

City of Sioux Center, Iowa



Annual Financial Report

for the fiscal year ended June 30, 2022

Prepared by:
Finance Department
Darryl Ten Pas, CPA, CMA,
Finance Director

**CITY OF SIOUX CENTER, IOWA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022
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CITY OF SIOUX CENTER, IOWA

OFFICIALS

<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
Jennifer Vermeer	Council Member	Jan 2026
Randy Vreugdenhil	Council Member	Jan 2026
John Brantsen	Council Member	Jan 2026
Scott Wynja	City Manager	Indefinite
Darryl Ten Pas	Treasurer, Finance Director	Indefinite
Brian Van Engen	Attorney	Indefinite

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Sioux Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As described in Note 16 to the financial statements, donated funds that were to be expended for Heritage Village should have been recorded in a special revenue fund rather than the general fund. The amount is corrected in the accompanying financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government*

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), 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 5 through 12 and 57 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2023, on our consideration of the City of Sioux Center, Iowa'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.

Williams + Company, P.C.

Certified Public Accountants

Le Mars, Iowa
January 16, 2023



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Management Discussion and Analysis

June 30, 2022

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, 2022. 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, 2022 by \$96,970,590 (net position). Of this amount, \$28,663,800 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position increased by \$581,795 during the fiscal year. An increase of \$1,171,116 is attributable to governmental activities and an decrease of \$589,321 to business type activities..

The City's long-term debt increased \$2,791,001 due to bonds being issued for the Highway 75 Enhancement project and the American State Bank Sports Complex. General Obligation debt totaled \$22,635,001 and other long-term debt totaled \$21,291,000. In addition the City has issued internal debt for capital projects in the amount of \$3,845,949 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 presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows 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 the 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.

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 exceeded liabilities and deferred inflows by \$96,970,590 at the close of the most recent fiscal year.

City of Sioux Center Net Position

	Governmental Activities		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$22,764,351	\$16,463,813	\$32,026,281	\$37,929,250	\$54,790,632	\$54,393,063
Capital assets	<u>49,251,425</u>	<u>47,851,071</u>	<u>51,954,319</u>	<u>47,987,528</u>	<u>101,205,744</u>	<u>95,838,599</u>
Total assets	<u>72,015,776</u>	<u>64,314,884</u>	<u>83,980,600</u>	<u>85,916,778</u>	<u>155,996,376</u>	<u>150,231,662</u>
Deferred Outflows	378,605	462,494	247,287	335,900	625,892	798,394
Long-Term Liabilities	15,853,440	12,487,678	25,123,477	28,321,170	40,976,917	40,808,848
Other liabilities	<u>4,119,835</u>	<u>2,951,235</u>	<u>5,183,675</u>	<u>4,461,781</u>	<u>9,303,510</u>	<u>7,413,016</u>
Total liabilities	<u>19,973,275</u>	<u>15,438,913</u>	<u>30,307,152</u>	<u>32,782,951</u>	<u>50,280,427</u>	<u>48,221,864</u>
Deferred Inflows	8,276,405	6,364,880	1,094,846	54,517	9,371,251	6,419,397
Net Position:						
Net Investment in Capital Assets	38,808,823	38,360,420	25,034,187	23,447,052	63,843,010	61,807,472
Restricted	4,162,094	4,638,154	301,686	362,249	4,463,780	5,000,403
Unrestricted	<u>1,173,784</u>	<u>(24,989)</u>	<u>27,490,016</u>	<u>29,605,909</u>	<u>28,663,800</u>	<u>29,580,920</u>
Total net position	<u>\$44,144,701</u>	<u>\$42,973,585</u>	<u>\$52,825,889</u>	<u>\$53,415,210</u>	<u>\$96,970,590</u>	<u>\$96,388,795</u>

The largest part of the City's net position (65.8 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 (4.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$28,663,800 may be used to meet the government's ongoing obligations to citizens and creditors.

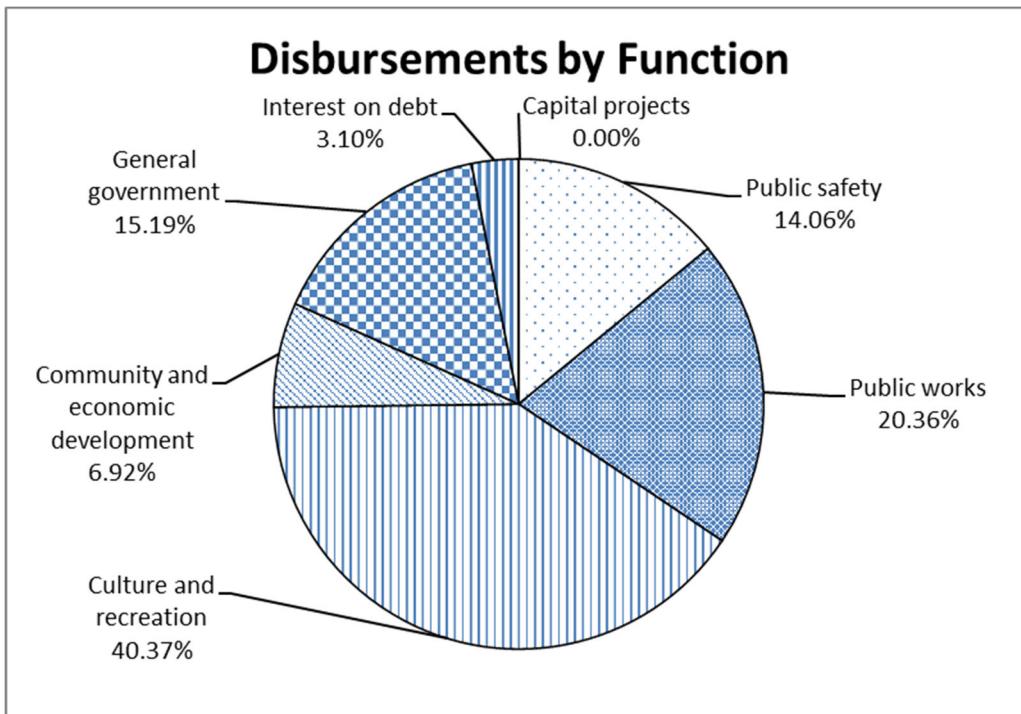
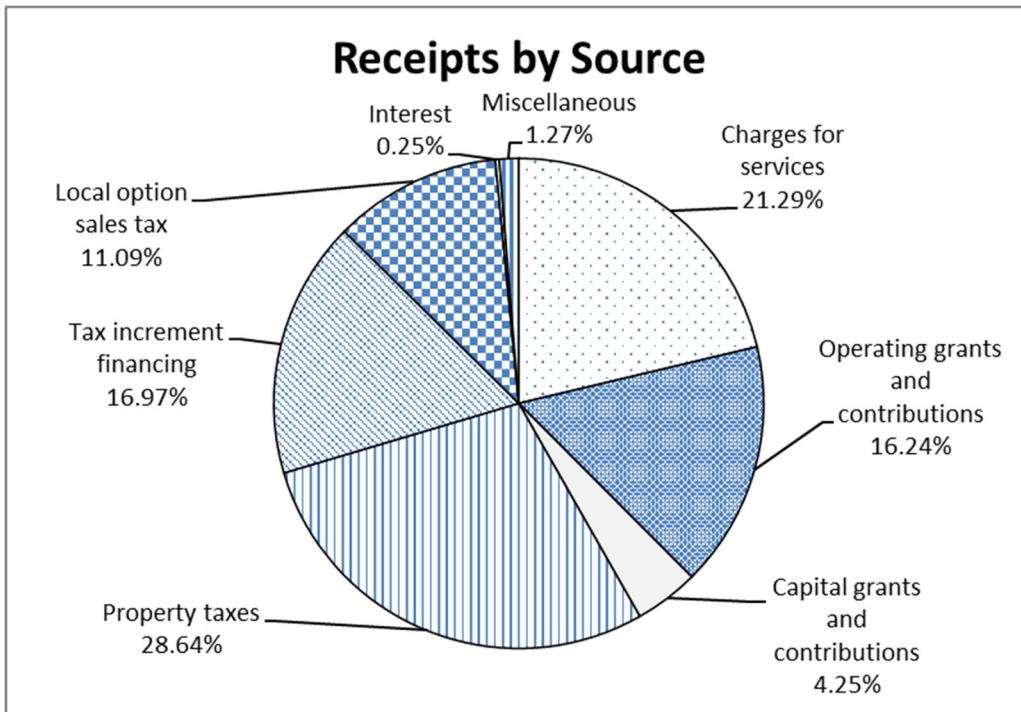
At the end of the current fiscal year, the City of Sioux Center is able to report positive balances in all most categories of net position, both for the government as a whole, business-type activities, and governmental activities except for unrestricted net position.

The City's total net position increased during the current fiscal year. The decrease 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 Position						
	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Charges for services	\$2,931,208	\$2,886,374	\$26,727,064	\$21,867,044	\$29,658,272	\$24,753,418
Operating grants and contributions	2,236,471	1,524,352	-	-	2,236,471	1,524,352
Capital grants and contributions	584,360	100,147	-	-	584,360	100,147
General Revenues:						
Property taxes	3,943,603	3,826,009	-	-	3,943,603	3,826,009
Tax increment financing	2,337,423	2,216,703	-	-	2,337,423	2,216,703
Other city taxes	1,526,612	1,219,381	-	-	1,526,612	1,219,381
Interest	35,009	29,647	296,462	280,301	331,471	309,948
Miscellaneous	175,413	176,614	910,379	2,146,622	1,085,792	2,323,236
Total Revenues:	<u>13,770,099</u>	<u>11,979,227</u>	<u>27,933,905</u>	<u>24,293,967</u>	<u>41,704,004</u>	<u>36,273,194</u>
Expenses:						
Public safety	1,750,379	1,724,173	-	-	1,750,379	1,724,173
Public works	2,534,511	1,653,313	-	-	2,534,511	1,653,313
Culture and recreation	5,025,950	5,189,785	-	-	5,025,950	5,189,785
Community and economic development	861,105	4,317,670	-	-	861,105	4,317,670
General government	1,890,835	1,873,100	-	-	1,890,835	1,873,100
Interest on debt	385,561	308,116	-	-	385,561	308,116
Centre Mall	-	-	778,556	1,008,594	778,556	1,008,594
Water Utility	-	-	1,890,475	1,880,756	1,890,475	1,880,756
Sewer Utility	-	-	3,268,580	3,205,694	3,268,580	3,205,694
Electric Utility	-	-	10,451,599	9,674,447	10,451,599	9,674,447
Gas Utility	-	-	12,284,658	7,142,094	12,284,658	7,142,094
Total Expenses	<u>12,448,341</u>	<u>15,066,157</u>	<u>28,673,868</u>	<u>22,911,585</u>	<u>41,122,209</u>	<u>37,977,742</u>
Increase/(decrease) in net position before other financing sources	<u>1,321,758</u>	<u>(3,086,930)</u>	<u>(739,963)</u>	<u>1,382,382</u>	<u>581,795</u>	<u>(1,704,548)</u>
Other financing sources (uses)	<u>(150,642)</u>	<u>(193,591)</u>	<u>150,642</u>	<u>193,591</u>	<u>-</u>	<u>-</u>
Increase/(decrease) in net position	<u>1,171,116</u>	<u>(3,280,521)</u>	<u>(589,321)</u>	<u>1,575,973</u>	<u>581,795</u>	<u>(1,704,548)</u>
Net Position - beginning	<u>42,973,585</u>	<u>46,254,106</u>	<u>53,415,210</u>	<u>51,839,237</u>	<u>96,388,795</u>	<u>98,093,343</u>
Net Position-ending	<u><u>\$44,144,701</u></u>	<u><u>\$42,973,585</u></u>	<u><u>\$52,825,889</u></u>	<u><u>\$53,415,210</u></u>	<u><u>\$96,970,590</u></u>	<u><u>\$96,388,795</u></u>



Sioux Center's property tax revenues for general purposes increased by \$117,594 or approximately 3.1%. 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 2022 was \$1,171,116. In 2021 there was a decrease in net position for governmental activities of \$3,280,521. 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 decreased the City of Sioux Center's net position by \$589,321.

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>2022</u>	<u>2021</u>
Electric Utility	(\$139,631)	\$1,993,010
Natural Gas Utility	(342,764)	(220,244)
Water Utility	224,889	276,997
Sewer Utility	(144,234)	(19,021)
Centre Mall	(187,581)	(454,769)
Change in Net Position	<u><u>(\$589,321)</u></u>	<u><u>\$1,575,973</u></u>

The change in net position for the electric utility in 2022 decreased from 2021 because of a onetime invoice correction to commercial and industrial customers. Additionally, community economic grant funds were higher than prior years.

Change in net position in the gas utility in 2022 was negative because of increased depreciation for a steel gas line that was installed to Siouxland Energy Cooperative. Additionally, community economic grant funds and energy efficiency grants were higher than prior years.

The water utility had a gain in net position for 2022. System repair and maintenance decreased in fiscal 2022. A rate increase was implemented in the fall of 2021.

The sewer utility had a net position loss for 2022. The net position loss was due to depreciation cost of \$1.277 million and slightly lower revenue numbers compared to fiscal 2021.

The Centre Mall's net position decreased from 2021 to 2022. A portion of the loss was due to a non-cash loss on a capital asset write off.

Financial Analysis of the City's Funds

As noted earlier, Sioux Center uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's governmental funds is to provide information on near-term resources. Unreserved fund balance may serve as a useful measure of a government's net resources available at the end of a fiscal year. The City's governmental funds reported combined ending total fund balances of \$12,718,819 an increase of \$4,075,757 from last fiscal year.

The general fund is the primary fund of the City. The general total fund balance increased by \$502,813 as of June 30, 2022 compared to June 30, 2021.

Budgetary Highlights

The City of Sioux Center adopted one budget amendment during fiscal year. The total amendment increased budget disbursements by \$7,434,280. The increase was due to additional capital projects in Culture and Recreation. Community and Economic Development increase was due to a development agreement with Family Crisis Center. Business Type Activities increased due to higher gas commodity cost than what was budgeted. Total disbursements did not exceed the amended budget in fiscal year 2022.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$63,843,010 (net of accumulated depreciation and related debt). Capital assets include land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total governmental-type capital assets (net of depreciation and related debt) increased \$448,403. The increase in capital assets in business-type activities totaled \$1,587,135. The net increase in capital assets for governmental activities is due to the initial construction of the ASB Indoor Turf Facility, redevelopment of Heritage Village, and engineering for the Highway 75 Enhancement project. The net increase in capital assets for all activities for the fiscal year was \$2,035,538. The increase in capital assets for business-type activities is due to borrowing for the Siouxland Energy Corporation gas line improvement project. Additionally, a full year of depreciation for the wastewater plant upgrades were recorded.

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 \$43,926,001 at the end of the current fiscal year. Of this amount \$22,635,001 was general obligation debt which is debt backed by the full faith and credit of the government. The remainder of \$21,291,000 is revenue bonds (and notes) debt that is secured by specific revenue sources. This is a net increase of \$2,791,001 from the balance at the end of the previous fiscal year. Two G.O. bonds were issued for Highway 75 planning and construction and one Revenue bonds was issued for the American State Bank Sports Complex.

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 \$33,585,503. Net bonded debt applicable to the City's debt limit (total issues outstanding and development agreements less funds reserved for repayment of debt) is \$22,635,001 or 67.40% 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 2022. 31 building permits were issued for commercial construction, 74 permits were issued for residential construction and no permits were issued for tax exempt construction.

Total estimated valuation of this construction was \$21,276,924 compared to \$53,510,033 in the prior year.

Retail sales tax collection increased from \$1,089,593 in fiscal 2021 to \$1,350,101 in fiscal 2022.

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, CPA, CMA, Finance Director, City of Sioux Center, 335 1st Ave NW, Sioux Center, Iowa 51250.

CITY OF SIOUX CENTER, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 13,952,143	\$ 7,056,892	\$ 21,009,035
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	637,887	3,323,073	3,960,960
Taxes	8,509	-	8,509
Subsequent Year Taxes	6,711,347	-	6,711,347
Accrued Interest	-	15,406	15,406
Estimated Unbilled Usage	-	344,174	344,174
Special Assessments	97,639	-	97,639
Notes Receivable	500,185	427,981	928,166
Interfund Balances	(2,774,593)	2,774,593	-
Due from Other Governmental Agencies	237,390	-	237,390
Inventories	-	1,268,546	1,268,546
Prepaid Assets	159,428	277,374	436,802
Noncurrent Assets:			
Notes Receivable	-	6,181,195	6,181,195
Long Term Prepaid Asset	-	183,087	183,087
Net Pension Asset	530,214	(29,005)	501,209
Land Held for Resale	2,704,202	9,897,843	12,602,045
Restricted Assets, Cash and Investments:			
Revenue Bond Current Debt Service Account - Cash & Investments	-	305,122	305,122
Land	9,134,306	2,423,492	11,557,798
Construction in Progress	7,243,353	1,430,514	8,673,867
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	32,873,766	48,100,313	80,974,079
Total Assets	72,015,776	83,980,600	155,996,376
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	341,295	222,735	564,030
OPEB Related Deferred Outflows	37,310	24,552	61,862
Total Deferred Outflows of Resources	378,605	247,287	625,892
LIABILITIES			
Accounts Payable	1,516,673	2,677,277	4,193,950
Accrued Wages	358,884	108,719	467,603
Accrued Expenses	-	192,114	192,114
Customer Deposits	64,003	73,442	137,445
Unearned Revenue	570,497	-	570,497
Accrued Interest	25,279	44,065	69,344
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	190,000	1,361,000	1,551,000
General Obligation Bonds	1,322,680	657,320	1,980,000
Compensated Absences and Benefits	71,819	69,738	141,557
Due in more than one year:			
Revenue Bonds Payable	3,122,000	16,615,385	19,737,385
General Obligation Bonds	12,436,359	8,286,427	20,722,786
Other Post Employment Benefits	79,626	52,396	132,022
Compensated Absences and Benefits	215,455	169,269	384,724
Total Liabilities	19,973,275	30,307,152	50,280,427
DEFERRED INFLOW OF RESOURCES			
Deferred Revenue - Subsequent Year Taxes	6,711,347	-	6,711,347
Pension Related Deferred Inflows	1,563,759	1,093,991	2,657,750
OPEB Related Deferred Inflows	1,299	855	2,154
Total Deferred Inflow of Resources	8,276,405	1,094,846	9,371,251
NET POSITION			
Net Investment in Capital Assets	38,808,823	25,034,187	63,843,010
Restricted for:			
Debt Service	-	301,686	301,686
TIF	5,707	-	5,707
Specific Revenues	1,322	-	1,322
Local Option Sales Tax	424,010	-	424,010
Road Use Tax	2,291,038	-	2,291,038
Donor Restrictions	1,440,017	-	1,440,017
Unrestricted	1,173,784	27,490,016	28,663,800
Total Net Position	\$ 44,144,701	\$ 52,825,889	\$ 96,970,590

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Public Safety	\$ 1,750,379	\$ 348,297	\$ 35,326	\$ -
Public Works	2,534,511	608,326	1,088,332	-
Culture and Recreation	5,025,950	1,387,264	1,082,798	584,360
Community and Economic Development	861,105	-	-	-
General Government	1,890,835	587,321	28,174	-
Debt Service	385,561	-	1,841	-
Total governmental activities	<u>12,448,341</u>	<u>2,931,208</u>	<u>2,236,471</u>	<u>584,360</u>
Business-Type Activities:				
Electric Utility	10,451,599	10,067,713	-	-
Water Utility	1,890,475	2,121,548	-	-
Sewer Utility	3,268,580	2,160,061	-	-
Gas Utility	12,284,658	11,909,318	-	-
Centre Mall	778,556	468,424	-	-
Total Business-Type Activities:	<u>28,673,868</u>	<u>26,727,064</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 41,122,209</u>	<u>\$ 29,658,272</u>	<u>\$ 2,236,471</u>	<u>\$ 584,360</u>

General Revenues:
 Property taxes
 Tax Increment Financing
 Other City Taxes
 Interest
 Unrestricted Intergovernmental Revenues
 Gain on Sale of Assets
 Miscellaneous
 Interfund Transfers
 Total general revenues and transfers
 Change in net position
 Net Position - beginning
 Net Position - ending

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (1,366,756)	\$ (1,366,756)	
(837,853)	(837,853)	
(1,971,528)	(1,971,528)	
(861,105)	(861,105)	
(1,275,340)	(1,275,340)	
(383,720)	(383,720)	
<u>(6,696,302)</u>	<u>(6,696,302)</u>	
\$ (383,886)	\$ (383,886)	
231,073	231,073	
(1,108,519)	(1,108,519)	
(375,340)	(375,340)	
(310,132)	(310,132)	
<u>(1,946,804)</u>	<u>(1,946,804)</u>	
<u>(6,696,302)</u>	<u>(1,946,804)</u>	<u>(8,643,106)</u>
3,943,603	-	3,943,603
2,337,423	-	2,337,423
1,526,612	-	1,526,612
35,009	296,462	331,471
115,877	-	115,877
59,536	24,520	84,056
-	885,859	885,859
(150,642)	<u>150,642</u>	-
<u>7,867,418</u>	<u>1,357,483</u>	<u>9,224,901</u>
1,171,116	(589,321)	581,795
42,973,585	53,415,210	96,388,795
<u>\$ 44,144,701</u>	<u>\$ 52,825,889</u>	<u>\$ 96,970,590</u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA

BALANCE SHEET

Governmental Funds

JUNE 30, 2022

	General	TIF	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Pooled Investments	\$ 1,488,950	\$ 4,245	\$ 12,385,609	\$ 13,878,804
Receivables (Net, where applicable, of allowance for uncollectibles)				
Accounts	224,786	-	413,101	637,887
Taxes	5,470	1,462	1,577	8,509
Subsequent Year Taxes	3,295,672	2,516,000	899,675	6,711,347
Special Assessments	97,639	-	-	97,639
Notes Receivable	500,185	-	-	500,185
Due from Other Funds	1,941,476	-	-	1,941,476
Due from Other Governmental Agencies	48,163	-	189,227	237,390
Land Held for Resale	2,704,202	-	-	2,704,202
Total Assets	<u>10,306,543</u>	<u>2,521,707</u>	<u>13,889,189</u>	<u>26,717,439</u>
Liabilities				
Accounts Payable	453,864	-	1,032,814	1,486,678
Accrued Wages	352,387	-	-	352,387
Customer Deposits	64,003	-	-	64,003
Due to Other Funds	2,900,000	-	1,816,069	4,716,069
Unearned Revenue	-	-	570,497	570,497
Total Liabilities	<u>3,770,254</u>	<u>-</u>	<u>3,419,380</u>	<u>7,189,634</u>
Deferred Inflow of Resources				
Unavailable Revenue - Special Assessments	97,639	-	-	97,639
Unavailable Revenue - Subsequent Year Taxes	3,295,672	2,516,000	899,675	6,711,347
Total Deferred Inflow of Resources	<u>3,393,311</u>	<u>2,516,000</u>	<u>899,675</u>	<u>6,808,986</u>
Fund Balances (Deficits)				
Restricted for:				
Debt Service	-	-	17,896	17,896
TIF	-	5,707	-	5,707
Emergency Management	-	-	161	161
Employee Benefit	-	-	1,322	1,322
Road Use Tax	-	-	2,291,038	2,291,038
Heritage Village	-	-	1,440,017	1,440,017
Capital Projects	-	-	2,216,902	2,216,902
Local Option Sales Tax	-	-	424,010	424,010
Assigned for:				
Fire Department	110,196	-	-	110,196
Event Center	66,799	-	-	66,799
Youth Hockey	133,289	-	-	133,289
Heritage Village	2,697	-	-	2,697
Capital Projects	-	-	4,974,314	4,974,314
All Seasons Center	114,090	-	-	114,090
Open Space Park	270,000	-	-	270,000
Trails	5,646	-	-	5,646
Unassigned	2,440,261	-	(1,795,526)	644,735
Total Fund Balances (Deficits)	<u>3,142,978</u>	<u>5,707</u>	<u>9,570,134</u>	<u>12,718,819</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,306,543	\$ 2,521,707	\$ 13,889,189	\$ 26,717,439

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, 2022

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

Total Fund Balance - Governmental Funds (page 16)	\$ 12,718,819
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	49,251,425
Deferred revenues that provide current financial resources for governmental activities	97,639
The internal service fund is used by management to allocate capital equipment operational expenses to various departments.	(8,693)
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(25,279)
Accrued compensated absences, net pension liability(asset), and other post employment benefits not reported on the modified accrual basis	164,781
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	\$ 367,339
Deferred Inflows of Resources	<u>(1,509,719)</u> (1,142,380)
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources	159,428
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(17,071,039)</u>
Total Net Position - Governmental Activities (page 13)	<u>\$ 44,144,701</u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Governmental Funds

For the Year Ended June 30, 2022

	General	TIF	Other Governmental Funds	Total Governmental Funds
Revenue:				
Taxes	\$ 3,052,703	\$ -	\$ 890,900	\$ 3,943,603
Licenses and Permits	127,510	-	-	127,510
Intergovernmental	268,661	-	1,124,243	1,392,904
Charges for Services	2,652,703	-	-	2,652,703
Use of Money and Property	385,709	-	-	385,709
TIF Revenue	-	2,337,423	-	2,337,423
Other City Taxes	176,511	-	1,350,101	1,526,612
Interest on Investments	-	874	17,764	18,638
Contributions and Donations	-	-	584,360	584,360
Miscellaneous	795,639	-	25,000	820,639
Total Revenue	7,459,436	2,338,297	3,992,368	13,790,101
Expenditures:				
Public Safety	1,783,835	-	-	1,783,835
Public Works	1,146,635	-	1,335,610	2,482,245
Culture and Recreation	4,582,815	-	7,076	4,589,891
Community and Economic Development	1,000,238	-	-	1,000,238
General Government	1,031,552	-	-	1,031,552
Capital Projects	-	-	3,103,317	3,103,317
Debt Service:				
Principal Retirement	-	-	1,685,445	1,685,445
Interest/Bond Costs	-	-	387,179	387,179
Total Expenditures	9,545,075	-	6,518,627	16,063,702
Excess (deficiency) of revenues over expenditures	(2,085,639)	2,338,297	(2,526,259)	(2,273,601)
Other financing sources (uses):				
Issuance of Debt	-	-	6,500,000	6,500,000
Transfers In	2,755,672	-	2,035,319	4,790,991
Transfers Out	(167,220)	(2,560,916)	(2,213,497)	(4,941,633)
Total other financing sources (uses)	2,588,452	(2,560,916)	6,321,822	6,349,358
Net Change in Fund Balance	502,813	(222,619)	3,795,563	4,075,757
Fund balances - beginning of year	4,163,369	228,326	4,251,367	8,643,062
Prior Period Adjustment	(1,523,204)	-	1,523,204	-
Fund balances - beginning of year as restated	2,640,165	228,326	5,774,571	8,643,062
Fund balances - end of year	\$ 3,142,978	\$ 5,707	\$ 9,570,134	\$ 12,718,819

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, 2022

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

Net change in fund balances - total governmental funds (page 18)	\$ 4,075,757
--	--------------

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	\$ 4,454,640
Depreciation expense	<u>(3,054,285)</u>
	1,400,355

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: (20,000)

Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources (36,892)

Accrued interest expense that does not require current financial resources (1,281)

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	\$ (30,972)
Other post employment benefits	(2,707)
Pension expense	<u>598,512</u>
	564,833

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	\$ (6,500,000)
Rewards of long-term debt	<u>1,685,445</u>
	(4,814,555)

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 2,899

Change in net position of governmental activities (page 15) \$ 1,171,116

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2022

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,853,727	\$ 243,949	\$ 533,294
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	1,160,273	216,517	219,683
Accrued Interest	7,703	-	-
Estimated Unbilled Usage	231,912	46,591	39,094
Notes Receivable	62,669	-	272,643
Due from Other Funds	5,615,049	-	-
Inventories	782,909	223,383	-
Prepaid Assets	48,360	42,189	97,965
Total Current Assets	11,762,602	772,629	1,162,679
Non Current Assets			
Notes Receivable	343,250	-	5,222,995
Land Held for Resale	5,726,997	-	-
Long Term Prepaid Assets	-	-	-
Restricted Assets:			
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	305,122	-
Land	1,491,829	78,274	45,035
Construction in Progress	147,307	570,668	596,614
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	5,348,307	8,373,582	25,490,091
Total Noncurrent Assets	13,057,690	9,327,646	31,354,735
Total Assets	24,820,292	10,100,275	32,517,414
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	55,542	47,805	54,373
OPEB Related Deferred Outflows	6,384	5,468	5,818
Total Deferred Outflows of Resources	61,926	53,273	60,191
LIABILITIES			
Current Liabilities			
Accounts Payable	937,759	97,825	391,696
Accrued Wages	27,852	25,496	25,396
Accrued Expenses	-	-	-
Customer Deposits	33,427	18,658	-
Due to Other Funds	-	2,066,619	240,095
Accrued Interest	-	3,436	34,918
Total Current Liabilities	999,038	2,212,034	692,105
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	-	250,000	709,000
General Obligation Bonds	-	36,113	621,207
Compensated Absences	24,184	13,222	15,026
Due in more than one year:			
Revenue Bonds Payable	-	247,385	12,263,000
General Obligation Bonds	-	950,427	7,336,000
Net Pension Liability	7,233	6,225	7,080
Other Post Employment Benefits	13,624	11,670	12,416
Compensated Absences and Benefits, Long-Term	32,607	39,666	45,077
Total Liabilities	1,076,686	3,766,742	21,700,911
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	272,801	234,800	267,059
OPEB Related Deferred Inflows	222	190	203
Total Deferred Inflow of Resources	273,023	234,990	267,262
NET POSITION			
Net Investment in Capital Assets	6,987,443	7,538,599	5,202,533
Restricted for:			
Debt Service	-	301,686	-
Unrestricted	16,545,066	(1,688,469)	5,406,899
Total Net Position	\$ 23,532,509	\$ 6,151,816	\$ 10,609,432

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities	
Gas Utility	Nonmajor Centre Mall	Total	Internal Service	
\$ 2,416,210	\$ 9,712	\$ 7,056,892	\$ 73,339	
1,713,395	13,205	3,323,073	-	
7,703	-	15,406	-	
26,577	-	344,174	-	
92,669	-	427,981	-	
-	-	5,615,049	-	
262,254	-	1,268,546	-	
51,655	37,205	277,374	-	
<u>4,570,463</u>	<u>60,122</u>	<u>18,328,495</u>	<u>73,339</u>	
614,950	-	6,181,195		
4,170,846	-	9,897,843	-	
183,087	-	183,087	-	
-	-	305,122	-	
572,592	235,762	2,423,492	-	
115,925	-	1,430,514	-	
6,976,107	1,912,226	48,100,313	-	
<u>12,633,507</u>	<u>2,147,988</u>	<u>68,521,566</u>	<u>-</u>	
<u>17,203,970</u>	<u>2,208,110</u>	<u>86,850,061</u>	<u>73,339</u>	
42,472	22,543	222,735	11,265	
4,702	2,180	24,552	-	
<u>47,174</u>	<u>24,723</u>	<u>247,287</u>	<u>11,265</u>	
1,223,092	26,905	2,677,277	29,994	
20,265	9,710	108,719	6,497	
-	192,114	192,114	-	
21,357	-	73,442	-	
-	533,742	2,840,456	-	
5,711	-	44,065	-	
<u>1,270,425</u>	<u>762,471</u>	<u>5,936,073</u>	<u>36,491</u>	
402,000	-	1,361,000	-	
-	-	657,320	-	
10,869	6,437	69,738	-	
4,105,000	-	16,615,385	-	
-	-	8,286,427	-	
5,531	2,936	29,005	1,467	
10,034	4,652	52,396	-	
32,607	19,312	169,269	-	
<u>5,836,466</u>	<u>795,808</u>	<u>33,176,613</u>	<u>37,958</u>	
208,606	110,725	1,093,991	55,339	
164	76	855	-	
<u>208,770</u>	<u>110,801</u>	<u>1,094,846</u>	<u>55,339</u>	
3,157,624	2,147,988	25,034,187	-	
-	-	301,686	-	
8,048,284	(821,764)	27,490,016	(8,693)	
<u>\$ 11,205,908</u>	<u>\$ 1,326,224</u>	<u>\$ 52,825,889</u>	<u>\$ (8,693)</u>	

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, 2022

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
Operating Revenues:			
Charges for Services	\$ 10,067,713	\$ 2,121,548	\$ 2,160,061
Total Operating Revenue	10,067,713	2,121,548	2,160,061
Operating Expenses:			
Operating and Maintenance	9,884,166	1,251,293	1,548,091
Depreciation	567,433	583,770	1,276,518
Total Operating Expenses	10,451,599	1,835,063	2,824,609
Operating Income (Loss)	(383,886)	286,485	(664,548)
Non-Operating Income (Expense):			
Interest Income	92,271	2,839	177,606
Other Non-operating Revenues	525,692	84,536	6,596
Interest Expense	-	(55,412)	(443,971)
Gain/(Loss) on Sale of Fixed Assets	144,806	6,915	(14,123)
Total Non-Operating Income (Expenses)	762,769	38,878	(273,892)
Income (Loss) before Transfers	378,883	325,363	(938,440)
Transfers In	7,316	11,489	794,206
Transfers Out	(525,830)	(111,963)	-
Change in Net Position	(139,631)	224,889	(144,234)
Net Position - Beginning	23,672,140	5,926,927	10,753,666
Net Position - Ending	\$ 23,532,509	\$ 6,151,816	\$ 10,609,432

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities	
Gas Utility	Nonmajor		Internal Service Fund	
	Centre	Mall	Total	
\$ 11,909,318	\$ 468,424	\$ 26,727,064	\$ 365,864	
11,909,318	468,424	26,727,064	365,864	
11,861,953	642,328	25,187,831	385,864	
353,608	136,228	2,917,557	-	
12,215,561	778,556	28,105,388	385,864	
(306,243)	(310,132)	(1,378,324)	(20,000)	
23,613	133	296,462	-	
264,204	4,831	885,859	-	
(69,097)	-	(568,480)	-	
(95,665)	(17,413)	24,520	-	
123,055	(12,449)	638,361	-	
(183,188)	(322,581)	(739,963)	(20,000)	
-	135,000	948,011	-	
(159,576)	-	(797,369)	-	
(342,764)	(187,581)	(589,321)	(20,000)	
11,548,672	1,513,805	53,415,210	11,307	
\$ 11,205,908	\$ 1,326,224	\$ 52,825,889	\$ (8,693)	

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2022

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 9,864,937	\$ 2,152,968	\$ 2,199,292
Cash Paid to Suppliers for Goods and Services	(9,886,209)	(1,189,628)	(1,175,787)
Cash Paid to Employees for Services	(192,343)	(164,833)	(152,523)
Other Nonoperating Income	525,692	84,536	6,596
Net Cash Provided (Used) by Operating Activities	<u>312,077</u>	<u>883,043</u>	<u>877,578</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(745,075)	(808,666)	(838,403)
Proceeds from Sale of Fixed Assets	164,556	13,907	3,460
Principal Paid on Notes and Bonds	-	(296,860)	(1,333,695)
Interest Paid on Notes and Bonds	-	(54,595)	(445,985)
Net Cash (Used) for Capital and Related Financing Activities	<u>(580,519)</u>	<u>(1,146,214)</u>	<u>(2,614,623)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers From (To) Other Funds	(518,514)	(100,474)	794,276
Due From (To) Other Funds	143,756	-	-
Proceeds Paid on Notes	-	296,256	113,445
Payments Received on Notes	374,449	-	264,702
Net Cash Provided (Used) for Non-Capital Financing Activities	<u>(309)</u>	<u>195,782</u>	<u>1,172,423</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(778,978)	-	-
Interest and Dividends on Investments	86,934	2,839	177,606
Net Cash Provided (Used) by Investing Activities	<u>(692,044)</u>	<u>2,839</u>	<u>177,606</u>
Net (Decrease) in Cash and Cash Equivalents	(960,795)	(64,550)	(387,016)
Cash and Cash Equivalents at Beginning of Year	4,814,522	613,621	920,310
Cash and Cash Equivalents at End of Year	<u>\$ 3,853,727</u>	<u>\$ 549,071</u>	<u>\$ 533,294</u>

See Accompanying Notes to Financial Statements

Gas Utility	Business Type Activities			Governmental Activities	
	Nonmajor		Total	Internal Service	
	Centre	Mall			
\$ 10,979,034	\$ 474,537	\$ 25,670,768	\$ 365,864		
(11,173,265)	(606,543)	(24,031,432)	(441,710)		
(128,036)	(46,088)	(683,823)	58,482		
264,204	4,831	885,859			
<u>(58,063)</u>	<u>(173,263)</u>	<u>1,841,372</u>	<u>(17,364)</u>		
 (4,371,237)	 (175,125)	 (6,938,506)	 -		
327,311	-	509,234	-		
(393,000)	-	(2,023,555)	-		
(69,140)	-	(569,720)	-		
<u>(4,506,066)</u>	<u>(175,125)</u>	<u>(9,022,547)</u>	<u>-</u>		
 (159,576)	 135,000	 150,712	 -		
-	-	143,756	-		
-	46,397	456,098	-		
132,469	-	771,620	-		
<u>(27,107)</u>	<u>181,397</u>	<u>1,522,186</u>	<u>-</u>		
 -	 133	 (778,978)	 -		
<u>18,276</u>	<u>133</u>	<u>285,788</u>	<u>-</u>		
 18,276	 133	 (493,190)	 -		
 (4,572,960)	 (166,858)	 (6,152,179)	 (17,364)		
 6,989,170	 176,570	 13,514,193	 90,703		
 <u>\$ 2,416,210</u>	 <u>\$ 9,712</u>	 <u>\$ 7,362,014</u>	 <u>\$ 73,339</u>		

continued

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	\$ (383,886)	\$ 286,485	\$ (664,548)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	567,433	583,770	1,276,518
Other Non-Operating Income	525,692	84,536	6,596
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	(145,711)	29,939	41,563
Inventories	(136,758)	5,580	-
Prepaid Expenses	(6,646)	(6,954)	(17,389)
Estimated Unbilled Usage	(60,479)	(1,483)	(2,332)
Deferred Outflows of Resources	20,126	16,874	21,372
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	(51,082)	(102,426)	238,431
Accrued Wages and Compensated Absences	4,652	3,245	7,257
Accrued Expenses	-	-	-
Customer Deposits	3,414	2,964	-
Net Pension Liability	(289,920)	(247,725)	(288,356)
Deferred Inflows of Resources	259,706	223,606	254,024
OPEB Liability	5,536	4,632	4,442
Total Adjustments	<u>695,963</u>	<u>596,558</u>	<u>1,542,126</u>
Net Cash Provided (Used) by Operating Activities	<u>312,077</u>	<u>883,043</u>	<u>877,578</u>
 Cash and Cash Equivalents			
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	3,853,727	243,949	533,294
Total Cash and Cash Equivalents	<u>\$ 3,853,727</u>	<u>\$ 549,071</u>	<u>\$ 533,294</u>

See Accompanying Notes to Financial Statements

Gas Utility	Business Type Activities			Governmental Activities Internal Service
	Centre Mall	Total		
\$ (306,243)	\$ (310,132)	\$ (1,378,324)	\$ (20,000)	
353,608	136,228	2,917,557	-	
264,204	4,831	885,859	-	
(922,353)	6,113	(990,449)	-	
(88,599)	-	(219,777)	-	
32,295	(6,762)	(5,456)	-	
(10,687)	-	(74,981)	-	
18,429	11,812	88,613	5,501	
621,903	14,373	721,199	4,661	
6,949	497	22,600	369	
-	(6,861)	(6,861)	-	
2,756	-	9,134	-	
(232,178)	(129,686)	(1,187,865)	(60,507)	
198,123	104,870	1,040,329	52,612	
3,730	1,454	19,794	-	
248,180	136,869	3,219,696	2,636	
(58,063)	(173,263)	1,841,372	\$ (17,364)	
2,416,210	9,712	7,056,892	73,339	
\$ 2,416,210	\$ 9,712	\$ 7,362,014	\$ 73,339	

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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, 2022

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, 2022

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 of the City's health insurance.

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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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

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, 2022, expenditures exceeded the amount budgeted in the Business Type Activities and Debt Service.

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.

2) Investments consist of the following

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

3) In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which were valued at an amortized cost of \$189,711. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City's investment in IPAIT is unrated.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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

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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2021. Any county collections on the 2021-2022 tax levy remitted to the City within 60 days subsequent to June 30, 2022, 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, 2022, 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, 2022 are recorded as prepaid items.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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, 2022. 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, 2022

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 and the unamortized portion of the net difference between projected and actual earnings on pension plan investments and OPEB.

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, 2022

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 unrecognized items not yet charged to pension expense.

T. Pensions

For purposes of measuring the net pension liability (asset), 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. Unearned Revenue

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the unearned revenue of \$570,497 is comprised of funds received through the American Rescue Plan Act.

W. 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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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

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.

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City's deposits at June 30, 2022, 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	Investment Maturities (In Years)		S & P Rating
		Greater Than 1 Year	June 30, 2022	
Commercial Bonds	\$ 109,771	\$ 109,771		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 \$109,771 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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 3 - DUE FROM OTHER GOVERNMENTS

At June 30, 2022, amounts due from other governments were as follows:

Due from the Iowa Department of Transportation for road use tax allocations	\$ 87,076
Due from the State of Iowa for local option sales taxes	102,151
Due from the State of Iowa for hotel and motel sales taxes	48,163
Total Due from Other Governments	<u>\$ 237,390</u>

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2022, short-term interfund borrowings were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Mall Fund	\$ 487,345
General Fund	Nonmajor Governmental Funds	610,996
General Fund	Water Fund	603,040
General Fund	Sewer Fund	<u>240,095</u>
		1,941,476
Electric Fund	Mall Fund	46,397
Electric Fund	Water Fund	1,463,579
Electric Fund	General Fund	2,900,000
Electric Fund	Nonmajor Governmental Funds	<u>1,205,073</u>
		5,615,049
		<u>\$ 7,556,525</u>

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 5 - CAPITAL ASSETS

A summary of changes in capital assets is follows:

Primary Government

	Balance				Balance
	July 1, 2021	Additions	Deletions	Reclass	June 30, 2022
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,134,306	\$ -	\$ -	\$ -	\$ 9,134,306
Construction in Progress	4,811,964	3,384,335	952,946	-	7,243,353
Total capital assets not being depreciated	<u>13,946,270</u>	<u>3,384,335</u>	<u>952,946</u>	<u>-</u>	<u>16,377,659</u>
Capital assets being depreciated:					
Buildings	25,021,364	126,265	-	-	25,147,629
Improvements	13,489,684	560,435	260,140	-	13,789,979
Equipment	7,234,309	560,998	269,898	22,971	7,548,380
Infrastructure	23,966,950	775,552	-	-	24,742,502
Total Capital assets being depreciated	<u>69,712,307</u>	<u>2,023,250</u>	<u>530,038</u>	<u>22,971</u>	<u>71,228,490</u>
Less: Accumulated Depreciation for:					
Buildings	13,200,430	968,539	-	-	14,168,969
Improvements	5,160,691	818,411	260,140	-	5,718,962
Equipment	5,578,495	454,659	269,898	22,971	5,786,227
Infrastructure	11,867,890	812,676	-	-	12,680,566
Total Accumulated Depreciation	<u>35,807,506</u>	<u>3,054,285</u>	<u>530,038</u>	<u>22,971</u>	<u>38,354,724</u>
Total capital assets being depreciated, net	<u>33,904,801</u>	<u>(1,031,035)</u>	<u>-</u>	<u>-</u>	<u>32,873,766</u>
Governmental activities capital assets, net	<u>\$ 47,851,071</u>	<u>\$ 2,353,300</u>	<u>\$ 952,946</u>	<u>\$ -</u>	<u>\$ 49,251,425</u>

Construction in progress at June 30, 2022, for the governmental activities consisted of Highway 75 Commercial Development projects, indoor turf field and recreational related projects.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 5 - CAPITAL ASSETS – (Continued)

	Balance			Balance
	July 1, 2021	Additions	Deletions	June 30, 2022
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 2,423,492	\$ -	\$ -	\$ 2,423,492
Construction in Progress	2,295,476	6,288,162	7,153,124	1,430,514
Total capital assets not being depreciated	<u>4,718,968</u>	<u>6,288,162</u>	<u>7,153,124</u>	<u>3,854,006</u>
Capital assets being depreciated:				
Buildings	22,237,213	104,318	31,753	22,309,778
Infrastructure	54,477,135	638,438	74,466	55,041,107
Equipment	2,136,642	255,351	55,171	2,336,822
Transmission	2,455,332	6,805,291	61,675	9,198,948
Total Capital assets being depreciated	<u>81,306,322</u>	<u>7,803,398</u>	<u>223,065</u>	<u>88,886,655</u>
Less: Accumulated Depreciation	<u>38,037,762</u>	<u>2,917,557</u>	<u>168,977</u>	<u>40,786,342</u>
Total capital assets being depreciated, net	<u>43,268,560</u>	<u>4,885,841</u>	<u>54,088</u>	<u>48,100,313</u>
Business-type activities capital assets, net	<u><u>\$47,987,528</u></u>	<u><u>\$ 11,174,003</u></u>	<u><u>\$ 7,207,212</u></u>	<u><u>\$ 51,954,319</u></u>

Construction in progress at June 30, 2022 for the business-type activities consisted of south water tower, well projects, and various electric, water and gas related improvements.

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

Governmental Activities:	
Public Safety	\$ 174,228
Public Works	263,185
Culture and Recreation	1,646,112
General Government	<u>970,760</u>
Total depreciation expense - governmental activities	<u><u>\$ 3,054,285</u></u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 5 - CAPITAL ASSETS – (Continued)

Business-type activities:

Electric	\$ 567,433
Water	583,770
Sewer	1,276,518
Gas	353,608
Centre Mall	<u>136,228</u>
 Total depreciation expense - business-type activities	 <u>\$ 2,917,557</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-type Activities
Land	\$ 9,134,306	\$ 2,423,492
Construction in Progress	7,243,353	1,430,514
Capital Assets (net of accumulated depreciation)	32,873,766	48,100,313
Unspent Bond Proceeds	6,628,437	-
Less: General Obligation Bonds Payable	13,759,039	8,943,747
Revenue Bonds	<u>3,312,000</u>	<u>17,976,385</u>
 Net Investment in Capital Assets	 <u>\$ 38,808,823</u>	 <u>\$ 25,034,187</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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 6 - LONG-TERM DEBT – (Continued)

General obligation bonds outstanding as of June 30, 2022 are as follows:

<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Interest Amounts</u>
Governmental Activities – 2018	2033	3.00%	\$ 5,250,000
Business Type Activities – 2018 – Direct Borrowing	2037	2.00%	7,786,000
Governmental Activities – 2019	2023	2.25%	821,794
Business Activities – 2019	2023	2.25%	171,207
Governmental Activities – 2020	2035	1.95%	2,619,460
Business Activities – 2020	2035	1.95%	986,540
Governmental Activities – 2021	2036	1.78%	2,000,000
Governmental Activities – 2022	2036	2.30%	<u>3,000,000</u>
			22,635,001
Net Unamortized Bond Discounts and Premium			<u>67,785</u>
Total General Obligation Bonds on Statement of Net Position			<u>\$22,702,786</u>

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

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>		
2023	\$ 1,322,680	\$ 335,222	\$ 1,657,902	\$ 207,320	\$ 55,790	\$ 263,110	
2024	934,982	299,107	1,234,089	64,018	18,533	82,551	
2025	957,161	275,923	1,233,084	64,839	17,285	82,124	
2026	979,340	252,145	1,231,485	65,660	16,021	81,681	
2027	1,001,519	227,773	1,229,292	66,481	14,740	81,221	
2028-2032	5,456,172	737,841	6,194,013	380,828	96,966	477,794	
2033-2036	3,039,400	126,101	3,165,501	308,601	13,977	322,578	
Total	\$ 13,691,254	\$ 2,254,112	\$ 15,945,366	\$ 1,157,747	\$ 233,312	\$ 1,391,059	

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Business-Type Activities Direct Borrowings</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2023	\$ 450,000	\$ 136,255	\$ 586,255	
2024	459,000	128,380	587,380	
2025	468,000	120,348	588,348	
2026	478,000	112,158	590,158	
2027	487,000	103,793	590,793	
2028-2032	2,587,000	387,607	2,974,607	
2033-2037	2,857,000	151,969	3,008,969	
Total	\$ 7,786,000	\$ 1,140,510	\$ 8,926,510	

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 6 - LONG-TERM DEBT – (Continued)

The Governmental General Obligation Bonds on the Statement of Net Position is net unamortized premium of \$67,785.

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 \$7,786,000 as of June 30, 2022. Repayment of this note began in fiscal year 2019.

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, 2022 are as follows:

Purpose	Interest Rates	Maturity	Amounts
Water Revenue Bonds	2.00-2.25%	2024	\$ 500,000
IFA Clean Water Program Revolving Fund	2.00%	2038	6,974,000
IFA Clean Water Program Revolving Fund	2.00%	2038	5,998,000
Gas Revenue Bonds	0.95-1.95%	2032	4,507,000
Governmental Activities	1.23%	2031	1,812,000
Governmental Activities	2.18%	2032	1,500,000
			21,291,000
Net unamortized bond discount and premium			(2,615)
Total Revenue Bonds on Statement of Net Position			\$ 21,288,385

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 were used for construction of a new waste treatment plant. The City had a balance of \$6,974,000 as of June 30, 2022. Repayment of this note began in fiscal year 2020.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 6 - LONG-TERM DEBT – (Continued)

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 were used for construction of a new waste treatment plant. The City had a balance of \$5,998,000 as of June 30, 2022. Repayment of this note began in fiscal year 2020.

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 190,000	\$ 54,988	\$ 244,988	\$ 652,000	\$ 79,527	\$ 731,527
2024	347,000	50,972	397,972	662,000	69,931	731,931
2025	353,000	45,208	398,208	423,000	59,568	482,568
2026	358,000	39,342	397,342	433,000	54,280	487,280
2027	364,000	33,386	397,386	444,000	48,435	492,435
2028-2032	1,700,000	73,790	1,773,790	2,393,000	132,861	2,525,861
Total	\$ 3,312,000	\$ 297,686	\$ 3,609,686	\$ 5,007,000	\$ 444,602	\$ 5,451,602

Year Ending June 30,	Business Type Activities - Direct Borrowings		
	Principal	Interest	Total
2023	\$ 709,000	\$ 227,010	\$ 936,010
2024	722,000	214,603	936,603
2025	735,000	201,968	936,968
2026	748,000	189,105	937,105
2027	761,000	176,015	937,015
2028-2032	4,006,000	675,693	4,681,693
2033-2037	4,370,000	312,640	4,682,640
2038	921,000	16,118	937,118
Total	\$ 12,972,000	\$ 2,013,152	\$ 14,985,152

The Water Revenue Bonds are shown net of unamortized bond discount of \$2,615.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 6 - LONG-TERM DEBT – (Continued)

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 10,188,698	\$ 5,000,000	\$ 1,497,444	\$ 13,691,254	\$ 1,322,680
Revenue Bond	2,000,000	1,500,000	188,000	3,312,000	190,000
Compensated Absences	256,302	30,972	-	287,274	71,819
Governmental Activity					
Long-Term Liabilities	12,445,000	6,530,972	1,685,444	17,290,528	1,584,499
Business-Type Activities:					
Bonds Payable:					
General Obligation	1,420,302	-	262,555	1,157,747	207,320
GO Direct Borrowing	8,227,000	-	441,000	7,786,000	450,000
Revenue Bonds	5,630,000	-	623,000	5,007,000	652,000
Revenue Direct Borrowing	13,669,000	-	697,000	12,972,000	709,000
Compensated Absences	224,574	14,433	-	239,007	69,738
Business-Type Activity					
Long-Term Liabilities	\$ 29,170,876	\$ 14,433	\$ 2,023,555	\$ 27,161,754	\$ 2,088,058

Note 7 - TRANSFERS

The following is a summary of transfers between funds:

	Nonmajor		Centre		Total		
	General	Governmental	Mall	Water	Sewer	Electric	Transfers Out
General	\$ -	\$ 32,220	\$ 135,000	\$ -	\$ -	\$ -	\$ 167,220
TIF	148,419	1,599,486	-	11,489	794,206	7,316	2,560,916
Nonmajor Governmental	1,809,884	403,613	-	-	-	-	2,213,497
Water	111,963	-	-	-	-	-	111,963
Electric	525,830	-	-	-	-	-	525,830
Gas	159,576	-	-	-	-	-	159,576
Total Transfers In	\$ 2,755,672	\$ 2,035,319	\$ 135,000	\$ 11,489	\$ 794,206	\$ 7,316	\$ 5,739,002

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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 8 - PENSION PLAN

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

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

Pension Benefits

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

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

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 8 - PENSION PLAN – (Continued)

Disability and Death Benefits

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

Contributions

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 Method adopted by the Investment Board.

In fiscal year 2022, 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 6.21 percent of covered payroll and the City contributed 9.31 percent of covered payroll for a total rate of 15.52 percent.

The City's total contributions to IPERS for the year ended June 30, 2022 was \$401,920.

Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the City reported a liability (asset) of (\$501,209) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) 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, 2021, the City's collective proportion was (.145822) percent, which was an increase of .186304 percent from its proportion measured as of June 30, 2020.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 8 - PENSION PLAN – (Continued)

For the year ended June 30, 2022, the City recognized pension expense (revenue) of \$(240,410). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City's Share	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,041	\$ 44,573
Changes of assumptions	43,054	623
Net difference between projected and actual earnings on IPERS' investments	-	2,568,154
Changes in proportion and differences between City contributions and proportionate share of contributions	32,015	44,400
City's contributions subsequent to the measurement date	401,920	-
Total	\$ 564,030	\$ 2,657,750

\$401,920 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (617,309)
2024	(623,439)
2025	(577,176)
2026	(686,947)
2027	9,231
	<u>\$ (2,495,640)</u>

There were no non-employer contributing entities of IPERS.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 8 - PENSION PLAN – (Continued)

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

Rate of Inflation (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, 2021 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 2021 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	4.43%
International Equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public Credit	4.0	2.08
Private Equity	13.0	9.51
Private Real Assets	7.5	4.63
Private Credit	3.0	2.87
Cash	1.0	(.25)
Total	<u>100.0%</u>	

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 8 - PENSION PLAN – (Continued)

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 (asset) 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 (asset) 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.

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
Proportionate Share of the Net Pension Liability (Asset)	\$ 1,888,502	(501,209)	(2,503,378)

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.

Payables to the pension plan

At June 30, 2022, the City reported payables to the defined benefit pension plan of \$34,545 for legally required employer contributions and \$23,022 for legally required employee contributions which had been withheld from employee wages and remitted to IPERS after June 30, 2022.

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, 2022, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	1
Active members	62
Total	<u>63</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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

Total OPEB Liability – The City's total OPEB liability of \$132,022 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 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, 2021)	2.50% per annum
Rates of salary increase (effective July 1, 2021)	3.00% per year,
Discount rate (effective July 1, 2021)	3.50% compounded annually
Healthcare cost trend rate (effective June 30, 2021)	5.00% 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 2.14% 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 2021 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, 2022 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 82,301
Changes for the year:	
Service cost	6,185
Interest	2,879
Differences between expected and actual experiences	35,969
Changes in assumptions	15,399
Benefit payments	(10,711)
Net changes	49,721
Total OPEB liability end of year	<u>132,022</u>

Changes in assumptions reflect a change in the discount rate from 3.50% in fiscal year 2021 to 2.14% in fiscal year 2022.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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

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 (1.14%) or 1% higher (3.14%) than the current discount rate.

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	\$ 144,838	\$ 132,022	\$ 120,674

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 5.0% decreasing to 4.5%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower (4.0% decreasing to 3.5%) or 1-percentage point higher (6.0% decreasing to 5.5%) than the current rate:

	1% Decrease (4.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rate (5.0% decreasing To 4.5%)	1% Increase (6.00% decreasing To 5.5%)
Total OPEB Liability	\$ 118,203	\$ 132,022	\$ 148,590

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2022, the City recognized OPEB expense of \$15,283. At June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (2,154)	\$ 44,981
Changes of assumptions	-	16,881
Total	\$ (2,154)	\$ 61,862

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

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

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

Year ending June 30,	Amount
2023	\$ 6,219
2024	6,219
2025	6,219
2026	6,219
2027	6,219
Thereafter	<u>28,613</u>
Total	<u>\$ 59,708</u>

Note 10 - DEFICIT FUND EQUITY

The City has seven funds with a deficit equity balance at June 30, 2022. 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	\$ 37,490
Capital Project – Storm Water	52,739
Capital Project – Commercial Industrial Park	1,199,005
Capital Project – Industrial Development.....	47,346
Capital Project – Heritage Village.....	441,188
Capital Project – 16 th Street SW.....	17,758
Internal Services Fund – Auto Revolving	45,600

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 2021-2022 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.

The City's risk is limited to the difference between the out of pocket maximums of the two plans.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 11 - RISK FINANCING – (Continued)

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
2022	\$ 11,153	\$ 97,541	\$ 99,721	\$ 8,973
2021	\$ 6,546	\$ 85,164	\$ 80,557	\$ 11,153
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

The June 30, 2022 claims payable balance of \$8,973 is reflected in accounts payable balance on the statement of net position.

Note 12 - COMMITMENTS

At June 30, 2022, the City had three construction contracts in process with the following approximate amounts to be paid as work progresses:

Indoor Turf	\$ 4,648,591
American State Bank Sports Complex	1,890,366
Newell Lift Station	147,457

Note 13 - NOTES RECEIVABLE

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 \$631,839 as of June 30, 2022.

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, 2022.

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 \$360,000 as of June 30, 2022.

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. In 2021, the City loaned an additional \$49,262 to the Ridge Golf Course. The balance as of June 30, 2022 is \$31,700.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 13 - NOTES RECEIVABLE – (Continued)

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 \$398,700 as of June 30, 2022.

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 loan was paid as of June 30, 2022.

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 loan was paid as of June 30, 2022.

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, 2022 is \$12,350.

In May 2021, the City loaned The Ridge Golf Course \$48,853 with 0.75% interest. The loan is to be repaid with a minimum of two payment per year. The balance as of June 30, 2022 is \$24,456.

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 \$60,000 as of June 30, 2022.

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 \$5,495,638 as of June 30, 2022.

In April 2022, the City loaned The Ridge Golf Course \$64,678 with .70% interest. The loan is to be repaid with a minimum of two payments per year. The balance as of June 30, 2022 is \$64,678.

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 14 - TAX ABATEMENTS – (Continued)

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, 2022, the City abated \$118,892 of property tax under the urban renewal and economic development projects.

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 \$1,700,535.

During the year ended June 30, 2022, the City rebated \$286,050 of incremental property tax to developers and businesses. The total cumulative principal amount rebated on the agreements is \$884,057. The outstanding balance on the agreements at June 30, 2022 was \$816,478.

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 in the current year that funds donated in the prior year that were to be expended strictly for Heritage Village should have been recorded in a special revenue fund rather than the general fund. A reclassification of \$1,523,204 between the General fund and the Heritage Village special revenue fund are as follows:

	General Fund	Heritage Village Fund
Fund Balance/Net Position		
June 30, 2021, as previously reported	\$ 4,163,369	\$ -
Reclassification of Restricted Funds	(1,523,204)	1,523,204
Fund Balance/Net Position		
July 1, 2021, as restated	\$ 2,640,165	\$ 1,523,204

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2022

Note 16 - ACCOUNTING CHANGE/RESTATEMENT – (Continued)

During FY22, the City adopted the provisions of GASB Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Management did not indicate having any agreements that meet the definition of this standard as of June 30, 2022, and no significant agreements were detected during audit procedures.

Note 17 - PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting certain assets and liabilities for the right-to-use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

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, 2022

	Governmental Fund Type Actual	Proprietary Funds Actual
Revenue:		
Taxes	\$ 3,943,603	\$ -
Licenses and Permits	127,510	-
Intergovernmental	1,392,904	-
Charges for Services	2,652,703	26,727,064
TIF Revenue	2,337,423	-
Other City Taxes	1,526,612	-
Use of Money and Property	404,347	296,462
Contributions and Donations	584,360	-
Miscellaneous	820,639	885,859
Total Receipts	13,790,101	27,909,385
 Expenditures:		
Public Safety	1,783,835	-
Public Works	2,482,245	-
Culture and Recreation	4,589,891	-
Community and Economic Development	1,000,238	-
General Government	1,031,552	-
Capital Projects	3,103,317	-
Debt Service	2,072,624	-
Business Type Activities	-	28,649,348
Total Disbursements	16,063,702	28,649,348
 Excess (deficiency) of revenue over expenditures	(2,273,601)	(739,963)
 Other financing sources (uses):		
Proceeds from Debt Financing	6,500,000	-
Interfund Transfers In	4,790,991	948,011
Interfund Transfers Out	(4,941,633)	(797,369)
Total other financing sources (uses)	6,349,358	150,642
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,075,757	(589,321)
 Fund balances/Net position- beginning of year	8,643,062	53,415,210
 Fund balances/Net position - end of year	\$ 12,718,819	\$ 52,825,889

Total Actual	Budgeted Amounts		Final Budget Favorable (Unfavorable)
	Original	Final	
\$ 3,943,603	\$ 3,938,835	\$ 3,938,835	\$ 4,768
127,510	108,160	108,160	19,350
1,392,904	2,543,350	3,111,350	(1,718,446)
29,379,767	22,679,990	27,639,990	1,739,777
2,337,423	2,351,000	2,351,000	(13,577)
1,526,612	1,239,996	1,239,996	286,616
700,809	936,660	1,093,660	(392,851)
584,360	-	-	584,360
1,706,498	1,708,870	1,763,870	(57,372)
<u>41,699,486</u>	<u>35,506,861</u>	<u>41,246,861</u>	<u>452,625</u>
1,783,835	1,723,585	1,837,585	53,750
2,482,245	2,429,460	2,814,460	332,215
4,589,891	3,912,940	4,603,440	13,549
1,000,238	600,830	1,020,830	20,592
1,031,552	1,063,560	1,105,060	73,508
3,103,317	5,150,000	5,510,000	2,406,683
2,072,624	1,765,004	2,003,284	(69,340)
28,649,348	22,306,037	27,491,037	(1,158,311)
<u>44,713,050</u>	<u>38,951,416</u>	<u>46,385,696</u>	<u>1,672,646</u>
(3,013,564)	(3,444,555)	(5,138,835)	2,125,271
6,500,000	3,000,000	8,500,000	(2,000,000)
5,739,002	6,673,500	6,705,900	(966,898)
<u>(5,739,002)</u>	<u>(6,673,500)</u>	<u>(6,705,900)</u>	<u>966,898</u>
<u>6,500,000</u>	<u>3,000,000</u>	<u>8,500,000</u>	<u>(2,000,000)</u>
3,486,436	(444,555)	3,361,165	125,271
62,058,272	59,219,394	62,069,577	(11,305)
<u>\$ 65,544,708</u>	<u>\$ 58,774,839</u>	<u>\$ 65,430,742</u>	<u>\$ 113,966</u>

CITY OF SIOUX CENTER
Notes to Required Supplementary Information – Budgetary Reporting
For the year ended June 30, 2022

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 \$7,434,280. The budget amendment is reflected in the final budgeted amounts.

During the fiscal year ended June 30, 2022, disbursements exceeded budgeted amounts in the business type activities and debt service.

CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS* (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
City's proportion of the net pension liability (asset)	(.1451822%)	.0411215%	.0410061%	.0418981%	.0417624%
City's proportionate share of the net pension liability (asset)	\$ (501)	\$ 2,889	\$ 2,375	\$ 2,651	\$ 2,782
City's covered payroll	\$ 3,995	\$ 3,768	\$ 3,682	\$ 3,663	\$ 3,601
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(12.54)%	76.67%	64.50%	72.37%	77.26%
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.81%	82.90%	85.45%	83.62%	82.21%
	2017	2016	2015		
City's proportion of the net pension liability (asset)	.0410060%	.0357685%	.0396470%		
City's proportionate share of the net pension liability (asset)	\$ 2,581	\$ 1,767	\$ 1,572		
City's covered payroll	\$ 2,975	\$ 3,245	\$ 3,149		
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	86.76%	54.45%	49.92%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	81.82%	85.19%	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, 2022

	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 402	\$ 378	\$ 358	\$ 351	\$ 332
Contributions in relation to the statutorily required contribution	(402)	(378)	(358)	(351)	(332)
Contribution deficiency (excess)	<u>\$ -</u>				
Entity's covered payroll	\$4,271	\$3,995	\$ 3,768	\$ 3,682	\$ 3,663
Contributions as a percentage of covered payroll	9.41%	9.46%	9.50%	9.53%	9.06%
	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 326	\$ 308	\$ 297	\$ 286	\$ 270
Contributions in relation to the statutorily required contribution	(326)	(308)	(297)	(286)	(270)
Contribution deficiency (excess)	<u>\$ -</u>				
Entity's covered payroll	\$ 3,601	\$ 2,975	\$ 3,245	\$ 3,149	\$ 3,048
Contributions as a percentage of covered payroll	9.05%	10.35%	9.09%	9.08%	8.86%

CITY OF SIOUX CENTER, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2022

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 (unfunded actuarial liability) 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, 2022

	2022	2021	2020	2019
Service Cost	\$ 6,185	\$ 2,854	\$ 2,771	\$ 2,415
Interest Cost	2,879	2,840	2,719	2,739
Difference between expected and actual experiences	35,969	-	(2,994)	-
Changes in assumptions	15,399	-	381	-
Benefit payments	(10,711)	(3,349)	(950)	(2,447)
Net change in total OPEB liability	49,721	2,345	1,927	2,707
Total OPEB liability beginning of year	82,301	79,956	78,029	75,322
Total OPEB liability end of year	\$ 132,022	\$ 82,301	\$ 79,956	\$ 78,029
Covered-employee payroll	\$ 3,953,524	\$ 3,305,691	\$ 3,209,409	\$ 3,132,251
Total OPEB liability as a percentage of covered-employee payroll	3.34%	2.49%	2.49%	2.49%

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, 2022	2.14%
Year ended June 30, 2021	3.50%
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
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

<u>2018</u>
\$ 2,345
2,614
21,878
4,477
(634)
<u>30,680</u>
<u>44,642</u>
<u>\$ 75,322</u>
\$ 3,041,020

2.48%

See accompanying independent auditor's report

CITY OF SIOUX CENTER, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2022

	Special Revenue							Debt Service Fund
	LOST	Employee Benefits Levy	Road Use Tax	Emergency Levy	ARPA Federal Funds	Heritage Village		
Assets								
Cash and Pooled Investments	\$ 321,859	\$ -	\$ 2,362,892	\$ -	\$ 570,497	\$ 1,447,092	\$ 18,802	
Receivables (Net, where applicable, of allowance for uncollectible)								
Accounts	-	-	-	-	-	-	-	
Taxes	-	1,322	-	161	-	-	-	94
Subsequent Year Taxes	-	749,998	-	89,999	-	-	-	59,678
Due from Other Governmental Agencies	102,151	-	87,076	-	-	-	-	
Total Assets	424,010	751,320	2,449,968	90,160	570,497	1,447,092	78,574	
Liabilities								
Accounts Payable	-	-	158,930	-	-	7,075	1,000	
Due to Other Funds	-	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	570,497	-	-	
Total Liabilities	-	-	158,930	-	570,497	7,075	1,000	
Deferred Inflow of Resources								
Unavailable Revenue - Subsequent Year Taxes	-	749,998	-	89,999	-	-	-	59,678
Total Deferred Inflow of Resources	-	749,998	-	89,999	-	-	-	59,678
Fund Balances								
Restricted for:								
Debt Service	-	-	-	-	-	-	-	17,896
Local Option Sales Tax	424,010	-	-	-	-	-	-	-
Employee Benefit	-	1,322	-	-	-	-	-	-
Emergency Management	-	-	-	161	-	-	-	-
Road Use Tax	-	-	2,291,038	-	-	-	-	-
Heritage Village	-	-	-	-	-	1,440,017	-	-
Capital Projects	-	-	-	-	-	-	-	-
Assigned Capital Projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	424,010	1,322	2,291,038	161	-	1,440,017	17,896	
Total Liabilities Deferred Inflow of Resources, and Fund Balances	\$ 424,010	\$ 751,320	\$ 2,449,968	\$ 90,160	\$ 570,497	\$ 1,447,092	\$ 78,574	

Capital Projects										Total
Commercial Industrial Park	Highway 75 Widening	Trail Extension	Firestation #2	Storm Water	Field Turf	Industrial Dev	Heritage Village	16th Street SW	Governmental Nonmajor Funds	
\$ - \$ 5,160,355	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ 2,504,112	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ 12,385,609
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	413,101	- - - - -	- - - - -	- - - - -	- - - - -	413,101
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	1,577
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	899,675
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	189,227
- - 5,160,355	- - - - -	- - - - -	- - - - -	- - - - -	2,917,213	- - - - -	- - - - -	- - - - -	- - - - -	13,889,189
1,199,005 - 143,041	43,000 -	37,490 -	- - - - -	- - - - -	700,311	- - - - -	5,626	16,831	1,032,814	
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	47,346	435,562	927	1,816,069	
1,199,005 186,041	37,490 -	- - - - -	- - - - -	- - - - -	700,311	47,346	441,188	17,758	3,419,380	
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	899,675
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	899,675
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	17,896
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	424,010
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	1,322
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	161
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	2,291,038
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	-	- - - - -	- - - - -	- - - - -	- - - - -	1,440,017
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	2,216,902	- - - - -	- - - - -	- - - - -	- - - - -	2,216,902
- 4,974,314	- -	(37,490)	- - - - -	- - - - -	-	- (47,346)	- (441,188)	- (17,758)	- (1,795,526)	4,974,314
(1,199,005)	-	(37,490)	- - - - -	- - - - -	-	- (47,346)	- (441,188)	- (17,758)	- (1,795,526)	(1,199,005) 9,570,134
\$ - \$ 5,160,355	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ 2,917,213	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ 13,889,189

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Governmental Nonmajor Funds
For the Year Ended June 30, 2022

	Special Revenue						Debt Service Fund
	LOST	Employee Benefits Levy	Road Use Tax	Emergency Levy	ARPA Federal Funds	Heritage Village	
Revenue:							
Taxes	\$ -	\$ 740,900	\$ -	\$ 90,111	\$ -	\$ -	\$ 59,889
Intergovernmental	-	28,174	1,084,904	3,427	-	-	1,841
Other City Taxes	1,350,101	-	-	-	-	-	-
Interest on Investments	-	-	-	-	-	2,572	1,379
Donations	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenue	1,350,101	769,074	1,084,904	93,538	-	2,572	63,109
Expenditures:							
Public Works	-	-	1,335,610	-	-	-	-
Culture and Recreation	-	-	-	-	-	7,076	-
Capital Projects	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	1,685,445
Interest/Bond Costs	-	-	-	-	-	-	314,653
Total Expenditures	-	-	1,335,610	-	-	7,076	2,000,098
Excess (deficiency) of revenues over expenditures	1,350,101	769,074	(250,706)	93,538	-	(4,504)	(1,936,989)
Other financing sources (uses):							
Issuance of Debt	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	1,896,901
Transfers Out	(1,160,563)	(770,692)	(110,000)	(93,559)	-	(78,683)	-
Total other financing sources (uses)	(1,160,563)	(770,692)	(110,000)	(93,559)	-	(78,683)	1,896,901
Net Change in Fund Balance	189,538	(1,618)	(360,706)	(21)	-	(83,187)	(40,088)
Fund balances - beginning of year	234,472	2,940	2,651,744	182	-	-	57,984
Prior Period Adjustment	-	-	-	-	-	1,523,204	-
Fund balance (Deficits)-beginning of year as restated	234,472	2,940	2,651,744	182	-	1,523,204	57,984
Fund balances - end of year	\$ 424,010	\$ 1,322	\$ 2,291,038	\$ 161	\$ -	\$ 1,440,017	\$ 17,896

Capital Projects										Total Governmental Nonmajor Funds
Commercial Industrial Park	Highway 75 Widening	Trail Extension	Firestation #2	Storm Water	Field Turf	Industrial Development	Heritage Village	16th Street SW		
\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	890,900
-	-	-	-	-	5,897	-	-	-	-	1,124,243
-	-	-	-	-	-	-	-	-	-	1,350,101
-	7,713	-	-	-	6,100	-	-	-	-	17,764
-	-	-	-	-	584,360	-	-	-	-	584,360
-	-	-	-	-	-	-	25,000	-	-	25,000
-	7,713	-	-	-	596,357	-	25,000	-	-	3,992,368
-	-	-	-	-	-	-	-	-	-	1,335,610
-	-	-	-	-	-	-	-	-	-	7,076
5,496	738,229	-	500	1,686	1,829,540	47,346	462,762	17,758		3,103,317
-	-	-	-	-	-	-	-	-	-	1,685,445
-	72,526	-	-	-	-	-	-	-	-	387,179
5,496	810,755	-	500	1,686	1,829,540	47,346	462,762	17,758		6,518,627
(5,496)	(803,042)	-	(500)	(1,686)	(1,233,183)	(47,346)	(437,762)	(17,758)		(2,526,259)
-	5,000,000	-	-	-	1,500,000	-	-	-	-	6,500,000
494	15,000	-	122,924	-	-	-	-	-	-	2,035,319
-	-	-	-	-	-	-	-	-	-	(2,213,497)
494	5,015,000	-	122,924	-	1,500,000	-	-	-	-	6,321,822
(5,002)	4,211,958	-	122,424	(1,686)	266,817	(47,346)	(437,762)	(17,758)		3,795,563
(1,194,003)	762,356	(37,490)	(122,424)	(51,053)	1,950,085	-	(3,426)	-		4,251,367
(1,194,003)	762,356	(37,490)	(122,424)	(51,053)	1,950,085	-	(3,426)	-		1,523,204
\$ (1,199,005)	\$ 4,974,314	\$ (37,490)	-	\$ (52,739)	\$ 2,216,902	\$ (47,346)	\$ (441,188)	\$ (17,758)		\$ 9,570,134

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
June 30, 2022

Internal Service Fund			
	Auto Revolving	Health Insurance	Total
ASSETS			
Cash	\$ 27,459	\$ 45,880	\$ 73,339
Total Assets	<u>27,459</u>	<u>45,880</u>	<u>73,339</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	11,265	-	11,265
Total Deferred Outflows of Resources	<u>11,265</u>	<u>-</u>	<u>11,265</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	21,021	8,973	29,994
Accrued Expenses	6,497	-	6,497
Total Current Liabilities	<u>27,518</u>	<u>8,973</u>	<u>36,491</u>
Noncurrent Liabilities:			
Net Pension Liability	1,467	-	1,467
Total Liabilities	<u>28,985</u>	<u>8,973</u>	<u>37,958</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	55,339	-	55,339
Total Deferred Outflows of Resources	<u>55,339</u>	<u>-</u>	<u>55,339</u>
NET POSITION			
Unrestricted	(45,600)	36,907	(8,693)
Total Net Position	<u><u>\$ (45,600)</u></u>	<u><u>\$ 36,907</u></u>	<u><u>\$ (8,693)</u></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, 2022

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
Operating Revenues:			
Charges for Services	\$ 281,564	\$ 84,300	\$ 365,864
Total Operating Revenue	281,564	84,300	365,864
Operating Expenses:			
Operating and Maintenance	279,228	106,636	385,864
Total Operating Expenses	279,228	106,636	385,864
Operating Income	2,336	(22,336)	(20,000)
Change in Net Position	2,336	(22,336)	(20,000)
Net Position - Beginning	(47,936)	59,243	11,307
Net Position - Ending	\$ (45,600)	\$ 36,907	\$ (8,693)

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.

Contents	Page
Financial Trends	70
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	75
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	80
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	85
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	86
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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net Investment in capital assets	\$37,921,056	\$36,127,931	\$38,508,224	\$39,575,978	\$39,198,868	\$38,508,433	\$39,810,845	\$39,344,845	\$38,360,420	\$38,808,823
Restricted	1,457,573	1,379,909	2,291,050	2,257,547	2,737,247	3,307,184	3,970,487	4,392,587	4,638,154	4,162,094
Unrestricted	580,123	2,685,934	(453,707)	(96,393)	1,397,216	2,080,034	2,019,893	2,553,943	(24,989)	1,173,784
Total governmental activities net position	\$39,958,752	\$40,193,774	\$40,345,567	\$41,737,132	\$43,333,331	\$43,895,651	\$45,801,225	\$46,291,375	\$42,973,585	\$44,144,701
Business-type activities										
Net Investment in capital assets	\$16,013,908	\$16,068,047	\$17,604,973	\$20,227,133	\$21,041,283	\$23,773,082	\$26,357,938	\$23,819,697	\$23,447,052	\$25,034,187
Restricted	624,266	759,566	433,522	403,778	407,964	367,018	359,772	510,904	362,249	301,686
Unrestricted	22,527,561	21,599,211	21,070,163	20,194,685	20,184,018	18,689,610	18,590,378	27,508,636	29,605,909	27,490,016
Total business-type activities net position	\$39,165,735	\$38,426,824	\$39,108,658	\$40,825,596	\$41,633,265	\$42,829,710	\$45,308,088	\$51,839,237	\$53,415,210	\$52,825,889
Primary government										
Net Investment in capital assets	\$53,934,964	\$52,195,978	\$56,113,197	\$59,803,111	\$60,240,151	\$62,281,515	\$66,168,783	\$63,164,542	\$61,807,472	\$63,843,010
Restricted	2,081,839	2,139,475	2,724,572	2,661,325	3,145,211	3,674,202	4,330,259	4,903,491	5,000,403	4,463,780
Unrestricted	23,107,684	24,285,145	20,616,456	20,098,292	21,581,234	20,769,644	20,610,271	30,062,579	29,580,920	28,663,800
Total primary government net position	\$79,124,487	\$78,620,598	\$79,454,225	\$82,562,728	\$84,966,596	\$86,725,361	\$91,109,313	\$98,130,612	\$96,388,795	\$96,970,590

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental activities:										
Public Safety	\$1,205,647	\$1,232,254	\$1,378,410	\$1,292,287	\$1,510,298	\$1,526,040	\$1,234,978	\$1,357,258	\$1,724,173	\$1,750,379
Public Works	1,983,961	2,028,060	1,411,372	1,833,705	1,693,888	1,925,094	2,110,487	2,919,672	1,653,313	2,534,511
Culture and Recreation	3,634,503	4,414,137	3,823,595	3,920,969	4,124,895	4,087,358	4,570,715	4,632,680	5,189,785	5,025,950
Community and Economic Development	185,660	285,022	159,876	222,034	215,862	1,197,672	400,945	734,365	4,317,670	861,105
General Government	943,785	1,146,253	1,894,813	2,015,241	1,680,901	1,735,932	1,814,431	1,426,434	1,873,100	1,890,835
Debt Service	258,630	226,094	211,195	131,133	90,990	174,467	236,013	261,212	308,116	385,561
Total governmental activities expenses	8,212,186	9,331,820	8,879,261	9,415,369	9,316,834	10,646,563	10,367,569	11,331,621	15,066,157	12,448,341
Business-type activities:										
Centre Mall	1,016,468	901,545	935,506	873,966	955,746	963,741	940,703	1,015,338	1,008,594	778,556
Water	1,317,264	1,248,792	1,282,811	1,325,725	1,513,895	1,509,601	1,556,044	1,765,265	1,880,756	1,890,475
Sewer	1,019,632	1,010,493	1,062,633	1,123,375	1,318,322	1,411,190	1,581,146	3,615,949	3,205,694	3,268,580
Electric	8,767,471	9,196,469	9,437,069	9,514,228	10,218,043	10,400,973	10,269,110	9,669,999	9,674,447	10,451,599
Natural Gas	7,396,615	10,919,217	8,426,870	5,912,326	7,110,720	7,638,970	7,276,851	5,467,940	7,142,094	12,284,658
Total business-type activities expenses	19,517,450	23,276,516	21,144,889	18,749,620	21,116,726	21,924,475	21,623,854	21,534,491	22,911,585	28,673,868
Total primary government expenses	\$27,729,636	\$32,608,336	\$30,024,150	\$28,164,989	\$30,433,560	\$32,571,038	\$31,991,423	\$32,866,112	\$37,977,742	\$41,122,209
Program Revenues										
Governmental activities:										
Charges for services:										
Public Safety	57,479	57,011	345,828	384,310	355,923	420,661	347,501	402,296	389,425	348,297
Public Works	421,184	447,474	486,249	497,318	483,418	531,849	543,204	579,423	580,803	608,326
Culture and Recreation	905,664	887,966	940,108	1,032,268	979,563	982,462	908,180	1,470,702	1,273,636	1,387,264
Community and Economic Development	187,367	65,576	-	-	-	-	-	-	-	-
General Government	57,761	56,431	524,014	600,959	648,059	482,113	505,104	791,035	642,510	587,321
Operating grants and contributions	674,958	703,769	1,190,341	1,416,600	1,360,562	1,400,071	2,481,929	1,476,191	1,524,352	2,236,471
Capital grants and contributions	66,900	288,330	484,727	81,859	239,249	678,125	-	-	100,147	584,360
Total governmental activities program revenues	2,371,313	2,506,557	3,971,267	4,013,314	4,066,774	4,495,281	4,785,918	4,719,647	4,510,873	5,752,039
Business-type activities:										
Charges for services:										
Centre Mall	471,820	440,770	503,314	460,118	469,880	422,434	429,908	436,713	412,710	468,424
Water	1,526,332	1,580,634	1,565,667	1,630,270	1,678,372	1,712,992	1,651,500	1,804,267	2,155,849	2,121,548
Sewer	1,068,788	1,073,016	1,063,220	1,105,295	1,208,260	1,589,842	3,503,024	8,439,487	2,174,241	2,160,061
Electric	9,147,357	9,637,207	10,434,989	9,911,161	9,911,730	10,253,507	10,220,413	10,131,119	10,462,514	10,067,713
Natural Gas	7,434,309	10,623,489	8,582,176	5,871,153	7,128,643	7,766,707	7,115,575	5,151,621	6,661,730	11,909,318
Total business-type activities program revenues	19,648,606	23,355,116	22,149,366	18,977,997	20,396,885	21,745,482	22,920,420	25,963,207	21,867,044	26,727,064
Total primary government program revenues	\$22,019,919	\$25,861,673	\$26,120,633	\$22,991,311	\$24,463,659	\$26,240,763	\$27,706,338	\$30,682,854	\$26,377,917	\$32,479,103

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net (expense)/revenue										
Governmental activities	(\$5,840,873)	(\$6,825,263)	(\$4,907,994)	(\$5,402,055)	(\$5,250,060)	(\$6,151,282)	(\$5,581,651)	(\$6,611,974)	(\$10,555,284)	(\$6,696,302)
Business-type activities	131,156	78,600	1,004,477	228,377	(719,841)	(178,993)	1,296,566	4,428,716	(1,044,541)	(1,946,804)
Total primary government net expense	<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>	<u>(\$11,599,825)</u>	<u>(\$8,643,106)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	\$4,792,723	\$4,742,189	\$5,055,237	\$5,286,676	\$5,402,688	\$5,504,383	\$5,809,280	\$6,005,778	\$6,172,500	\$6,457,537
Local option sales tax	760,459	732,227	802,539	805,958	898,947	781,860	825,232	1,019,968	1,089,593	1,350,101
Unrestricted investment earnings	13,652	10,817	15,403	25,051	20,763	27,652	75,743	64,611	29,647	35,009
Miscellaneous	806,237	1,359,547	52,316	131,269	116,851	155,972	582,389	156,361	176,614	175,413
Transfers	178,971	215,504	299,326	474,666	407,011	214,787	(42,984)	(144,594)	(193,591)	(150,642)
Total governmental activities	<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>	<u>7,274,763</u>	<u>7,867,418</u>
Business-type activities										
Unrestricted investment earnings	450,744	272,058	74,822	71,314	117,159	137,017	152,911	491,605	280,301	296,462
Miscellaneous	231,155	(874,066)	694,984	1,891,913	1,817,362	1,466,013	985,919	1,434,918	2,146,622	910,379
Transfers	(178,971)	(215,504)	(299,326)	(474,666)	(407,011)	(214,787)	42,984	144,594	193,591	150,642
Total business-type activities	<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>	<u>2,620,514</u>	<u>1,357,483</u>
Total primary government	<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>	<u>\$9,895,277</u>	<u>\$9,224,901</u>
Change in Net Position										
Governmental activities	711,169	235,021	1,316,827	1,321,565	1,596,200	533,372	1,668,009	490,150	(3,280,521)	1,171,116
Business-type activities	634,084	(738,912)	1,474,957	1,716,938	807,669	1,209,250	2,478,380	6,499,833	1,575,973	(589,321)
Total primary government	<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>	<u>(\$1,704,548)</u>	<u>\$581,795</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Assigned	\$388,311	\$442,100	\$273,560	\$273,445	\$151,534	\$275,685	\$1,471,623	\$3,490,766	\$2,061,271	\$702,717
Unassigned	1,951,621	2,363,220	2,687,880	2,680,227	3,319,492	3,089,589	3,506,777	3,879,969	2,102,098	2,440,261
Total general fund	<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>	<u>\$4,163,369</u>	<u>\$3,142,978</u>
All other governmental funds										
Restricted										
Special revenue funds	\$666,311	\$829,848	\$2,283,810	\$2,257,547	\$2,732,731	\$3,307,228	\$2,825,493	\$2,394,543	\$2,471,624	\$7,341,043
Debt service funds	2,366	1,444	886	920	2,007	3,897	5,102	5,001	57,984	17,896
Restricted, reported in:										
Capital project funds	(1,093,762)	(1,233,721)	(2,560,701)	(2,246,176)	(1,219,430)	5,236,803	(1,063,926)	3,065,696	1,950,085	2,216,902
Total all other governmental funds	<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>	<u>\$4,479,693</u>	<u>\$9,575,841</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Property taxes	\$2,748,374	\$2,753,332	\$2,836,721	\$2,846,253	\$3,137,041	\$3,298,407	\$3,444,605	\$3,529,646	\$3,850,523	\$3,943,603
Tax increment financing	1,938,795	1,857,358	2,066,001	2,270,163	2,095,955	2,059,465	2,207,730	2,318,088	2,216,703	2,337,423
Other city taxes	866,013	863,726	937,515	949,783	1,042,172	928,371	982,175	1,153,500	1,219,381	1,526,612
Special assessments	291,450	37,876	48,439	33,313	26,715	31,976	21,442	20,012	5,101	0
Licenses and permits	226,252	104,227	90,052	123,935	120,097	172,835	107,640	144,686	156,234	127,510
Intergovernmental	813,507	1,059,050	1,296,967	1,220,719	1,256,781	1,119,728	1,152,800	1,177,341	1,500,635	1,392,904
Charges for services	1,183,030	1,187,909	1,450,178	1,546,092	1,511,161	1,539,117	1,455,668	2,051,209	1,874,892	2,652,703
Miscellaneous	443,137	1,250,063	789,908	947,915	917,418	1,507,743	1,939,992	1,057,220	828,804	1,423,637
Use of property and money	233,827	237,795	349,939	295,373	419,814	337,070	430,762	479,257	359,697	385,709
Total Revenues	8,744,385	9,351,336	9,865,720	10,233,546	10,527,154	10,994,712	11,742,814	11,930,959	12,011,970	13,790,101
Expenditures										
Public safety	1,036,957	971,376	1,284,798	1,206,043	1,225,152	1,435,799	1,327,128	1,396,435	1,467,499	1,783,835
Public works	1,272,247	1,303,694	1,195,356	1,983,696	1,818,395	1,902,419	2,098,704	1,765,219	1,671,783	2,482,245
Culture and recreation	2,946,583	2,956,452	3,473,949	4,105,876	3,463,196	3,680,723	4,037,913	4,402,741	3,917,576	4,589,891
Community and economic development	185,538	285,958	268,921	224,363	195,637	1,176,735	378,640	748,083	4,317,016	1,000,238
General government	1,210,905	1,099,921	1,092,187	1,305,023	852,743	906,046	980,903	1,030,638	973,639	1,031,552
Capital projects	1,516,153	1,000,931	1,496,634	860,900	49,070	973,608	6,646,830	957,023	3,925,593	3,103,317
Debt service										
Interest	261,202	233,227	196,974	126,886	87,190	157,236	239,702	255,709	311,272	387,179
Principal	1,193,894	1,227,237	2,692,752	1,267,895	1,222,410	1,260,238	1,222,229	597,057	1,389,645	1,685,445
Total Expenditures	9,623,479	9,078,796	11,701,571	11,080,682	8,913,793	11,492,804	16,932,049	11,152,905	17,974,023	16,063,702
Excess of revenues over (under) expenditures										
Other financing sources (uses)										
Bonds issued	-	-	-	583,000	-	6,592,435	-	5,087,744	2,000,000	6,500,000
Proceeds from Sale of Land or Assets	-	-	-	-	-	-	64,086	369,702	-	-
Transfers in	4,709,077	4,460,960	4,025,995	4,497,120	3,919,763	3,659,770	4,709,105	4,752,051	4,531,173	4,790,991
Transfers out	(4,530,106)	(4,245,455)	(3,726,669)	(4,022,454)	(3,512,752)	(3,444,983)	(4,752,089)	(4,896,645)	(4,724,764)	(4,941,633)
Total other financing sources (uses)	178,971	215,505	299,326	1,057,666	407,011	6,807,222	21,102	5,312,852	1,806,409	6,349,358
Net change in fund balances	(\$700,123)	\$488,045	(\$1,536,525)	\$210,530	\$2,020,372	\$6,309,130	(\$5,168,133)	\$6,090,906	(\$4,155,644)	\$4,075,757
Debt service as a percentage of noncapital expenditures	17.9%	18.1%	28.3%	13.6%	14.8%	13.5%	14.2%	8.4%	12.1%	16.0%

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

Fiscal Year	Property Tax	Tax Increment		Local Option		Road Use Tax	Total
		Financing Tax	Sales Tax	Hotel/Motel Tax			
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	951,681		7,952,915
2020-21	3,850,523	2,216,703	1,089,593	129,788	1,046,573		8,333,180
2021-22	\$ 3,943,603	\$ 2,337,423	\$ 1,350,101	\$ 176,511	\$ 1,084,905		\$ 8,892,543

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

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Utilities</u>		<u>Total</u>		<u>Assessed Value as a Percentage of Estimated</u>
	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	
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%
2020-21	416,536,788	652,568,175	1,670,126	1,838,241	418,206,914	654,406,416	63.9%
2021-22	\$434,868,634	\$ 669,819,508	\$ 1,710,753	\$ 1,890,545	\$ 436,579,387	\$ 671,710,053	65.0%

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

Fiscal Year	City Direct Rates							Overlapping Rates				Total City Consolidated Rate
	General Rate	Civic Center Rate	Liability Ins Rate	Employee Benefits Rate	Emergency Rate	Debt Service Rate	Total Direct City Rate	School District	County Consolidated	Vocational School		
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	
2020-21	8.10000	0.13500	0.42865	2.14494	0.13313	0.31428	11.25600	17.75650	4.47912	1.07539	34.56701	
2021-22	8.10000	0.13500	0.42948	2.10668	0.25622	0.13762	11.16500	17.75422	4.12850	1.04303	34.09075	

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 2010		
<u>Taxpayer</u>	Taxable Assessed <u>Value</u>	Percentage of Total <u>Taxable Value</u>	<u>Taxpayer</u>	Taxable Assessed <u>Value</u>	Percentage of Total <u>Taxable Value</u>
Farmer Coop Society	\$9,455,166	2.17%	Trigen, LLC (Pella)	\$12,792,660	5.03%
Wal-Mart Real Estate	8,331,021	1.91%	Walmart Real Estate	7,832,790	3.08%
Harbour Group Investments	7,471,879	1.71%	Farmers Cooperative Society	7,477,910	2.94%
City of Sioux Center	6,993,740	1.60%	City of Sioux Center (Centre Mall)	6,577,390	2.59%
Trigen, LLC	6,676,380	1.53%	Patrick Cudahy (Golden Crisp)	3,436,610	1.35%
Ver Hoef Automotive	4,552,227	1.04%	Southridge Lodging	2,706,980	1.06%
American State Bank	4,264,938	0.98%	Link Mfg	2,634,300	1.04%
Mouw Motor Company	3,479,679	0.80%	American State Bank	2,468,840	0.97%
Smithfield Packaged Meats Corp	3,035,664	0.70%	Harbor Group Investments LLC	2,502,800	0.98%
South Ridge Lodging	<u>2,861,892</u>	0.66%	R&C Hulshof Farms, LLC	<u>2,240,640</u>	0.88%
	<u>\$57,122,586</u>	13.08%		<u>\$50,670,920</u>	19.93%

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	Collected within the Fiscal Year of the Levy			Delinquent Tax Collections	Total Collections to Date	
	Total Tax Levy For Fiscal Year	Amount	Percent of Levy		Amount	Percent of Levy
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%	27,850	5,770,316	100.0%
2020-21	6,053,561	6,046,024	99.9%	197	6,046,221	99.9%
2021-22	\$ 6,289,835	\$ 6,280,828	99.9%	\$ -	\$ 6,280,828	99.9%

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

Fiscal Year	Governmental Activities		Business-Type Activities						Total Primary Government	Per Capita
	General <u>Obligation Bonds</u>	Revenue <u>Bonds</u>	Water <u>Bonds</u>	Sewer <u>Bonds</u>	Gas <u>Bonds</u>	Centre Mall <u>Bonds</u>				
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	22,740,374	-	-	36,367,573			5,160
2020-21	10,188,698	2,000,000	1,783,400	22,262,902	4,900,000	-	41,135,000			4,999
2021-22	\$ 13,691,254	\$ 3,312,000	\$ 1,486,540	\$ 20,929,207	\$ 4,507,000	\$ -	\$ 43,926,001			5,338

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

Fiscal <u>Year</u>	General Obligation <u>Bonds</u>	Less: Amount			Percentage of Estimated Actual Taxable <u>Value of Property</u>		Per <u>Capita</u>
		Available in Debt <u>Service Fund</u>	Total				
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
2020-21	10,188,698	58,394	10,130,304		2.42%		1,231
2021-22	\$ 13,691,254	\$ 18,803	\$ 13,672,451		3.13%		1,661

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	\$37,803,000	68.60%	\$25,931,496
Sioux County	2,365,000	18.27%	432,123
Northwest Iowa Community College	17,715,000	7.64%	1,353,376
Northwest AEA	4,509,000	2.65%	<u>119,653</u>
Subtotal, overlapping debt			27,836,648
City of Sioux Center direct debt			<u>13,691,254</u>
Total direct and overlapping debt			<u><u>\$41,527,902</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 2021

Assessed value	\$671,710,053
Debt limit (5% of assessed value)	33,585,503
Debt applicable to limit	
Total general obligation bonds	22,635,001
Urban Renewal Development Agreements	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	<u>22,635,001</u>
Legal debt margin	<u><u>\$10,950,502</u></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>	<u>2021</u>	<u>2022</u>
Debt limit	\$20,972,772	\$21,386,457	\$22,885,123	\$23,672,628	\$26,005,079	\$26,775,329	\$29,319,996	\$30,157,340	\$32,720,321	\$33,585,503
Total net debt applicable to limit	9,008,613	7,454,183	5,900,000	5,003,000	3,568,000	17,469,000	19,403,063	21,931,696	20,122,050	22,635,001
Legal debt margin	<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>	<u>\$12,598,271</u>	<u>\$10,950,502</u>
Total net debt applicable to the limit as a percentage of debt limit	42.95%	34.85%	25.78%	21.13%	13.72%	65.24%	66.18%	72.72%	61.50%	67.40%

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

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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
2020-21	2,248,606	1,276,456	972,150	230,000	15,600	3.96
2021-22	\$ 2,208,923	\$ 1,258,395	\$ 950,528	\$ 250,000	\$ 11,000	3.64

Sewer Revenue Bonds

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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	8,075,151	1,734,961	6,340,190	681,766	282,659	6.57
2020-21	2,392,395	1,488,420	903,975	697,000	273,380	0.93
2021-22	\$ 2,344,265	\$ 1,548,326	\$ 795,939	\$ 709,000	\$ 249,440	0.83

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	8,229
Median age	30.2
Median household income	\$80,955
Per capita income	\$32,018
Median home or condo value	\$233,700
Cost of living index (US average is 100)	78.6
Percentage with high-school equivalency	90.0%
Percentage with bachelor's degree or higher	48.1%
Percentage with graduate or professional degree	14.1%
Unemployment rate	1.7%
Daytime population change due to commuting	+1,796 (23.7%)
Average household size	2.6
Residents with incomes below the poverty level	5.3%
School enrollment	2,057

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

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

<u>Function/Program</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>	<u>2021</u>	<u>2022</u>
General Government and Utilities Management	7.2	7.0	7.2	7.1	7.8	7.7	8.2	8.7	7.7	7.7
Public Safety	9.0	9.4	9.4	9.2	9.5	10.1	9.7	11.9	11.9	13.1
Public Works	3.0	3.1	3.0	3.5	3.2	3.7	2.8	2.4	2.1	1.7
Culture and Recreation	25.0	23.7	24.6	23.4	22.7	24.3	24.4	25.0	26.8	26.9
Library	8.5	8.7	8.3	8.4	8.7	8.9	8.8	8.7	8.7	8.5
Electric	6.3	5.9	5.7	5.7	6.3	5.9	6.0	5.7	5.9	6.3
Natural Gas	4.9	4.7	4.5	4.8	4.7	5.0	5.1	5.4	5.2	5.3
Water	5.2	5.0	5.0	5.0	4.9	5.2	5.3	5.4	6.0	6.3
Sewer	5.5	5.5	5.6	5.4	5.3	5.2	5.5	6.3	6.4	6.2
Centre Mall	3.5	3.5	3.4	3.5	3.7	3.6	3.3	3.4	3.2	3.0
Total	78.1	76.5	76.7	76.0	76.8	79.6	79.1	82.9	83.9	85.0

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**

	<u>Function/Program</u>	<u>2022</u>
General Government		
Building Permits Issued		105
Police		
Citations		532
Arrests		348
Fire		
Emergency Responses		148
Parks and Recreation		
Pool Admissions		21,290
Ice Arena Admissions		5,069
Library		
Items Checked Out		260,763
Water		
Average Daily Consumption		854,000
Peak Consumption		1,752,000
Sewer		
Average Daily Treatment		956,000
Peak load (gallons per day)		1,491,000
Electric		
KWH Purchased		130,548,650
KWH Sold		127,048,971
Average Revenue per KWH Sold		0.079
Gas		
MCF Purchased		1,671,865
MCF Sold		1,706,426
Average Revenue per MCF Sold		6.979

Source: Various city departments

City of Sioux Center
Capital Asset Statistics by Function/Program

	<u>Function/Program</u>	<u>2022</u>
Police		
Stations	1	
Patrol units	4	
Fire		
Stations	2	
Emergency vehicles	7	
Other Public Works		
Streets (miles)	61	
Highways (miles)	4	
Streetlights	861	
Traffic signals	4	
Parks and Recreation		
Parks/playgrounds	10	
Bike trail (miles)	7.8	
Baseball/softball diamonds	8	
Soccer/football fields	6	
Facilities (All Seasons Center - pool, ice arena)	1	
Water		
Water mains (miles)	73	
Fire hydrants	415	
Number of wells	16	
Elevated storage capacity (gallons)	650,000	
Water plant capacity (gallons per day)	2,100,000	
Meters in service	3,038	
Sewer		
Sanitary sewers (miles)	49	
Storm sewers (miles)	27	
Design capacity (gallons per day)	4,000,000	
Number of lift stations	11	
Electric		
Electric main wire (miles)	107	
Meters in Service	2,927	
Gas		
Gas mains (miles)	92	
Meters in Service	2,592	

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, 2022, 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 16, 2023.

Report on 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 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City of Sioux Center, Iowa's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Sioux Center, Iowa's response to the findings identified in our audit and described in the accompanying schedule of findings. 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 the response.

Purpose of this Report

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

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

Williams + Company, P.C.

Certified Public Accountants

Le Mars, Iowa
January 16, 2023

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2022

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.

Material Weakness:

2022-001 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-22 Certified Budget

Condition and Criteria – City expenditures during the year ended June 30, 2022, exceeded amounts budgeted in the Debt Service and Business Type activities funds.

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, 2022

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

Cause – The City approved a budget amendment on May 16, 2022. With limited personnel and time constraints, the City inadvertently omitted some items from the preparation of their budget amendment. This resulted in the Debt Service and Business Type Activities funds 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-22 Questionable Expenditures – In accordance with Article III, Section 31, of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. No expenditures were noted that did not meet the public benefit test.

III-C-22 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

III-D-22 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-E-22 Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

III-F-22 Revenue Bonds - No violations of revenue bond resolutions were noted.

III-G-22 Business Transactions – Business transactions between the City and city officials are detailed as follows:

Name, Title and Business Connection	Transaction/Description	Amount
Randy Vrugdenhil, Council Member HSR, LLC	Management fee for the Event Center, per bid	90,000 (1)

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

III-H-22 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-22 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-22 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.

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2022

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

III-K-22 Financial Condition – At June 30, 2022, the City had deficit balances in the following funds:

Fund	Amount
Capital Projects – Trail Extension	\$ (37,490)
Commercial Industrial Park	(1,199,005)
Capital Project – Storm Water	(52,739)
Capital Project – Heritage Village	(441,188)
Capital Project – Industrial Dev.	(47,346)
Capital Project – 16 th Street SW	(17,758)
Internal Service Fund – Auto Revolving	(45,600)

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.