

# City of Sioux Center, Iowa



## Annual Financial Report

for the fiscal year ended June 30, 2020

Prepared by:  
Finance Department  
Darryl Ten Pas, Finance Director

**CITY OF SIOUX CENTER, IOWA**

**OFFICIALS**

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<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
David Krahling	Mayor	Jan 2024
Eric Moerman	Council Member	Jan 2024
Dale Vander Berg	Council Member	Jan 2024
Jamie Van Ravenswaay	Council Member	Jan 2022
Randy Vreugdenhil	Council Member	Jan 2022
W. Dale Den Herder	Council Member	Jan 2022
Scott Wynja	City Manager	Indefinite
Darryl Ten Pas	Treasurer, Finance Director	Indefinite
Brian Van Engen	Attorney	Indefinite

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ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020  
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## INDEPENDENT AUDITORS' 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, 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, 2020, 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.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux Center, Iowa, as of June 30, 2020, 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.

### **Correction of Error**

As described in Note 16 to the financial statements, a receivable had not been properly recorded in the prior year. This amount is corrected on the accompanying financial statements. Our opinion is 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 the City's Proportionate Share of the Net Pension Liability, Schedule of City's Contributions to Iowa Public Employees' Retirement System and Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes on pages 4 through 12 and 58 through 64 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 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 statistical section has 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 January 18, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sioux Center's internal control over financial reporting and compliance.

  
Certified Public Accountants

Le Mars, Iowa  
January 18, 2021



## Management Discussion and Analysis

June 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements.

### Financial Highlights:

The assets and deferred outflows of resources of the City of Sioux Center exceeded liabilities and deferred inflows of resources at the close of business on June 30, 2020 by \$98,130,612 (net position). Of this amount, \$30,062,579 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 \$6,989,983 during the fiscal year. An increase of \$490,150 is attributable to governmental activities and an increase of \$6,499,833 to business type activities..

The City's long-term debt increased \$12,505,905 due to bonds being issued for the waste water treatment plant expansion and two General Obligation bonds for various general government activities and utility projects. General Obligation debt totaled \$21,723,821 and other long-term debt totaled \$14,643,751. In addition, the City has issued internal debt for capital projects in the amount of \$1,285,392 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 position provides information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflow of resources with the difference between the two reported as net position. Over time, increases or decreases in net

position may serve as a useful indicator of whether the financial position of the City of Sioux Center is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported 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 of 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 position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$98,130,612 at the close of the most recent fiscal year.

City of Sioux Center Net Position

	Governmental Activities		Business-type		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$19,882,547	\$14,778,400	\$31,623,779	\$23,440,795	\$51,506,326	\$38,219,195
Capital assets	<u>46,273,962</u>	<u>46,973,733</u>	<u>48,602,429</u>	<u>43,123,475</u>	<u>94,876,391</u>	<u>90,097,208</u>
Total assets	<u>66,156,509</u>	<u>61,752,133</u>	<u>80,226,208</u>	<u>66,564,270</u>	<u>146,382,717</u>	<u>128,316,403</u>
Deferred Outflows	445,962	568,176	316,680	383,357	\$762,642	\$951,533
Long-Term Liabilities	11,874,943	8,361,788	24,362,428	17,173,827	36,237,371	25,535,615
Other liabilities	<u>2,099,747</u>	<u>2,256,707</u>	<u>4,153,664</u>	<u>4,379,301</u>	<u>6,253,411</u>	<u>6,636,008</u>
Total liabilities	<u>13,974,690</u>	<u>10,618,495</u>	<u>28,516,092</u>	<u>21,553,128</u>	<u>42,490,782</u>	<u>32,171,623</u>
Deferred Inflows	6,336,406	5,900,589	187,559	86,411	6,523,965	5,987,000
Net Position:						
Net Investment in Capital Assets	39,344,845	39,810,845	23,819,697	26,357,938	63,164,542	66,168,783
Restricted	4,392,587	3,975,436	510,904	359,772	4,903,491	4,335,208
Unrestricted	<u>2,553,943</u>	<u>2,014,944</u>	<u>27,508,636</u>	<u>18,590,378</u>	<u>30,062,579</u>	<u>20,605,322</u>
Total net position	<u>\$46,291,375</u>	<u>\$45,801,225</u>	<u>\$51,839,237</u>	<u>\$45,308,088</u>	<u>\$98,130,612</u>	<u>\$91,109,313</u>

The largest part of the City's net position (64.4 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 position (5.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$30,062,579 may be used to meet the government's ongoing obligations to citizens and creditors.

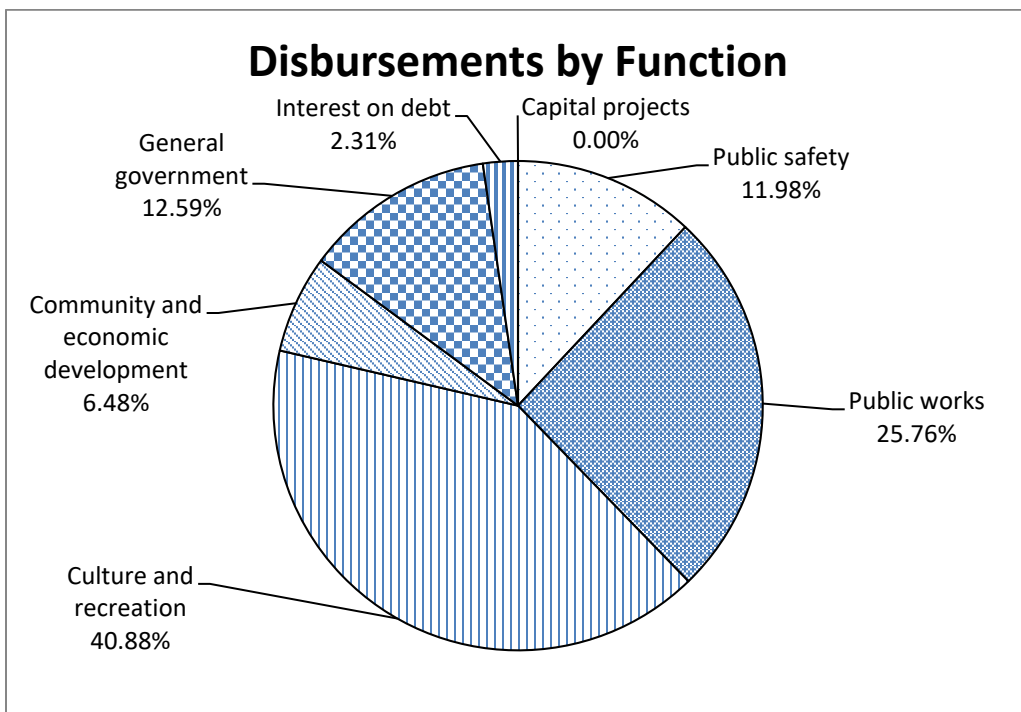
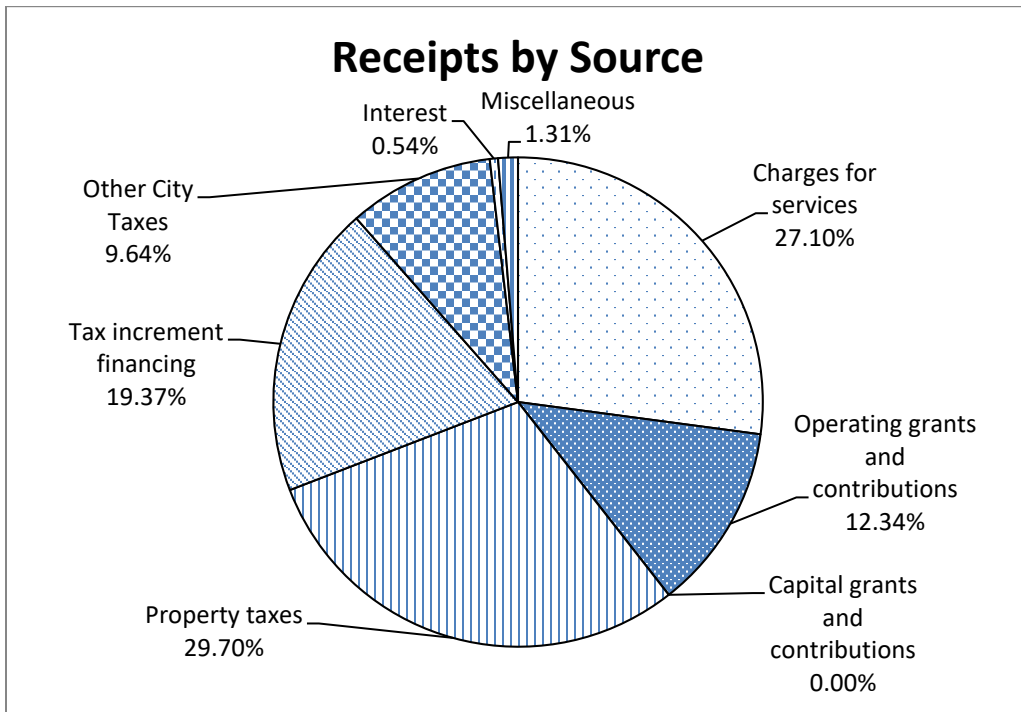
At the end of the current fiscal year, the City of Sioux Center is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City's total net position increased during the current fiscal year. The increase in net position 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 position follows:

City of Sioux Center Change Net Assets						
	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Charges for services	\$3,243,456	\$2,303,989	\$19,443,130	\$21,347,477	\$22,686,586	\$23,651,466
Operating grants and contributions	1,476,191	2,481,929	-	-	1,476,191	2,481,929
Capital grants and contributions	-	-	6,520,077	-	6,520,077	-
General Revenues:						
Property taxes	3,554,158	3,444,607	-	-	3,554,158	3,444,607
Tax increment financing	2,318,088	2,207,730	-	-	2,318,088	2,207,730
Other city taxes	1,153,500	982,175	-	-	1,153,500	982,175
Interest	64,611	75,743	491,605	152,911	556,216	228,654
Miscellaneous	156,361	582,390	1,434,918	2,558,860	1,591,279	3,141,250
Total Revenues:	11,966,365	12,078,563	27,889,730	24,059,248	39,856,095	36,137,811
Expenses:						
Public safety	1,357,258	1,234,978	-	-	1,357,258	1,234,978
Public works	2,919,672	2,110,487	-	-	2,919,672	2,110,487
Culture and recreation	4,632,680	4,570,715	-	-	4,632,680	4,570,715
Community and economic development	734,365	400,945	-	-	734,365	400,945
General government	1,426,434	1,814,431	-	-	1,426,434	1,814,431
Interest on debt	261,212	236,014	-	-	261,212	236,014
Centre Mall	-	-	1,015,338	940,703	1,015,338	940,703
Water Utility	-	-	1,765,265	1,556,044	1,765,265	1,556,044
Sewer Utility	-	-	3,615,949	1,581,146	3,615,949	1,581,146
Electric Utility	-	-	9,669,999	10,269,110	9,669,999	10,269,110
Gas Utility	-	-	5,467,940	7,276,851	5,467,940	7,276,851
Total Expenses	11,331,621	10,367,570	21,534,491	21,623,854	32,866,112	31,991,424
Increase/(decrease) in net position before other financing sources	634,744	1,710,993	6,355,239	2,435,394	6,989,983	4,146,387
Other financing sources (uses)	(144,594)	(42,984)	144,594	42,984	-	-
Increase/(decrease) in net position	490,150	1,668,009	6,499,833	2,478,378	6,989,983	4,146,387
Net Position-beginning (as restated)	45,801,225	44,133,216	45,339,404	42,829,710	91,140,629	86,962,926
Net Position-ending	\$46,291,375	\$45,801,225	\$51,839,237	\$45,308,088	\$98,130,612	\$91,109,313



Sioux Center's property tax revenues for general purposes increased by \$109,551 or approximately 3.2%. This increase is due to continued increasing property valuations and new properties being added to the taxes roles.

The increase in net position in the governmental activities column in 2020 was \$490,150. In 2019 there was an increase in net position for governmental activities of \$3,530,722.

Any 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 \$6,499,833.

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

City of Sioux Center Business-Type Activities		
<u>Business Type Activity</u>	<u>2020</u>	<u>2019</u>
Electric Utility	\$1,097,729	\$101,797
Natural Gas Utility	(304,970)	(169,952)
Water Utility	111,853	123,187
Sewer Utility	5,802,080	2,568,331
Centre Mall	<u>(206,859)</u>	<u>(144,985)</u>
Change in Net Position	<u>\$6,499,833</u>	<u>\$2,478,378</u>

The change in net position for the electric utility in 2020 increased from 2019 because of an increase in operating income and a gain on sale of land held for resale.

Change in net position in the gas utility in 2020 was negative because of decreased revenue.

The water utility had a gain in net position for 2020. Water sales were up 9.3 % compared to 2019. System repair and maintenance increased in fiscal 2020. A rate increase was implemented in the fall of 2019.

The sewer utility had a gain net position for 2020. The increase was due to the recognition of future capital contributions from industrial customers for the sewer plant improvements. There was an operating income loss due to increase depreciation from the sewer plant improvements.

The Centre Mall's change in net position decreased from 2019 to 2020. This decrease was due increased Operation and Maintenance expenses.

### **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. Unassigned 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 \$12,835,975 an increase of \$6,090,906 from last fiscal year.

The general fund is the primary fund of the City. The general total fund balance increased by \$2,392,335 as of June 30, 2020 compared to June 30, 2019.

## **Budgetary Highlights**

The City of Sioux Center adopted one budget amendment during fiscal year. The total amendment increased budget disbursements by \$1,329,000. The increase was due to additional expenditures in Public Safety for additional staff. Cultural and Recreation expenditures increased due to the timing of a park project that was supposed to be completed in 2019. The Community and Economic Development increase was due to additional development agreements that were entered into during fiscal 2020. Total disbursements did exceed the amended budget in fiscal year 2020.

## **Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$63,164,542 (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) decreased (\$466,000). The decrease in capital assets in business-type activities totaled (\$2,538,241). The net decrease in capital assets for all activities for the fiscal year was (\$3,004,241). The decrease in capital assets for business-type activities is due to spending in infrastructure and the waste water plant upgrades and the related borrowing. There was a loss on sale of fixed assets for infrastructure at the plant that was not fully depreciated. Most of the decrease in capital assets for governmental activities is due to borrowing for future projects.

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 \$36,367,572 at the end of the current fiscal year. Of this amount \$21,723,821 was general obligation debt which is debt backed by the full faith and credit of the government. The remainder of \$14,643,751 is revenue bonds (and notes) debt that is secured by specific revenue sources. This is a net increase of \$12,505,905 from the balance at the end of the previous fiscal year. Three bonds were drawn on from the Iowa Finance Authority for the sewer plant upgrades and two General Obligation bonds were issued.

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 \$30,157,340. Net bonded debt applicable to the City's debt limit (total issues outstanding and development agreements less funds reserved for repayment of debt) is \$21,931,696 or 72.72% of the City's total debt limit.

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

## **Economic Factors**

Construction activity in the City had solid activity in calendar year 2020. 22 building permits were issued for commercial construction, 65 permits were issued for residential construction and no permits were issued for tax exempt construction.

Total estimated valuation of this construction was \$40,022,137 compared to \$44,020,039 in the prior year.

Taxable retail sales for the first three quarters of fiscal 2020 decreased by \$2,326,524 compared to the first three quarters of fiscal 2019. Total taxable retail sales for the three quarters were \$126,448,364. The City's retail sales accounted for 41.3% 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 1<sup>st</sup> Ave NW, Sioux Center, Iowa 51250.

**CITY OF SIOUX CENTER, IOWA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,762,842	\$ 9,814,996	\$ 19,577,838
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	596,819	1,991,630	2,588,449
Taxes	73,843	-	73,843
Subsequent Year Taxes	6,072,753	-	6,072,753
Accrued Interest	-	2,014	2,014
Estimated Unbilled Usage	-	280,564	280,564
Special Assessments	100,848	-	100,848
Notes Receivable	75,000	1,003,294	1,078,294
Interfund Balances	392,905	(392,905)	-
Due from Other Governmental Agencies	368,939	-	368,939
Inventories	-	847,747	847,747
Prepaid Assets	161,914	216,666	378,580
Noncurrent Assets:			
Notes Receivable	545,700	7,343,977	7,889,677
Long Term Prepaid Asset	-	249,665	249,665
Land Held for Resale	1,730,984	9,750,340	11,481,324
Land	9,134,306	2,444,691	11,578,997
Construction in Progress	885,831	1,101,925	1,987,756
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	36,253,825	45,055,813	81,309,638
<b>Total Assets</b>	<b>66,156,509</b>	<b>80,226,208</b>	<b>146,382,717</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Deferred Outflows	434,165	309,030	743,195
OPEB Related Deferred Outflows	11,797	7,650	19,447
<b>Total Deferred Outflows of Resources</b>	<b>445,962</b>	<b>316,680</b>	<b>762,642</b>
<b>LIABILITIES</b>			
Accounts Payable	580,968	2,201,410	2,782,378
Accrued Expenses	-	200,690	200,690
Customer Deposits	45,878	57,903	103,781
Accrued Interest	24,258	38,246	62,504
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	-	931,000	931,000
General Obligation Bonds	1,389,645	664,355	2,054,000
Compensated Absences and Benefits	58,998	60,060	119,058
Due in more than one year:			
Revenue Bonds Payable	-	13,706,738	13,706,738
General Obligation Bonds	10,262,279	9,480,639	19,742,918
Net Pension Liability	1,387,166	987,356	2,374,522
Other Post Employment Benefits	48,504	31,452	79,956
Compensated Absences and Benefits	176,994	156,243	333,237
<b>Total Liabilities</b>	<b>13,974,690</b>	<b>28,516,092</b>	<b>42,490,782</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Revenue - Subsequent Year Taxes	6,072,753	-	6,072,753
Pension Related Deferred Inflows	262,007	186,492	448,499
OPEB Related Deferred Inflows	1,646	1,067	2,713
<b>Total Deferred Inflow of Resources</b>	<b>6,336,406</b>	<b>187,559</b>	<b>6,523,965</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	39,344,845	23,819,697	63,164,542
Restricted for:			
Debt Service	-	510,904	510,904
TIF	412,970	-	412,970
Specific Revenues	7,901	-	7,901
Local Option Sales Tax	393,277	-	393,277
Road Use Tax	2,072,073	-	2,072,073
Donor Restrictions	1,506,366	-	1,506,366
Unrestricted	2,553,943	27,508,636	30,062,579
<b>Total Net Position</b>	<b>\$ 46,291,375</b>	<b>\$ 51,839,237</b>	<b>\$ 98,130,612</b>

See Accompanying Notes to Financial Statements



**CITY OF SIOUX CENTER, IOWA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
Public Safety	\$ 1,357,258	\$ 402,296	\$ 53,581	\$ -	
Public Works	2,919,672	579,423	953,564	-	
Culture and Recreation	4,632,680	1,470,702	436,553	-	
Community and Economic Development	734,365	-	-	-	
General Government	1,426,434	791,035	30,338	-	
Debt Service	261,212	-	2,155	-	
Total governmental activities	11,331,621	3,243,456	1,476,191	-	
<b>Business-Type Activities:</b>					
Electric Utility	9,669,999	10,131,119	-	-	
Water Utility	1,765,265	1,804,267	-	-	
Sewer Utility	3,615,949	1,919,410	-	6,520,077	
Gas Utility	5,467,940	5,151,621	-	-	
Centre Mall	1,015,338	436,713	-	-	
Total Business-Type Activities:	21,534,491	19,443,130	-	6,520,077	
Total Primary Government	\$ 32,866,112	\$ 22,686,586	\$ 1,476,191	\$ 6,520,077	

General Revenues:

- Property taxes
- Tax Increment Financing
- Other City Taxes
- Interest
- Unrestricted Intergovernmental Revenues
- Gain on Sale of Land Held for Resale
- Gain on Sale of Assets
- Sale of Uncapitalized Assets
- 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
\$ (901,381)		\$ (901,381)
(1,386,685)		(1,386,685)
(2,725,425)		(2,725,425)
(734,365)		(734,365)
(605,061)		(605,061)
(259,057)		(259,057)
<u>(6,611,974)</u>		<u>(6,611,974)</u>
	\$ 461,120	461,120
	39,002	39,002
	4,823,538	4,823,538
	(316,319)	(316,319)
	<u>(578,625)</u>	<u>(578,625)</u>
	<u>4,428,716</u>	<u>4,428,716</u>
<u>(6,611,974)</u>	<u>4,428,716</u>	<u>(2,183,258)</u>
3,554,158	-	3,554,158
2,318,088	-	2,318,088
1,153,500	-	1,153,500
64,611	491,605	556,216
140,472	-	140,472
-	514,918	514,918
3,500	52,575	56,075
12,389	-	12,389
-	867,425	867,425
<u>(144,594)</u>	<u>144,594</u>	<u>-</u>
<u>7,102,124</u>	<u>2,071,117</u>	<u>9,173,241</u>
490,150	6,499,833	6,989,983
45,801,225	45,308,090	91,109,315
-	31,314	31,314
<u>45,801,225</u>	<u>45,339,404</u>	<u>91,140,629</u>
<u>\$ 46,291,375</u>	<u>\$ 51,839,237</u>	<u>\$ 98,130,612</u>

See Accompanying Notes to Financial Statements

**CITY OF SIOUX CENTER, IOWA**  
**BALANCE SHEET**  
**Governmental Funds**  
**JUNE 30, 2020**

	<b>General</b>	<b>TIF</b>
<b>Assets</b>		
Cash and Pooled Investments	\$ 3,455,553	\$ 402,371
Receivables (Net, where applicable, of allowance for uncollectibles)		
Accounts	596,819	-
Taxes	38,968	22,858
Subsequent Year Taxes	2,933,898	2,238,000
Special Assessments	100,848	-
Notes Receivable	620,700	-
Due from Other Funds	1,285,392	-
Due from Other Governmental Agencies	172,605	-
Land Held for Resale	1,730,984	-
Total Assets	<u>10,935,767</u>	<u>2,663,229</u>
<b>Liabilities</b>		
Accounts Payable	475,078	-
Customer Deposits	45,878	-
Due to Other Funds	-	-
Total Liabilities	<u>520,956</u>	<u>-</u>
<b>Deferred Inflow of Resources</b>		
Unavailable Revenue - Special Assessments	100,848	-
Unavailable Revenue - Subsequent Year Taxes	2,933,898	2,238,000
Unavailable Revenue - Delinquent Property Taxes	9,330	12,259
Total Deferred Inflow of Resources	<u>3,044,076</u>	<u>2,250,259</u>
<b>Fund Balances (Deficits)</b>		
Restricted for:		
Debt Service	-	-
TIF	-	412,970
Emergency Management	-	-
Employee Benefit	-	-
Road Use Tax	-	-
Heritage Village	1,506,366	-
Capital Projects	1,600,000	-
Committed for:		
Storm Sewer	41,102	-
Local Option Sales Tax	-	-
Assigned for:		
Fire Department	159,628	-
Event Center	60,000	-
Youth Hockey	114,832	-
Heritage Village	8,838	-
Unassigned	3,879,969	-
Total Fund Balances (Deficits)	<u>7,370,735</u>	<u>412,970</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 10,935,767</u>	<u>\$ 2,663,229</u>

See Accompanying Notes to Financial Statements

<b>Other Governmental Funds</b>		<b>Total Governmental Funds</b>	
\$	5,827,924	\$	9,685,848
	-		596,819
	12,017		73,843
	900,855		6,072,753
	-		100,848
	-		620,700
	-		1,285,392
	196,334		368,939
	-		1,730,984
	<u>6,937,130</u>		<u>20,536,126</u>
	88,592		563,670
	-		45,878
	<u>892,487</u>		<u>892,487</u>
	<u>981,079</u>		<u>1,502,035</u>
	-		100,848
	900,855		6,072,753
	2,926		24,515
	<u>903,781</u>		<u>6,198,116</u>
	5,001		5,001
	-		412,970
	490		490
	7,901		7,901
	2,072,073		2,072,073
	-		1,506,366
	3,065,696		4,665,696
	-		41,102
	<u>393,277</u>		<u>393,277</u>
	-		159,628
	-		60,000
	-		114,832
	-		8,838
	<u>(492,168)</u>		<u>3,387,801</u>
	<u>5,052,270</u>		<u>12,835,975</u>
\$	<u>6,937,130</u>	\$	<u>20,536,126</u>

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, 2020**

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

Total Fund Balance - Governmental Funds (page 17)			\$ 12,835,975
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds			46,273,962
Deferred revenues that provide current financial resources for governmental activities			125,363
The internal service fund is used by management to allocate capital equipment operational expenses to various departments.			16,328
Accrued expenses from the balance sheet that require current financial resources for governmental activities			(24,258)
Accrued compensated absences, net pension liability, and other post employment benefits not reported on the modified accrual basis			(1,622,149)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
	Deferred Outflows of Resources	\$ 430,464	
	Deferred Inflows of Resources	<u>(254,300)</u>	176,164
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources			161,914
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds			<u>(11,651,924)</u>
Total Net Position - Governmental Activities (page 13)			<u><u>\$ 46,291,375</u></u>

**CITY OF SIOUX CENTER, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<b>General</b>	<b>TIF</b>
Revenue:		
Taxes	\$ 2,695,821	\$ -
Special Assessments	20,012	-
Licenses and Permits	144,686	-
Intergovernmental	191,284	-
Charges for Services	2,051,209	-
Use of Money and Property	479,257	-
TIF Revenue	-	2,318,088
Other City Taxes	133,532	-
Interest on Investments	-	1,962
Miscellaneous	1,054,147	-
Total Revenue	<u>6,769,948</u>	<u>2,320,050</u>
Expenditures:		
Public Safety	1,396,435	-
Public Works	1,185,577	-
Culture and Recreation	4,402,741	-
Community and Economic Development	748,083	-
General Government	1,030,638	-
Capital Projects	-	-
Debt Service:		
Principal Retirement	-	-
Interest/Bond Costs	-	-
Total Expenditures	<u>8,763,474</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,993,526)</u>	<u>2,320,050</u>
Other financing sources (uses):		
Proceeds from Sale of Land	353,813	-
Proceeds from Sale of Fixed Assets	3,500	-
Proceeds from Sale of Uncapitalized Assets	12,389	-
Issuance of Debt	1,600,000	-
Transfers In	2,840,897	-
Transfers Out	(424,738)	(1,916,023)
Total other financing sources (uses)	<u>4,385,861</u>	<u>(1,916,023)</u>
Net Change in Fund Balance	2,392,335	404,027
Fund balances (Deficits)-beginning of year	4,978,400	8,943
Fund balances (Deficits)- end of year	<u>\$ 7,370,735</u>	<u>\$ 412,970</u>

See Accompanying Notes to Financial Statements

<b>Other Governmental Funds</b>		<b>Total Governmental Funds</b>	
\$	833,825	\$	3,529,646
	-		20,012
	-		144,686
	986,057		1,177,341
	-		2,051,209
	-		479,257
	-		2,318,088
	1,019,968		1,153,500
	1,111		3,073
	-		1,054,147
	2,840,961		11,930,959
	-		1,396,435
	579,642		1,765,219
	-		4,402,741
	-		748,083
	-		1,030,638
	957,023		957,023
	597,057		597,057
	255,709		255,709
	2,389,431		11,152,905
	451,530		778,054
	-		353,813
	-		3,500
	-		12,389
	3,487,744		5,087,744
	1,911,154		4,752,051
	(2,555,884)		(4,896,645)
	2,843,014		5,312,852
	3,294,544		6,090,906
	1,757,726		6,745,069
\$	5,052,270	\$	12,835,975

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, 2020**

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

Net change in fund balances - total governmental funds (page 20)	\$ 6,090,906
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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. Depreciation Expenses exceeded capital outlay in the current year as follows:

Expenditures for capital assets	\$ 2,182,411	
Depreciation expense	<u>(2,882,176)</u>	(699,765)

Revenues reported in the funds that are not available to provide current financial resources	(353,462)
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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:	(4,995)
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Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources	28,923
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Accrued interest expense that does not require current financial resources	(7,149)
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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	\$ (14,629)	
Other post employment benefits	(4,120)	
Pension expense	<u>(56,518)</u>	(75,267)

The issuance of long-term debt provides current financial resources to governmental funds, while 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:

Proceeds from debt issuance	\$ (5,087,744)	
Repayments of long-term debt	<u>597,057</u>	(4,490,687)

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	<u>1,646</u>
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Change in net position of governmental activities (page 15)	<u><u>\$ 490,150</u></u>
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**CITY OF SIOUX CENTER, IOWA**  
**COMBINING STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**JUNE 30, 2020**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 5,704,545	\$ 225,460	\$ 1,193,270
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	1,085,843	197,788	253,915
Accrued Interest	1,043	-	-
Estimated Unbilled Usage	182,324	45,129	39,121
Notes Receivable	609,530	-	273,514
Due from Other Funds	1,685,196	-	-
Inventories	504,482	189,698	-
Prepaid Assets	50,513	29,242	65,515
<b>Total Current Assets</b>	<b>9,823,476</b>	<b>687,317</b>	<b>1,825,335</b>
<b>Non Current Assets</b>			
Notes Receivable	808,311	-	5,760,340
Land Held for Resale	5,039,355	-	-
Long Term Prepaid Assets	-	-	-
<b>Restricted Assets:</b>			
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	515,791	-
Land	1,513,028	78,274	45,035
Construction in Progress	1,395	122,483	758,697
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	5,621,965	8,277,444	26,579,279
<b>Total Noncurrent Assets</b>	<b>12,984,054</b>	<b>8,993,992</b>	<b>33,143,351</b>
<b>Total Assets</b>	<b>22,807,530</b>	<b>9,681,309</b>	<b>34,968,686</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Deferred Outflows	80,640	65,390	71,715
OPEB Related Deferred Outflows	1,831	1,608	1,870
<b>Total Deferred Outflows of Resources</b>	<b>82,471</b>	<b>66,998</b>	<b>73,585</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	825,993	69,314	990,699
Accrued Expenses	-	-	-
Customer Deposits	26,170	14,085	-
Due to Other Funds	-	1,654,393	175,000
Accrued Interest	-	4,887	33,359
<b>Total Current Liabilities</b>	<b>852,163</b>	<b>1,742,679</b>	<b>1,199,058</b>
<b>Noncurrent Liabilities:</b>			
Due within one year:			
Revenue Bonds Payable	-	225,000	706,000
General Obligation Bonds	-	40,457	623,898
Compensated Absences	17,138	14,409	12,569
Due in more than one year:			
Revenue Bonds Payable	-	723,987	12,982,751
General Obligation Bonds	-	1,053,400	8,427,239
Net Pension Liability	257,649	208,920	229,132
Other Post Employment Benefits	7,529	6,611	7,689
Compensated Absences and Benefits, Long-Term	27,472	43,229	37,709
<b>Total Liabilities</b>	<b>1,161,951</b>	<b>4,058,692</b>	<b>24,226,045</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Deferred Inflows	48,664	39,461	43,278
OPEB Related Deferred Inflows	256	224	261
<b>Total Deferred Inflow of Resources</b>	<b>48,920</b>	<b>39,685</b>	<b>43,539</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,136,388	6,435,357	4,643,123
Restricted for:			
Debt Service	-	510,904	-
Unrestricted	14,542,742	(1,296,331)	6,129,564
<b>Total Net Position</b>	<b>\$ 21,679,130</b>	<b>\$ 5,649,930</b>	<b>\$ 10,772,687</b>

Business Type Activities			Governmental Activities Internal Service
Gas Utility	Nonmajor Centre Mall	Total	
\$ 2,691,721	\$ -	\$ 9,814,996	\$ 76,994
392,456	61,628	1,991,630	-
971	-	2,014	-
13,990	-	280,564	-
120,250	-	1,003,294	-
-	-	1,685,196	-
153,567	-	847,747	-
46,191	25,205	216,666	-
3,419,146	86,833	15,842,107	76,994
775,326	-	7,343,977	-
4,710,985	-	9,750,340	-
249,665	-	249,665	-
-	-	515,791	-
572,592	235,762	2,444,691	-
219,350	-	1,101,925	-
2,347,383	2,229,742	45,055,813	-
8,875,301	2,465,504	66,462,202	-
12,294,447	2,552,337	82,304,309	76,994
58,207	33,078	309,030	15,498
1,508	833	7,650	-
59,715	33,911	316,680	15,498
303,461	11,943	2,201,410	17,298
-	200,690	200,690	-
17,648	-	57,903	-
-	248,708	2,078,101	-
-	-	38,246	-
321,109	461,341	4,576,350	17,298
-	-	931,000	-
-	-	664,355	-
9,157	6,787	60,060	-
-	-	13,706,738	-
-	-	9,480,639	-
185,971	105,684	987,356	49,513
6,200	3,423	31,452	-
27,472	20,361	156,243	-
549,909	597,596	30,594,193	66,811
35,127	19,962	186,492	9,353
210	116	1,067	-
35,337	20,078	187,559	9,353
3,139,325	2,465,504	23,819,697	-
-	-	510,904	-
8,629,591	(496,930)	27,508,636	16,328
\$ 11,768,916	\$ 1,968,574	\$ 51,839,237	\$ 16,328

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, 2020**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ 10,131,119	\$ 1,804,267	\$ 1,919,410
<b>Total Operating Revenue</b>	<u>10,131,119</u>	<u>1,804,267</u>	<u>1,919,410</u>
<b>Operating Expenses:</b>			
Operating and Maintenance	9,031,253	1,200,667	1,734,706
Depreciation	638,746	514,531	703,817
<b>Total Operating Expenses</b>	<u>9,669,999</u>	<u>1,715,198</u>	<u>2,438,523</u>
<b>Operating Income</b>	461,120	89,069	(519,113)
<b>Non-Operating Income (Expense):</b>			
Interest Income	75,602	2,280	387,240
Other Non-operating Revenues	530,387	155,844	19,492
Interest Expense	-	(50,067)	(406,357)
Gain on Sale of Land Held for Resale	486,801	-	-
Gain/(Loss) on Sale of Fixed Assets	52,575	-	(771,069)
<b>Total Non-Operating Income (Expenses)</b>	<u>1,145,365</u>	<u>108,057</u>	<u>(770,694)</u>
<b>Income (Loss) before Transfers</b>	1,606,485	197,126	(1,289,807)
<b>Capital Contribution</b>	-	-	6,520,077
<b>Transfers In</b>	-	2,880	571,810
<b>Transfers Out</b>	<u>(508,756)</u>	<u>(88,153)</u>	<u>-</u>
<b>Change in Net Position</b>	1,097,729	111,853	5,802,080
<b>Net Position - Beginning</b>	<u>20,550,087</u>	<u>5,538,077</u>	<u>4,970,607</u>
<b>Prior Period Adjustment</b>	<u>31,314</u>		
<b>Net Position - Beginning (Restated)</b>	<u>20,581,401</u>	<u>5,538,077</u>	<u>4,970,607</u>
<b>Net Position - Ending</b>	<u>\$ 21,679,130</u>	<u>\$ 5,649,930</u>	<u>\$ 10,772,687</u>

Business Type Activities			Governmental
Gas Utility	Nonmajor	Total	Activities
	Centre Mall		Internal Service Fund
\$ 5,151,621	\$ 436,713	\$ 19,443,130	\$ 291,583
5,151,621	436,713	19,443,130	291,583
5,253,907	642,504	17,863,037	299,220
213,953	372,834	2,443,881	-
5,467,860	1,015,338	20,306,918	299,220
(316,239)	(578,625)	(863,788)	(7,637)
26,353	130	491,605	-
118,766	42,936	867,425	2,642
(80)	-	(456,504)	-
28,117	-	514,918	-
-	-	(718,494)	-
173,156	43,066	698,950	2,642
(143,083)	(535,559)	(164,838)	(4,995)
-	-	6,520,077	-
-	328,700	903,390	-
(161,887)	-	(758,796)	-
(304,970)	(206,859)	6,499,833	(4,995)
12,073,886	2,175,433	45,308,090	21,323
-	-	31,314	-
12,073,886	2,175,433	45,339,404	21,323
\$ 11,768,916	\$ 1,968,574	\$ 51,839,237	\$ 16,328

**CITY OF SIOUX CENTER, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 10,185,471	\$ 1,774,968	\$ 2,022,459
Cash Paid to Suppliers for Goods and Services	(8,620,109)	(893,159)	(1,853,002)
Cash Paid to Employees for Services	(355,917)	(304,013)	(360,526)
Other Nonoperating Income	530,387	155,844	19,492
Net Cash Provided (Used) by Operating Activities	<u>1,739,832</u>	<u>733,640</u>	<u>(171,577)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(682,723)	(669,136)	(7,081,457)
Proceeds from Sale of Fixed Assets	563,707	-	-
Proceeds from Issuance of Debt	-	1,012,257	7,844,907
Principal Paid on Notes and Bonds	-	(289,771)	(552,171)
Interest Paid on Notes and Bonds	-	(47,788)	(398,912)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(119,016)</u>	<u>5,562</u>	<u>(187,633)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Transfers From (To) Other Funds	(508,756)	(85,273)	571,810
Due From (To) Other Funds	402,938	(301,704)	(200,000)
Proceeds Paid on Notes	(600,000)	-	-
Payments Received on Notes	363,856	-	486,223
Net Cash Provided (Used) for Non-Capital Financing Activities	<u>(341,962)</u>	<u>(386,977)</u>	<u>858,033</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Investments	(1,607)	-	-
Interest and Dividends on Investments	85,936	2,280	387,240
Net Cash Provided (Used) by Investing Activities	<u>84,329</u>	<u>2,280</u>	<u>387,240</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,363,183	354,505	886,063
Cash and Cash Equivalents at Beginning of Year	<u>4,341,362</u>	<u>386,746</u>	<u>307,207</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,704,545</u>	<u>\$ 741,251</u>	<u>\$ 1,193,270</u>

Business Type Activities			Governmental
Gas Utility	Nonmajor	Total	Activities
	Centre Mall		Internal Service
\$ 5,444,285	\$ 388,453	\$ 19,815,636	\$ 291,583
(4,792,259)	(471,346)	(16,629,875)	(224,547)
(288,788)	(155,455)	(1,464,699)	(73,226)
118,766	42,936	867,425	2,642
<u>482,004</u>	<u>(195,412)</u>	<u>2,588,487</u>	<u>(3,548)</u>
(335,913)	(468,002)	(9,237,231)	-
259,584	-	823,291	-
-	-	8,857,164	-
-	-	(841,942)	-
(80)	-	(446,780)	-
<u>(76,409)</u>	<u>(468,002)</u>	<u>(845,498)</u>	<u>-</u>
(161,887)	328,700	144,594	-
-	55,008	(43,758)	-
-	-	(600,000)	-
325,034	-	1,175,113	-
<u>163,147</u>	<u>383,708</u>	<u>675,949</u>	<u>-</u>
(245,387)	-	(246,994)	-
36,122	130	511,708	-
<u>(209,265)</u>	<u>130</u>	<u>264,714</u>	<u>-</u>
359,477	(279,576)	2,683,652	(3,548)
2,332,244	279,576	7,647,135	80,542
<u>\$ 2,691,721</u>	<u>\$ -</u>	<u>\$ 10,330,787</u>	<u>\$ 76,994</u>

continued

**CITY OF SIOUX CENTER, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	\$ 461,120	\$ 89,069	\$ (519,113)
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation	638,746	514,531	703,817
Other Non-Operating Income	530,387	155,844	19,492
Other Non-Operating Expenses	620	39,455	455,431
(Increase) Decrease in Assets:			
Accounts Receivable	(164,225)	(53,231)	60,548
Inventories	1,138	(41,483)	-
Prepaid Expenses	(489)	(2,747)	(12,828)
Estimated Unbilled Usage	214,319	21,807	42,501
Deferred Outflows of Resources	19,704	13,850	8,663
Increase (Decrease) in Liabilities			
Accounts Payable	42,559	(17,863)	(964,016)
Accrued Wages and Compensated Absences	(6,342)	7,192	8,048
Accrued Expenses	-	-	-
Customer Deposits	4,258	2,125	-
Net Pension Liability	(27,301)	(16,353)	71
Deferred Inflows of Resources	25,881	21,471	25,019
OPEB Liability	(543)	(27)	790
Total Adjustments	1,278,712	644,571	347,536
Net Cash Provided (Used) by Operating Activities	1,739,832	733,640	(171,577)
Cash and Cash Equivalents	5,704,545	225,460	1,193,270
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	515,791	-
Total Cash and Cash Equivalents	\$ 5,704,545	\$ 741,251	\$ 1,193,270

Business Type Activities			Governmental Activities
Gas Utility	Centre Mall	Total	Internal Service
\$ (316,239)	\$ (578,625)	\$ (863,788)	\$ (7,637)
213,953	372,834	2,443,881	-
118,766	42,936	867,425	2,642
14,178	-	509,684	-
262,373	(48,260)	57,205	-
7,727	-	(32,618)	-
195,423	(1,845)	177,514	-
28,497	-	307,124	-
14,103	10,357	66,677	3,896
(60,759)	3,210	(996,869)	(1,555)
3,030	3,406	15,334	-
-	8,290	8,290	-
1,794	-	8,177	-
(19,871)	(17,934)	(81,388)	(5,777)
18,694	10,083	101,148	4,883
335	136	691	-
798,243	383,213	3,452,275	4,089
482,004	(195,412)	2,588,487	\$ (3,548)
2,691,721	-	9,814,996	76,994
-	-	515,791	-
\$ 2,691,721	\$ -	\$ 10,330,787	\$ 76,994



**CITY OF SIOUX CENTER, IOWA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**Agency Fund**  
**JUNE 30, 2020**

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**ASSETS**

Cash and Cash Equivalents	\$	406,044
Taxes Receivable		<u>36,877</u>
<b>Total Assets</b>		<u><u>442,921</u></u>

**LIABILITIES**

Accounts Payable		<u>442,921</u>
<b>Total Liabilities</b>	\$	<u><u>442,921</u></u>

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**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.

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.

**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.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

**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 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.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

**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.

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 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.

Internal Service Funds – 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.

**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 include the payroll clearing fund and sales tax fund.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

**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.

**E. Budgets**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, expenditures exceeded the amount budgeted in the Culture and Recreation, General Government, Capital Project 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.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

2) Investments consist of the following

<u>Type</u>	<u>Method</u>
Commercial Bonds	Fair Value

**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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2019. Any county collections on the 2019-2020 tax levy remitted to the City within 60 days subsequent to June 30, 2020, 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, 2020, 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.

**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, 2020 are recorded as prepaid items.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

**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 acquisition 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

**M. Land Held for Resale**

During the course of activities incidental to its operations, the City acquires land to develop for economic development purposes. The City then offers the land for resale. The land is carried at cost including any improvements made to the land.

**N. 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, 2020. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

**O. 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.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

**P. 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.

**Q. Landfill Closure Costs**

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

**R. 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.

**S. 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 OPEB 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) 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.



**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

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 and OPEB.

**T. 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 IPERS' 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.

**U. Total OPEB Liability**

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

**V. Fund Equity**

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

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

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

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

Assigned – Amounts the City intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The finance officer or City Manager is authorized, based on action of the City Council, to assign amounts to a specific purpose pursuant to authority given by the City Council.

Unassigned – All amounts not included in other spendable classifications. The General Fund is the only fund with a positive unassigned fund balance.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The City's deposits at June 30, 2020, were entirely covered by Federal Depository Insurance 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.

Interest Rate Risk: The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and uses of the City. Information about the exposure of the City's investments to this risk is as follows:

Type of Investment	Fair Value	<u>Investment Maturities (In Years)</u>	<u>S &amp; P Rating</u>
		Greater Than 1 Year	June 30, 2020
Commercial Bonds	\$ 162,681	\$ 162,681	AA+

The City uses fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the Commercial Bonds of \$162,681 were determined using the last reported sales price at current exchange rates (Level 1 inputs).

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

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, 2020, amounts due from other governments were as follows:

Due from the Iowa Department of Transportation for road use tax allocations	\$ 118,497
Due from the State of Iowa for local option sales taxes	77,837
Due from the State of Iowa for hotel and motel sales taxes	25,755
Due from the State of Iowa for Iowa COVID-19 Local Government Relief Fund Revenue	146,850
Total Due from Other Governments	<u>\$ 368,939</u>

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 4 - INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 20, short-term interfund borrowings were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Mall Fund	\$ 67,520
General Fund	Nonmajor Governmental Funds	881,999
General Fund	Water Fund	335,873
		<u>1,285,392</u>
Electric Fund	Water Fund	1,318,520
Electric Fund	Sewer Fund	175,000
Electric Fund	Mall Fund	181,188
Electric Fund	Nonmajor Governmental Funds	10,488
		<u>1,685,196</u>
		<u>\$ 2,970,588</u>

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**

	<b>Balance</b>				<b>Balance</b>
	<b>July 1,</b>				<b>June 30,</b>
	<b>2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Reclass</b>	<b>2020</b>
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 9,134,306	\$ -	\$ -	\$ -	\$ 9,134,306
Construction in Progress	10,078,010	442,363	9,634,542	-	885,831
Total capital assets not being depreciated	<u>19,212,316</u>	<u>442,363</u>	<u>9,634,542</u>	<u>-</u>	<u>10,020,137</u>
Capital assets being depreciated:					
Buildings	24,202,959	853,322	36,656	-	25,019,625
Improvements	5,589,015	7,806,314	5,416	-	13,389,913
Equipment	6,607,865	993,436	437,687	(3,487)	7,160,127
Infrastructure	22,245,438	1,721,512	-	-	23,966,950
Total Capital assets being depreciated	<u>58,645,277</u>	<u>11,374,584</u>	<u>479,759</u>	<u>(3,487)</u>	<u>69,536,615</u>
Less: Accumulated Depreciation for:					
Buildings	11,302,322	974,273	36,656	-	12,239,939
Improvements	3,937,115	750,675	5,416	-	4,682,374
Equipment	5,171,941	483,851	437,687	(3,487)	5,214,618
Infrastructure	10,472,482	673,377	-	-	11,145,859
Total Accumulated Depreciation	<u>30,883,860</u>	<u>2,882,176</u>	<u>479,759</u>	<u>(3,487)</u>	<u>33,282,790</u>
Total capital assets being depreciated, net	<u>27,761,417</u>	<u>8,492,408</u>	<u>-</u>	<u>-</u>	<u>36,253,825</u>
Governmental activities capital assets, net	<u>\$ 46,973,733</u>	<u>\$ 8,934,771</u>	<u>\$ 9,634,542</u>	<u>\$ -</u>	<u>\$ 46,273,962</u>

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 5 - CAPITAL ASSETS – (Continued)**

Construction in progress at June 30, 2020, for the governmental activities consisted of Highway 75 Commercial Development projects, fire station #2 and recreational related projects.

	Balance July 1, 2019	Reclass	Additions	Deletions	Balance June 30, 2020
<b>Business-type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,462,117	\$ -	\$ -	\$ 17,426	\$ 2,444,691
Construction in Progress	20,935,134	-	1,702,916	21,536,125	1,101,925
Total capital assets not being depreciated	23,397,251		1,702,916	21,553,551	3,546,616
Capital assets being depreciated:					
Buildings	11,142,733	-	11,059,478	-	22,202,211
Infrastructure	45,071,461	-	17,377,908	8,745,620	53,703,749
Equipment	2,081,411	3,487	107,152	98,199	2,093,851
Transmission	2,455,332	-	-	-	2,455,332
Total Capital assets being depreciated	60,750,937	3,487	28,544,538	8,843,819	80,455,143
Less: Accumulated Depreciation	41,024,713	3,487	2,443,881	8,072,751	35,399,330
Total capital assets being depreciated, net	19,726,224	-	26,100,657	771,068	45,055,813
Business-type activities capital assets, net	\$43,123,475	\$ -	\$ 27,803,573	\$ 22,324,619	\$ 48,602,429

Construction in progress at June 30, 2020 for the business-type activities consisted of Centre Mall interior improvements, and various water and gas related improvements.

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

Governmental Activities:	
Public Safety	\$ 275,523
Public Works	243,490
Culture and Recreation	1,532,426
General Government	830,737
Total depreciation expense - governmental activities	<u>\$ 2,882,176</u>
Business-type activities:	
Electric	\$ 638,746
Water	514,531
Sewer	703,817
Gas	213,953
Centre Mall	372,834
Total depreciation expense - business-type activities	<u>\$ 2,443,881</u>

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 5 - CAPITAL ASSETS – (Continued)**

**Reconciliation of Net Investment in Capital Assets:**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Land	\$ 9,134,306	\$ 2,444,691
Construction in Progress	885,831	1,101,925
Capital Assets (net of accumulated depreciation)	36,253,825	45,055,813
Unspent Bond Proceeds	4,722,807	-
Less: General Obligation Bonds Payable	11,651,924	10,144,994
Revenue Bonds	-	14,637,738
	<u>                    </u>	<u>                    </u>
Net Investment in Capital Assets	<u>\$ 39,344,845</u>	<u>\$ 23,819,697</u>

**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, 2020 are as follows:

<b><u>Purpose</u></b>	<b><u>Maturity</u></b>	<b><u>Interest Rates</u></b>	<b><u>Amounts</u></b>
Governmental Activities – 2013 Refunding	2022	.40-1.60%	\$ 455,600
Business Type Activities – 2013 Refunding	2022	.40-1.60%	139,400
Governmental Activities – 2018	2033	3.00%	6,035,000
Business Type Activities – 2018 – Direct Borrowing	2037	2.00%	8,493,823
Governmental Activities – 2019	2023	2.25%	2,400,000
Business Activities – 2019	2023	2.25%	500,000
Governmental Activities – 2020	2035	1.95%	2,687,743
Business Activities – 2020	2035	1.95%	1,012,255
			<u>21,723,821</u>
Net Unamortized Bond Discounts and Premium			73,097
Total General Obligation Bonds on Statement of Net Position			<u>\$21,796,918</u>

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

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 6 - LONG-TERM DEBT – (Continued)**

Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,389,645	\$ 294,482	\$ 1,684,127	\$ 231,355	\$ 31,781	\$ 263,136
2022	1,497,445	265,577	1,763,022	262,555	28,443	290,998
2023	1,322,680	230,562	1,553,242	207,320	23,090	230,410
2024	589,982	198,052	788,034	64,018	18,533	82,551
2025	607,161	182,138	789,299	64,839	17,285	82,124
2026-2030	3,502,229	650,095	4,152,324	420,771	65,224	485,995
2031-2035	2,669,201	180,537	2,849,738	400,797	28,520	429,317
Total	\$ 11,578,343	\$ 2,001,443	\$ 13,579,786	\$ 1,651,655	\$ 212,876	\$ 1,864,531

Year Ending June 30,	Business-Type Activities Direct Borrowings		
	Principal	Interest	Total
2021	\$ 433,000	\$ 151,629	\$ 584,629
2022	441,000	143,973	584,973
2023	450,000	136,255	586,255
2024	459,000	128,380	587,380
2025	468,000	120,348	588,348
2026-2030	2,486,000	475,493	2,961,493
2031-2035	2,746,000	249,042	2,995,042
2036-2037	1,010,823	30,992	1,041,815
Total	\$ 8,493,823	\$ 1,436,112	\$ 9,929,935

The Governmental General Obligation Bonds on the Statement of Net Position is net unamortized bond discount of \$6,526 and premium of \$80,107.

The Business-type General Obligation Bonds on the Statement of Net Position is net of unamortized bond discount of \$484.

The City issued \$9,500,000 Sewer General Obligation Capital Loan Note, a direct borrowing from the Iowa finance Authority during fiscal year 2018. The note is subject to optional redemption by the City at a price of par plus accrued interest on any date with the prior written consent of the Issuer, or if all or substantially all of the project is damaged or destroyed. The note is subject to mandatory redemption if costs of the project are less than initially projected, in which case the amount of the loan shall be reduced to an amount equal to the actual project costs disbursed. Whenever an event of default occurs the Issuer shall have the right to take any action authorized under the loan agreement. The proceeds will be used for the construction of a new waste treatment plant. The City had a balance of \$8,493,823 as of June 30, 2020. Repayment of this note began in fiscal year 2019.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**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, 2020 are as follows:

**Primary Government**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Amounts</u>
Water Revenue Bonds	2.00-2.25%	2024	\$ 955,000
IFA Clean Water Program Revolving Fund	2.00%	2038	7,714,450
IFA Clean Water Program Revolving Fund	2.00%	2038	5,974,301
			14,643,751
Net unamortized bond discount and premium			(6,013)
Total Revenue Bonds on Statement of Net Position			<u>\$ 14,637,738</u>

The City issued \$8,000,000 Taxable Sewer Revenue Capital Loan Notes, a direct borrowing, from the Iowa finance Authority during fiscal year 2018. The revenue note is subject to optional redemption by the City at a price of par plus accrued interest on any date with the prior written consent of the Issuer, or if all or substantially all of the project is damaged or destroyed. The note is subject to mandatory redemption if costs of the project are less than initially projected, in which case the amount of the loan shall be reduced to an amount equal to the actual project costs disbursed. Whenever an event of default occurs the Issuer shall have the right to take any action authorized under the loan agreement. The proceeds will be used for construction of a new waste treatment plant. The City had a balance of \$7,714,450 as of June 30, 2020. Repayment of this note began in fiscal year 2020.

The City issued \$9,242,000 Taxable Sewer Revenue Capital Loan Notes, a direct borrowing, from the Iowa finance Authority during fiscal year 2018. The revenue note is subject to optional redemption by the City at a price of par plus accrued interest on any date with the prior written consent of the Issuer, or if all or substantially all of the project is damaged or destroyed. The note is subject to mandatory redemption if costs of the project are less than initially projected, in which case the amount of the loan shall be reduced to an amount equal to the actual project costs disbursed. Whenever an event of default occurs the Issuer shall have the right to take any action authorized under the loan agreement. The proceeds will be used for construction of a new waste treatment plant. The City had a balance of \$5,974,301 as of June 30, 2020. Repayment of this note began in fiscal year 2020.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 6 - LONG-TERM DEBT – (Continued)**

Revenue bond debt service requirements to maturity are as follows:

**Primary Government**

<b>Business-Type Activities</b>					
<b>Year Ending June 30,</b>	<b>Water Principal</b>	<b>Water Interest</b>	<b>Sewer - Direct Borrowing Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 225,000	\$ 20,100	\$ 706,000	\$ 247,327	\$ 1,198,427
2022	230,000	15,600	831,000	239,208	1,315,808
2023	250,000	11,000	838,000	227,010	1,326,010
2024	250,000	5,625	854,000	214,603	1,324,228
2025	-	-	871,000	201,968	1,072,968
2026-2030	-	-	3,871,000	812,350	4,683,350
2031-2035	-	-	4,221,000	461,670	4,682,670
2036-2038	-	-	1,496,751	88,095	1,584,846
<b>Total</b>	<b>\$ 955,000</b>	<b>\$ 52,325</b>	<b>\$ 13,688,751</b>	<b>\$ 2,492,231</b>	<b>\$ 17,188,307</b>

The Water Revenue Bonds are shown net of unamortized bond discount of \$6,013.

**Changes in Long-Term Liabilities**

Long-Term liability activity for the year ended June 30, 2020, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation	\$ 7,087,657	\$ 5,087,743	\$ 597,057	\$ 11,578,343	\$ 1,389,645
Compensated Absences	221,363	14,629	-	235,992	58,998
Governmental Activity Long-Term Liabilities	<u>7,309,020</u>	<u>5,102,372</u>	<u>597,057</u>	<u>11,814,335</u>	<u>1,448,643</u>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation	207,343	1,512,256	67,944	1,651,655	231,355
GO Direct Borrowing	3,965,052	4,952,771	424,000	8,493,823	433,000
Revenue Bonds	1,205,000	-	250,000	955,000	225,000
Revenue Direct Borrowing	11,396,615	2,392,136	100,000	13,688,751	706,000
Compensated Absences	200,970	15,333	-	216,303	60,060
Business-Type Activity Long-Term Liabilities	<u>\$ 16,974,980</u>	<u>\$ 8,872,496</u>	<u>\$ 841,944</u>	<u>\$ 25,005,532</u>	<u>\$ 1,655,415</u>



**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 7 - TRANSFERS**

The following is a summary of transfers between funds:

	General	Nonmajor Governmental	Centre Mall	Water	Sewer	Total Transfers Out
General	\$ -	\$ 289,738	\$ 135,000	\$ -	\$ -	\$ 424,738
TIF	573,888	573,745	193,700	2,880	571,810	1,916,023
Nonmajor Governmental	1,508,213	1,047,671	-	-	-	2,555,884
Water	88,153	-	-	-	-	88,153
Electric	508,756	-	-	-	-	508,756
Gas	161,887	-	-	-	-	161,887
Total Transfers In	\$ 2,840,897	\$ 1,911,154	\$ 328,700	\$ 2,880	\$ 571,810	\$ 5,655,441

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](http://www.ipers.org).

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

**Pension Benefits**

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

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**Note 8 - PENSION PLAN – (Continued)**

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

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

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

**Disability and Death Benefits**

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

**Contributions**

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

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 8 - PENSION PLAN – (Continued)**

Method adopted by the Investment Board.

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the City contributed 9.44 percent for a total rate of 15.73 percent. Protective occupation members contributed 6.61 percent of covered payroll and the City contributed 9.91 percent of covered payroll for a total rate of 16.52 percent.

The City's total contributions to IPERS for the year ended June 30, 2020 was \$358,392.

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

At June 30, 2020, the City reported a liability of \$2,374,522 or its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the City's collective proportion was .0410061 percent, which was a decrease of .000892 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$503,427. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>City's Share</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 9,980	\$ 88,474
Changes of assumptions	293,404	1,364
Net difference between projected and actual earnings on IPERS' investments	-	322,537
Changes in proportion and differences between City contributions and proportionate share of contributions	81,419	36,124
City's contributions subsequent to the measurement date	358,392	-
Total	<u>\$ 743,195</u>	<u>\$ 448,499</u>

\$358,392 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 8 - PENSION PLAN – (Continued)**

Year Ending June 30,	Amount
2021	\$ 93,724
2022	(51,390)
2023	(46,340)
2024	(52,600)
2025	(7,090)
	\$ (63,696)

There were no non-employer contributing entities of IPERS.

*Actuarial assumptions* – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 to 16.25 percent average, including inflation. Rates vary by membership group.
Long-Term Investment Rate of Return (effective June 30, 2017)	7.00 percent per annum, compounded annually, net of pension plan investment expense, and including inflation
Wage Growth (effective June 30, 2017)	3.25 percent per annum based on 2.60% inflation and .65 percent real wage inflation

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns, net of 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:

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

**Note 8 - PENSION PLAN – (Continued)**

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	22.0%	5.60%
International Equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public Credit	3.5	3.32
Private Equity	11.0	10.13
Public Real Assets	7.0	2.81
Private Real Assets	7.5	4.76
Private Credit	3.0	3.01
Cash	1.0	(0.21)
Total	<u>100.0%</u>	

*Discount rate* – The discount rate used to measure the total pension liability was 7.00 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, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

	<b>1% Decrease 6.0%</b>	<b>Discount Rate 7.0%</b>	<b>1% Increase 8.0%</b>
Proportionate Share of the Net Pension Liability City	\$ 4,559,400	\$ 2,374,522	\$ 542,300

*IPERS' fiduciary net position* – Detailed information about the IPERS' fiduciary net position is available in the separately issued financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**Payables to the pension plan**

At June 30, 2020, the City reported payables to the defined benefit pension plan of \$31,922 for legally required employer contributions and \$21,273 for legally required employee contributions which had been withheld from employee wages and remitted to IPERS after June 30, 2020.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

Plan Description – The City operates a single-employer health benefit plan which provides medical / prescription drug benefits for employees, retirees and their dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by City of Sioux Center and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	<u>54</u>
Total	<u>54</u>

Total OPEB Liability – The City's total OPEB liability of \$79,956 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurements.

Rate of inflation (effective July 1, 2019)	2.50% per annum
Rates of salary increase (effective July 1, 2019)	3.00% per year,
Discount rate (effective July 1, 2019)	3.50% compounded annually
Healthcare cost trend rate (effective June 30, 2019)	5.50% initial rate decreasing by .25% annually to an ultimate rate of 4.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% which reflects The Bond Buyer index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvements. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used for IPERS.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 78,029
Changes for the year:	
Service cost	2,771
Interest	2,719
Differences between expected and actual experiences	(2,994)
Changes in assumptions	381
Benefit payments	<u>(950)</u>
Net changes	<u>1,927</u>
Total OPEB liability end of year	<u>\$ 79,956</u>

Changes of assumptions reflect a .08% change in the discount rate from 3.58% in fiscal year 2019 to 3.50% in fiscal year 2020.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 88,055	\$ 79,956	\$ 72,755

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 5.5% decreasing to 4.5%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower (4.5% decreasing to 3.5%) or 1-percentage point higher (6.5% decreasing to 5.5%) than the current rate:

	<u>1% Decrease (4.5% decreasing to 3.5%)</u>	<u>Current Healthcare Cost Trend Rate (5.50% decreasing To 4.5%)</u>	<u>1% Increase (6.50% decreasing To 5.5%)</u>
Total OPEB Liability	\$ 71,479	\$ 79,956	\$ 89,917

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2020, the City recognized OPEB expense of \$7,664. At June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (2,713)	\$ 15,858
Changes of assumptions	-	3,589
Total	<u>\$ (2,713)</u>	<u>\$ 19,447</u>

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

Year ending June 30,	Amount
2021	\$ 2,174
2022	2,174
2023	2,174
2024	2,174
2025	2,174
Thereafter	5,864
Total	<u>\$ 16,734</u>

**Note 10 - DEFICIT FUND EQUITY**

The City has three funds with a deficit equity balance at June 30, 2020. 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 as follows:

Capital Project – Trail Extension .....	\$ 21,289
Capital Project – Storm Water .....	10,207
Capital Project – Commercial Industrial Park .....	460,672
Internal Services Fund – Auto Revolving .....	43,368

**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 2019-2020 fiscal year, the City 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.



**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**Note 11 - RISK FINANCING (Continued)**

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
2020	\$ 5,074	\$ 79,766	\$ 78,294	\$ 6,546
2019	\$ 7,931	\$ 100,477	\$ 103,334	\$ 5,074
2018	\$ 506	\$ 79,448	\$ 72,023	\$ 7,931
2017	\$ 3,425	\$ 64,340	\$ 67,259	\$ 506
2016	\$ 18,811	\$ 47,924	\$ 63,310	\$ 3,425

The June 30, 2020 claims payable balance of \$6,546 is reflected in accounts payable balance on the statement of net position.

**Note 12 - COMMITMENTS**

At June 30, 2020 the City had five construction contracts in process with the following approximate amounts to be paid as work progresses:

Open Space Park – Driveway	\$ 88,305
4 <sup>th</sup> Avenue	152,580
Fire Station #2	1,124,271
Sanitary Sewer – Country View	315,209
Hwy Commercial 3 <sup>rd</sup> Addition	633,522

**Note 13 - 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 loan was paid in full as of June 30, 2020.

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 and interest equal to the 5-Year Treasury note. In fiscal year 2013, the City paid for improvements totaling \$70,000 for land developed by Sioux Center Land Development, Inc. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the note is \$962,676 as of June 30, 2020.

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, 2020.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**Note 13 -      NOTES RECEIVABLE – (Continued)**

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 \$390,000 as of June 30, 2020.

In 2015, the City loaned The Ridge Golf Course \$22,647 with no interest charged. The loan is to be repaid within 10 years. In 2016, the City loaned an additional \$154,053 to The Ridge Golf Course. In 2017, the City loaned an additional \$172,450 to the Ridge Golf Course. The balance as of June 30, 2020 is \$24,238.

In July 2017, the City loaned Sioux Center Land Development, Inc. \$625,000 for economic development purposes with no interest charged. The final payment is currently payable July 1, 2027. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$463,350 as of June 30, 2020.

In February 2018, the City loaned Sioux Center Land Development, Inc. \$724,343 for economic development purposes. The final payment is currently payable September 1, 2027 and interest equal to the 5-Year Treasury note. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$306,503 as of June 30, 2020.

In May 2018, the City loaned The Ridge Golf Course \$227,741 with 0.85% interest. The loan is to be repaid within 5 years. The balance as of June 30, 2020 is \$44,740.

In April 2019, the City loaned The Ridge Golf Course \$150,509 with 1.10% interest. The loan is to be repaid with a minimum of two payment per year. The balance as of June 30, 2020 is \$61,509.

In May 2019, the City entered into a land sale agreement with the Sioux Center Community School District. The agreement states the loan payments are due on June 1, 2020 and June 1, 2021. The agreement has been paid in full.

In February 2020, the City loaned The Ridge Golf Course \$66,100 with 1.00% interest. The loan is to be repaid with a minimum of two payment per year. The balance as of June 30, 2020 is \$51,100.

In December 2019, the City loaned Sioux Center Land Development, Inc. \$600,000 for economic development purposes. The final payment is currently payable December 1, 2029 and interest equal to the 5-Year Treasury note. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the note is \$600,000 as of June 30, 2020.

In November 2017, the City entered into cost-sharing agreements with Sioux Pharm, Inc. Siouxpreme Egg and Patrick Cuday, LLC for the building of a new wastewater treatment plant. The final amounts owed by each entity were determined on completion of the project. The loans are to be paid over 18 years with 3.0% interest. The balance on the notes is \$6,033,855 as of June 30, 2020.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**Note 14 - TAX ABATEMENTS**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

**City Tax Abatements**

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements. For the year ended June 30, 2020, the City abated \$56,575 of property tax under the urban renewal and economic development projects.<sup>56</sup>

**Note 15 - URBAN RENEWAL DEVELOPMENT AGREEMENTS**

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer or business in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer or additions of employees by the business. The total to be paid by the City under the agreements is not to exceed \$1,268,958.

During the year ended June 30, 2020, the City rebated \$124,063 of incremental property tax to developers and businesses. The total cumulative principal amount rebated on the agreements is \$390,489. The outstanding balance on the agreements at June 30, 2020 was \$878,469.

The agreements are not general obligations of the City and, due to their nature, are not recorded as a liability in the City's financial statements. However, the agreements are subject to the constitutional debt limitation of the City.

Certain agreements include an annual appropriation clause and, accordingly, only the amount payable in the succeeding year on the agreements is subject to the constitutional debt limitation. The entire outstanding principal balance of agreements not including an annual appropriation clause is subject to the constitutional debt limitation.

**Note 16 - ACCOUNTING CHANGE/RESTATEMENT**

It was determined that funds were received from the regional electric power pool in the current year that were for the prior year. A prior period adjustment was made increasing the electric fund net position and business-type activities net position by \$31,314.

**CITY OF SIOUX CENTER, IOWA**  
**Notes to Financial Statements**  
**June 30, 2020**

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**Note 17 -     PROSPECTIVE ACCOUNTING CHANGE**

The Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. This statement will be implemented for the fiscal year ending June 30, 2021. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

**Note 18 -     SUBSEQUENT EVENTS**

In December of 2020, the City issued a \$3,500,000 grant to the Sioux Center Community School to continue to provide jobs training and teach job-related skills which promote economic development and job creation and retention within the area.

**CITY OF SIOUX CENTER, IOWA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL, ALL GOVERNMENTAL AND PROPRIETARY FUNDS - GAAP BASIS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2020**

	Governmental Fund Type Actual	Proprietary Funds Actual
Revenue:		
Taxes	\$ 3,529,646	\$ -
Special Assessments	20,012	-
Licenses and Permits	144,686	-
Intergovernmental	1,177,341	-
Charges for Services	2,051,209	19,443,130
TIF Revenue	2,318,088	-
Other City Taxes	1,153,500	-
Use of Money and Property	482,330	491,605
Miscellaneous	1,054,147	867,425
Gain on Sale of Fixed Assets	-	514,918
Total Receipts	<u>11,930,959</u>	<u>21,317,078</u>
Expenditures:		
Public Safety	1,396,435	-
Public Works	1,765,219	-
Culture and Recreation	4,402,741	-
Community and Economic Development	748,083	-
General Government	1,030,638	-
Capital Projects	957,023	-
Debt Service	852,766	-
Business Type Activities	-	21,481,916
Total Disbursements	<u>11,152,905</u>	<u>21,481,916</u>
Excess (deficiency) of revenue over expenditures	778,054	(164,838)
Other financing sources (uses):		
Proceeds from Debt Financing	5,441,557	-
Proceeds from Sale of Uncapitalized Assets	15,889	-
Capital Contribution	-	6,520,077
Interfund Transfers In	4,752,051	903,390
Interfund Transfers Out	(4,896,645)	(758,796)
Total other financing sources (uses)	<u>5,312,852</u>	<u>6,664,671</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,090,906	6,499,833
Fund balances/Net position- beginning of year	6,745,069	45,308,090
Prior Period Adjustment	-	31,314
Fund balances/Net position - end of year	<u>\$ 12,835,975</u>	<u>\$ 51,839,237</u>

Total Actual	Budgeted Amounts		Final Budget Favorable (Unfavorable)
	Original	Final	
\$ 3,529,646	\$ 3,534,628	\$ 3,534,628	\$ (4,982)
20,012	21,738	21,738	(1,726)
144,686	114,090	114,090	30,596
1,177,341	1,132,126	1,132,126	45,215
21,494,339	23,630,800	24,001,300	(2,506,961)
2,318,088	2,238,000	2,238,000	80,088
1,153,500	964,999	964,999	188,501
973,935	894,510	894,510	79,425
1,921,572	1,010,300	1,010,300	911,272
514,918	-	-	514,918
<u>33,248,037</u>	<u>33,541,191</u>	<u>33,911,691</u>	<u>(663,654)</u>
1,396,435	1,455,795	1,500,795	104,360
1,765,219	1,796,010	1,796,010	30,791
4,402,741	4,049,535	4,374,535	(28,206)
748,083	341,640	756,640	8,557
1,030,638	907,660	987,660	(42,978)
957,023	938,000	901,000	(56,023)
852,766	803,353	831,353	(21,413)
21,481,916	22,120,181	22,593,181	1,111,265
<u>32,634,821</u>	<u>32,412,174</u>	<u>33,741,174</u>	<u>1,106,353</u>
613,216	1,129,017	170,517	442,699
5,441,557	-	1,600,000	3,841,557
15,889	-	-	15,889
6,520,077	-	-	6,520,077
5,655,441	5,880,410	5,880,410	(224,969)
<u>(5,655,441)</u>	<u>(5,880,410)</u>	<u>(5,880,410)</u>	<u>224,969</u>
<u>11,977,523</u>	<u>-</u>	<u>1,600,000</u>	<u>10,377,523</u>
12,590,739	1,129,017	1,770,517	10,820,222
52,053,159	51,281,868	52,009,848	43,311
31,314	-	-	31,314
<u>\$ 64,675,212</u>	<u>\$ 52,410,885</u>	<u>\$ 53,780,365</u>	<u>\$ 10,894,847</u>

**CITY OF SIOUX CENTER**  
**Notes to Required Supplementary Information – Budgetary Reporting**  
**June 30, 2020**

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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 \$1,329,000. The budget amendment is reflected in the final budgeted amounts.

During the fiscal year ended June 30, 2020, disbursements exceeded budgeted amounts in the culture and recreation, general government, capital projects and debt service.

**CITY OF SIOUX CENTER, IOWA  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\* (IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
City's proportion of the net pension liability	.0410061%	.0418981%	.0417624%	.0410060%	.0357685%
City's proportionate share of the net pension liability	\$ 2,375	\$ 2,651	\$ 2,782	\$ 2,581	\$ 1,767
City's covered payroll	\$ 3,682	\$ 3,663	\$ 3,601	\$ 2,975	\$ 3,245
City's proportionate share of the net pension liability as a percentage of its covered payroll	64.50%	72.37%	77.26%	86.76%	54.45%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%

	<b>2015</b>
City's proportion of the net pension liability	.0396470%
City's proportionate share of the net pension liability	\$ 1,572
City's covered payroll	\$ 3,149
City's proportionate share of the net pension liability as a percentage of its covered payroll	49.92%
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, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Statutorily required contribution	\$ 358	\$ 351	\$ 332	\$ 326	\$ 308
Contributions in relation to the statutorily required contribution	(358)	(351)	(332)	(326)	(308)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$3,768	\$ 3,682	\$ 3,663	\$ 3,601	\$ 2,975
Contributions as a percentage of covered payroll	9.50%	9.53%	9.06%	9.05%	10.35%

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
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 payroll	\$ 3,245	\$ 3,149	\$ 3,048	\$ 3,022	\$ 3,061
Contributions as a percentage of covered payroll	9.09%	9.08%	8.86%	8.31%	7.32%

**CITY OF SIOUX CENTER, IOWA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Changes of Benefit Terms:**

There were no significant changes of benefit terms.

**Changes of Assumptions**

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

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

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

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

**CITY OF SIOUX CENTER, IOWA  
SCHEDULE OF CHANGES IN THE CITY'S  
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

	2020	2019	2018
Service Cost	\$ 2,771	\$ 2,415	\$ 2,345
Interest Cost	2,719	2,739	2,614
Difference between expected and actual experiences	(2,994)	-	21,878
Changes in assumptions	381	-	4,477
Benefit payments	(950)	(2,447)	(634)
Net change in total OPEB liability	1,927	2,707	30,680
Total OPEB liability beginning of year, as restated	78,029	75,322	44,642
Total OPEB liability end of year	\$ 79,956	\$ 78,029	\$ 75,322
Covered-employee payroll	\$ 3,209,409	\$ 3,132,251	\$ 3,041,020
Total OPEB liability as a percentage of covered-employee payroll	2.49%	2.49%	2.48%

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

*Changes in benefit terms:*

There were no significant changes in benefit terms.

*Changes in assumptions:*

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.00%

Note: GASB No.75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the county will present information for those years for which information is available.

See accompanying independent auditor's report

**CITY OF SIOUX CENTER, IOWA**  
**COMBINING BALANCE SHEET**  
**Governmental Nonmajor Funds**  
**JUNE 30, 2020**

	Special Revenue					
	LOST	Employee Benefits Levy	Road Use Tax	Emergency Levy	Debt Service Fund	All Seasons Center
<b>Assets</b>						
Cash and Pooled Investments	\$ 315,440	\$ -	\$ 2,000,915	\$ -	\$ 4,301	\$ -
Taxes	-	10,487	-	651	879	-
Subsequent Year Taxes	-	725,000	-	45,000	130,855	-
Due from Other Governmental Agencies	77,837	-	118,497	-	-	-
<b>Total Assets</b>	<b>393,277</b>	<b>735,487</b>	<b>2,119,412</b>	<b>45,651</b>	<b>136,035</b>	<b>-</b>
<b>Liabilities</b>						
Accounts Payable	-	-	47,339	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>47,339</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflow of Resources</b>						
Unavailable Revenue - Subsequent Year Taxes	-	725,000	-	45,000	130,855	-
Unavailable Revenue - Delinquent Property Taxes	-	2,586	-	161	179	-
<b>Total Deferred Inflow of Resources</b>	<b>-</b>	<b>727,586</b>	<b>-</b>	<b>45,161</b>	<b>131,034</b>	<b>-</b>
<b>Fund Balances</b>						
Restricted for:						
Debt Service	-	-	-	-	5,001	-
Local Option Sales Tax	393,277	-	-	-	-	-
Employee Benefit	-	7,901	-	-	-	-
Emergency Management	-	-	-	490	-	-
Road Use Tax	-	-	2,072,073	-	-	-
Capital Projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>393,277</b>	<b>7,901</b>	<b>2,072,073</b>	<b>490</b>	<b>5,001</b>	<b>-</b>
<b>Total Liabilities Deferred Inflow of Resources, and Fund Balances</b>	<b>\$ 393,277</b>	<b>\$ 735,487</b>	<b>\$ 2,119,412</b>	<b>\$ 45,651</b>	<b>\$ 136,035</b>	<b>\$ -</b>

Capital Projects							Total
Fire Truck	Commercial Industrial Park	Highway 75 Widening	Trail Extension	Firestation #2	Storm Water	Green Space	Governmental Nonmajor Funds
\$ -	\$ 364,147	\$ 1,723,711	\$ -	\$ 619,410	\$ -	\$ 800,000	\$ 5,827,924
-	-	-	-	-	-	-	12,017
-	-	-	-	-	-	-	900,855
-	-	-	-	-	-	-	196,334
-	364,147	1,723,711	-	619,410	-	800,000	6,937,130
-	820	14,245	21,008	5,180	-	-	88,592
-	823,999	58,000	281	-	10,207	-	892,487
-	824,819	72,245	21,289	5,180	10,207	-	981,079
-	-	-	-	-	-	-	900,855
-	-	-	-	-	-	-	2,926
-	-	-	-	-	-	-	903,781
-	-	-	-	-	-	-	5,001
-	-	-	-	-	-	-	393,277
-	-	-	-	-	-	-	7,901
-	-	-	-	-	-	-	490
-	-	-	-	-	-	-	2,072,073
-	-	1,651,466	-	614,230	-	800,000	3,065,696
-	(460,672)	-	(21,289)	-	(10,207)	-	(492,168)
-	(460,672)	1,651,466	(21,289)	614,230	(10,207)	800,000	5,052,270
\$ -	\$ 364,147	\$ 1,723,711	\$ -	\$ 619,410	\$ -	\$ 800,000	\$ 6,937,130

**CITY OF SIOUX CENTER, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue					
	LOST	Employee Benefits Levy	Road Use Tax	Emergency Levy	Debt Service Fund	All Season Center
Revenue:						
Taxes	\$ -	\$ 723,913	\$ -	\$ 44,933	\$ 64,979	\$ -
Intergovernmental	-	30,338	951,682	1,882	2,155	-
Other City Taxes	1,019,968	-	-	-	-	-
Interest on Investments	-	-	-	-	1,111	-
Total Revenue	1,019,968	754,251	951,682	46,815	68,245	-
Expenditures:						
Public Works	-	-	579,642	-	-	-
Capital Projects	-	-	-	-	-	241,777
Debt Service:						
Principal Retirement	-	-	-	-	597,057	-
Interest/Bond Costs	-	-	-	-	234,195	-
Total Expenditures	-	-	579,642	-	831,252	241,777
Excess (deficiency) of revenues over expenditures	1,019,968	754,251	372,040	46,815	(763,007)	(241,777)
Other financing sources (uses):						
Issuance of Debt	-	-	-	-	-	-
Transfers In	-	-	20,000	-	762,906	819,155
Transfers Out	(1,651,942)	(747,560)	(110,000)	(46,382)	-	-
Total other financing sources (uses)	(1,651,942)	(747,560)	(90,000)	(46,382)	762,906	819,155
Net Change in Fund Balance	(631,974)	6,691	282,040	433	(101)	577,378
Fund balances (Deficits)-beginning of year	1,025,251	1,210	1,790,033	57	5,102	(577,378)
Fund balances (Deficits)- end of year	\$ 393,277	\$ 7,901	\$ 2,072,073	\$ 490	\$ 5,001	\$ -

Capital Projects							Total
Fire Truck	Commercial Industrial Park	Highway 75 Widening	Trail Extension	Firestation #2	Storm Water	Green Space	Governmental Nonmajor Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	833,825
-	-	-	-	-	-	-	986,057
-	-	-	-	-	-	-	1,019,968
-	-	-	-	-	-	-	1,111
-	-	-	-	-	-	-	2,840,961
-	-	-	-	-	-	-	579,642
269,738	42,221	276,323	28,144	88,613	10,207	-	957,023
-	-	-	-	-	-	-	597,057
-	-	15,777	-	5,737	-	-	255,709
269,738	42,221	292,100	28,144	94,350	10,207	-	2,389,431
(269,738)	(42,221)	(292,100)	(28,144)	(94,350)	(10,207)	-	451,530
-	-	1,979,164	-	708,580	-	800,000	3,487,744
269,738	-	32,500	6,855	-	-	-	1,911,154
-	-	-	-	-	-	-	(2,555,884)
269,738	-	2,011,664	6,855	708,580	-	800,000	2,843,014
-	(42,221)	1,719,564	(21,289)	614,230	(10,207)	800,000	3,294,544
-	(418,451)	(68,098)	-	-	-	-	1,757,726
\$ -	\$ (460,672)	\$ 1,651,466	\$ (21,289)	\$ 614,230	\$ (10,207)	\$ 800,000	\$ 5,052,270

**CITY OF SIOUX CENTER, IOWA**  
**COMBINING STATEMENT OF NET POSITION**  
**Internal Service Funds**  
**June 30, 2020**

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
<b>ASSETS</b>			
Cash	\$ 10,752	\$ 66,242	\$ 76,994
<b>Total Assets</b>	<u>10,752</u>	<u>66,242</u>	<u>76,994</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Deferred Outflows	<u>15,498</u>	<u>-</u>	<u>15,498</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	<u>10,752</u>	<u>6,546</u>	<u>17,298</u>
Total Current Liabilities	<u>10,752</u>	<u>6,546</u>	<u>17,298</u>
Noncurrent Liabilities:			
Net Pension Liability	<u>49,513</u>	<u>-</u>	<u>49,513</u>
<b>Total Liabilities</b>	<u>60,265</u>	<u>6,546</u>	<u>66,811</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related Deferred Inflows	<u>9,353</u>	<u>-</u>	<u>9,353</u>
<b>NET POSITION</b>			
Unrestricted	<u>(43,368)</u>	<u>59,696</u>	<u>16,328</u>
Total Net Position	<u>\$ (43,368)</u>	<u>\$ 59,696</u>	<u>\$ 16,328</u>



**CITY OF SIOUX CENTER, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 216,225	\$ 78,000	\$ 294,225
<b>Total Operating Revenue</b>	<u>216,225</u>	<u>78,000</u>	<u>294,225</u>
<b>Operating Expenses:</b>			
Operating and Maintenance	216,647	82,573	299,220
<b>Total Operating Expenses</b>	<u>216,647</u>	<u>82,573</u>	<u>299,220</u>
<b>Operating Income</b>	(422)	(4,573)	(4,995)
<b>Change in Net Position</b>	(422)	(4,573)	(4,995)
<b>Net Position - Beginning</b>	<u>(42,946)</u>	<u>64,269</u>	<u>21,323</u>
<b>Net Position - Ending</b>	<u>\$ (43,368)</u>	<u>\$ 59,696</u>	<u>\$ 16,328</u>

**CITY OF SIOUX CENTER, IOWA**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Year Ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b><u>PAYROLL CLEARING</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 486,787	\$ 4,442,027	\$ 4,533,808	\$ 395,006
Total Assets	486,787	4,442,027	4,533,808	395,006
<u>Liabilities</u>				
Accounts Payable	486,787	4,442,027	4,533,808	395,006
Total Liabilities	486,787	4,442,027	4,533,808	395,006
 <b><u>SALES TAX</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	17,291	385,240	391,493	11,038
Taxes Receivable	31,422	386,576	381,121	36,877
Total Assets	48,713	771,816	772,614	47,915
<u>Liabilities</u>				
Accounts Payable	48,713	788,265	789,063	47,915
Total Liabilities	48,713	788,265	789,063	47,915
 <b><u>TOTAL AGENCY FUND</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	504,078	4,827,267	4,925,301	406,044
Taxes Receivable	31,422	386,576	381,121	36,877
Total Assets	535,500	5,213,843	5,306,422	442,921
<u>Liabilities</u>				
Accounts Payable	535,500	5,230,292	5,322,871	442,921
Total Liabilities	\$ 535,500	\$ 5,230,292	\$ 5,322,871	\$ 442,921

## 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 government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	72
These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	
Revenue Capacity	77
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	82
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	87
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	88
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities										
Net Investment in capital assets	\$34,329,776	\$36,189,621	\$37,921,056	\$36,127,931	\$38,508,224	\$39,575,978	\$39,198,868	\$38,508,433	\$39,810,845	\$39,344,845
Restricted	1,389,263	1,455,096	1,457,573	1,379,909	2,291,050	2,257,547	2,737,247	3,307,184	3,970,487	4,392,587
Unrestricted	2,086,241	1,602,866	580,123	2,685,934	(453,707)	(96,393)	1,397,216	2,080,034	2,019,893	2,553,943
Total governmental activities net position	<u>\$37,805,280</u>	<u>\$39,247,583</u>	<u>\$39,958,752</u>	<u>\$40,193,774</u>	<u>\$40,345,567</u>	<u>\$41,737,132</u>	<u>\$43,333,331</u>	<u>\$43,895,651</u>	<u>\$45,801,225</u>	<u>\$46,291,375</u>
Business-type activities										
Net Investment in capital assets	\$15,462,388	\$15,031,420	\$16,013,908	\$16,068,047	\$17,604,973	\$20,227,133	\$21,041,283	\$23,773,082	\$26,357,938	\$23,819,697
Restricted	838,130	688,534	624,266	759,566	433,522	403,778	407,964	367,018	359,772	510,904
Unrestricted	21,232,208	22,811,697	22,527,561	21,599,211	21,070,163	20,194,685	20,184,018	18,689,610	18,590,378	27,508,636
Total business-type activities net position	<u>\$37,532,726</u>	<u>\$38,531,651</u>	<u>\$39,165,735</u>	<u>\$38,426,824</u>	<u>\$39,108,658</u>	<u>\$40,825,596</u>	<u>\$41,633,265</u>	<u>\$42,829,710</u>	<u>\$45,308,088</u>	<u>\$51,839,237</u>
Primary government										
Net Investment in capital assets	\$49,792,164	\$51,221,041	\$53,934,964	\$52,195,978	\$56,113,197	\$59,803,111	\$60,240,151	\$62,281,515	\$66,168,783	\$63,164,542
Restricted	2,227,393	2,143,630	2,081,839	2,139,475	2,724,572	2,661,325	3,145,211	3,674,202	4,330,259	4,903,491
Unrestricted	23,318,449	24,414,563	23,107,684	24,285,145	20,616,456	20,098,292	21,581,234	20,769,644	20,610,271	30,062,579
Total primary government net position	<u>\$75,338,006</u>	<u>\$77,779,234</u>	<u>\$79,124,487</u>	<u>\$78,620,598</u>	<u>\$79,454,225</u>	<u>\$82,562,728</u>	<u>\$84,966,596</u>	<u>\$86,725,361</u>	<u>\$91,109,313</u>	<u>\$98,130,612</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenses</b>										
Governmental activities:										
Public Safety	\$1,087,057	\$1,123,039	\$1,205,647	\$1,232,254	\$1,378,410	\$1,292,287	\$1,510,298	\$1,526,040	\$1,234,978	\$1,357,258
Public Works	1,758,350	1,683,109	1,983,961	2,028,060	1,411,372	1,833,705	1,693,888	1,925,094	2,110,487	2,919,672
Culture and Recreation	3,311,975	3,442,682	3,634,503	4,414,137	3,823,595	3,920,969	4,124,895	4,087,358	4,570,714	4,632,680
Community and Economic Development	131,008	148,066	185,660	285,022	159,876	222,034	215,862	1,197,672	400,945	734,365
General Government	706,708	996,544	943,785	1,146,253	1,894,813	2,015,241	1,680,901	1,735,932	1,814,431	1,426,434
Debt Service	364,025	323,338	258,630	226,094	211,195	131,133	90,990	174,467	236,014	261,212
Total governmental activities expenses	<u>7,359,123</u>	<u>7,716,778</u>	<u>8,212,186</u>	<u>9,331,820</u>	<u>8,879,261</u>	<u>9,415,369</u>	<u>9,316,834</u>	<u>10,646,563</u>	<u>10,367,569</u>	<u>11,331,621</u>
Business-type activities:										
Centre Mall	1,025,600	1,109,253	1,016,468	901,545	935,506	873,966	955,746	963,741	940,703	1,015,338
Water	1,302,133	1,264,355	1,317,264	1,248,792	1,282,811	1,325,725	1,513,895	1,509,601	1,556,044	1,765,265
Sewer	1,227,212	1,050,397	1,019,632	1,010,493	1,062,633	1,123,375	1,318,322	1,411,190	1,581,146	3,615,949
Electric	8,521,319	8,715,106	8,767,471	9,196,469	9,437,069	9,514,228	10,218,043	10,400,973	10,269,110	9,669,999
Natural Gas	8,721,668	7,014,332	7,396,615	10,919,217	8,426,870	5,912,326	7,110,720	7,638,970	7,276,851	5,467,940
Total business-type activities expenses	<u>20,797,932</u>	<u>19,153,443</u>	<u>19,517,450</u>	<u>23,276,516</u>	<u>21,144,889</u>	<u>18,749,620</u>	<u>21,116,726</u>	<u>21,924,475</u>	<u>21,623,854</u>	<u>21,534,491</u>
Total primary government expenses	<u>\$28,157,055</u>	<u>\$26,870,221</u>	<u>\$27,729,636</u>	<u>\$32,608,336</u>	<u>\$30,024,150</u>	<u>\$28,164,989</u>	<u>\$30,433,560</u>	<u>\$32,571,038</u>	<u>\$31,991,423</u>	<u>\$32,866,112</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public Safety	52,310	57,466	57,479	57,011	345,828	384,310	355,923	420,661	347,501	402,296
Public Works	367,443	394,089	421,184	447,474	486,249	497,318	483,418	531,849	543,204	579,423
Culture and Recreation	768,568	818,972	905,664	887,966	940,108	1,032,268	979,563	982,462	908,180	1,470,702
Community and Economic Development	41,993	66,080	187,367	65,576						
General Government	56,397	54,273	57,761	56,431	524,014	600,959	648,059	482,113	505,104	791,035
Operating grants and contributions	594,984	668,511	674,958	703,769	1,190,341	1,416,600	1,360,562	1,400,071	2,481,929	1,476,191
Capital grants and contributions	799,114	564,919	66,900	288,330	484,727	81,859	239,249	678,125	-	-
Total governmental activities program revenues	<u>2,680,809</u>	<u>2,624,310</u>	<u>2,371,313</u>	<u>2,506,557</u>	<u>3,971,267</u>	<u>4,013,314</u>	<u>4,066,774</u>	<u>4,495,281</u>	<u>4,785,918</u>	<u>4,719,647</u>
Business-type activities:										
Charges for services:										
Centre Mall	453,156	482,752	471,820	440,770	503,314	460,118	469,880	422,434	429,908	436,713
Water	1,267,961	1,463,515	1,526,332	1,580,634	1,565,667	1,630,270	1,678,372	1,712,992	1,651,500	1,804,267
Sewer	1,007,896	1,170,720	1,068,788	1,073,016	1,063,220	1,105,295	1,208,260	1,589,842	3,503,024	8,439,487
Electric	9,042,937	9,091,337	9,147,357	9,637,207	10,434,989	9,911,161	9,911,730	10,253,507	10,220,413	10,131,119
Natural Gas	8,955,003	6,846,384	7,434,309	10,623,489	8,582,176	5,871,153	7,128,643	7,766,707	7,115,575	5,151,621
Total business-type activities program revenues	<u>20,726,953</u>	<u>19,054,708</u>	<u>19,648,606</u>	<u>23,355,116</u>	<u>22,149,366</u>	<u>18,977,997</u>	<u>20,396,885</u>	<u>21,745,482</u>	<u>22,920,420</u>	<u>25,963,207</u>
Total primary government program revenues	<u>\$23,407,762</u>	<u>\$21,679,018</u>	<u>\$22,019,919</u>	<u>\$25,861,673</u>	<u>\$26,120,633</u>	<u>\$22,991,311</u>	<u>\$24,463,659</u>	<u>\$26,240,763</u>	<u>\$27,706,338</u>	<u>\$30,682,854</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Net (expense)/revenue</b>										
Governmental activities	(\$4,678,314)	(\$5,092,468)	(\$5,840,873)	(\$6,825,263)	(\$4,907,994)	(\$5,402,055)	(\$5,250,060)	(\$6,151,282)	(\$5,581,651)	(\$6,611,974)
Business-type activities	(70,979)	(98,735)	131,156	78,600	1,004,477	228,377	(719,841)	(178,993)	1,296,566	4,428,716
Total primary government net expense	<u>(\$4,749,293)</u>	<u>(\$5,191,203)</u>	<u>(\$5,709,717)</u>	<u>(\$6,746,663)</u>	<u>(\$3,903,517)</u>	<u>(\$5,173,678)</u>	<u>(\$5,969,901)</u>	<u>(\$6,330,275)</u>	<u>(\$4,285,085)</u>	<u>(\$2,183,258)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Property taxes	\$4,672,916	\$4,785,273	\$4,792,723	\$4,742,189	\$5,055,237	\$5,286,676	\$5,402,688	\$5,504,383	\$5,809,280	\$6,005,778
Local option sales tax	701,502	640,653	760,459	732,227	802,539	805,958	898,947	781,860	825,232	1,019,968
Unrestricted investment earnings	47,956	27,596	13,652	10,817	15,403	25,051	20,763	27,652	75,743	64,611
Miscellaneous	1,318,680	856,405	806,237	1,359,547	52,316	131,269	116,851	155,972	582,389	156,361
Transfers	149,443	224,844	178,971	215,504	299,326	474,666	407,011	214,787	(42,984)	(144,594)
Total governmental activities	<u>6,890,497</u>	<u>6,534,771</u>	<u>6,552,042</u>	<u>7,060,284</u>	<u>6,224,821</u>	<u>6,723,620</u>	<u>6,846,260</u>	<u>6,684,654</u>	<u>7,249,660</u>	<u>7,102,124</u>
Business-type activities										
Unrestricted investment earnings	375,112	394,572	450,744	272,058	74,822	71,314	117,159	137,017	152,911	491,605
Miscellaneous	346,099	927,931	231,155	(874,066)	694,984	1,891,913	1,817,362	1,466,013	985,919	1,434,918
Transfers	(149,443)	(224,844)	(178,971)	(215,504)	(299,326)	(474,666)	(407,011)	(214,787)	42,984	144,594
Total business-type activities	<u>571,768</u>	<u>1,097,659</u>	<u>502,928</u>	<u>(817,512)</u>	<u>470,480</u>	<u>1,488,561</u>	<u>1,527,510</u>	<u>1,388,243</u>	<u>1,181,814</u>	<u>2,071,117</u>
Total primary government	<u>\$7,462,265</u>	<u>\$7,632,430</u>	<u>\$7,054,970</u>	<u>\$6,242,772</u>	<u>\$6,695,301</u>	<u>\$8,212,181</u>	<u>\$8,373,770</u>	<u>\$8,072,897</u>	<u>\$8,431,474</u>	<u>\$9,173,241</u>
<b>Change in Net Assets</b>										
Governmental activities	2,212,183	1,442,303	711,169	235,021	1,316,827	1,321,565	1,596,200	533,372	1,668,009	490,150
Business-type activities	500,789	998,924	634,084	(738,912)	1,474,957	1,716,938	807,669	1,209,250	2,478,380	6,499,833
Total primary government	<u>\$2,712,972</u>	<u>\$2,441,227</u>	<u>\$1,345,253</u>	<u>(\$503,891)</u>	<u>\$2,791,784</u>	<u>\$3,038,503</u>	<u>\$2,403,869</u>	<u>\$1,742,622</u>	<u>\$4,146,389</u>	<u>\$6,989,983</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Reserved	\$362,332	\$332,848	\$388,311	\$442,100	\$273,560	\$273,445	\$151,534	\$275,685	\$1,471,623	\$3,490,766
Unreserved	2,503,614	2,379,009	1,951,621	2,363,220	2,687,880	2,680,227	3,319,492	3,089,589	3,506,777	3,879,969
Total general fund	<u>\$2,865,946</u>	<u>\$2,711,857</u>	<u>\$2,339,932</u>	<u>\$2,805,320</u>	<u>\$2,961,440</u>	<u>\$2,953,672</u>	<u>\$3,471,026</u>	<u>\$3,365,274</u>	<u>\$4,978,400</u>	<u>\$7,370,735</u>
All other governmental funds										
Reserved										
Special revenue funds	\$1,136,967	\$964,159	\$666,311	\$829,848	\$2,283,810	\$2,257,547	\$2,732,731	\$3,307,228	\$2,825,493	\$2,394,543
Debt service funds			2,366	1,444	886	920	2,007	3,897	5,102	5,001
Unreserved, reported in:										
Capital project funds	(581,644)	(1,061,047)	(1,093,762)	(1,233,721)	(2,560,701)	(2,246,176)	(1,219,430)	5,236,803	(1,063,926)	3,065,696
Total all other governmental funds	<u>\$555,323</u>	<u>(\$96,888)</u>	<u>(\$425,085)</u>	<u>(\$402,429)</u>	<u>(\$276,005)</u>	<u>\$12,291</u>	<u>\$1,515,308</u>	<u>\$8,547,928</u>	<u>\$1,766,669</u>	<u>\$5,465,240</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Property taxes	\$2,767,090	\$2,844,644	\$2,748,374	\$2,753,332	\$2,836,721	\$2,846,253	\$3,137,041	\$3,298,407	\$3,444,605	\$3,529,646
Tax increment financing	1,905,826	1,940,629	1,938,795	1,857,358	2,066,001	2,270,163	2,095,955	2,059,465	2,207,730	2,318,088
Other city taxes	701,502	640,653	866,013	863,726	937,515	949,783	1,042,172	928,371	982,175	1,153,500
Special assessments	84,691	65,385	291,450	37,876	48,439	33,313	26,715	31,976	21,442	20,012
Licenses and permits	77,080	106,251	226,252	104,227	90,052	123,935	120,097	172,835	107,640	144,686
Intergovernmental	1,455,337	1,298,302	813,507	1,059,050	1,296,967	1,220,719	1,256,781	1,119,728	1,152,800	1,177,341
Charges for services	954,927	1,084,598	1,183,030	1,187,909	1,450,178	1,546,092	1,511,161	1,539,117	1,455,668	2,051,209
Miscellaneous	1,157,760	722,131	443,137	1,250,063	789,908	947,915	917,418	1,507,743	1,939,992	1,057,220
Use of property and money	317,650	230,867	233,827	237,795	349,939	295,373	419,814	337,070	430,762	479,257
Total Revenues	9,421,863	8,933,460	8,744,385	9,351,336	9,865,720	10,233,546	10,527,154	10,994,712	11,742,814	11,930,959
Expenditures										
Public safety	998,840	867,980	1,036,957	971,376	1,284,798	1,206,043	1,225,152	1,435,799	1,327,128	1,396,435
Public works	1,602,290	1,123,927	1,272,247	1,303,694	1,195,356	1,983,696	1,818,395	1,902,419	2,098,704	1,765,219
Culture and recreation	2,703,276	2,941,486	2,946,583	2,956,452	3,473,949	4,105,876	3,463,196	3,680,723	4,037,913	4,402,741
Community and economic development	128,740	147,425	185,538	285,958	268,921	224,363	195,637	1,176,735	378,640	748,083
General government	630,355	1,178,767	1,210,905	1,099,921	1,092,187	1,305,023	852,743	906,046	980,903	1,030,638
Capital projects	3,045,913	3,493,052	1,516,153	1,000,931	1,496,634	860,900	49,070	973,608	6,646,830	957,023
Debt service										
Interest	368,837	331,022	261,202	233,227	196,974	126,886	87,190	157,236	239,702	255,709
Principal	1,026,008	1,381,722	1,193,894	1,227,237	2,692,752	1,267,895	1,222,410	1,260,238	1,222,229	597,057
Total Expenditures	10,504,259	11,465,381	9,623,479	9,078,796	11,701,571	11,080,682	8,913,793	11,492,804	16,932,049	11,152,905
Excess of revenues over (under) expenditures										
Other financing sources (uses)										
Bonds issued	-	1,500,000	-	-	-	583,000	-	6,592,435	-	5,087,744
Proceeds from Sale of Land or Assets	-	-	-	-	-	-	-	-	64,086	369,702
Transfers in	4,887,354	5,075,390	4,709,077	4,460,960	4,025,995	4,497,120	3,919,763	3,659,770	4,709,105	4,752,051
Transfers out	(4,737,911)	(4,849,769)	(4,530,106)	(4,245,455)	(3,726,669)	(4,022,454)	(3,512,752)	(3,444,983)	(4,752,089)	(4,896,645)
Total other financing sources (uses)	149,443	1,725,621	178,971	215,505	299,326	1,057,666	407,011	6,807,222	21,102	5,312,852
Net change in fund balances	(\$932,953)	(\$806,300)	(\$700,123)	\$488,045	(\$1,536,525)	\$210,530	\$2,020,372	\$6,309,130	(\$5,168,133)	\$6,090,906
Debt service as a percentage of noncapital expenditures	18.7%	21.5%	17.9%	18.1%	28.3%	13.6%	14.8%	13.5%	14.2%	8.4%



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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment Financing Tax</u>	<u>Local Option Sales Tax</u>	<u>Hotel/Motel Tax</u>	<u>Road Use Tax</u>	<u>Total</u>
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
2015-16	2,846,253	2,270,163	805,958	143,825	864,109	6,930,308
2016-17	3,137,041	2,095,955	898,947	143,225	900,684	7,175,852
2017-18	3,298,407	2,059,465	781,859	146,511	875,158	7,161,400
2018-19	3,444,605	2,207,730	825,232	156,943	916,040	7,550,550
2019-20	\$ 3,529,646	\$ 2,318,088	\$ 1,019,968	\$ 133,532	\$ 951,682	\$ 7,952,916

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

Fiscal Year	<u>Real Property</u>		<u>Utilities</u>		<u>Total</u>		Assessed Value as a Percentage of
	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Estimated Actual</u>
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	279,840,418	428,869,986	1,512,294	1,512,294	281,352,712	430,382,280	65.4%
2014-15	297,906,658	460,200,314	1,421,943	1,477,025	299,328,601	461,677,339	64.8%
2015-16	304,122,233	472,051,140	1,292,230	1,401,426	305,414,463	473,452,566	64.5%
2016-17	334,548,710	518,532,614	1,443,227	1,568,958	335,991,937	520,101,572	64.6%
2017-18	350,662,030	533,859,189	1,508,162	1,647,381	352,170,192	535,506,570	65.8%
2018-19	375,480,803	584,858,208	1,414,313	1,541,704	376,895,116	586,399,912	64.3%
2019-20	\$ 391,925,312	\$601,382,756	\$ 1,610,971	\$ 1,764,048	\$ 393,536,283	\$ 603,146,804	65.2%

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

Fiscal <u>Year</u>	City Direct Rates							Overlapping Rates			Total City Consolidated <u>Rate</u>
	<u>General Rate</u>	<u>Civic Center Rate</u>	<u>Liability Ins Rate</u>	<u>Employee Benefits Rate</u>	<u>Emergency Rate</u>	<u>Debt Service Rate</u>	<u>Total Direct City Rate</u>	<u>School District</u>	<u>County Consolidated</u>	<u>Vocational School</u>	
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
2015-16	8.10000	0.13500	0.58696	2.99075		0.55735	12.37006	15.85291	5.38224	0.73347	34.33868
2016-17	8.10000	0.13500	0.50721	2.58441		0.49938	11.82600	15.90604	5.17972	0.78118	33.69294
2017-18	8.10000	0.13500	0.48098	2.46904	0.11619	0.49879	11.80000	15.96735	5.04687	0.79048	33.60470
2018-19	8.10000	0.13500	0.45419	2.30779	0.10860	0.44142	11.54700	15.99929	5.11961	0.79417	33.46007
2019-20	8.10000	0.13500	0.45129	2.33755	0.14509	0.16607	11.33500	17.75894	4.81808	0.99383	34.90585

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**

Taxable Valuation 2020			Taxable Valuation 2011		
<u>Taxpayer</u>	Taxable Assessed Value	Percentage of Total Taxable Value	<u>Taxpayer</u>	Taxable Assessed Value	Percentage of Total Taxable Value
Farmer Coop Society	\$9,454,500	2.40%	Trigen, LLC (Pella)	\$10,604,270	4.69%
Wal-Mart Real Estate	8,331,021	2.12%	Walmart Real Estate	7,919,240	3.50%
City of Sioux Center	7,064,853	1.80%	Farmers Cooperative Society	7,267,270	3.21%
Trigen, LLC	7,044,282	1.79%	City of Sioux Center (Centre Mall)	5,480,427	2.42%
American State Bank	6,853,603	1.74%	Sioux Automation	3,889,510	1.72%
Ver Hoef Automotive	3,801,393	0.97%	Patrick Cudahy (Golden Crisp)	3,652,010	1.61%
Smithfield Packaged Meats Corp	3,035,664	0.77%	Southridge Lodging	2,770,760	1.22%
R&C Hulshof Farms LLC	2,966,850	0.75%	Link Mfg	2,692,835	1.19%
South Ridge Lodging	2,861,892	0.73%	American State Bank	2,474,170	1.09%
Cooperative Gas & Oil Company	<u>2,794,131</u>	0.71%	Sioux Center Community Hospital	<u>2,154,420</u>	0.95%
	<u><u>\$54,208,189</u></u>	13.77%		<u><u>\$48,904,912</u></u>	21.62%

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		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2015-16	5,119,475	5,115,891	99.9%	525	5,116,416	99.9%
2016-17	5,233,042	5,232,995	100.0%	1,245	5,234,240	100.0%
2017-18	5,454,401	5,359,890	98.3%	626	5,360,516	98.3%
2018-19	5,651,046	5,652,337	100.0%	376	5,652,713	100.0%
2019-20	\$ 5,772,628	\$ 5,742,466	99.5%	\$ -	\$ 5,742,466	99.5%

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

Fiscal Year	Governmental Activities	Business-Type Activities			Total	Per Capita
	General				Primary	
	Obligation <u>Bonds</u>	Water <u>Bonds</u>	Sewer <u>Bonds</u>	Centre Mall <u>Bonds</u>	<u>Government</u>	
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
2015-16	4,292,534	2,317,943	357,523	270,000	7,238,000	1,027
2016-17	3,070,124	1,979,543	507,069	140,000	5,696,736	808
2017-18	8,309,886	1,615,457	4,983,577	-	14,908,920	2,115
2018-19	7,087,657	1,326,371	15,447,642	-	23,861,670	3,386
2019-20	\$ 11,578,343	\$ 2,048,856	\$ 22,740,373	\$ -	\$ 36,367,572	\$ 5,160

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

Fiscal	General	Less: Amount		Percentage of	
Year	Obligation	Available in Debt		Estimated	Per
	<u>Bonds</u>	<u>Service Fund</u>	<u>Total</u>	<u>Actual Taxable</u>	<u>Value of Property</u>
2010-11	\$ 8,416,577	\$ -	\$ 8,416,577	3.46%	\$ 1,194
2011-12	8,534,854	-	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	2.94%	1,175
2014-15	4,977,429	577	4,976,852	1.66%	706
2015-16	4,292,534	451	4,292,083	1.41%	609
2016-17	3,070,124	1,804	3,068,320	0.91%	435
2017-18	8,309,886	3,693	8,306,193	2.36%	1,179
2018-19	7,087,657	4,798	7,082,859	1.88%	1,005
2019-20	\$ 11,578,343	\$ 4,301	\$ 11,574,042	2.94%	\$ 1,642

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**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
Sioux Center Community School District	\$41,309,000	67.17%	\$27,748,971
Sioux County	2,775,000	17.61%	488,715
Northwest Iowa Community College	13,245,000	7.47%	<u>989,212</u>
Subtotal, overlapping debt			29,226,898
City of Sioux Center direct debt			<u>11,574,042</u>
Total direct and overlapping debt			<u><u>\$40,800,940</u></u>

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 2020**

Assessed value	\$603,146,804
Debt limit (5% of assessed value)	30,157,340
Debt applicable to limit	
Total general obligation bonds	21,723,824
Urban Renewal Development Agreements	207,872
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	<u>21,931,696</u>
Legal debt margin	<u><u>\$8,225,644</u></u>

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$19,691,109	\$20,421,434	\$20,972,772	\$21,386,457	\$22,885,123	\$23,672,628	\$26,005,079	\$26,775,329	\$29,319,996	\$30,157,340
Total net debt applicable to limit	10,780,000	10,490,000	9,008,613	7,454,183	5,900,000	5,003,000	3,568,000	17,469,000	19,403,063	21,931,696
Legal debt margin	<u>\$8,911,109</u>	<u>\$9,931,434</u>	<u>\$11,964,159</u>	<u>\$13,932,274</u>	<u>\$16,985,123</u>	<u>\$18,669,628</u>	<u>\$22,437,079</u>	<u>\$9,306,329</u>	<u>\$9,916,933</u>	<u>\$8,225,644</u>
Total net debt applicable to the limit as a percentage of debt limit	54.75%	51.37%	42.95%	34.85%	25.78%	21.13%	13.72%	65.24%	66.18%	72.72%

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		Coverage
				Principal	Interest	
2010-11	\$ 1,281,897	\$ 825,605	\$ 456,292	\$ 275,000	\$ 107,934	1.19
2011-12	1,471,268	774,876	696,392	285,000	66,300	1.98
2012-13	1,528,648	802,483	726,165	300,000	60,600	2.01
2013-14	1,594,293	801,967	792,326	300,000	54,600	2.23
2014-15	1,624,296	846,553	777,743	300,000	48,600	2.23
2015-16	1,721,001	886,376	834,625	300,000	42,600	2.44
2016-17	1,743,737	1,036,582	707,155	325,000	36,600	1.96
2017-18	1,783,116	1,001,580	781,536	250,000	30,100	2.79
2018-19	1,764,707	1,032,304	732,403	250,000	25,100	2.66
2019-20	\$ 1,962,391	\$ 1,207,803	\$ 754,588	\$ 225,000	\$ 20,100	3.08

**Sewer Revenue Bonds**

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010-11	\$ 1,095,926	\$ 909,331	\$ 186,595	\$ 127,000	\$ 25,200	1.23
2011-12	1,181,779	737,017	444,762	131,000	21,390	2.92
2012-13	1,095,049	701,362	393,687	137,000	10,185	2.67
2013-14	1,086,805	701,265	385,540	142,000	7,788	2.57
2014-15	1,082,507	735,229	347,278	148,000	5,303	2.27
2015-16	1,127,868	785,953	341,915	155,000	2,713	2.17
2016-17	1,260,145	959,771	300,374	-	-	
2017-18	1,650,114	1,026,791	623,323	-	-	
2018-19	3,692,589	1,066,665	2,625,924	-	-	
2019-20	\$ 8,846,219	\$ 1,734,961	\$ 7,111,258	\$ -	\$ -	

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	27.6
Median household income	\$63,476
Per capita income	\$26,532
Median home or condo value	\$190,688
Cost of living index (US average is 100)	78.5
Percentage with high-school equivalency	87.4%
Percentage with bachelor's degree or higher	36.5%
Percentage with graduate or professional degree	11.5%
Unemployment rate	1.3%
Daytime population change due to commuting	+1,924 (25.8%)
Average household size	2.7
Residents with incomes below the poverty level	4.2%
School enrollment	2,005

Source: Population, median age and education level provided by Bureau of Census.

School enrollment data provided by Sioux Center News.

Unemployment rate provided by the Iowa Workforce Development.

Information from federal agencies consolidated by [www.city-data.com](http://www.city-data.com)

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government and Utilities Management	7.0	6.9	7.2	7.0	7.2	7.1	7.8	7.7	8.2	8.7
Public Safety	8.1	8.7	9.0	9.4	9.4	9.2	9.5	10.1	9.7	11.9
Public Works	3.5	3.1	3.0	3.1	3.0	3.5	3.2	3.7	2.8	2.4
Culture and Recreation	25.3	24.9	25.0	23.7	24.6	23.4	22.7	24.3	24.4	25.0
Library	9.2	8.9	8.5	8.7	8.3	8.4	8.7	8.9	8.8	8.7
Electric	6.1	6.4	6.3	5.9	5.7	5.7	6.3	5.9	6.0	5.7
Natural Gas	4.9	4.8	4.9	4.7	4.5	4.8	4.7	5.0	5.1	5.4
Water	4.9	5.1	5.2	5.0	5.0	5.0	4.9	5.2	5.3	5.4
Sewer	5.6	5.2	5.5	5.5	5.6	5.4	5.3	5.2	5.5	6.3
Centre Mall	3.3	3.6	3.5	3.5	3.4	3.5	3.7	3.6	3.3	3.4
Total	<u>77.9</u>	<u>77.6</u>	<u>78.1</u>	<u>76.5</u>	<u>76.7</u>	<u>76.0</u>	<u>76.8</u>	<u>79.6</u>	<u>79.1</u>	<u>82.9</u>

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**

<b><u>Function/Program</u></b>	<b><u>2020</u></b>
<b>General Government</b>	
Building Permits Issued	87
<b>Police</b>	
Citations	658
Arrests	209
<b>Fire</b>	
Emergency Responses	116
<b>Parks and Recreation</b>	
Pool Admissions	45,631
Ice Arena Admissions	4,082
<b>Library</b>	
Items Checked Out	312,752
<b>Water</b>	
Average Daily Consumption	767,000
Peak Consumption	1,601,000
<b>Sewer</b>	
Average Daily Treatment	1,095,582
Peak load (gallons per day)	2,290,981
<b>Electric</b>	
KWH Purchased	123,195,890
KWH Sold	121,878,177
Average Revenue per KWH Sold	0.083
<b>Gas</b>	
MCF Purchased	1,327,519
MCF Sold	1,320,335
Average Revenue per MCF Sold	3.902

Source: Various city departments

**City of Sioux Center**  
**Capital Asset Statistics by Function/Program**

<b><u>Function/Program</u></b>	<b><u>2020</u></b>
<b>Police</b>	
Stations	1
Patrol units	4
<b>Fire</b>	
Stations	2
Emergency vehicles	7
<b>Other Public Works</b>	
Streets (miles)	59
Highways (miles)	4
Streetlights	784
Traffic signals	4
<b>Parks and Recreation</b>	
Parks/playgrounds	10
Bike trail (miles)	7.8
Baseball/softball diamonds	8
Soccer/football fields	6
Facilities (All Seasons Center - pool, ice arena)	1
<b>Water</b>	
Water mains (miles)	68
Fire hydrants	395
Number of wells	16
Elevated storage capacity (gallons)	650,000
Water plant capacity (gallons per day)	2,100,000
Meters in service	2,861
<b>Sewer</b>	
Sanitary sewers (miles)	44
Storm sewers (miles)	21
Design capacity (gallons per day)	4,000,000
Number of lift stations	11
<b>Electric</b>	
Electric main wire (miles)	105
Meters in Service	2,851
<b>Gas</b>	
Gas mains (miles)	86
Meters in Service	2,493

Source: Various city departments

**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, 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, 2020, 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 January 18, 2021.

***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) as a basis for designing 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings as item 2020-01 that we consider 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.



Certified Public Accountants

Le Mars, Iowa  
January 18, 2021



**CITY OF SIOUX CENTER, IOWA**  
**Schedule of Findings**  
**For the Year Ended June 30, 2020**

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**Part I: Summary of the Independent Auditors' Results**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (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:**

**2020-01 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-20     Certified Budget**

Condition and Criteria – City expenditures during the year ended June 30, 2020, exceeded amounts budgeted in the Culture and Recreation, General Government, Capital Projects and Debt Service.

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

**CITY OF SIOUX CENTER, IOWA  
Schedule of Findings  
For the Year Ended June 30, 2020**

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

Cause – The City approved a budget amendment on June 8, 2020. With limited personnel and time constraints, the City inadvertently omitted some items from the preparation of their budget amendment. This resulted in the General Government, Capital Projects, Culture and Recreation and Debt Service 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-20 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

III-C-20 - 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 ensure that the coverage is adequate for current operations.

III-D-20 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

III-E-20 - Questionable Expenditures - We noted no questionable expenditures during our audit.

III-F-20 - Revenue Bonds - No violations of revenue bond resolutions were noted.

III-G-20 - Business Transactions – Business transactions between the City and city officials are detailed as follows:

<b>Name, Title and Business Connection</b>	<b>Transaction/Description</b>	<b>Amount</b>
Randy Vrugdenhil, Council Member HSR, LLC	Management fee for the Event Center, per bid	90,000 (3)
W. Dale Den Herder, Council Member American State Bank	Bank fees as fiscal agent	1,750 (1)
Jamie Van Ravensway, Council Member MJ's Sinclair	Fuel and Supplies	161 (1)

1) The transaction does not appear to represent a conflict of interest since the total transaction was less than \$6,000 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, 2020**

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

- III-H-20 - 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-20 - Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- III-J-20 - 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.
- III-K-20 - Financial Condition – At June 30, 2020, the City had deficit balances in the following funds:

Fund	Amount
Capital Projects – Trail Extension	\$ (21,289)
Commercial Industrial Park	(460,672)
Capital Project – Storm Water	(10,207)
Internal Service Fund – Auto Revolving	(43,368)

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

Response – The City will review available resources to return these funds to a sound financial position.

Conclusion – Response accepted.