Convention Center	$ 999,721
General Fund	Commercial Industrial Park	191,960
General Fund	Nonmajor Governmental Funds	785,465
		1,977,146
Road Use Tax Fund	Commercial Industrial Park	775,000
Road Use Tax Fund	Nonmajor Governmental Funds	76,355
		851,355
Electric Fund	Water Fund	463,283
Electric Fund	Sewer Fund	615,000
		1,078,283
		$ 3,845,670

Interfund receivables and payables are used to record negative pooled cash and to record money advanced to internally finance various projects.

Note 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Primary Government

	Balance July 1, 2014 (As Restated)	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 8,894,873	$ 35,000	$ -	$ 8,929,873
Construction in Progress	1,361,790	1,369,905	1,036,309	1,695,386
Total capital assets not being depreciated	10,256,663	1,404,905	1,036,309	10,625,259
Capital assets being depreciated:				
Buildings	23,611,883	121,197	-	23,733,080
Improvements	4,045,712	183,152	-	4,228,864
Equipment	5,018,719	590,980	116,322	5,493,377
Infrastructure	21,301,157	944,281	-	22,245,438
Total capital assets being depreciated	53,977,471	1,839,610	116,322	55,700,759
Less: Accumulated Depreciation for:				
Buildings	6,968,219	895,193	-	7,863,412
Improvements	2,986,280	120,527	-	3,106,807
Equipment	3,785,988	383,799	116,322	4,053,465
Infrastructure	7,168,470	648,212	-	7,816,682
Total Accumulated Depreciation	20,908,957	2,047,731	116,322	22,840,366
Total capital assets being depreciated, net	33,068,514	(208,121)	-	32,860,393
Governmental activities capital assets, net	$43,325,177	$1,196,784	$ 1,036,309	$ 43,485,652

Construction in progress at June 30, 2015, for the governmental activities consisted of the Hospital Redevelopment project, North Highway Commercial Development project, and various street projects.

Note 5 - CAPITAL ASSETS – (Continued)

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 1,510,056	$ -	$ -	$ 1,510,056
Construction in Progress	64,721	1,663,411	967,775	760,357
Total capital assets not being depreciated	1,574,777	1,663,411	967,775	2,270,413
Capital assets being depreciated:				
Buildings	9,933,944	-	-	9,933,944
Infrastructure	39,478,052	967,775	1,005,468	39,440,359
Equipment	1,474,370	64,076	12,034	1,526,412
Transmission	1,256,983	1,198,349	-	2,455,332
Total capital assets being depreciated	52,143,349	2,230,200	1,017,502	53,356,047
Less: Accumulated Depreciation	32,780,258	1,647,692	12,034	34,415,916
Total capital assets being depreciated, net	19,363,091	582,508	1,005,468	18,940,131
Business-type activities capital assets, net	$20,937,868	$ 2,245,919	$ 1,973,243	$ 21,210,544

Construction in progress at June 30, 2015 for the business-type activities consisted of electric substation improvements, various water related projects, utility related improvements to North Highway Commercial Development, and mall improvements.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Public Safety	$ 316,673
Public Works	113,937
Culture and Recreation	804,506
General Government	812,615
Total depreciation expense – governmental activities	$ 2,047,731
Business-Type Activities:	
Electric	$ 460,662
Water	365,390
Sewer	306,088
Gas	193,703
Centre Mall	321,849
Total depreciation expense – business-type activities	$ 1,647,692

Note 5 - CAPITAL ASSETS – (Continued)

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities
Land	$ 8,929,873	$ 1,510,056
Construction in Progress	1,695,386	760,357
Capital Assets (net of accumulated depreciation)	32,860,393	18,940,131
Less: General Obligation Bonds Payable	4,977,428	922,571
Revenue Bonds	-	2,683,000
Net Investment in Capital Assets	$ 38,508,224	$ 17,604,973

Note 6 - LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for governmental activities. These bonds are direct obligations and pledge the full faith and credit of the City.

General obligation bonds outstanding as of June 30, 2015 are as follows:

Purpose	Interest Rates	Amounts
Governmental Activities – 2009 Refunding	1.60-3.90%	$ 395,000
Business Type Activities – 2009 Refunding	1.60-3.90%	400,000
Governmental Activities – 2009	2.75-4.35%	2,305,000
Governmental Activities – 2011	1.25-3.00%	265,000
Governmental Activities – 2013 Refunding	.40-1.60%	2,012,429
Business Type Activities – 2013 Refunding	.40-1.60%	522,571
Total General Obligation Bonds on Statement of Net Position		$ 5,900,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2016	$1,267,895	$104,482	$1,372,377	$212,105	$ 18,925	$ 231,030
2017	1,032,410	76,803	1,109,213	212,590	14,355	226,945
2018	1,066,238	55,615	1,121,853	223,762	9,398	233,160
2019	933,229	32,497	965,726	66,771	3,575	70,346
2020	222,057	9,503	231,560	67,943	2,907	70,850
2021-2025	455,600	10,513	466,133	139,400	3,217	142,617
Total	$4,977,429	$289,413	$5,266,842	$922,571	$ 52,377	$974,948

Note 6 - LONG-TERM DEBT – (Continued)

Revenue Bonds

The City also has issued revenue bonds where the City pledges income derived from the acquired or constructed asset to pay debt service.

Revenue bonds outstanding at June 30, 2015 are as follows:

Primary Government

Purpose	Interest Rates	Amounts
Water Revenue Bonds	2.00-2.25%	$ 2,380,000
Sewer Revenue Bonds	1.75%	155,000
Sewer Revenue Bonds	1.75%	148,000
Total Revenue Bonds on Statement of Net Position		$ 2,683,000

Revenue bond debt service requirements to maturity are as follows:

Primary Government

Year Ending June 30,	Business-Type Activities Water Principal	Water Interest	Sewer Principal	Sewer Interest	Total
2016	$ 300,000	$ 48,600	$ 148,000	$ 5,303	$ 501,903
2017	300,000	42,600	155,000	2,713	500,313
2018	325,000	36,600	-	-	361,600
2019	250,000	30,100	-	-	280,100
2020	250,000	25,100	-	-	275,100
2021-2025	955,000	52,325	-	-	1,007,325
Total	$ 2,380,000	$ 235,325	$ 303,000	$ 8,016	$ 2,926,341

Note 6 - LONG-TERM DEBT – (Continued)

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	$ 7,670,181	$ -	$ 2,692,752	$ 4,977,429	$ 1,267,895
Other Post Employment Benefits	3,814	-	-	3,814	-
Compensated Absences	133,392	69,582	31,989	170,985	42,746
Net Pension Liability	1,373,494	-	460,938	912,556	-
Governmental Activity Long-Term Liabilities	9,180,881	69,582	3,185,679	6,064,784	1,310,641
Business-Type Activities:					
Bonds Payable:					
General Obligation	1,744,819	-	822,248	922,571	212,105
Revenue Bonds	3,125,000	-	442,000	2,683,000	448,000
Other Post Employment Benefits	2,997	-	-	2,997	-
Compensated Absences	119,744	56,405	29,936	146,213	36,554
Net Pension Liability	993,078	-	333,272	659,806	-
Business-Type Activity Long-Term Liabilities	$ 5,985,638	$ 56,405	$ 1,627,546	$ 4,414,587	$ 696,659

Note 7 - TRANSFERS

The following is a summary of transfers between funds:

	General	Convention Center	Nonmajor Governmental	Centre Mall	Water	Sewer	Total Transfers Out
General	$ -	$ -	$ 106,500	$140,000	$ -	$ -	$ 246,500
Road Use Tax	100,000	-	-	-	-	-	100,000
TIF	266,033	234,000	1,196,959	317,541	3,041	15,203	2,032,777
Nonmajor Governmental	1,347,392	-	-	-	-	-	1,347,392
Water	79,032	-	-	-	-	-	79,032
Electric	481,861	-	-	-	-	-	481,861
Gas	214,218	-	-	-	-	-	214,218
Total Transfers In	$2,488,536	$ 234,000	$ 1,303,459	$457,541	$ 3,041	$15,203	$4,501,780

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. Use unrestricted revenues collected in proprietary funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 - PENSION PLAN

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 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, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55.

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

- A multiplier (based on years of service).
- The member's highest five-year average salary. (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).

Protection occupation members may retire at normal retirement age which is generally at age 55. The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

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

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

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

Note 8 - PENSION PLAN – (Continued)

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 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30 year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent. Protective occupation members contributed 6.76 percent of pay and the City contributed 10.14 percent for a total rate of 16.80 percent.

The City's total contributions to IPERS for the year ended June 30, 2015 was $297,014.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a liability of $1,572,362 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's collective proportion was .0396470 percent which was a decrease of .001570 from its proportion measured as of June 30, 2013.

Note 8 - PENSION PLAN – (Continued)

For the year ended June 30, 2015, the City recognized pension expense of ($162,028). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City's Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,138	$ 8,697
Changes of assumptions	73,653	208
Net difference between projected and actual earnings on pension plan investments	-	731,362
Changes in proportion and differences between City contributions and proportionate share of contributions	5,276	-
City's contributions subsequent to the measurement date	297,014	-
Total	$ 394,081	$ 740,267

$297,014 reported as 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 in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	City
2016	$ (162,242)
2017	(162,242)
2018	(162,242)
2019	(162,242)
2020	5,768
	$ (643,200)

There were no non-employer contributing entities of IPERS.

Actuarial assumptions – The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum
Salary Increases (effective June 30, 2010)	4.00 - 17 percent average, including inflation. Rates vary by membership group.
Investment Rate of Return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan investment expense, and including inflation

Note 8 - PENSION PLAN – (Continued)

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Generational Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	1	(0.69)
Total	100%	

Discount rate – The discount rate used to measure the total pension liability was 7.50 percent. 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 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.5 percent) than the current rate.

	1% Decrease 6.5%	Discount Rate 7.5%	1% Increase 8.5%
Proportionate Share of the Net Pension Liability			
City	$ 3,255,127	$ 1,572,362	$ 152,226

Note 8 - PENSION PLAN – (Continued)

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

Payables to the pension plan

At June 30, 2015, the City reported payables to the defined benefit pension plan of $25,741 for legally required employer contributions and $17,152 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees. There are active and retired members in the plan. Participants must be age 55 or older at retirement.

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

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation – The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Change in net OPEB obligation	$ -
Net OPEB obligation beginning of year	6,811
Net OPEB obligation end of year	$ 6,811

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2013, 2014 and 2015 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	$ -	0%	$ 6,811
June 30 2014	$ 6,811	0%	$ 6,811
June 30, 2013	$ 9,250	0%	$ 9,250

Note 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Funded Status and Funding Progress – As of June 30, 2015, the actuarial accrued liability was $136,190, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $136,190. The covered payroll (annual payroll of active employees covered by the plan) was $3,245,276 and the ratio of the UAAL to covered payroll was 4.2%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, and the health care cost trend. Amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions include a 4.5% discount rate based on the City's funding policy. The projected annual medical trend rate is 5%.

Turnover-Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Note 10 - DEFICIT FUND EQUITY

The City has six funds with a deficit equity balance at June 30, 2015. The City intends to finance these deficits from various resources including; road use tax funds, general funds, and capital project debt financing.

The individual fund deficits were was as follows:

Capital Project – St. Andrews Extension	$	273,971
Capital Project – Highway 75 Enhancement		229,540
Capital Project – Redevelopment Fund		325,588
Capital Project – Highway 75 Widening		52,635
Capital Project – Commercial Industrial Park		688,442
Capital Project – Convention Center		992,221

Note 11 - RISK FINANCING

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the 2014-2015 fiscal year the City has elected to purchase commercial insurance to cover against the risk of loss. There have been no reductions in insurance coverage from prior years, nor were there settlements in excess of insurance coverage the last three years.

Beginning January 1, 2014, the City began to operate a medical expense reimbursement plan. Under the plan the City currently purchases a fully insured high deductible healthcare plan and self-funds the deductible and out of pocket maximum down to a lower deductible and out of pocket maximum for employees. A portion of the premium savings between the purchased plan and the employee plan is used to fund the claims for employees who exceed their lower deductible plan. The City's risk is limited to the difference between the out of pocket maximums of the two plans.

The claims payable, including claims incurred but not yet reported, have been determined by the City's management and have been recorded in the accompanying financial statements. Changes in the claim's liability amount were as follows:

Year Ended June 30,	Beginning Balance Liability	Claims and Changes in Estimates	Claim Payments	Ending Balance
2014	$ -	$ 34,888	$ 34,888	$ -
2015	$ -	$ 120,863	$ 102,052	$ 18,811

Note 12 - COMMITMENTS

At June 30, 2015 the City had three construction contracts in process with the following approximate contracts remaining:

Hospital Redevelopment	$ 248,815
Roof Project	99,591
Storm Water Project	12,273

Note 13 - INVESTMENT IN JOINT VENTURE

The City is a participant in the Missouri Basin Municipal Electric Cooperative Association, a joint venture for the construction and maintenance of power lines from the Northwest Iowa Power Cooperative to the City Limits. The construction of the lines is accomplished by NIPCO and there are no actual dedicated lines, but rather an agreement which guarantees the municipalities the right to draw power over the lines at a raw power cost without transmission charges. The City owns a 30.90 percent share of the venture with twelve other cities sharing in the ownership at varying percentages. The City's investment in the joint venture is accounted for by the equity method in the Electric Fund.

Note 13 - INVESTMENT IN JOINT VENTURE – (Continued)

Summary financial information of the joint venture for the year ended December 31, 2014 follows:

	Total
Assets	$ 9,906,876
Liabilities	177,545
Equity	9,729,331
	9,906,876
Revenues	1,970,625
Expenses	1,141,575
Net (Increase) in Equity	$ 829,050

The joint venture has no outstanding debt. Separately issued financial statements for the joint venture can be obtained directly from the MBMECA administrative offices.

Note 14 – NOTES RECEIVABLE

In July 1998, the City loaned Northwood Court, L.P. $60,000 for the construction of apartments. The loan is due by July 1, 2020 and has an interest rate of 1%. The balance on the note is $21,444 as of June 30, 2015.

In August 2006, the City loaned Sioux Center Land Development, Inc. $1,850,000 for economic development purposes. The final payment is currently payable August 1, 2025 with interest charged equal to the 5-year treasury note. The balance on the note is $1,581,066 as of June 30, 2015.

In 2008, the City loaned Sioux Center Land Development, Inc. $1,802,500 for economic development purposes. The loan was to be repaid within 10 years and no interest is charged. The balance on the note is $5,300 as of June 30, 2015.

In September 2008, the City loaned Sioux County Fair Board $140,000 for a new building on the fair grounds. The loan is a 10-year note charging 5% interest. In April 2009, the City loaned an additional $50,000 for a new building project on the fair grounds. The loan is a 10-year note charging 5% interest. The balance on the notes is $33,184 as of June 30, 2015.

In August 2014, the City loaned Sioux Center Saddle Club $30,000 with 2% interest to improve facilities located on the fair grounds. The loan due date was initially December 31, 2014 but automatically renews each year at December 31 until paid in full. The balance on the note is $30,000 as of June 30, 2015.

In March 2014, the City agreed to lease Sandy Hollow Golf Club and Campground to Sioux County with the option to purchase the property at any time during the lease. The annual payments made by the County shall be credited towards the purchase price. The City recorded a note receivable of $600,000 which has a balance of $570,000 as of June 30, 2015.

In 2012, the City entered into an agreement with Lewis and Clark Rural Water System, Inc. for the reimbursement of cost for a new well and pipeline. The initial balance was $334,231 with a repayment schedule of 5 years and the last payment due June 30, 2018. The interest on the note is 4% and the balance as of June 30, 2015 is $164,291.

Note 14 – NOTES RECEIVABLE – (Continued)

In 2015, the City loaned The Ridge Golf Course $97,647 with no interest charged. The loan is to be repaid within 10 years. The balance as of June 30, 2015 is $97,647.

In September 2013, the City loaned the Vets Memorial Committee $170,000 for a memorial. The interest charged is .5% and with a maturity date of December 31, 2016. As of June 30, 2015 the loan balance is $70,000.

Note 15 - SUBSEQUENT EVENT

Effective October 1, 2015, MBMECA entered into an agreement with its participating municipal members to terminate the joint venture. Each member city is due to receive their respective unamortized transmission capacity balance. Sioux Center is due $2,593,903 from this dissolution.

On June 29, 2015, the City Council approved the issuance of $583,000 of General Obligation bonds to fund the urban renewal project. The bonds are dated July 15, 2015 and bear interest of 1.550%

In November 2015, the City received significant damage to the electrical infrastructure. As of the report date, insurance will be covering a majority of the costs related to the damage.

Note 16 – ACCOUNTING CHANGE / RESTATEMENT

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities
Net Position June 30, 2014, as previously reported	$ 40,221,437
Net Pension Liability at June 30, 2014	(1,373,494)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	165,984
Net Position June 30, 2014, as restated	$ 39,013,927

Note 16 – ACCOUNTING CHANGE / RESTATEMENT – (Continued)

	Business-Type Activities					
	Electric	Water	Sewer	Gas	Centre Mall	Total
Net Position June 30, 2014, as previously reported	$16,466,663	$4,741,034	$2,332,964	$12,166,403	$2,719,759	$38,426,823
Net Pension Liability at June 30, 2014	(250,049)	(222,155)	(221,992)	(187,128)	(111,754)	(993,078)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	30,218	26,847	26,827	22,614	13,505	120,011
Net Position June 30, 2014, as restated	$16,246,832	$4,545,726	$2,137,799	$12,001,889	$2,621,510	$37,553,756

The following prior period adjustments were made on the financial statements:

	Governmental Activities	Business-Type Activities
Revenue incorrectly deferred as of June 30, 2014	$ 282,674	$ -
Activity incorrectly recorded as Construction in Progress	(619,568)	-
Incorrect depreciation expense recognized	102,000	-
Activity that was not recorded in Construction in Progress	44,633	-
Adjustment for bond issue costs	(57,540)	(53,386)
Adjust escrow activity to actual	(54,225)	-
Revenue that should have been recorded in the year ended June 30, 2014	208,940	-
Adjustment made for transaction that was a payable as of June 30, 2014	(44,633)	-
Adjust activity to correct fund	65,752	133,331
Adjustment for unrecorded assets	86,780	-
Net Position June 30, 2014, as restated	$ 14,813	$ 79,945

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CITY OF SIOUX CENTER, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL, ALL GOVERNMENTAL AND PROPIRETY FUNDS - GAAP BASIS
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

	Governmental Fund Type Actual	Proprietary Funds Actual	Total Actual
Revenue:			
Taxes	$ 2,971,696	$ -	$ 2,971,696
Special Assessments	48,439	-	48,439
Licenses and Permits	90,052	-	90,052
Intergovernmental	1,296,967	-	1,296,967
Charges for Services	1,450,178	22,149,366	23,599,544
TIF Revenue	2,066,001	-	2,066,001
Other City Taxes	802,540	-	802,540
Use of Money and Property	357,057	74,822	431,879
Miscellaneous	782,790	694,984	1,477,774
Total Receipts	9,865,720	22,919,172	32,784,892
Expenditures:			
Public Safety	1,284,798	-	1,284,798
Public Works	1,195,356	-	1,195,356
Culture and Recreation	3,473,949	-	3,473,949
Community and Economic Development	268,921	-	268,921
General Government	1,092,187	-	1,092,187
Capital Projects	1,496,634	-	1,496,634
Debt Service	1,455,469	-	1,455,469
Business Type Activities	-	21,144,889	21,144,889
Total Disbursements	10,267,314	21,144,889	31,412,203
Excess (deficiency) of revenue over expenditures	(401,594)	1,774,283	1,372,689
Other financing sources (uses):			
Refunding Bonds Retired	(1,434,257)	-	(1,434,257)
Interfund Transfers In	4,025,995	475,785	4,501,780
Interfund Transfers Out	(3,726,669)	(775,111)	(4,501,780)
Total other financing sources (uses)	(1,134,931)	(299,326)	(1,434,257)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,536,525)	1,474,957	(61,568)
Fund balances/Net position- beginning of year	2,402,889	38,426,823	40,829,712
Prior Period Adjustment	1,819,071	(793,122)	1,025,949
Fund balances/Net position - end of year	$ 2,685,435	$ 39,108,658	$ 41,794,093

Budgeted Amounts Original	Final	Final Budget Favorable (Unfavorable)
$ 2,822,373	$ 2,822,373	$ 149,323
10,500	41,500	6,939
97,600	97,600	(7,548)
827,319	957,319	339,648
21,935,295	23,631,795	(32,251)
2,075,896	2,075,896	(9,895)
845,000	875,000	(72,460)
630,425	760,425	(328,546)
697,200	817,200	660,574
29,941,608	32,079,108	705,784
1,027,112	1,239,112	(45,686)
1,606,946	1,646,946	451,590
2,969,933	3,453,933	(20,016)
155,861	160,861	(108,060)
1,087,851	1,115,851	23,664
726,700	2,166,700	670,066
1,382,909	1,382,909	(72,560)
20,050,842	21,815,842	670,953
29,008,154	32,982,154	1,569,951
933,454	(903,046)	2,275,735
-	-	(1,434,257)
5,456,054	5,506,054	(1,004,274)
(5,456,054)	(5,506,054)	1,004,274
-	-	(1,434,257)
933,454	(903,046)	841,478
40,829,712	40,829,712	-
-	-	1,025,949
$ 41,763,166	$ 39,926,666	$ 1,867,427

The budgetary comparison is presented as Required Supplementary Information 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 modified accrual basis following required public notice and hearing for all funds except Agency Funds and the Internal Service Funds, and appropriates the amount deemed necessary for each of the different City offices and departments. The budgets may be amended during the year utilizing similar statutorily prescribed procedures. The budget was amended once during the year.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety, public works, community and economic development, health and social services, culture and recreation, general government, debt service, capital projects, and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, 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. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted expenditures by $3,974,000. The budget amendment is reflected in the final budgeted amounts.

During the fiscal year ended June 30, 2015, disbursements exceeded budgeted amounts in public safety, culture and recreation, debt service, community and economic development functions.

CITY OF SIOUX CENTER, IOWA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
For the Year Ended June 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	June 30, 2009 *	$ -	$ 12,100	$ 12,100	0.00%	$ 2,875,405	0.4%
2010	June 30, 2010	$ -	$ 12,100	$ 12,100	0.00%	$ 2,719,151	0.4%
2011	June 30, 2011	$ -	$ 8,350	$ 8,350	0.00%	$ 2,892,126	0.3%
2012	June 30, 2012	$ -	$ 9,220	$ 9,220	0.00%	$ 2,624,192	0.4%
2013	June 30, 2013	$ -	$ 9,250	$ 9,250	0.00%	$ 2,891,569	0.3%
2014	June 30, 2014	$ -	$ 6,811	$ 6,811	0.00%	$ 2,920,141	0.2%
2015	June 30, 2015	$ -	$ 6,811	$ 6,811	0.00%	$ 3,245,276	0.2%

* Fiscal 2009 was the first year for calculating the Post Employment Benefit Obligation so information from previous years in not available.

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and Net OPEB Obligation, funding status and funding progress.

CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST FISCAL YEAR*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	2015
	City
City's proportion of the net pension liability	.0396470%
City's proportionate share of the net pension liability	$ 1,572
City's covered-employee payroll	$ 3,245
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	48.44%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

*The amounts presented for each fiscal year were determined as of June 30.

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

CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014	2013	2012	2011
Statutorily required contribution	$ 297	$ 286	$ 270	$ 251	$ 224
Contributions in relation to the statutorily required contribution	(297)	(286)	(270)	(251)	$ (224)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Entity's covered employee payroll	$ 3,245	$ 3,149	$ 3,048	$ 3,022	$ 3,061
Contributions as a percentage of covered-employee payroll	9.09%	9.08%	8.86%	8.31%	7.32%

	2010	2009	2008	2007	2006
Statutorily required contribution	$ 208	$ 191	$ 175	$ 165	$ 149
Contributions in relation to the statutorily required contribution	(208)	(191)	(175)	(165)	(149)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Entity's covered employee payroll	$ 2,985	$ 2,885	$ 2,758	$ 2,668	$ 2,391
Contributions as a percentage of covered-employee payroll	6.97%	6.62%	6.35%	6.18%	6.23%

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.

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.

Changes of Assumptions

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

CITY OF SIOUX CENTER, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2015

	Special Revenue		
	LOST	**Employee Benefits Levy**	**Debt Service Fund**
Assets			
Cash and Pooled Investments	$ 432,889	$ -	$ 577
Receivables (Net, where applicable, of allowance for uncollectibles)			
Taxes	-	1,106	309
Subsequent Year Taxes	-	675,000	169,253
Due from Other Governmental Agencies	126,596	-	-
Total Assets	559,485	676,106	170,139
Liabilities			
Accounts Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
Deferred Inflow of Resources			
Unavailable Revenue - Subsequent Year Taxes	-	675,000	169,253
Total Deferred Inflow of Resources	-	675,000	169,253
Fund Balances			
Restricted for:			
Debt Service			886
Local Option Sales Tax	559,485	-	-
Employee Benefit		1,106	
Assigned Capital Projects	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	559,485	1,106	886
Total Liabilities, and Fund Balances	$ 559,485	$ 676,106	$ 170,139

Capital Projects					Total
New Airport	St. Andrews Extension	Highway 75 Enhancement	Redevelopement Fund	Highway 75 Widening	Governmental Nonmajor Funds
$ 1,696	$ -	$ -	$ -	$ -	$ 435,162
-	-	-	-	-	1,415
-	-	-	-	-	844,253
-	-	-	-	-	126,596
1,696	-	-	-	-	1,407,426
-	-	820	19,094	-	19,914
-	273,971	228,720	306,494	52,635	861,820
-	273,971	229,540	325,588	52,635	881,734
-	-	-	-	-	844,253
-	-	-	-	-	844,253
					886
-		-	-	-	559,485
		-	-	-	1,106
1,696	-	-		-	1,696
-	(273,971)	(229,540)	(325,588)	(52,635)	(881,734)
1,696	(273,971)	(229,540)	(325,588)	(52,635)	(318,561)
$ 1,696	$ -	$ -	$ -	$ -	$ 1,407,426

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Governmental Nonmajor Funds
For the Year Ended June 30, 2015

	Special Revenue		
	LOST	Employee Benefits Levy	Debt Service Fund
Revenue:			
Taxes	$ -	$ 668,505	$ 180,026
Intergovernmental	-	17,635	3,576
Local Option Sales Tax	802,540	-	-
Interest on Investments	-	-	6,375
Miscellaneous	-	-	-
Total Revenue	802,540	686,140	189,977
Expenditures:			
Community and Economic Development	-	-	-
Capital Projects	-	-	-
Debt Service:			
Principal Retirement	-	-	1,258,495
Interest/Bond Costs	-	-	196,974
Total Expenditures	-	-	1,455,469
Excess (deficiency) of revenues over expenditures	802,540	686,140	(1,265,492)
Other financing sources (uses):			
Refunding Bonds Retired	-	-	(1,434,257)
Transfers In	-	-	1,196,959
Transfers Out	(662,358)	(685,034)	-
Total other financing sources (uses)	(662,358)	(685,034)	(237,298)
Net Change in Fund Balance	140,182	1,106	(1,502,790)
Fund balances (Deficits)-beginning of year	302,783	-	1,444
Prior Period Adjustment	116,520	-	1,502,232
Fund balance (Deficits)-beginning of year as restated	419,303	-	1,503,676
Fund balances (Deficits)- end of year	$ 559,485	$ 1,106	$ 886

Capital Projects					Total
New Airport	St. Andrews Extension	Highway 75 Enhancement	Redevelopement Fund	Highway 75 Widening	Governmental Nonmajor Funds
$ -	$ -	$ -	$ -	$ -	$ 848,531
-	30,142	-	27,249	-	78,602
-	-	-	-	-	802,540
-	-	-	-	1	6,376
-	12,293	-	-	-	12,293
-	42,435	-	27,249	1	1,748,342
107,047	-	-	-	-	107,047
-	-	39,712	352,837	-	392,549
-	-	-	-	-	1,258,495
-	-	-	-	-	196,974
107,047	-	39,712	352,837	-	1,955,065
(107,047)	42,435	(39,712)	(325,588)	1	(206,723)
-	-	-	-	-	(1,434,257)
106,500	-	-	-	-	1,303,459
-	-	-	-	-	(1,347,392)
106,500	-	-	-	-	(1,478,190)
(547)	42,435	(39,712)	(325,588)	1	(1,684,913)
2,243	(382,158)	(189,828)	-	(52,636)	(318,152)
-	65,752	-	-	-	1,684,504
2,243	(316,406)	(189,828)	-	(52,636)	1,366,352
$ 1,696	$ (273,971)	$ (229,540)	$ (325,588)	$ (52,635)	$ (318,561)

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
For the Year Ended June 30, 2015

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
ASSETS			
Cash	$ 9,879	$ 48,699	$ 58,578
Total Assets	9,879	48,699	58,578
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	8,388	-	8,388
LIABILITIES			
Current Liabilities			
Accounts Payable	9,879	517	10,396
Accrued Expense	-	18,811	18,811
Total Current Liabilities	9,879	19,328	29,207
Noncurrent Liabilities:			
Net Pension Liability	32,540	-	32,540
Total Liabilities	42,419	19,328.00	61,747
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	15,320.00	-	15,320
NET POSITION			
Unrestricted	(39,472)	29,371	(10,101)
Total Net Position	$ 18,267	$ 48,699	$ 66,966

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds
For the Year Ended June 30, 2015

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
Operating Revenues:			
Charges for Services	$ 189,655	$ 129,450	$ 319,105
Total Operating Revenue	189,655	129,450	319,105
Operating Expenses:			
Operating and Maintenance	186,070	127,745	313,815
Total Operating Expenses	186,070	127,745	313,815
Operating Income	3,585	1,705	5,290
Change in Net Position	3,585	1,705	5,290
Net Position - Beginning	-	27,666	27,666
Prior Period Adjustment	(43,057)		(43,057)
Net Position - Beginning (Restated)	(43,057)	27,666.00	(15,391)
Net Position - Ending	$ (39,472)	$ 29,371	$ (10,101)

CITY OF SIOUX CENTER, IOWA
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
PAYROLL CLEARING				
Assets				
Cash and Cash Equivalents	$ 1,223	$ 3,914,596	$ 3,505,290	$ 410,529
Total Assets	1,223	3,914,596	3,505,290	410,529
Liabilities				
Accounts Payable	1,223	4,950,629	4,541,323	410,529
Total Liabilities	1,223	4,950,629	4,541,323	410,529
SALES TAX				
Assets				
Cash and Cash Equivalents	-	385,689	381,303	4,386
Taxes Receivable	34,824	381,820	386,210	30,434
Total Assets	34,824	767,509	767,513	34,820
Liabilities				
Accounts Payable	34,824	380,954	380,958	34,820
Total Liabilities	34,824	380,954	380,958	34,820
TOTAL AGENCY FUND				
Assets				
Cash and Cash Equivalents	1,223	4,300,285	3,886,593	414,915
Taxes Receivable	34,824	381,820	386,210	30,434
Total Assets	36,047	4,682,105	4,272,803	445,349
Liabilities				
Accounts Payable	36,047	5,331,583	4,922,281	445,349
Total Liabilities	$ 36,047	$ 5,331,583	$ 4,922,281	$ 445,349

Statistical Section

This part of the City of Sioux Center's comprehensive annual 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 city's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Sioux Center
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net Invested in capital assets	$20,451,964	$20,174,350	$23,593,626	$29,143,806	$31,116,445	$34,329,776	$36,189,621	$37,921,056	$36,127,931	$38,508,224
Restricted	559,815	537,407	754,599	1,411,693	1,392,894	1,389,263	1,455,096	1,457,573	1,379,909	2,291,050
Unrestricted	3,094,441	5,728,799	4,377,746	3,480,688	3,083,759	2,086,241	1,602,866	580,123	2,685,934	(453,707)
Total governmental activities net position	$24,106,220	$26,440,556	$28,725,971	$34,036,187	$35,593,098	$37,805,280	$39,247,583	$39,958,752	$40,193,774	$40,345,567
Business-type activities										
Net Invested in capital assets	$9,500,725	$12,079,937	$15,556,676	$15,805,673	$15,451,921	$15,462,388	$15,031,420	$16,013,908	$16,068,047	$17,604,973
Restricted	755,567	1,076,145	1,190,936	1,234,146	873,626	838,130	688,534	624,266	759,566	433,522
Unrestricted	17,759,176	19,899,659	17,510,142	19,854,323	20,706,392	21,232,208	22,811,697	22,527,561	21,599,211	21,070,163
Total business-type activities net position	$28,015,468	$33,055,741	$34,257,754	$36,894,142	$37,031,939	$37,532,726	$38,531,651	$39,165,735	$38,426,824	$39,108,658
Primary government										
Net Invested in capital assets	$29,952,689	$32,254,287	$39,150,302	$44,949,479	$46,568,366	$49,792,164	$51,221,041	$53,934,964	$52,195,978	$56,113,197
Restricted	1,315,382	1,613,552	1,945,535	2,645,839	2,266,520	2,227,393	2,143,630	2,081,839	2,139,475	2,724,572
Unrestricted	20,853,617	25,628,458	21,887,888	23,335,011	23,790,151	23,318,449	24,414,563	23,107,684	24,285,145	20,616,456
Total primary government net position	$52,121,688	$59,496,297	$62,983,725	$70,930,329	$72,625,037	$75,338,006	$77,779,234	$79,124,487	$78,620,598	$79,454,225

City of Sioux Center
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Public Safety	$817,289	$741,391	$812,532	$996,337	$1,026,496	$1,087,057	$1,123,039	$1,205,647	$1,232,254	$1,378,410
Public Works	1,041,100	1,110,196	1,473,643	1,357,890	1,630,940	1,758,350	1,683,109	1,983,961	2,028,060	1,411,372
Culture and Recreation	2,579,546	2,519,821	2,400,998	3,135,324	3,086,073	3,311,975	3,442,682	3,634,503	4,414,137	3,823,595
Community and Economic Development	148,772	150,322	231,692	133,247	149,263	131,008	148,066	185,660	285,022	159,876
General Government	674,592	614,518	592,506	626,507	695,282	706,708	996,544	943,785	1,146,253	1,894,813
Capital Projects	1,133,134	1,532,401								
Debt Service	152,184	144,171	238,421	307,498	401,459	364,025	323,338	258,630	226,094	211,195
Total governmental activities expenses	6,546,617	6,812,820	5,749,792	6,556,803	6,989,513	7,359,123	7,716,778	8,212,186	9,331,820	8,879,261
Business-type activities:										
Centre Mall	896,463	901,224	1,189,137	1,117,315	1,084,666	1,025,600	1,109,253	1,016,468	901,545	935,506
Water	913,444	958,977	1,098,883	1,147,543	1,147,264	1,302,133	1,264,355	1,317,264	1,248,792	1,282,811
Sewer	970,703	981,750	1,017,284	1,141,327	1,124,746	1,227,212	1,050,397	1,019,632	1,010,493	1,062,633
Electric	5,386,473	5,750,535	6,392,707	7,155,946	8,354,052	8,521,319	8,715,106	8,767,471	9,196,469	9,437,069
Natural Gas	10,397,592	9,470,983	13,485,073	13,140,995	10,643,488	8,721,668	7,014,332	7,396,615	10,919,217	8,426,870
Total business-type activities expenses	18,564,675	18,063,469	23,183,084	23,703,126	22,354,216	20,797,932	19,153,443	19,517,450	23,276,516	21,144,889
Total primary government expenses	$25,111,292	$24,876,289	$28,932,876	$30,259,929	$29,343,729	$28,157,055	$26,870,221	$27,729,636	$32,608,336	$30,024,150
Program Revenues										
Governmental activities:										
Charges for services:										
Public Safety	39,884	54,484	53,339	50,228	50,293	52,310	57,466	57,479	57,011	345,828
Public Works	309,319	223,861	451,014	490,109	333,692	367,443	394,089	421,184	447,474	486,249
Culture and Recreation	897,259	787,863	932,494	917,498	636,337	768,568	818,972	905,664	887,966	940,108
Community and Economic Development	83,885	97,422	67,366	96,457	71,494	41,993	66,080	187,367	65,576	
General Government	40,907	32,890	15,216	36,589	38,047	56,397	54,273	57,761	56,431	524,014
Operating grants and contributions	518,312	529,391	542,128	481,551	559,269	594,984	668,511	674,958	703,769	1,190,341
Capital grants and contributions	116,575	394,131	387,295	401,970	821,197	799,114	564,919	66,900	288,330	484,727
Total governmental activities program revenues	2,006,141	2,120,042	2,448,852	2,474,402	2,510,329	2,680,809	2,624,310	2,371,313	2,506,557	3,971,267
Business-type activities:										
Charges for services:										
Centre Mall	379,069	392,026	469,590	472,346	455,205	453,156	482,752	471,820	440,770	503,314
Water	1,044,556	1,102,593	1,105,854	1,246,025	1,181,242	1,267,961	1,463,515	1,526,332	1,580,634	1,565,667

City of Sioux Center
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sewer	1,021,816	863,499	999,517	1,012,341	850,807	1,007,896	1,170,720	1,068,788	1,073,016	1,063,220
Electric	5,757,876	6,074,370	6,984,873	7,610,111	8,492,056	9,042,937	9,091,337	9,147,357	9,637,207	10,434,989
Natural Gas	10,688,579	9,611,852	13,843,901	13,565,023	10,850,723	8,955,003	6,846,384	7,434,309	10,623,489	8,582,176
Total business-type activities program revenues	18,891,896	18,044,340	23,403,735	23,905,846	21,830,033	20,726,953	19,054,708	19,648,606	23,355,116	22,149,366
Total primary government program revenues	$20,898,037	$20,164,382	$25,852,587	$26,380,248	$24,340,362	$23,407,762	$21,679,018	$22,019,919	$25,861,673	$26,120,633
Net (expense)/revenue										
Governmental activities	($4,540,476)	($4,692,778)	($3,300,940)	($4,082,401)	($4,479,184)	($4,678,314)	($5,092,468)	($5,840,873)	($6,825,263)	($4,907,994)
Business-type activities	327,221	(19,129)	220,651	202,720	(524,183)	(70,979)	(98,735)	131,156	78,600	1,004,477
Total primary government net expense	($4,213,255)	($4,711,907)	($3,080,289)	($3,879,681)	($5,003,367)	($4,749,293)	($5,191,203)	($5,709,717)	($6,746,663)	($3,903,517)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Property taxes	$2,795,346	$3,163,518	$3,325,694	$3,868,849	$4,130,253	$4,672,916	$4,785,273	$4,792,723	$4,742,189	$5,055,237
Local option sales tax	520,697	552,779	562,369	647,398	599,213	701,502	640,653	760,459	732,227	802,539
Unrestricted investment earnings	38,757	189,599	222,533	128,520	74,833	47,956	27,596	13,652	10,817	15,403
Miscellaneous	372,329	729,840	1,799,569	5,151,748	1,292,505	1,318,680	856,405	806,237	1,359,547	52,316
Transfers	(327,022)	(211,105)	(250,734)	(403,899)	(60,710)	149,443	224,844	178,971	215,504	299,326
Total governmental activities	3,400,107	4,424,631	5,659,431	9,392,616	6,036,094	6,890,497	6,534,771	6,552,042	7,060,284	6,224,821
Business-type activities										
Unrestricted investment earnings	471,081	500,290	627,900	498,962	370,324	375,112	394,572	450,744	272,058	74,822
Miscellaneous	3,462,606	3,987,178	102,726	1,241,096	230,946	346,099	927,931	231,155	(874,066)	694,984
Transfers	327,022	211,105	250,734	403,899	60,710	(149,443)	(224,844)	(178,971)	(215,504)	(299,326)
Total business-type activities	4,260,709	4,698,573	981,360	2,143,957	661,980	571,768	1,097,659	502,928	(817,512)	470,480
Total primary government	$7,660,816	$9,123,204	$6,640,791	$11,536,573	$6,698,074	$7,462,265	$7,632,430	$7,054,970	$6,242,772	$6,695,301
Change in Net Assets										
Governmental activities	(1,140,369)	(268,147)	2,358,491	5,310,215	1,556,910	2,212,183	1,442,303	711,169	235,021	1,316,827
Business-type activities	4,587,930	4,679,444	1,202,011	2,346,677	137,797	500,789	998,924	634,084	(738,912)	1,474,957
Total primary government	$3,447,561	$4,411,297	$3,560,502	$7,656,892	$1,694,707	$2,712,972	$2,441,227	$1,345,253	($503,891)	$2,791,784

City of Sioux Center
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	$81,466	$12,000	$12,000	$0	$0	$362,332	$332,848	$388,311	$442,100	$273,560
Unreserved	1,637,982	2,503,644	2,808,809	2,901,658	3,047,500	2,503,614	2,379,009	1,951,621	2,363,220	2,687,880
Total general fund	$1,719,448	$2,515,644	$2,820,809	$2,901,658	$3,047,500	$2,865,946	$2,711,857	$2,339,932	$2,805,320	$2,961,440
All other governmental funds										
Reserved										
Special revenue funds	$1,406,345	$1,160,074	$1,386,042	$1,758,146	$975,700	$1,136,967	$964,159	$666,311	$829,848	$2,283,810
Debt service funds				6,596				2,366	1,444	886
Unreserved, reported in:										
Capital project funds	589,577	2,440,638	894,064	85,369	331,023	(581,644)	(1,061,047)	(1,093,762)	(1,233,721)	(2,560,701)
Total all other governmental funds	$1,995,922	$3,600,712	$2,280,106	$1,850,111	$1,306,723	$555,323	($96,888)	($425,085)	($402,429)	($276,005)

City of Sioux Center
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	$1,694,967	$1,855,675	$2,078,370	$2,298,169	$2,649,813	$2,767,090	$2,844,644	$2,748,374	$2,753,332	$2,836,721
Tax increment financing	964,944	1,180,181	1,230,337	1,570,680	1,480,441	1,905,826	1,940,629	1,938,795	1,857,358	2,066,001
Other city taxes	636,228	680,442	579,357	647,398	599,213	701,502	640,653	866,013	863,726	937,515
Special assessments	98,425	76,711	16,638	130,642	43,288	84,691	65,385	291,450	37,876	48,439
Licenses and permits	99,355	127,662	88,490	659,653	106,897	77,080	106,251	226,252	104,227	90,052
Intergovernmental	631,724	981,638	810,054	1,091,687	1,448,404	1,455,337	1,298,302	813,507	1,059,050	1,296,967
Charges for services	930,449	968,434	1,449,527	1,176,853	770,306	954,927	1,084,598	1,183,030	1,187,909	1,450,178
Miscellaneous	447,399	587,430	1,513,042	161,500	1,173,909	1,157,760	722,131	443,137	1,250,063	789,908
Use of property and money	274,990	297,606	421,621	1,055,171	334,863	317,650	230,867	233,827	237,795	349,939
Total Revenues	5,778,481	6,755,779	8,187,436	8,791,753	8,607,134	9,421,863	8,933,460	8,744,385	9,351,336	9,865,720
Expenditures										
Public safety	776,606	730,316	750,423	814,558	882,827	998,840	867,980	1,036,957	971,376	1,284,798
Public works	659,692	803,434	892,144	896,056	1,032,254	1,602,290	1,123,927	1,272,247	1,303,694	1,195,356
Culture and recreation	2,098,074	2,106,035	2,235,045	2,894,998	2,501,034	2,703,276	2,941,486	2,946,583	2,956,452	3,473,949
Community and economic development	138,977	150,468	230,464	132,971	148,900	128,740	147,425	185,538	285,958	268,921
General government	614,226	599,959	594,657	675,103	703,844	630,355	1,178,767	1,210,905	1,099,921	1,092,187
Capital projects	1,133,134	1,831,620	5,057,283	10,861,506	2,260,417	3,045,913	3,493,052	1,516,153	1,000,931	1,496,634
Debt service										
Interest	145,306	124,308	210,272	378,245	408,200	368,837	331,022	261,202	233,227	196,974
Principal	377,570	367,433	376,855	2,081,563	1,006,494	1,026,008	1,381,722	1,193,894	1,227,237	2,692,752
Total Expenditures	5,943,585	6,713,573	10,347,143	18,735,000	8,943,970	10,504,259	11,465,381	9,623,479	9,078,796	11,701,571
Excess of revenues over (under) expenditures										
Other financing sources (uses)										
Bonds issued		2,412,000	1,395,000	9,998,000			1,500,000			
Transfers in	3,157,238	3,721,260	3,354,776	3,751,412	4,859,181	4,887,354	5,075,390	4,709,077	4,460,960	4,025,995
Transfers out	(3,484,260)	(3,932,365)	(3,605,510)	(4,155,311)	(4,919,891)	(4,737,911)	(4,849,769)	(4,530,106)	(4,245,455)	(3,726,669)
Total other financing sources (uses)	(327,022)	2,200,895	1,144,266	9,594,101	(60,710)	149,443	1,725,621	178,971	215,505	299,326
Net change in fund balances	($492,126)	$2,243,101	($1,015,441)	($349,146)	($397,546)	($932,953)	($806,300)	($700,123)	$488,045	($1,536,525)
Debt service as a percentage of noncapital expenditures	10.9%	10.1%	11.1%	31.2%	21.2%	18.7%	21.5%	17.9%	18.1%	28.3%

City of Sioux Center
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Tax Increment Financing Tax	Local Option Sales Tax	Hotel/Motel Tax	Road Use Tax	Total
2005-06	1,694,967	964,944	514,670		518,312	3,692,893
2006-07	1,855,675	1,180,181	552,779		529,391	4,118,026
2007-08	2,078,370	1,230,337	562,369	16,988 [1]	542,128	4,430,192
2008-09	2,298,169	1,570,680	647,398	18,910	481,551	5,016,708
2009-10	2,649,813	1,480,441	599,213	18,337	559,269	5,307,073
2010-11	2,767,090	1,905,826	701,502	36,682	594,984	6,006,084
2011-12	2,844,644	1,940,629	640,653	104,920	668,511	6,199,357
2012-13	2,748,374	1,938,795	760,459	105,554	674,958	6,228,140
2013-14	2,753,332	1,857,358	732,227	131,499	703,769	6,178,185
2014-15	2,836,721	2,066,001	802,539	134,975	750,961	6,591,197

[1] First Year of Tax

City of Sioux Center
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	Real Property		Utilities		Total		Assessed Value as a Percentage of
Fiscal Year	Assessed	Estimated Actual Value	Assessed	Estimated Actual Value	Assessed	Estimated Actual Value	Estimated Actual
2005-06	164,454,918	259,762,534	1,270,418	1,270,418	165,725,336	261,032,952	63.5%
2006-07	179,069,053	292,992,586	1,167,183	1,170,856	180,236,236	294,163,442	61.3%
2007-08	186,183,196	299,224,460	1,293,020	1,293,020	187,476,216	300,517,480	62.4%
2008-09	205,956,675	343,021,104	1,293,020	1,293,020	207,249,695	344,314,124	60.2%
2009-10	224,969,963	365,108,615	1,236,807	1,236,807	226,206,770	366,345,422	61.7%
2010-11	241,960,347	392,473,744	1,348,433	1,348,433	243,308,780	393,822,177	61.8%
2011-12	252,797,103	406,947,980	1,480,698	1,480,698	254,277,801	408,428,678	62.3%
2012-13	266,433,924	417,788,946	1,666,484	1,666,484	268,100,408	419,455,430	63.9%
2013-14	278,250,306	426,216,846	1,512,294	1,512,294	279,762,600	427,729,140	65.4%
2014-15	296,181,584	456,225,444	1,421,943	1,477,025	297,603,527	457,702,469	65.0%

City of Sioux Center
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	City Direct Rates						Overlapping Rates			
Fiscal Year	General Rate	Civic Center Rate	Liability Ins Rate	Employee Benefits Rate	Debt Service Rate	Total Direct City Rate	School District	County Consolidated	Vocational School	Total City Consolidated Rate
2005-06	8.10000	0.13500	0.64160	4.15154	0.42565	13.45379	14.00026	6.14423	0.58365	34.18193
2006-07	8.10000	0.13500	0.64274	4.61540	0.27741	13.77055	13.98994	6.13163	0.66202	34.55414
2007-08	8.10000	0.13500	0.65838	4.38082	0.69824	13.97244	13.99807	6.03708	0.67287	34.68046
2008-09	8.10000	0.13500	0.82780	4.55974	0.62726	14.24980	14.80599	5.62130	0.68751	35.36460
2009-10	8.10000	0.13500	0.73361	4.04093	1.37952	14.38906	16.08818	5.51633	0.65473	36.64830
2010-11	8.10000	0.13500	0.71172	4.15979	1.28256	14.38906	16.12488	5.37471	0.67631	36.56496
2011-12	8.10000	0.13500	0.67817	3.76149	1.10076	13.77542	16.12157	5.36350	0.65058	35.91107
2012-13	8.10000	0.13500	0.63748	3.59173	0.68380	13.14801	16.11643	5.34016	0.64379	35.24839
2013-14	8.10000	0.13500	0.61160	3.11155	0.66247	12.62062	13.93095	5.33520	0.69069	32.57746
2014-15	8.10000	0.13500	0.58434	2.97283	0.60273	12.39490	14.91587	5.43111	0.69099	33.43287

Note: Overlapping rates are those of other local governments that apply to property owners within the City of Sioux Center.

City of Sioux Center
Principal Property Tax Payers
Current and Ten Years Ago

FY 2015			FY 2005		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Value	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Valu
Farmers Coop Society	$8,426,970	2.83%	Trigen, LLC (Pella)	9,468,323	5.94%
Wal-Mart Real Estate	7,441,407	2.50%	City of Sioux Center (Centre Mall)	6,123,463	3.84%
Trigen, LLC (Pella)	7,265,637	2.44%	Farmers Cooperative Society	5,492,933	3.45%
City Of Sioux Center (Centre Mall)	5,734,091	1.93%	Sioux Automation	3,720,009	2.34%
Harbor Group Investments LLC	3,652,407	1.23%	Golden Crisp	2,583,900	1.62%
American State Bank	3,634,245	1.22%	American State Bank	2,411,063	1.51%
R&C Hulshof Farms LLC	3,469,302	1.17%	Vet Pharm	2,061,771	1.29%
Patrick Cudahy, Inc.(Golden Crisp)	2,980,944	1.00%	Sioux Center Community Hospital	2,023,695	1.27%
South Ridge Lodging	2,600,127	0.87%	EMW Groschopp	1,669,317	1.05%
Link, Mfg Ltd.	2,575,557	0.87%	Sioux Bio-Chemical	1,296,926	0.81%
	47,780,687	16.06%		36,851,400	23.13%

Source: Assessed valuations are obtained from the Sioux County Assessor's Office.

City of Sioux Center
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percent of Levy	Delinquent Tax Collections	Total Collections to Date: Amount	Total Collections to Date: Percent of Levy
2005-06	2,846,327	2,757,691	96.9%	890	2,758,580	96.9%
2006-07	3,137,741	3,144,012	100.2%	910	3,144,922	100.2%
2007-08	3,316,224	3,308,708	99.8%	899	3,309,607	99.8%
2008-09	3,754,272	3,857,934	102.8%	1,040	3,858,974	102.8%
2009-10	4,130,253	4,122,204	99.8%	3,488	4,125,692	99.9%
2010-11	4,630,104	4,661,663	100.7%	3,952	4,665,615	100.8%
2011-12	4,694,612	4,679,886	99.7%	789	4,680,675	99.7%
2012-13	4,732,132	4,686,293	99.0%	4,290	4,690,583	99.1%
2013-14	4,600,157	4,610,062	100.2%	628	4,610,690	100.2%
2014-15	4,898,269	4,891,613	99.9%	5,498	4,897,111	100.0%

City of Sioux Center
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities	Business-Type Activities				
Fiscal Year	General Obligation Bonds	Water Bonds	Sewer Bonds	Centre Mall Bonds	Total Primary Government	Per Capita
2005-06	2,860,298	3,596,363	1,762,882	3,635,000	11,854,543	1,874
2006-07	4,825,322	4,739,488	1,912,191	3,880,000	15,357,001	2,427
2007-08	5,843,467	4,565,051	1,890,481	3,360,000	15,658,999	2,475
2008-09	10,449,078	4,267,114	1,700,807	2,305,000	18,721,999	2,959
2009-10	9,442,585	4,075,457	1,497,958	1,800,000	16,816,000	2,658
2010-11	8,416,577	3,748,800	1,289,623	1,495,000	14,950,000	2,121
2011-12	8,534,854	3,625,000	1,063,146	1,245,000	14,468,000	2,053
2012-13	9,506,884	3,586,172	1,158,944	975,000	15,227,000	2,160
2013-14	7,670,181	3,255,314	919,505	695,000	12,540,000	1,779
2014-15	4,977,429	2,656,343	549,228	400,000	8,583,000	1,218

City of Sioux Center
Ratios of Outstanding General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005-06	2,860,298	3,275	2,857,023	1.72%	432
2006-07	4,825,322	27,515	4,797,807	2.66%	726
2007-08	5,843,467	42,911	5,800,556	3.09%	877
2008-09	10,449,078	6,596	10,442,482	5.04%	1,580
2009-10	9,442,585	0	9,442,585	4.17%	1,428
2010-11	8,416,577	0	8,416,577	3.46%	1,194
2011-12	8,534,854	0	8,534,854	3.36%	1,211
2012-13	9,506,884	2,366	9,504,518	3.55%	1,349
2013-14	8,279,647	1,444	8,278,203	2.96%	1,175
2014-15	4,977,429	577	4,976,852	1.67%	706

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements
See Schedule of Demographic and Economic Statistics for population data.
See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for valuation data.

City of Sioux Center
Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Sioux Center Community School District	$19,155,000	66.69%	$12,773,798
Sioux County	10,510,000	17.10%	1,797,525
Subtotal, overlapping debt			14,571,322
City of Sioux Center direct debt			4,977,429
Total direct and overlapping debt			$19,548,751

Sources: Assessed value data used to estimate applicable percentages provided by the Iowa Department of Management. Debt outstanding data provided by each governmental unit.

Notes: 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 business of Sioux Center. 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, and therefore responsible for repaying the debt, of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unity's total taxable assessed value.

City of Sioux Center
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for FY 2015

Assessed value	$457,702,469
Debt limit (5% of assessed value)	22,885,123
Debt applicable to limit	
Total general obligation bonds	5,900,000
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	5,900,000
Legal debt margin	$16,985,123

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$13,051,648	$14,708,172	$15,025,874	$17,215,706	$18,317,271	$19,691,109	$20,421,434	$20,972,772	$21,386,457	$22,885,123
Total net debt applicable to limit	6,880,000	9,205,000	9,787,089	13,880,000	12,240,000	10,780,000	10,490,000	9,008,613	7,454,183	5,900,000
Legal debt margin	$6,171,648	$5,503,172	$5,238,785	$3,335,706	$6,077,271	$8,911,109	$9,931,434	$11,964,159	$13,932,274	$16,985,123
Total net debt applicable to the limit as a percentage of debt limit	52.71%	62.58%	65.13%	80.62%	66.82%	54.75%	51.37%	42.95%	34.85%	25.78%

Note: Under state finance law, the city's total outstanding general obligation debt should not exceed 5% of total assessed property value.

City of Sioux Center
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2004-05	1,065,595	510,760	554,835	94,720	179,402	2.02
2005-06	1,134,541	512,008	622,533	130,000	136,883	2.33
2006-07	1,153,328	577,409	575,919	135,000	137,546	2.11
2007-08	1,179,939	665,935	514,004	200,000	167,654	1.40
2008-09	1,277,352	698,291	579,061	265,000	160,124	1.36
2009-10	1,203,030	677,696	525,334	150,000	152,406	1.74
2010-11	1,281,897	825,605	456,292	220,000	145,439	1.25
2011-12	1,471,268	774,876	696,392	275,000	107,934	1.82
2012-13	1,528,648	802,483	726,165	285,000	66,300	2.07
2013-14	1,594,293	801,967	792,326	300,000	60,600	2.20
2014-15	1,624,296	846,553	777,743	300,000	54,600	2.19

Sewer Revenue Bonds

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2004-05	921,883	534,482	387,401	95,000	65,712	2.41
2005-06	1,051,212	607,910	443,302	99,000	53,389	2.91
2006-07	926,762	670,680	256,082	103,000	42,000	1.77
2007-08	1,023,489	677,612	345,877	108,000	38,910	2.35
2008-09	1,023,677	798,879	224,798	112,000	35,670	1.52
2009-10	877,230	792,479	84,751	116,000	32,310	0.57
2010-11	1,095,926	909,331	186,595	121,000	28,830	1.25
2011-12	1,181,779	737,017	444,762	127,000	25,200	2.92
2012-13	1,095,049	701,362	393,687	131,000	21,390	2.58
2013-14	1,086,805	701,265	385,540	137,000	10,185	2.62
2014-15	1,082,507	735,229	347,278	142,000	7,788	2.32

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include depreciation, interest, or amortization expenses.

City of Sioux Center
Demographic and Economic Statistics

Population	7,048
Median age	28.1
Median household income	$59,655
Per capita income	$26,379
Median home or condo value	$165,899
Cost of living index (US average is 100)	81.9
Percentage with high-school equivalency	88.6%
Percentage with bachelor's degree or higher	34.1%
Percentage with graduate or professional degree	11.4%
Unemployment rate	3.0%
Daytime population change due to commuting	+1,520 (21.0%)
Average household size	2.7
Residents with incomes below the poverty level	6.5%
School enrollment	1,668

Source: Population, median age and education level provided by Bureau of Census.
School enrollment data provided by Iowa Department of Education.
Unemployment rate provided by the Iowa Workforce Development.
Information from federal agencies consolidated by www.city-data.com

City of Sioux Center
Full-time Equivalent City Government Employees by Function
Last Eight Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015
General Government and Utilities Management	7.6	7.5	7.8	7.0	6.9	7.2	7.0	7.2
Public Safety	7.7	8.0	8.7	8.1	8.7	9.0	9.4	9.4
Public Works	3.5	3.8	4.1	3.5	3.1	3.0	3.1	3.0
Culture and Recreation	25.7	26.4	25.0	25.3	24.9	25.0	23.7	24.6
Library	7.2	8.0	9.1	9.2	8.9	8.5	8.7	8.3
Electric	6.1	6.2	7.4	6.1	6.4	6.3	5.9	5.7
Natural Gas	4.8	4.9	5.4	4.9	4.8	4.9	4.7	4.5
Water	4.7	4.8	5.4	4.9	5.1	5.2	5.0	5.0
Sewer	5.1	5.1	5.5	5.6	5.2	5.5	5.5	5.6
Centre Mall	3.8	3.4	3.9	3.3	3.6	3.5	3.5	3.4
Total	76.2	78.1	82.3	77.9	77.6	78.1	76.5	76.7

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

City of Sioux Center
Operating Indicators by Function/Program

Function/Program	2015
General Government	
Building Permits Issued	74
Police	
Citations	755
Arrests	134
Fire	
Emergency Responses	123
Parks and Recreation	
Pool Admissions	25,267
Ice Arena Admissions	4,631
Library	
Items Checked Out	235,376
Water	
Average Daily Consumption	834,000
Peak Consumption	2,427,000
Sewer	
Average Daily Treatment	998,000
Peak load (gallons per day)	2,150,000
Electric	
KWH Purchased	125,898,018
KWH Sold	121,939,434
Average Revenue per KWH Sold	0.086
Gas	
MCF Purchased	1,680,619
MCF Sold	1,658,909
Average Revenue per MCF Sold	5.173

Source: Various city departments

City of Sioux Center
Capital Asset Statistics by Function/Program

Function/Program	2015
Police	
Stations	1
Patrol units	4
Fire	
Stations	2
Emergency vehicles	7
Other Public Works	
Streets (miles)	55
Highways (miles)	4
Streetlights	753
Traffic signals	4
Parks and Recreation	
Parks/playgrounds	9
Bike trail (miles)	6.5
Baseball/softball diamonds	8
Soccer/football fields	6
Facilities (All Seasons Center - pool, ice arena)	1
Water	
Water mains (miles)	65
Fire hydrants	333
Number of wells	16
Elevated storage capacity (gallons)	650,000
Water plant capacity (gallons per day)	1,920,000
Meters in service	2,479
Sewer	
Sanitary sewers (miles)	44
Storm sewers (miles)	18
Design capacity (gallons per day)	4,000,000
Number of lift stations	10
Electric	
Electric main wire (miles)	82
Meters in Service	2,663
Gas	
Gas mains (miles)	77
Meters in Service	2,298

Source: Various city departments

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INDEPENDENT AUDITORS' 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*

Honorable Members of the City Council
City of Sioux Center, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sioux Center, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Sioux Center, Iowa's basic financial statements and have issued our report thereon dated March 21, 2016. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Sioux Center Community Foundation, as described in our report on the City's financial statements. The financial statements of the Sioux Center Community Foundation were not audited in accordance with Government Standards, accordingly, this report does not include reporting or instances of reportable noncompliance associated with that portion of the entity.

Internal Control Over Financial Reporting:
In planning and performing our audit of the financial statements, we considered the City of Sioux Center, Iowa's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Sioux Center, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Sioux Center, Iowa's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control that we consider to be a material weakness.

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 detects 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *Significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2015-001 to be a material weakness.

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

City of Sioux Center, Iowa's Response to Findings
City of Sioux Center, Iowa's response to the findings identified in our audit is described in the accompanying schedule of findings. The City of Sioux Center, Iowa's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 21, 2016

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2015

Part I: Summary of the Independent Auditors' Results

(a) An unmodified opinion was issued on the financial statements.

(b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.
There were no prior year audit findings.

Material Weakness:

2015-01 **Financial Reporting – Material Adjusting Journal Entries**

Condition and Criteria – The auditors were required to propose and have management post adjusting entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles..

Cause – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

Recommendation – The City should implement procedures to ensure all receivables, payables, and capital asset additions are identified and included in the City's financial statements.

Views of Responsible Officials – City management feels that hiring additional personnel to implement the additional U.S. GAAP adjusting journal entries would not be cost effective. However, management has and will continue to monitor this process on a regular basis.

Part III: Other Findings Related to Required Statutory Reporting

III-A-15 Certified Budget

Condition and Criteria – City expenditures during the year ended June 30, 2015, exceeded amounts budgeted in the Community and Economic Development, Culture and Recreation, Public Safety and Debt Service functions.

Effect – The City is not in compliance with Chapter 384.18 of the Code of Iowa.

Part III: Other Findings Related to Required Statutory Reporting - (Continued)

Cause – The City approved a budget amendment on May 21, 2015. With limited personnel and time constraints, the City inadvertently omitted some items from the preparation of their budget amendment. This resulted in the Public Safety, Culture and Recreation, Community and Economic Development, and Debt Service functions to be overspent.

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, if applicable.

III-B-15 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

III-C-15 - Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.

III-D-15 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

III-E-15 - Questionable Expenditures - We noted no questionable expenditures during our audit.

III-F-15 - Revenue Bonds - No violations of revenue bond resolutions were noted.

III-G-15 - Business Transactions – Business transactions between the City and city officials are detailed as follows:

Name, Title and Business Connection	Transaction/Description	Amount	
Dennis Walstra, Mayor Walstra Plumbing and Heating	Supplies	$ 2,151	(2)
Randy Vrugdenhil, Council Member HSR, LLC	Management fee for the Event Center, per bid	75,000	(3)
W. Dale Den Herder, Council Member American State Bank	Bank fees as fiscal agent	3,000	(2)
Jamie Van Ravensway, Council Member MJ's Sinclair	Fuel and Supplies	171	(1)

1) The transaction does not appear to represent a conflict of interest since the total transaction was less than $1,500 during the year, per Chapter 362.5(3)(j) of the Code of Iowa.

2) This transaction may represent a conflict of interest and the City should contact legal counsel for determination.

3) This transaction does not appear to represent a conflict of interest since it was a bid.

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2015

Part III: Other Findings Related to Required Statutory Reporting - (Continued)

III-H-15 - Cash and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

III-I-15 - Urban Renewal Annual Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.