

City of Sioux Center, Iowa



Annual Financial Report

for the fiscal year ended June 30, 2023

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, 2023
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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, 2023, 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, 2023, 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.

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 auditors' 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 59 through 66 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

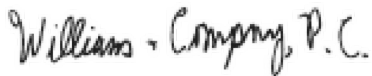
Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, 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 February 9, 2024, 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.



Certified Public Accountants

Le Mars, Iowa
February 9, 2024



Management Discussion and Analysis

June 30, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights:

The assets of the City of Sioux Center exceeded liabilities at the close of business on June 30, 2023 by \$109,000,884 (net position). Of this amount, \$31,135,671 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position, increased by \$12,030,294 during the fiscal year. An increase of \$7,158,299 is attributable to governmental activities and an increase of \$4,871,995 to business type activities.

The City's long-term debt decreased \$1,145,502 due to principal payoff over the past year and issuance of debt. General Obligation debt totaled \$23,100,359 and other long-term debt totaled \$19,680,140. In addition, the City has issued internal debt for capital projects in the amount of \$1,939,501 that will be paid with TIF funds over the next five years.

Overview of the Financial Statements

This discussion and analysis are 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 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 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 the funds of the City of Sioux Center can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Proprietary Funds

The City of Sioux Center maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the activities of the electric utility, gas utility, water utility, sewer utility and the Centre Mall.

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

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

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 exceeded liabilities by \$109,000,884 at the close of the most recent fiscal year.

City of Sioux Center Net Position						
	Governmental Activities		Business-type		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$21,577,792	\$22,764,351	\$35,070,286	\$32,026,281	\$56,648,078	\$54,790,632
Capital assets	<u>60,145,043</u>	<u>49,251,425</u>	<u>53,144,341</u>	<u>51,954,319</u>	<u>113,289,384</u>	<u>101,205,744</u>
Total assets	<u>81,722,835</u>	<u>72,015,776</u>	<u>88,214,627</u>	<u>83,980,600</u>	<u>169,937,462</u>	<u>155,996,376</u>
Deferred Outflows	421,705	378,605	252,883	247,287	674,588	625,892
Long-Term Liabilities	17,494,738	15,853,440	23,796,753	25,123,477	41,291,491	40,976,917
Other liabilities	<u>6,098,007</u>	<u>4,119,835</u>	<u>6,858,934</u>	<u>5,183,675</u>	<u>12,956,941</u>	<u>9,303,510</u>
Total liabilities	<u>23,592,745</u>	<u>19,973,275</u>	<u>30,655,687</u>	<u>30,307,152</u>	<u>54,248,432</u>	<u>50,280,427</u>
Deferred Inflows	7,248,795	8,276,405	113,939	1,094,846	7,362,734	9,371,251
Net Position:						
Net Investment in Capital Assets	44,200,918	38,808,823	28,330,603	25,034,187	72,531,521	63,843,010
Restricted	5,036,992	4,162,094	296,700	301,686	5,333,692	4,463,780
Unrestricted	<u>2,065,090</u>	<u>1,173,784</u>	<u>29,070,581</u>	<u>27,490,016</u>	<u>31,135,671</u>	<u>28,663,800</u>
Total net position	<u>\$51,303,000</u>	<u>\$44,144,701</u>	<u>\$57,697,884</u>	<u>\$52,825,889</u>	<u>\$109,000,884</u>	<u>\$96,970,590</u>

The largest part of the City's net position (66.5 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 (4.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$31,135,671 may be used to meet the government's ongoing obligations to citizens and creditors.

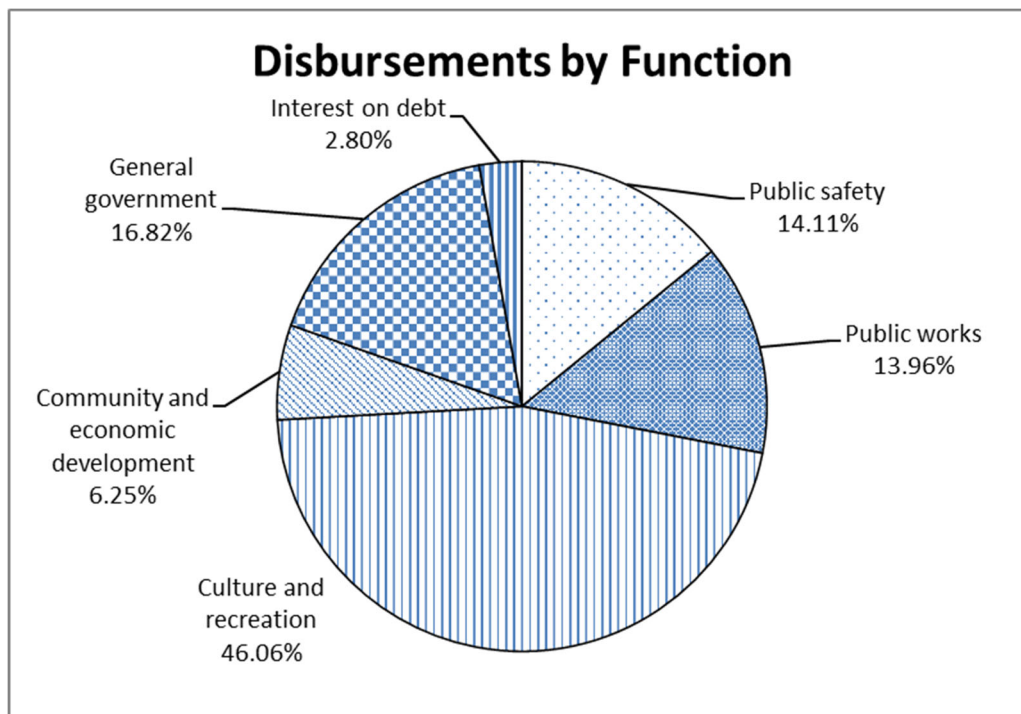
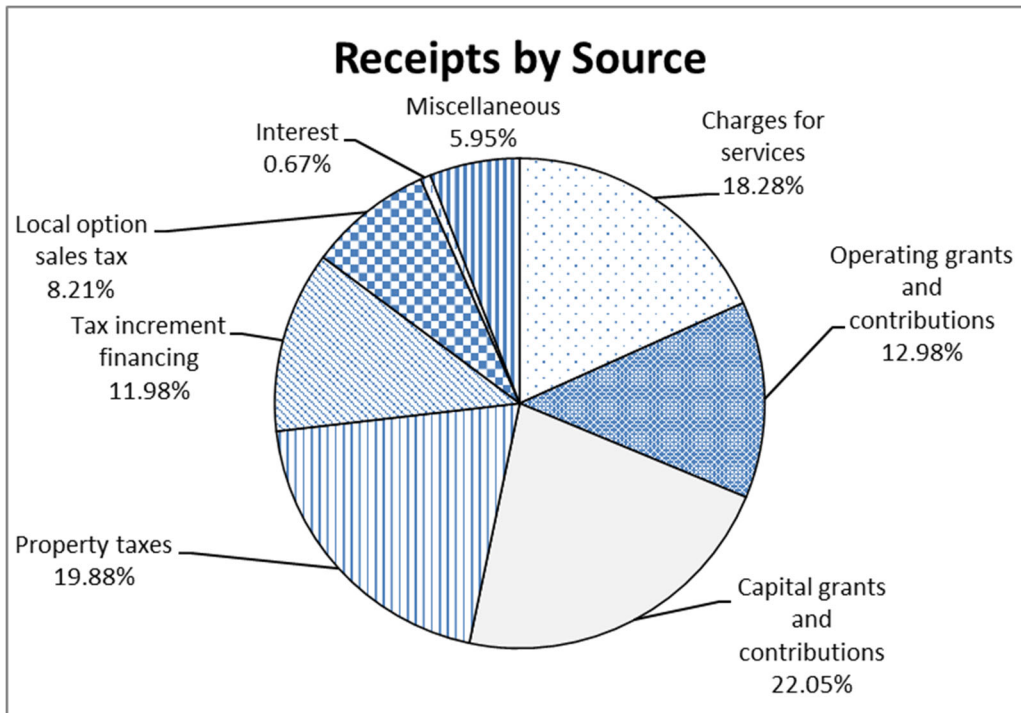
At the end of the current fiscal year, the City of Sioux Center is able to report positive balances in all three categories of net position, both for the government as a whole, business-type activities, and governmental activities.

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

Governmental Activities

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

City of Sioux Center Change Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Charges for services	\$3,862,729	\$2,931,208	\$30,214,857	\$26,727,064	\$34,077,586	\$29,658,272
Operating grants and contributions	2,742,370	2,236,471	-	-	2,742,370	2,236,471
Capital grants and contributions	4,659,308	584,360	-	-	4,659,308	584,360
General Revenues:						
Property taxes	4,200,048	3,943,603	-	-	4,200,048	3,943,603
Tax increment financing	2,532,315	2,337,423	-	-	2,532,315	2,337,423
Other city taxes	1,735,774	1,526,612	-	-	1,735,774	1,526,612
Interest	140,785	35,009	414,594	296,462	555,379	331,471
Miscellaneous	1,258,267	175,413	6,139,207	910,379	7,397,474	1,085,792
Total Revenues:	21,131,596	13,770,099	36,768,658	27,933,905	57,900,254	41,704,004
Expenses:						
Public safety	2,002,861	1,750,379	-	-	2,002,861	1,750,379
Public works	1,981,703	2,534,511	-	-	1,981,703	2,534,511
Culture and recreation	6,539,967	5,025,950	-	-	6,539,967	5,025,950
Community and economic development	888,085	861,105	-	-	888,085	861,105
General government	2,388,426	1,890,835	-	-	2,388,426	1,890,835
Interest on debt	398,026	385,561	-	-	398,026	385,561
Centre Mall	-	-	735,725	778,556	735,725	778,556
Water Utility	-	-	2,143,213	1,890,475	2,143,213	1,890,475
Sewer Utility	-	-	3,150,977	3,268,580	3,150,977	3,268,580
Electric Utility	-	-	10,951,292	10,451,599	10,951,292	10,451,599
Gas Utility	-	-	14,689,685	12,284,658	14,689,685	12,284,658
Total Expenses	14,199,068	12,448,341	31,670,892	28,673,868	45,869,960	41,122,209
Increase/(decrease) in net position before other financing sources	6,932,528	1,321,758	5,097,766	(739,963)	12,030,294	581,795
Other financing sources (uses)	225,771	(150,642)	(225,771)	150,642	-	-
Increase/(decrease) in net position	7,158,299	1,171,116	4,871,995	(589,321)	12,030,294	581,795
Net Position - beginning	44,144,701	42,973,585	52,825,889	53,415,210	96,970,590	96,388,795
Net Position-ending	\$51,303,000	\$44,144,701	\$57,697,884	\$52,825,889	\$109,000,884	\$96,970,590



Sioux Center's property tax revenues for general purposes increased by \$256,445 or approximately 6.5%. 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 2023 was \$7,158,299. In 2022 there was an increase in net position for governmental activities of \$1,171,116. Any discrepancy is due to the timing of grants, refunds and miscellaneous revenues for the City's capital projects that occur over several fiscal years.

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

Business-Type Activities

Business-type activities increased the City of Sioux Center's net position by \$4,871,995.

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>2023</u>	<u>2022</u>
Electric Utility	(\$56,048)	(\$139,631)
Natural Gas Utility	4,832,903	(342,764)
Water Utility	225,515	224,889
Sewer Utility	9,339	(144,234)
Centre Mall	<u>(139,714)</u>	<u>(187,581)</u>
Change in Net Position	<u>\$4,871,995</u>	<u>(\$589,321)</u>

The change in net position for the electric utility in 2023 decreased from 2022 because of community economic grant funds were higher than some previous years.

Change in net position in the gas utility in 2023 was due to recognizing revenue from a service agreement with Siouxland Energy Cooperative. Additionally, sales revenue and gas purchased increased due to increased commodity cost.

The water utility had a gain in net position for 2023. System repair and maintenance increased in fiscal 2023. A rate increase was implemented in the fall of 2022.

The sewer utility had a net position increase for 2023. The net position increase was due to a positive adjustment for net pension liability and slightly higher revenue numbers compared to fiscal 2022.

The Centre Mall's change in net position decreased from 2022 to 2023. A portion of the loss was due to lower amount of rent collected.

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 \$9,802,288 a decrease of \$2,916,531 from last fiscal year.

The general fund is the primary fund of the City. The general total fund balance increased by \$1,120,486 as of June 30, 2023 compared to June 30, 2022.

Budgetary Highlights

The City of Sioux Center adopted one budget amendment during the fiscal year. The total amendment increased budget disbursements by \$13,161,000. Community and Economic Development increase was due to additional development agreements and increased capital spending for additional projects such as highway 75 widening and ASC field turf. 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 2023.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$72,531,521 (net of accumulated depreciation and related debt). Capital assets include land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, right to use assets - equipment and unspent bond proceeds. The total governmental-type capital assets (net of depreciation and related debt) increased \$5,392,095. The increase in capital assets in business-type activities totaled \$3,296,416. The net increase in capital assets for governmental activities is due to the construction of the ASB Indoor Turf Facility, redevelopment of Heritage Village, and Phase 1 and engineering for the Highway 75 Enhancement project. The increase in capital assets for business-type activities is due to decreased bond balances and the West Branch RNG project. The net increase in capital assets for all activities for the fiscal year was \$8,688,511.

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 \$42,780,499 at the end of the current fiscal year. Of this amount \$23,100,359 was general obligation debt which is debt backed by the full faith and credit of the government. The remainder of \$19,680,140 is revenue bonds (and notes) debt that is secured by specific revenue sources. This is a net decrease of \$1,145,502 from the balance at the end of the previous fiscal year. One G.O. bonds was issued for two development projects Brookview and 2nd Ave/13th St SW.

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 \$37,258,630. Net bonded debt applicable to the City's debt limit (total issues outstanding and development agreements less funds reserved for repayment of debt) is \$23,100,359 or 62.0% 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 2023. 25 building permits were issued for commercial construction, 85 permits were issued for residential construction and no permits were issued for tax exempt construction.

Total estimated valuation of this construction was \$37,313,411 compared to \$21,276,924 in the prior year.

Taxable retail sales in fiscal year 2022 increased \$44,514,406 for a total of \$225,353,300. The City's retail sales accounted for 38.5% of all taxable sales in the county.

Contacting Sioux Center's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Sioux Center's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to: Darryl Ten Pas, 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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Cash Equivalents, and Pooled Investments	\$ 11,026,448	\$ 4,426,571	\$ 15,453,019
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	170,361	3,714,167	3,884,528
Taxes	6,848	-	6,848
Subsequent Year Taxes	6,987,547	-	6,987,547
Accrued Interest	461	10,812	11,273
Estimated Unbilled Usage	-	309,324	309,324
Special Assessments	97,639	-	97,639
Lease Receivable	6,336	-	6,336
Notes Receivable	1,244,663	1,131,679	2,376,342
Interfund Balances	(947,501)	947,501	-
Due from Other Governmental Agencies	600,532	-	600,532
Inventories	-	1,120,081	1,120,081
Prepaid Assets	152,285	315,765	468,050
Noncurrent Assets:			
Lease Receivable	25,117	-	25,117
Notes Receivable	-	9,721,783	9,721,783
Long Term Prepaid Asset	-	149,799	149,799
Land Held for Resale	2,207,056	12,923,622	15,130,678
Restricted Assets, Cash and Investments:			
Revenue Bond Future Debt Service Account - Cash & Cash Equivalents	-	299,182	299,182
Land	9,055,446	2,480,264	11,535,710
Construction in Progress	18,392,705	3,149,707	21,542,412
Infrastructure, Property and Equipment, Net of Accumulated Depreciation/Amortization	32,696,892	47,514,370	80,211,262
Total Assets	81,722,835	88,214,627	169,937,462
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	387,808	231,417	619,225
OPEB Related Deferred Outflows	33,897	21,466	55,363
Total Deferred Outflows of Resources	421,705	252,883	674,588
LIABILITIES			
Accounts Payable	2,929,541	4,288,413	7,217,954
Accrued Wages	396,896	135,621	532,517
Accrued Expenses	-	191,248	191,248
Customer Deposits	36,008	79,548	115,556
Unearned Revenue	1,139,058	-	1,139,058
Accrued Interest	24,084	26,379	50,463
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	347,000	1,496,000	1,843,000
General Obligation Bonds	1,144,982	579,018	1,724,000
Lease Agreements	21,028	-	21,028
Compensated Absences and Benefits	59,410	62,707	122,117
Due in more than one year:			
Revenue Bonds Payable	2,775,000	15,060,952	17,835,952
General Obligation Bonds	13,760,214	7,677,768	21,437,982
Lease Agreements	92,685	-	92,685
Net Pension Liability	569,965	820,116	1,390,081
Other Post Employment Benefits	78,644	49,800	128,444
Compensated Absences and Benefits	218,230	188,117	406,347
Total Liabilities	23,592,745	30,655,687	54,248,432
DEFERRED INFLOW OF RESOURCES			
Deferred Revenue - Subsequent Year Taxes	6,987,547	-	6,987,547
Pension Related Deferred Inflows	227,686	113,213	340,899
OPEB Related Deferred Inflows	1,147	726	1,873
Lease Receivable Deferred Inflow	32,415	-	32,415
Total Deferred Inflow of Resources	7,248,795	113,939	7,362,734
NET POSITION			
Net Investment in Capital Assets	44,200,918	28,330,603	72,531,521
Restricted for:			
Debt Service	14,925	296,700	311,625
TIF	28,914	-	28,914
Specific Revenues	1,088	-	1,088
Economic Development	720,107	-	720,107
Local Option Sales Tax	368,526	-	368,526
Road Use Tax	2,732,320	-	2,732,320
American Rescue Plan Funds	16,280	-	16,280
Donor Restrictions	1,154,832	-	1,154,832
Unrestricted	2,065,090	29,070,581	31,135,671
Total Net Position	\$ 51,303,000	\$ 57,697,884	\$ 109,000,884

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Public Safety	\$ 2,002,861	\$ 562,600	\$ 47,504	\$ -
Public Works	1,981,703	633,101	1,140,381	11,819
Culture and Recreation	6,539,967	1,546,196	1,531,668	4,647,489
Community and Economic Development	888,085	-	-	-
General Government	2,388,426	1,120,832	21,441	-
Debt Service	398,026	-	1,376	-
Total governmental activities	14,199,068	3,862,729	2,742,370	4,659,308
Business-Type Activities:				
Electric Utility	10,951,292	10,684,660	-	-
Water Utility	2,143,213	2,334,161	-	-
Sewer Utility	3,150,977	2,190,345	-	-
Gas Utility	14,689,685	14,556,143	-	-
Centre Mall	735,725	449,548	-	-
Total Business-Type Activities:	31,670,892	30,214,857	-	-
Total Primary Government	\$ 45,869,960	\$ 34,077,586	\$ 2,742,370	\$ 4,659,308
General Revenues:				
Property taxes				
Tax Increment Financing				
Other City Taxes				
Interest				
Unrestricted Intergovernmental Revenues				
Gain on Sale of Land Held for Resale				
Gain on Sale of Assets				
Sale of Uncapitalized Assets				
Miscellaneous				
Interfund Transfers				
Total general revenues and transfers				
Change in net position				
Net Position - beginning				
Net Position - ending				

See Accompanying Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (1,392,757)		\$ (1,392,757)
(196,402)		(196,402)
1,185,386		1,185,386
(888,085)		(888,085)
(1,246,153)		(1,246,153)
(396,650)		(396,650)
<u>(2,934,661)</u>		<u>(2,934,661)</u>
	(266,632)	(266,632)
	190,948	190,948
	(960,632)	(960,632)
	(133,542)	(133,542)
	<u>(286,177)</u>	<u>(286,177)</u>
	<u>(1,456,035)</u>	<u>(1,456,035)</u>
<u>(2,934,661)</u>	<u>(1,456,035)</u>	<u>(4,390,696)</u>
4,200,048	-	4,200,048
2,532,315	-	2,532,315
1,735,774	-	1,735,774
140,785	414,594	555,379
143,115	-	143,115
168,526	-	168,526
943,026	377,479	1,320,505
3,600	-	3,600
-	5,761,728	5,761,728
<u>225,771</u>	<u>(225,771)</u>	<u>-</u>
<u>10,092,960</u>	<u>6,328,030</u>	<u>16,420,990</u>
7,158,299	4,871,995	12,030,294
44,144,701	52,825,889	96,970,590
<u>\$ 51,303,000</u>	<u>\$ 57,697,884</u>	<u>\$ 109,000,884</u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2023

	General	TIF	ASC Field Turf	Highway 75 Widening	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Pooled Investments	\$ 1,580,893	\$ 28,166	\$ 2,646	\$ 3,380,011	\$ 5,999,354	\$ 10,991,070
Receivables (Net, where applicable, of allowance for uncollectibles)						
Accounts	108,656	-	61,705	-	-	170,361
Taxes	4,808	748	-	-	1,292	6,848
Subsequent Year Taxes	3,260,748	2,818,000	-	-	908,799	6,987,547
Accrued Interest	461	-	-	-	-	461
Special Assessments	97,639	-	-	-	-	97,639
Notes Receivable	1,244,663	-	-	-	-	1,244,663
Due from Other Funds	2,559,104	-	-	-	1,300,000	3,859,104
Due from Other Governmental Agencies	52,968	-	-	348,239	199,325	600,532
Lease Receivable	31,453	-	-	-	-	31,453
Land Held for Resale	2,207,056	-	-	-	-	2,207,056
Total Assets	11,148,449	2,846,914	64,351	3,728,250	8,408,770	26,196,734
Liabilities						
Accounts Payable	583,260	-	80,329	992,613	1,249,057	2,905,259
Accrued Wages	389,915	-	-	-	-	389,915
Customer Deposits	36,008	-	-	-	-	36,008
Due to Other Funds	2,485,000	-	135,000	-	2,186,605	4,806,605
Unearned Revenue	-	-	-	-	1,139,058	1,139,058
Total Liabilities	3,494,183	-	215,329	992,613	4,574,720	9,276,845
Deferred Inflow of Resources						
Unavailable Revenue - Special Assessments	97,639	-	-	-	-	97,639
Unavailable Revenue - Subsequent Year Taxes	3,260,748	2,818,000	-	-	908,799	6,987,547
Unavailable Revenue - Lease	32,415	-	-	-	-	32,415
Total Deferred Inflow of Resources	3,390,802	2,818,000	-	-	908,799	7,117,601
Fund Balances (Deficits)						
Restricted for:						
Debt Service	-	-	-	-	35,817	35,817
TIF	-	28,914	-	-	-	28,914
Emergency Management	-	-	-	-	131	131
Employee Benefit	-	-	-	-	1,088	1,088
Economic Development	-	-	-	-	720,107	720,107
Road Use Tax	-	-	-	-	2,732,320	2,732,320
Heritage Village	-	-	-	-	1,154,832	1,154,832
Capital Projects	-	-	-	2,735,637	226,048	2,961,685
American Rescue Plan Funds	-	-	-	-	16,280	16,280
Local Option Sales Tax	-	-	-	-	368,526	368,526
Committed for:						
Storm Sewer	37,466	-	-	-	-	37,466
Assigned for:						
Fire Department	155,788	-	-	-	-	155,788
Event Center	76,799	-	-	-	-	76,799
Youth Hockey	166,301	-	-	-	-	166,301
Heritage Village	32,170	-	-	-	-	32,170
All Seasons Center	102,767	-	-	-	-	102,767
Open Space Park	410,000	-	-	-	-	410,000
Trails	5,496	-	-	-	-	5,496
Unassigned	3,276,677	-	(150,978)	-	(2,329,898)	795,801
Total Fund Balances (Deficits)	4,263,464	28,914	(150,978)	2,735,637	2,925,251	9,802,288
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,148,449	\$ 2,846,914	\$ 64,351	\$ 3,728,250	\$ 8,408,770	\$ 26,196,734

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, 2023

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

Total Fund Balance - Governmental Funds (page 16)			\$ 9,802,288
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds			60,145,043
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.			(30,428)
Accrued expenses from the balance sheet that require current financial resources for governmental activities			(24,084)
Accrued compensated absences, net pension liability(asset), and other post employment benefits not reported on the modified accrual basis			(885,889)
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	\$ 410,316	
	Deferred Inflows of Resources	<u>(223,261)</u>	187,055
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources			152,285
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds			<u>(18,140,909)</u>
Total Net Position - Governmental Activities (page 13)			<u><u>\$ 51,303,000</u></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, 2023

	General	TIF	ASC Field Turf	Hwy 75 Widening	Other Governmental Funds	Total Governmental Funds
Revenue:						
Taxes	\$ 3,299,373	\$ -	\$ -	\$ -	\$ 900,675	\$ 4,200,048
Licenses and Permits	221,710	-	-	-	-	221,710
Intergovernmental	294,902	-	469,103	651,018	1,176,926	2,591,949
Charges for Services	2,944,359	-	3,859,243	-	-	6,803,602
Use of Money and Property	412,606	-	-	-	-	412,606
TIF Revenue	-	2,532,315	-	-	-	2,532,315
Other City Taxes	180,423	-	-	-	1,555,351	1,735,774
Gain on Land Held for Resale	-	-	-	-	371,478	371,478
Interest on Investments	-	560	1,106	68,151	31,613	101,430
Contribution for Heritage Village	88,500	-	-	-	-	88,500
Contributions and Donations	-	-	5,000	-	30,000	35,000
Miscellaneous	885,839	-	20,093	-	13,088	919,020
Total Revenue	8,327,712	2,532,875	4,354,545	719,169	4,079,131	20,013,432
Expenditures:						
Public Safety	2,055,826	-	-	-	-	2,055,826
Public Works	1,257,674	-	-	-	550,097	1,807,771
Culture and Recreation	5,143,017	-	-	-	305,537	5,448,554
Community and Economic Development	934,847	-	-	-	-	934,847
General Government	1,183,089	-	-	-	-	1,183,089
Capital Projects	-	-	7,145,659	3,037,276	3,033,871	13,216,806
Loss on Disposal of Land Held for Resale	202,952	-	-	-	-	202,952
Debt Service:						
Principal Retirement	-	-	-	-	1,512,679	1,512,679
Interest/Bond Costs	-	-	-	-	408,577	408,577
Total Expenditures	10,777,405	-	7,145,659	3,037,276	5,810,761	26,771,101
Excess (deficiency) of revenues over expenditures	(2,449,693)	2,532,875	(2,791,114)	(2,318,107)	(1,731,630)	(6,757,669)
Other financing sources (uses):						
Proceeds from Sale of Capital Assets	1,023,054	-	-	-	-	1,023,054
Proceeds from Sale of Uncapitalized Assets	3,600	-	-	-	-	3,600
Issuance of Debt	90,479	-	23,234	-	2,475,000	2,588,713
Transfers In	2,626,129	-	400,000	79,430	2,425,448	5,531,007
Transfers Out	(173,083)	(2,509,668)	-	-	(2,622,485)	(5,305,236)
Total other financing sources (uses)	3,570,179	(2,509,668)	423,234	79,430	2,277,963	3,841,138
Net Change in Fund Balance	1,120,486	23,207	(2,367,880)	(2,238,677)	546,333	(2,916,531)
Fund balances - beginning of year	3,142,978	5,707	2,216,902	4,974,314	2,378,918	12,718,819
Fund balances - end of year	\$ 4,263,464	\$ 28,914	\$ (150,978)	\$ 2,735,637	\$ 2,925,251	\$ 9,802,288

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, 2023

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

Net change in fund balances - total governmental funds (page 18)	\$ (2,916,531)
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Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. Capital outlay exceeded depreciation/amortization expenses in the current year as follows:

Expenditures for capital assets	\$ 14,012,774	
Depreciation/Amortization expense	<u>(3,039,126)</u>	10,973,648

Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net position on the statement of activities.	(80,028)
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The internal service fund is used by management to allocate capital equipment operational expenses to various departments. The net revenue of the internal service funds is reported with governmental activities:	(21,736)
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Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources	(7,143)
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Accrued interest expense that does not require current financial resources	4,387
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	9,634	
Other post employment benefits	(2,279)	
Lease Interest Expense	(3,192)	
Pension expense	<u>271,409</u>	275,572

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	\$ (2,588,713)	
Repayments of long-term debt	<u>1,512,681</u>	(1,076,032)

The effect of bond issuance discounts and premiums are show in the governmental funds when new debt is issued, whereas, these amounts are deferred and accreted in the Statement of Activities	<u>6,162</u>
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Change in net position of governmental activities (page 15)	<u><u>\$ 7,158,299</u></u>
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CITY OF SIOUX CENTER, IOWA
STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2023

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,296,668	\$ -	\$ 399,176
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	1,066,365	287,114	653,085
Accrued Interest	5,406	-	-
Estimated Unbilled Usage	200,784	52,724	38,794
Notes Receivable	366,853	-	280,823
Due from Other Funds	6,370,195	-	-
Inventories	586,932	312,690	-
Prepaid Assets	55,780	49,944	113,297
Total Current Assets	9,948,983	702,472	1,485,175
Non Current Assets			
Notes Receivable	859,720	-	4,942,172
Lease Receivable			
Land Held for Resale	8,752,776	-	-
Long Term Prepaid Assets	-	-	-
Restricted Assets:			
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	299,182	-
Land	1,491,829	135,046	45,035
Construction in Progress	161,272	131,815	132,311
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	5,087,838	8,855,041	25,249,694
Total Noncurrent Assets	16,353,435	9,421,084	30,369,212
Total Assets	26,302,418	10,123,556	31,854,387
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	60,480	51,879	55,376
OPEB Related Deferred Outflows	5,589	4,879	5,183
Total Deferred Outflows of Resources	66,069	56,758	60,559
LIABILITIES			
Current Liabilities			
Accounts Payable	1,208,269	109,815	132,293
Accrued Wages	29,207	32,138	27,588
Accrued Expenses	-	-	-
Customer Deposits	36,185	21,038	-
Due to Other Funds	1,300,000	2,160,359	1,303,855
Accrued Interest	-	2,482	18,538
Total Current Liabilities	2,573,661	2,325,832	1,482,274
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	-	248,812	834,000
General Obligation Bonds	-	64,018	515,000
Compensated Absences	15,322	14,299	17,216
Due in more than one year:			
Revenue Bonds Payable	-	-	11,369,140
General Obligation Bonds	-	886,408	6,791,360
Net Pension Liability	214,335	183,854	196,247
Other Post Employment Benefits	12,967	11,318	12,025
Compensated Absences and Benefits, Long-Term	45,964	42,897	51,647
Total Liabilities	2,862,249	3,777,438	21,268,909
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	29,588	25,380	27,091
OPEB Related Deferred Inflows	189	165	175
Total Deferred Inflow of Resources	29,777	25,545	27,266
NET POSITION			
Net Investment in Capital Assets	6,740,939	7,922,664	5,917,540
Restricted for:			
Debt Service	-	296,700	-
Unrestricted	16,735,522	(1,842,033)	4,701,231
Total Net Position	\$ 23,476,461	\$ 6,377,331	\$ 10,618,771

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities Internal Service
Gas Utility	Nonmajor Centre Mall	Total	
\$ 2,648,633	\$ 82,094	\$ 4,426,571	\$ 35,378
1,691,223	16,380	3,714,167	-
5,406	-	10,812	-
17,022	-	309,324	-
484,003	-	1,131,679	-
-	-	6,370,195	-
220,459	-	1,120,081	-
51,594	45,150	315,765	-
5,118,340	143,624	17,398,594	35,378
3,919,891	-	9,721,783	-
4,170,846	-	12,923,622	-
149,799	-	149,799	-
-	-	299,182	-
572,592	235,762	2,480,264	-
2,724,309	-	3,149,707	-
6,554,645	1,767,152	47,514,370	-
18,092,082	2,002,914	76,238,727	-
23,210,422	2,146,538	93,637,321	35,378
42,057	21,625	231,417	11,389
3,979	1,836	21,466	-
46,036	23,461	252,883	11,389
2,827,242	10,794	4,288,413	24,282
29,425	17,263	135,621	-
-	191,248	191,248	6,981
22,325	-	79,548	-
-	658,480	5,422,694	-
5,359	-	26,379	-
2,884,351	877,785	10,143,903	31,263
412,000	-	1,494,812	-
-	-	579,018	-
12,328	3,542	62,707	-
3,693,000	-	15,062,140	-
-	-	7,677,768	-
149,044	76,636	820,116	40,360
9,231	4,259	49,800	-
36,983	10,626	188,117	-
7,196,937	972,848	36,078,381	71,623
20,575	10,579	113,213	5,572
135	62	726	-
20,710	10,641	113,939	5,572
5,746,546	2,002,914	28,330,603	-
-	-	296,700	-
10,292,265	(816,404)	29,070,581	(30,428)
\$ 16,038,811	\$ 1,186,510	\$ 57,697,884	\$ (30,428)

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended June 30, 2023

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
Operating Revenues:			
Charges for Services	\$ 10,684,660	\$ 2,334,161	\$ 2,190,345
Total Operating Revenue	<u>10,684,660</u>	<u>2,334,161</u>	<u>2,190,345</u>
Operating Expenses:			
Operating and Maintenance	10,437,370	1,459,001	1,537,017
Depreciation	513,922	634,896	1,306,498
Total Operating Expenses	<u>10,951,292</u>	<u>2,093,897</u>	<u>2,843,515</u>
Operating Income (Loss)	(266,632)	240,264	(653,170)
Non-Operating Income (Expense):			
Interest Income	118,158	6,492	173,755
Other Non-operating Revenues	569,276	114,713	8,032
Interest Expense	-	(49,316)	(307,462)
Gain/(Loss) on Sale of Capital Assets	350,132	10,505	7,405
Total Non-Operating Income (Expenses)	<u>1,037,566</u>	<u>82,394</u>	<u>(118,270)</u>
Income (Loss) before Transfers	770,934	322,658	(771,440)
Transfers In	13,490	10,455	780,779
Transfers Out	<u>(840,472)</u>	<u>(107,598)</u>	<u>-</u>
Change in Net Position	(56,048)	225,515	9,339
Net Position - Beginning	<u>23,532,509</u>	<u>6,151,816</u>	<u>10,609,432</u>
Net Position - Ending	<u>\$ 23,476,461</u>	<u>\$ 6,377,331</u>	<u>\$ 10,618,771</u>

See Accompanying Notes to Financial Statements

Business Type Activities				Governmental Activities Internal Service Fund			
Gas Utility	Nonmajor		Total				
	Centre Mall						
\$	14,556,143	\$	449,548	\$	30,214,857	\$	374,490
	14,556,143		449,548		30,214,857		374,490
	14,183,486		590,651		28,207,525		396,226
	437,924		145,074		3,038,314		-
	14,621,410		735,725		31,245,839		396,226
	(65,267)		(286,177)		(1,030,982)		(21,736)
	116,233		(44)		414,594		-
	5,058,200		11,507		5,761,728		-
	(68,275)		-		(425,053)		-
	9,437		-		377,479		-
	5,115,595		11,463		6,128,748		-
	5,050,328		(274,714)		5,097,766		(21,736)
	-		135,000		939,724		-
	(217,425)		-		(1,165,495)		-
	4,832,903		(139,714)		4,871,995		(21,736)
	11,205,908		1,326,224		52,825,889		(8,692)
\$	16,038,811	\$	1,186,510	\$	57,697,884	\$	(30,428)

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2023

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 10,812,454	\$ 2,259,811	\$ 1,757,243
Cash Paid to Suppliers for Goods and Services	(9,249,018)	(910,630)	(1,138,324)
Cash Paid to Employees for Services	(764,379)	(658,146)	(714,064)
Other Nonoperating Income	569,276	114,713	8,032
Net Cash Provided (Used) by Operating Activities	<u>1,368,333</u>	<u>805,748</u>	<u>(87,113)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(267,418)	(734,274)	(601,798)
Proceeds from Sale of Capital Assets	1,755	10,505	7,405
Principal Paid on Notes and Bonds	-	(286,113)	(1,419,707)
Interest Paid on Notes and Bonds	-	(48,844)	(323,842)
Net Cash (Used) for Capital and Related Financing Activities	<u>(265,663)</u>	<u>(1,058,726)</u>	<u>(2,337,942)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers From (To) Other Funds	(826,982)	(97,143)	780,779
Due From (To) Other Funds	544,854	93,740	1,063,760
Proceeds Paid on Notes	(1,000,000)	-	-
Payments Received on Notes	179,346	-	272,643
Net Cash Provided (Used) for Non-Capital Financing Activities	<u>(1,102,782)</u>	<u>(3,403)</u>	<u>2,117,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(3,315,624)	-	-
Proceeds from Sale of Land Held for Resale	638,222	-	-
Interest and Dividends on Investments	120,455	6,492	173,755
Net Cash Provided (Used) by Investing Activities	<u>(2,556,947)</u>	<u>6,492</u>	<u>173,755</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,557,059)	(249,889)	(134,118)
Cash and Cash Equivalents at Beginning of Year	<u>3,853,727</u>	<u>549,071</u>	<u>533,294</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,296,668</u>	<u>\$ 299,182</u>	<u>\$ 399,176</u>

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental
Gas Utility	Nonmajor	Total	Activities
	Centre Mall		Internal Service
\$ 14,588,838	\$ 446,373	\$ 29,864,719	\$ 374,490
(11,988,943)	(370,361)	(23,657,276)	(363,044)
(544,466)	(274,831)	(2,955,886)	(49,407)
5,058,200	11,507	5,761,728	
7,113,629	(187,312)	9,013,285	(37,961)
(2,624,844)	-	(4,228,334)	-
9,437	-	29,102	-
(402,000)	-	(2,107,820)	-
(68,627)	-	(441,313)	-
(3,086,034)	-	(6,748,365)	-
(217,425)	135,000	(225,771)	-
-	124,738	1,827,092	-
(4,429,580)	-	(5,429,580)	-
733,303	-	1,185,292	-
(3,913,702)	259,738	(2,642,967)	-
-	-	(3,315,624)	-
-	-	638,222	-
118,530	(44)	419,188	-
118,530	(44)	(2,258,214)	-
232,423	72,382	(2,636,261)	(37,961)
2,416,210	9,712	7,362,014	73,339
\$ 2,648,633	\$ 82,094	\$ 4,725,753	\$ 35,378

continued

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	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)	\$ (266,632)	\$ 240,264	\$ (653,170)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	513,922	634,896	1,306,498
Other Non-Operating Income	569,276	114,713	8,032
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	93,908	(70,597)	(433,402)
Inventories	195,977	(89,307)	-
Prepaid Expenses	(7,420)	(7,755)	(15,332)
Estimated Unbilled Usage	31,128	(6,133)	300
Deferred Outflows of Resources	(4,143)	(3,485)	(368)
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	270,510	11,990	(259,403)
Accrued Wages and Compensated Absences	5,850	10,950	10,952
Accrued Expenses	-	-	-
Customer Deposits	2,758	2,380	-
Net Pension Liability	207,102	177,629	189,167
Deferred Inflows of Resources	(243,246)	(209,445)	(239,996)
OPEB Liability	(657)	(352)	(391)
Total Adjustments	1,634,965	565,484	566,057
Net Cash Provided (Used) by Operating Activities	1,368,333	805,748	(87,113)
Cash and Cash Equivalents	1,296,668	-	399,176
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	299,182	-
Total Cash and Cash Equivalents	\$ 1,296,668	\$ 299,182	\$ 399,176

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental
Gas	Centre	Total	Activities
Utility	Mall		Internal
			Service
\$ (65,267)	\$ (286,177)	\$ (1,030,982)	\$ (21,736)
437,924	145,074	3,038,314	-
5,058,200	11,507	5,761,728	-
22,172	(3,175)	(391,094)	-
41,795	-	148,465	-
33,349	(7,945)	(5,103)	-
9,555	-	34,850	-
1,138	1,262	(5,596)	(124)
1,604,150	(16,111)	1,611,136	(5,711)
14,995	(4,028)	38,719	484
-	(866)	(866)	-
968	-	6,106	-
143,513	73,700	791,111	38,893
(188,060)	(100,160)	(980,907)	(49,767)
(803)	(393)	(2,596)	-
7,178,896	98,865	10,044,267	(16,225)
7,113,629	(187,312)	9,013,285	\$ (37,961)
2,648,633	82,094	4,426,571	35,378
-	-	299,182	-
\$ 2,648,633	\$ 82,094	\$ 4,725,753	\$ 35,378

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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, 2023

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, 2023

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

- 3) Capital Project – The ASC Field Turf Fund is used to account for the use of financial resources to be used for the construction of the ASC Field Turf project.
- 4) Capital Project – The Highway 75 Widening Fund is used to account for the use of financial resources to be used for the construction of the Highway 75 widening project.

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

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The major enterprise funds are listed as follows:

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

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

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

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

Internal Service Funds – Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Sioux Center uses an internal service fund to account for vehicle maintenance and self-funded part or the City's health insurance.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

D. Basis of Accounting

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

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

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

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

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

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, expenditures exceeded the amount budgeted in the Public Safety, Culture and Recreation and Community and Economic Development.

F. Cash And Cash Equivalents And Investments

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

1) Cash and Cash Equivalents

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

- 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 \$671,169. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City's investment in IPAIT is unrated.

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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2022. Any county collections on the 2022-2023 tax levy remitted to the City within 60 days subsequent to June 30, 2023, 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, 2023, 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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items.

K. Restricted Assets

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

L. Property and Equipment

Assets with an initial individual cost of \$5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their 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. Leases

City of Sioux Center is a lessor for an agreement of property. The City recognizes lease receivables and deferred inflows of resources in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City of Sioux center determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

City of Sioux Center uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts include the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Sioux Center is the lessee for noncancellable leases of equipment. The City has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payment made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the City of Sioux Center determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

City of Sioux Center uses the interest charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments include the measurement of the lease liability are composed of fixed payments and a purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are report with other capital assets and lease liabilities are report with long-term debt on the statement of net position.

O. 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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

P. 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.

Q. 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.

R. Landfill Closure Costs

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

S. 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.

T. 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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

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.

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.

U. 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.

V. 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.

W. 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 \$1,139,058 is comprised of funds received through the American Rescue Plan Act.

X. 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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

form or because they are legally or contractually required to be maintained intact.

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

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

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

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

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City's deposits at June 30, 2023, were entirely covered by Federal Depository Insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

Type of Investment	Fair Value	<u>Investment Maturities (In Years)</u>	<u>S & P Rating</u>
		Greater Than 1 Year	June 30, 2023
Commercial Bonds	\$ 110,525	\$ 110,525	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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

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

The recurring fair value measurement for the Commercial Bonds of \$110,525 were determined using the last reported sales price at current exchange rates (Level 1 inputs).

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

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

Note 3 - DUE FROM OTHER GOVERNMENTS

At June 30, 2023, amounts due from other governments were as follows:

Due from the Iowa Department of Transportation for road use tax allocations	\$ 92,481
Due from the State of Iowa for local option sales taxes	106,844
Due from the State of Iowa for hotel and motel sales taxes	52,968
Due from the State of Iowa for highway 75 construction reimbursement	348,239
Total Due from Other Governments	<u>\$ 600,532</u>

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2023, short-term interfund borrowings were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
General Fund	Mall Fund	\$ 658,480
General Fund	Turf Project Fund	135,000
General Fund	Nonmajor Governmental Funds	922,489
General Fund	Water Fund	603,040
General Fund	Sewer Fund	240,095
		<u>2,559,104</u>
Electric Fund	Sewer Fund	1,063,760
Electric Fund	Water Fund	1,557,319
Electric Fund	General Fund	2,485,000
Electric Fund	Nonmajor Governmental Funds	1,264,116
		<u>6,370,195</u>
Nonmajor Gov't Funds	Electrical	1,300,000
		<u>\$ 10,229,299</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, 2023

Note 5 - LEASE RECEIVABLE

<u>Lease Name</u>	<u>Governmental Activities</u>	<u>Total</u>
Indoor Turf Building Space	\$ 31,453	\$ 31,453

On November 30, 2022, the City of Sioux Center entered into a five year lease as Lessor for use of the indoor space within the American State Bank Sports Complex. As of June 30, 2023, the value of the lease receivable is \$31,453. The lessee is required to make annual payments of \$5,000 for the first year, \$7,500 per year for the second and third years, and \$10,000 per year for the fourth and fifth years. The lease has an interest rate of 4.37%. The value of the deferred inflow of resources as of June 30, 2023 was \$32,415 and the City of Sioux Center recognized lease revenue of \$2,947 and lease interest of \$719 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,336	\$ 1,164	\$ 7,500
2025	6,380	1,120	7,500
2026	9,165	835	10,000
2027	9,572	428	10,000
	<u>\$ 31,453</u>	<u>\$ 3,547</u>	<u>\$ 35,000</u>

Note 6 - TRANSFERS

The following is a summary of transfers between funds:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>ASC Field Turf</u>	<u>Centre Hwy 75</u>	<u>Centre Mall</u>	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Total Transfers Out</u>
General	\$ -	\$ 38,083	\$ -	\$ -	\$ 135,000	\$ -	\$ -	\$ -	\$ 173,083
TIF	104,441	1,557,503	-	43,000	-	10,455	780,779	13,490	2,509,668
Nonmajor Governmental	1,704,570	481,485	400,000	36,430	-	-	-	-	2,622,485
Water	107,598	-	-	-	-	-	-	-	107,598
Electric	492,095	348,377	-	-	-	-	-	-	840,472
Gas	217,425	-	-	-	-	-	-	-	217,425
Total Transfers In	<u>\$ 2,626,129</u>	<u>\$ 2,425,448</u>	<u>\$ 400,000</u>	<u>\$ 79,430</u>	<u>\$ 135,000</u>	<u>\$ 10,455</u>	<u>\$ 780,779</u>	<u>\$ 13,490</u>	<u>\$ 6,470,731</u>

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, 2023

Note 7 - CAPITAL ASSETS

A summary of changes in capital assets is follows:

Primary Government

	Balance July 1, 2022	Additions	Deletions	Reclass	Balance June 30, 2023
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 9,134,306	\$ -	\$ 78,860	\$ -	\$ 9,055,446
Construction in Progress	7,243,353	13,304,480	2,155,128	-	18,392,705
Total capital assets not being depreciated	16,377,659	13,304,480	2,233,988	-	27,448,151
Capital assets being depreciated/amortized:					
Buildings	25,147,629	1,353,164	405,447	-	26,095,346
Improvements	13,789,979	1,123,224	538,414	-	14,374,789
Equipment	7,548,380	247,482	169,456	27,118	7,653,524
Right to Use Asset - Equipment	-	139,550	-		139,550
Infrastructure	24,742,502	-	677,153	-	24,065,349
Total Capital assets being depreciated/amortized	71,228,490	2,863,420	1,790,470	27,118	72,328,558
Less: Accumulated Depreciation/Amortization for:					
Buildings	14,168,969	999,581	405,447	-	14,763,103
Improvements	5,718,962	878,649	538,414	-	6,059,197
Equipment	5,786,227	413,971	169,456	27,118	6,057,860
Right to Use Asset - Equipment	-	19,738	-		19,738
Infrastructure	12,680,566	727,187	675,985	-	12,731,768
Total Accumulated Depreciation/Amortization	38,354,724	3,039,126	1,789,302	27,118	39,631,666
Total capital assets being depreciated/amortized, net	32,873,766	(175,706)	1,168	-	32,696,892
Governmental activities capital assets, net	\$ 49,251,425	\$ 13,128,774	\$ 2,235,156	\$ -	\$ 60,145,043

Construction in progress at June 30, 2023, 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, 2023

Note 7- CAPITAL ASSETS – (Continued)

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 2,423,492	\$ 56,772	\$ -	\$ -	\$ 2,480,264
Construction in Progress	1,430,514	3,598,957	1,879,764	-	3,149,707
Total capital assets not being depreciated	3,854,006	3,655,729	1,879,764	-	5,629,971
Capital assets being depreciated:					
Buildings	22,309,778	388,264	-	62,212	22,760,254
Infrastructure	3,019,304	-	-	-	3,019,304
Equipment	2,336,822	170,609	56,292	-	2,451,139
Transmission	61,220,751	1,900,723	143,428	-	62,978,046
Total Capital assets being depreciated	88,886,655	2,459,596	199,720	62,212	91,208,743
Less: Accumulated Depreciation	40,786,342	3,038,314	192,495	62,212	43,694,373
Total capital assets being depreciated, net	48,100,313	(578,718)	7,225	-	47,514,370
Business-type activities capital assets, net	\$ 51,954,319	\$ 3,077,011	\$ 1,886,989	\$ -	\$ 53,144,341

Construction in progress at June 30, 2023 for the business-type activities consisted of south water tower, and various electric, water and gas related improvements.

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

Governmental Activities:	
Public Safety	\$ 244,454
Public Works	188,513
Culture and Recreation	1,739,298
General Government	866,861
Total depreciation/amortization expense - governmental activities	<u>\$ 3,039,126</u>
Business-type activities:	
Electric	\$ 513,922
Water	634,896
Sewer	1,306,498
Gas	437,924
Centre Mall	145,074
Total depreciation expense - business-type activities	<u>\$ 3,038,314</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 7 - CAPITAL ASSETS – (Continued)

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-type Activities
Land	\$ 9,055,446	\$ 2,480,264
Construction in Progress	18,392,705	3,149,707
Capital Assets (net of accumulated depreciation/amortization)	32,696,892	47,514,370
Unspent Bond Proceeds	2,196,784	-
Less: General Obligation Bonds Payable	14,905,196	8,256,786
Revenue Bonds	3,122,000	16,556,952
Lease Agreements	113,713	-
	<u>\$ 44,200,918</u>	<u>\$ 28,330,603</u>
Net Investment in Capital Assets		

Note 8 - 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.

<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities – 2018	2033	3.00%	\$ 4,845,000
Business Type Activities – 2018 – Direct Borrowing	2037	2.00%	7,306,359
Governmental Activities – 2020	2035	1.95%	2,523,573
Business Activities – 2020	2035	1.95%	950,427
Governmental Activities – 2021	2036	1.78%	2,000,000
Governmental Activities – 2022	2036	2.30%	3,000,000
Governmental Activities – 2023	2033	3.24%	2,475,000
			<u>23,100,359</u>
Net Unamortized Bond Discounts and Premium			61,623
Total General Obligation Bonds on Statement of Net Position			<u>\$23,161,982</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 8 - LONG-TERM DEBT – (Continued)

General obligation bonds outstanding as of June 30, 2023 are as follows:

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

Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,144,982	\$ 387,317	\$ 1,532,299	\$ 64,018	\$ 18,533	\$ 82,551
2025	1,177,161	349,310	1,526,471	64,839	17,285	82,124
2026	1,204,340	318,404	1,522,744	65,660	16,020	81,680
2027	1,236,519	286,743	1,523,262	66,481	14,740	81,221
2028	1,263,699	254,103	1,517,802	67,301	13,444	80,745
2029-2033	6,833,446	733,625	7,567,071	351,554	41,581	393,135
2034-2036	1,983,426	61,222	2,044,648	270,574	7,959	278,533
Total	\$ 14,843,573	\$ 2,390,724	\$ 17,234,297	\$ 950,427	\$ 129,562	\$ 1,079,989

Year Ending June 30,	Business-Type Activities Direct Borrowings		
	Principal	Interest	Total
2024	\$ 515,000	\$ 90,202	\$ 605,202
2025	521,000	84,228	605,228
2026	527,000	78,184	605,228
2027	533,000	72,070	605,184
2028	539,000	65,888	605,070
2029-2033	2,791,000	234,182	3,025,182
2034-2037	1,880,359	68,554	1,948,913
Total	\$ 7,306,359	\$ 693,308	\$ 8,000,007

The Governmental General Obligation Bonds on the Statement of Net Position is net unamortized premium of \$61,623.

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 \$7,306,359 as of June 30, 2023. Repayment of this note began in fiscal year 2019.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 8 - LONG-TERM DEBT – (Continued)

Revenue Bonds

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

Revenue bonds outstanding at June 30, 2023 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity</u>	<u>Amounts</u>
Water Revenue Bonds	2.00-2.25%	2024	\$ 250,000
IFA Clean Water Program Revolving Fund	2.00%	2038	6,560,765
IFA Clean Water Program Revolving Fund	2.00%	2038	5,642,375
Gas Revenue Bonds	0.95-1.95%	2032	4,105,000
Governmental Activities	1.23%	2031	1,622,000
Governmental Activities	2.18%	2032	1,500,000
			<u>19,680,140</u>
Net unamortized bond discount and premium			<u>(1,188)</u>
Total Revenue Bonds on Statement of Net Position			<u>\$ 19,678,952</u>

The City issued \$8,000,000 Taxable Sewer Revenue Capital Loan Notes, a direct borrowing, from the Iowa finance Authority during fiscal year 2018. The revenue note is subject to optional redemption by the City at a price of par plus accrued interest on any date with the prior written consent of the Issuer, or if all or substantially all of the project is damaged or destroyed. The note is subject to mandatory redemption if costs of the project are less than initially projected, in which case the amount of the loan shall be reduced to an amount equal to the actual project costs disbursed. Whenever an event of default occurs the Issuer shall have the right to take any action authorized under the loan agreement. The proceeds were used for construction of a new waste treatment plant. The City had a balance of \$6,560,765 as of June 30, 2023. Repayment of this note began in fiscal year 2020.

The City issued \$9,242,000 Taxable Sewer Revenue Capital Loan Notes, a direct borrowing, from the Iowa finance Authority during fiscal year 2018. The revenue note is subject to optional redemption by the City at a price of par plus accrued interest on any date with the prior written consent of the Issuer, or if all or substantially all of the project is damaged or destroyed. The note is subject to mandatory redemption if costs of the project are less than initially projected, in which case the amount of the loan shall be reduced to an amount equal to the actual project costs disbursed. Whenever an event of default occurs the Issuer shall have the right to take any action authorized under the loan agreement. The proceeds were used for construction of a new waste treatment plant. The City had a balance of \$5,642,375 as of June 30, 2023. Repayment of this note began in fiscal year 2020.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 8 - LONG-TERM DEBT – (Continued)

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
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	370,000	27,328	397,328	455,000	41,997	496,997
2029-2033	1,330,000	46,462	1,376,462	1,938,000	90,866	2,028,866
Total	\$ 3,122,000	\$ 242,698	\$ 3,364,698	\$ 4,355,000	\$ 365,077	\$ 4,720,077

Year Ending June 30,	Business Type Activities - Direct Borrowings		
	Principal	Interest	Total
2024	\$ 834,000	\$ 132,260	\$ 966,260
2025	842,000	123,920	965,920
2026	849,000	115,500	964,500
2027	857,000	107,010	964,010
2028	862,000	98,440	960,440
2029-2033	4,403,000	361,710	4,764,710
2034-2038	3,556,140	128,810	3,684,950
Total	\$12,203,140	\$ 1,067,650	\$ 13,270,790

The Water Revenue Bonds are shown net of unamortized bond discount of \$1,188.

Lease Agreements

On March 29, 2022, the City entered into a six year lease agreement for a turf tank ONE robot. The agreement required six annual payments of \$10,000 with the first payment due after the equipment was installed. The agreement has an implicit rate of 3.52% and the final payment due July 8, 2027. During the year ended June 30, 2023, the City paid principal of \$10,000 and interest of \$0.

On January 5, 2023, the City entered into a three year lease agreement for a compact track loader. The agreement required three annual payments of \$15,837 with a purchase option of \$44,786, which is reasonably certain to be exercised, with an implicit rate of 4.56% and the final payment due January 5, 2026. During the year ended June 30, 2023, the City paid principal of \$15,837 and interest of \$0.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 8 - LONG-TERM DEBT – (Continued)

Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 21,028	\$ 4,809	\$ 25,837
2025	21,917	3,920	25,837
2026	51,792	2,994	54,786
2027	9,321	679	10,000
2028	9,655	345	10,000
Total	\$ 113,713	\$ 12,747	\$ 126,460

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 13,691,254	\$ 2,475,000	\$ 1,322,681	\$ 14,843,573	\$ 1,144,982
Revenue Bond	3,312,000	-	190,000	3,122,000	347,000
Lease Agreements	-	113,713	-	113,713	21,028
Compensated Absences	287,274	-	9,634	277,640	59,410
Governmental Activities:					
Long-Term Liabilities	17,290,528	2,588,713	1,522,315	18,356,926	1,572,420
Business-Type Activities:					
Bonds Payable:					
General Obligation	1,157,747	-	207,320	950,427	64,018
GO Direct Borrowing	7,786,000	-	479,641	7,306,359	515,000
Revenue Bonds	5,007,000	-	652,000	4,355,000	662,000
Revenue Direct Borrowing	12,972,000	-	768,860	12,203,140	834,000
Compensated Absences	239,007	11,817	-	250,824	62,707
Business-Type Activities					
Long-Term Liabilities	\$ 27,161,754	\$ 11,817	\$ 2,107,821	\$ 25,065,750	\$ 2,137,725

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 9 - 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 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, 2023

Note 9 - 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 2023, 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, 2023 was \$439,258.

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

At June 30, 2023, the City reported a liability (asset) of \$1,390,081 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2022, 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, 2022, the City's collective proportion was .036793 percent, which was an decrease of .181975 percent from its proportion measured as of June 30, 2021.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 9 - PENSION PLAN – (Continued)

For the year ended June 30, 2023, the City recognized pension expense (revenue) of \$(41,496). At June 30, 2023, 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	\$ 150,389	\$ 22,618
Changes of assumptions	1,394	48,627
Net difference between projected and actual earnings on IPERS' investments	-	225,130
Changes in proportion and differences between City contributions and proportionate share of contributions	28,184	44,524
City's contributions subsequent to the measurement date	439,258	-
Total	\$ 619,225	\$ 340,899

\$439,258 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, 2024. 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
2024	\$ (198,503)
2025	(151,166)
2026	(264,445)
2027	450,983
2028	2,199
	<u>\$ (160,932)</u>

There were no non-employer contributing entities of IPERS.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 9 - PENSION PLAN – (Continued)

Actuarial assumptions – The total pension liability in the June 30, 2022 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, 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns, net of 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%	3.57%
International Equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public Credit	4.0	3.77
Private Equity	13.0	7.57
Private Real Assets	8.5	3.55
Private Credit	8.0	3.63
Cash	1.0	.77
Total	<u>100.0%</u>	

Discount rate – The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 9 - PENSION PLAN – (Continued)

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)	\$ 3,132,725	\$1,390,081	\$(144,062)

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, 2023, the City reported payables to the defined benefit pension plan of \$38,566 for legally required employer contributions and \$25,701 for legally required employee contributions which had been withheld from employee wages and remitted to IPERS after June 30, 2023.

Note 10 - 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, 2023, the following employees were covered by the benefit terms:

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

Total OPEB Liability – The City's total OPEB liability of \$128,444 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – (Continued)

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 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, 2023 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	\$ 132,022
Changes for the year:	
Service cost	6,371
Interest	2,825
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	<u>(12,774)</u>
Net changes	<u>(3,578)</u>
Total OPEB liability end of year	<u>128,444</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 10 - 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	\$ 140,913	\$ 128,444	\$ 144,563

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	\$ 115,000	\$ 128,444	\$ 144,563

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB expense of \$15,415. At June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (1,873)	\$ 40,141
Changes of assumptions	-	15,222
Total	\$ (1,873)	\$ 55,363

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 10 - 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
2024	\$ 6,219
2025	6,219
2026	6,219
2027	6,219
2028	5,976
Thereafter	22,638
Total	<u>\$ 53,490</u>

Note 11 - DEFICIT FUND EQUITY

The City has seven funds with a deficit equity balance at June 30, 2023. The City intends to finance these deficits from various resources including the general fund, and capital project debt financing.

The individual fund deficits were as follows:

Capital Project – Trail Extension	\$ 16,718
Capital Project – Storm Water	306,655
Capital Project – Commercial Industrial Park	1,698,773
Capital Project – South Ridge	5,641
Capital Project – Heritage Village	302,111
Capital Project – ASC Field Turf	150,978
Internal Services Fund – Auto Revolving	34,658

Note 12 - 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 2022-2023 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, 2023

Note 12 - 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
2023	\$ 8,973	\$ 117,965	\$ 116,517	\$ 10,421
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

The June 30, 2023 claims payable balance of \$10,421 is reflected in accounts payable balance on the statement of net position.

Note 13 - COMMITMENTS

At June 30, 2023, the City had six construction contracts in process with the following approximate amounts to be paid as work progresses:

West Branch RNG	\$ 531,017
2 nd Avenue & 13 th St SW	224,316
HMA Resurfacing Project	64,684
Meadow Creek Detention	1,436,600
Biotech Park 4 th Avenue	163,569
Hwy 75 Enhancements	8,510,475

Note 14 - 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 \$393,145 as of June 30, 2023.

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, 2023.

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 \$330,000 as of June 30, 2023.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 14 - NOTES RECEIVABLE – (Continued)

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 loan was paid as of June 30, 2023.

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 \$366,370 as of June 30, 2023.

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 loan was paid as of June 30, 2023.

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 payments per year. The balance as of June 30, 2023 is \$10,000.

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 loan was paid as of June 30, 2023.

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 \$5,222,995 as of June 30, 2023.

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, 2023 is \$20,000.

In September 2022, the City sold the former airport land to Sioux County for \$1,000,000. The county will make four annual payments of \$250,000 ending in September, 2025. The balance as of June 30, 2023 is \$750,000.

In September 2022, the City entered into a cost-sharing agreement with Siouxland Energy Cooperative for a gas line project. The final amount owed was determined on completion of the project. The loan is to be paid over a 10 year period. The balance on the note is \$3,877,322 as of June 30, 2023.

In January 2023, the City loaned Sioux Center Land Development, Inc. \$500,000 for economic development purposes with an interest rate equal to the New York prime rate in effect on the anniversary of the agreement plus 0.5%. The interest rate is 4.20% for the current period. In January 2023, the city loaned an additional \$500,000. The final payment is currently payable July January, 2033. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$1,000,000 as of June 30, 2023.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 14 - NOTES RECEIVABLE – (Continued)

In April 2023, the City loaned The Ridge Golf Course \$98,293 with .80% interest. The loan is to be repaid with a minimum of two payments per year. The balance as of June 30, 2023 is \$98,293.

Note 15 - TAX ABATEMENTS

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

City Tax Abatements

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

For the year ended June 30, 2023, the City abated \$70,099 of property tax under the urban renewal and economic development projects.

Note 16 - 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 \$2,080,786.

During the year ended June 30, 2023, the City rebated \$192,549 of incremental property tax to developers and businesses. The total cumulative principal amount rebated on the agreements is \$1,076,606. The outstanding balance on the agreements at June 30, 2023 was \$1,004,180.

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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2023

Note 17 - ACCOUNTING CHANGE

During the year ended June 30, 2023, the City adopted the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB Statement No. 96 enhances the relevance and consistency of information of the government's SBITA arrangements by establishing requirements based on principle that these arrangements are financings of the right to use an underlying asset. Management did not indicate having any agreements that meet the definition of this standard as of June 30, 2023, and no significant agreements were detected during audit procedures.

Note 18 - SUBSEQUENT EVENT

On August 21, 2023, the City of Sioux Center signed a cooperative agreement with the Iowa Department of Transportation for the Phase 2 portion of the improvements to U.S. 75. The City's estimated commitment is \$11,588,272.

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, 2023

	Governmental Fund Type Actual	Proprietary Funds Actual	Total Actual
Revenue:			
Taxes	\$ 4,200,048	\$ -	\$ 4,200,048
Licenses and Permits	221,710	-	221,710
Intergovernmental	2,591,949	-	2,591,949
Charges for Services	6,803,602	30,214,857	37,018,459
TIF Revenue	2,532,315	-	2,532,315
Other City Taxes	1,735,774	-	1,735,774
Use of Money and Property	885,514	414,594	1,300,108
Miscellaneous	1,042,520	5,761,728	6,804,248
Total Receipts	<u>20,013,432</u>	<u>36,391,179</u>	<u>56,404,611</u>
Expenditures:			
Public Safety	2,055,826	-	2,055,826
Public Works	1,807,771	-	1,807,771
Culture and Recreation	5,448,554	-	5,448,554
Community and Economic Development	1,137,799	-	1,137,799
General Government	1,183,089	-	1,183,089
Capital Projects	13,216,806	-	13,216,806
Debt Service	1,921,256	-	1,921,256
Business Type Activities	-	31,293,413	31,293,413
Total Disbursements	<u>26,771,101</u>	<u>31,293,413</u>	<u>58,064,514</u>
Excess (deficiency) of revenue over expenditures	(6,757,669)	5,097,766	(1,659,903)
Other financing sources (uses):			
Proceeds from Debt Financing	2,588,713	-	2,588,713
Proceeds from Sale of Capitalized Assets	1,026,654	-	1,026,654
Interfund Transfers In	5,531,007	939,724	6,470,731
Interfund Transfers Out	(5,305,236)	(1,165,495)	(6,470,731)
Total other financing sources (uses)	<u>3,841,138</u>	<u>(225,771)</u>	<u>3,615,367</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,916,531)	4,871,995	1,955,464
Fund balances/Net position- beginning of year	12,718,819	52,825,889	65,544,708
Fund balances/Net position - end of year	<u>\$ 9,802,288</u>	<u>\$ 57,697,884</u>	<u>\$ 67,500,172</u>

See Accompanying Notes to Financial Statements

Budgeted Amounts		Final Budget Favorable (Unfavorable)
Original	Final	
\$ 4,195,347	\$ 4,195,347	\$ 4,701
110,680	110,680	111,030
4,542,433	4,542,433	(1,950,484)
30,189,696	35,514,696	1,503,763
2,516,000	2,516,000	16,315
1,342,803	1,342,803	392,971
999,500	2,872,500	(1,572,392)
1,363,010	5,962,010	842,238
<u>45,259,469</u>	<u>57,056,469</u>	<u>(651,858)</u>
1,884,340	1,957,340	(98,486)
2,086,750	2,137,750	329,979
4,482,890	5,352,890	(95,664)
622,520	1,034,520	(103,279)
1,150,620	1,257,120	74,031
9,175,000	14,392,000	1,175,194
2,448,009	2,524,509	603,253
25,585,715	31,940,715	647,302
<u>47,435,844</u>	<u>60,596,844</u>	<u>2,532,330</u>
(2,176,375)	(3,540,375)	1,880,472
4,000,000	6,474,000	(3,885,287)
		1,026,654
6,751,056	7,706,056	(1,235,325)
<u>(6,751,056)</u>	<u>(7,706,056)</u>	<u>1,235,325</u>
<u>4,000,000</u>	<u>6,474,000</u>	<u>(2,858,633)</u>
1,823,625	2,933,625	(978,161)
63,047,083	63,047,083	2,497,625
<u>\$ 64,870,708</u>	<u>\$ 65,980,708</u>	<u>\$ 1,519,464</u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER
Notes to Required Supplementary Information – Budgetary Reporting
For the year ended June 30, 2023

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 Custodial 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 \$13,161,000. The budget amendment is reflected in the final budgeted amounts.

During the fiscal year ended June 30, 2023, disbursements exceeded budgeted amounts in public safety, culture and recreation and community and economic development.

**CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS* (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019
City's proportion of the net pension liability (asset)	.036793%	(.1451822%)	.0411215%	.0410061%	.0418981 %
City's proportionate share of the net pension liability (asset)	\$ 1,390	\$ (501)	\$ 2,889	\$ 2,375	\$ 2,651
City's covered payroll	\$ 4,271	\$ 3,995	\$ 3,768	\$ 3,682	\$ 3,663
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.55%	(12.54)%	76.67%	64.50%	72.37%
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.41%	100.81%	82.90%	85.45%	83.62%

	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	.0417624%	.0410060%	.0357685%	.0396470%
City's proportionate share of the net pension liability (asset)	\$ 2,782	\$ 2,581	\$ 1,767	\$ 1,572
City's covered payroll	\$ 3,601	\$ 2,975	\$ 3,245	\$ 3,149
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	77.26%	86.76%	54.45%	49.92%
Plan fiduciary net position as a percentage of the total pension liability (asset)	82.21%	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, 2023**

	2023	2022	2021	2020	2019
Statutorily required contribution	\$ 439	\$ 402	\$ 378	\$ 358	\$ 351
Contributions in relation to the statutorily required contribution	(439)	(402)	(378)	(358)	(351)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$4,668	\$4,271	\$3,995	\$ 3,768	\$ 3,682
Contributions as a percentage of covered payroll	9.40%	9.41%	9.46%	9.50%	9.53%

	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 332	\$ 326	\$ 308	\$ 297	\$ 286
Contributions in relation to the statutorily required contribution	(332)	(326)	(308)	(297)	(286)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$ 3,663	\$ 3,601	\$ 2,975	\$ 3,245	\$ 3,149
Contributions as a percentage of covered payroll	9.06%	9.05%	10.35%	9.09%	9.08%

CITY OF SIOUX CENTER, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Benefit Terms:

There were no significant changes of benefit terms.

Changes of Assumptions

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

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

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, 2023**

	2023	2022	2021	2020	2019
Service Cost	\$ 6,371	\$ 6,185	\$ 2,854	\$ 2,771	\$ 2,415
Interest Cost	2,825	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	(12,774)	(10,711)	(3,349)	(950)	(2,447)
Net change in total OPEB liability	(3,578)	49,721	2,345	1,927	2,707
Total OPEB liability beginning of year	132,022	82,301	79,956	78,029	75,322
Total OPEB liability end of year	\$ 128,444	\$ 132,022	\$ 82,301	\$ 79,956	\$ 78,029
Covered-employee payroll	\$ 4,072,130	\$ 3,953,524	\$ 3,305,691	\$ 3,209,409	\$ 3,132,251
Total OPEB liability as a percentage of covered-employee payroll	3.15%	3.34%	2.49%	2.49%	2.49%
	2018				
Service Cost	\$ 2,345				
Interest Cost	2,614				
Difference between expected and actual experiences	21,878				
Changes in assumptions	4,477				
Benefit payments	(634)				
Net change in total OPEB liability	30,680				
Total OPEB liability beginning of year	44,642				
Total OPEB liability end of year	\$ 75,322				
Covered-employee payroll	\$ 3,041,020				
Total OPEB liability as a percentage of covered-employee payroll	2.48%				

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, 2023**

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, 2023	2.14%
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
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2023

	Special Revenue						
	Road Use Tax	Employee Benefits Levy	Emergency Levy	LOST	ARPA Federal Funds	Heritage Village	Economic Development
Assets							
Cash and Pooled Investments	\$ 1,371,863	\$ -	\$ -	\$ 261,682	\$ 1,155,338	\$ 1,176,623	\$ 720,107
Receivables (Net, where applicable, of allowance for uncollectible)							
Taxes	-	1,088	131	-	-	-	-
Subsequent Year Taxes	-	749,999	99,998	-	-	-	-
Due from Other Funds	1,300,000	-	-	-	-	-	-
Due from Other Governmental Agencies	92,481	-	-	106,844	-	-	-
Total Assets	<u>2,764,344</u>	<u>751,087</u>	<u>100,129</u>	<u>368,526</u>	<u>1,155,338</u>	<u>1,176,623</u>	<u>720,107</u>
Liabilities							
Accounts Payable	32,024	-	-	-	-	21,791	-
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	1,139,058	-	-
Total Liabilities	<u>32,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,139,058</u>	<u>21,791</u>	<u>-</u>
Deferred Inflow of Resources							
Unavailable Revenue - Subsequent Year Taxes	-	749,999	99,998	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>749,999</u>	<u>99,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted for:							
Debt Service	-	-	-	-	-	-	-
Local Option Sales Tax	-	-	-	368,526	-	-	-
Employee Benefit	-	1,088	-	-	-	-	-
Emergency Management	-	-	131	-	-	-	-
Road Use Tax	2,732,320	-	-	-	-	-	-
Heritage Village	-	-	-	-	-	1,154,832	-
American Rescue Plan Funds	-	-	-	-	16,280	-	-
Economic Development	-	-	-	-	-	-	720,107
Capital Projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>2,732,320</u>	<u>1,088</u>	<u>131</u>	<u>368,526</u>	<u>16,280</u>	<u>1,154,832</u>	<u>720,107</u>
Total Liabilities Deferred Inflow of Resources, and Fund Balances	<u>\$ 2,764,344</u>	<u>\$ 751,087</u>	<u>\$ 100,129</u>	<u>\$ 368,526</u>	<u>\$ 1,155,338</u>	<u>\$ 1,176,623</u>	<u>\$ 720,107</u>

See Accompanying Notes to Financial Statements

		Capital Projects								Total
Debt Service Fund	Commercial Industrial Park	Trail Extension	16th Street SW	South Ridge	Storm Water	Industrial Dev	Heritage Village - CP	Governmental Nonmajor Funds		
\$ 35,744	\$ 414	\$ 20,772	\$ 1,146,912	\$ -	\$ 507	\$ 106,503	\$ 2,889	\$ 5,999,354		
73	-	-	-	-	-	-	-	1,292		
58,802	-	-	-	-	-	-	-	908,799		
-	-	-	-	-	-	-	-	1,300,000		
-	-	-	-	-	-	-	-	199,325		
94,619	414	20,772	1,146,912	-	507	106,503	2,889	8,408,770		
-	329,678	-	573,166	5,641	237,162	49,595	-	1,249,057		
-	1,369,509	37,490	404,606	-	70,000	-	305,000	2,186,605		
-	-	-	-	-	-	-	-	1,139,058		
-	1,699,187	37,490	977,772	5,641	307,162	49,595	305,000	4,574,720		
58,802	-	-	-	-	-	-	-	908,799		
58,802	-	-	-	-	-	-	-	908,799		
35,817	-	-	-	-	-	-	-	35,817		
-	-	-	-	-	-	-	-	368,526		
-	-	-	-	-	-	-	-	1,088		
-	-	-	-	-	-	-	-	131		
-	-	-	-	-	-	-	-	2,732,320		
-	-	-	-	-	-	-	-	1,154,832		
-	-	-	-	-	-	-	-	16,280		
-	-	-	-	-	-	-	-	720,107		
-	-	-	169,140	-	-	56,908	-	226,048		
-	(1,698,773)	(16,718)	-	(5,641)	(306,655)	-	(302,111)	(2,329,898)		
35,817	(1,698,773)	(16,718)	169,140	(5,641)	(306,655)	56,908	(302,111)	2,925,251		
\$ 94,619	\$ 414	\$ 20,772	\$ 1,146,912	\$ -	\$ 507	\$ 106,503	\$ 2,889	\$ 8,408,770		

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Governmental Nonmajor Funds
For the Year Ended June 30, 2023

	Special Revenue						
	Road Use Tax	Employee Benefits Levy	Emergency Levy	LOST	ARPA Federal Funds	Heritage Village	Economic Development
Revenue:							
Taxes	\$ -	\$ 750,842	\$ 90,101	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,137,808	21,441	2,573	-	-	-	-
Other City Taxes	-	-	-	1,555,351	-	-	-
Interest on Investments	-	-	-	-	16,280	14,083	252
Donations	-	-	-	-	-	5,000	-
Gain on Land Held for Resale	-	-	-	-	-	-	371,478
Miscellaneous	-	-	-	-	-	1,269	-
Total Revenue	1,137,808	772,283	92,674	1,555,351	16,280	20,352	371,730
Expenditures:							
Public Works	550,097	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	305,537	-
Capital Projects	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-
Interest/Bond Costs	-	-	-	-	-	-	-
Total Expenditures	550,097	-	-	-	-	305,537	-
Excess (deficiency) of revenues over expenditures	587,711	772,283	92,674	1,555,351	16,280	(285,185)	371,730
Other financing sources (uses):							
Issuance of Debt	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	348,377
Transfers Out	(146,429)	(772,517)	(92,704)	(1,610,835)	-	-	-
Total other financing sources (uses)	(146,429)	(772,517)	(92,704)	(1,610,835)	-	-	348,377
Net Change in Fund Balance	441,282	(234)	(30)	(55,484)	16,280	(285,185)	720,107
Fund balances - beginning of year	2,291,038	1,322	161	424,010	-	1,440,017	-
Fund balances - end of year	\$ 2,732,320	\$ 1,088	\$ 131	\$ 368,526	\$ 16,280	\$ 1,154,832	\$ 720,107

See Accompanying Notes to Financial Statements

	Capital Projects								Total
Debt Service Fund	Commercial Industrial Park	Trail Extension	16th Street SW	South Ridge	Storm Water	Industrial Development	Heritage Village - CP	Governmental Nonmajor Funds	
\$ 59,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900,675	
1,376	-	13,728	-	-	-	-	-	1,176,926	
-	-	-	-	-	-	-	-	1,555,351	
998	-	-	-	-	-	-	-	31,613	
-	-	25,000	-	-	-	-	-	30,000	
-	-	-	-	-	-	-	-	371,478	
-	11,819	-	-	-	-	-	-	13,088	
62,106	11,819	38,728	-	-	-	-	-	4,079,131	
-	-	-	-	-	-	-	-	550,097	
-	-	-	-	-	-	-	-	305,537	
-	511,587	17,956	1,359,977	5,641	253,916	823,871	60,923	3,033,871	
1,512,679	-	-	-	-	-	-	-	1,512,679	
408,577	-	-	-	-	-	-	-	408,577	
1,921,256	511,587	17,956	1,359,977	5,641	253,916	823,871	60,923	5,810,761	
(1,859,150)	(499,768)	20,772	(1,359,977)	(5,641)	(253,916)	(823,871)	(60,923)	(1,731,630)	
-	-	-	1,546,875	-	-	928,125	-	2,475,000	
1,877,071	-	-	-	-	-	-	200,000	2,425,448	
-	-	-	-	-	-	-	-	(2,622,485)	
1,877,071	-	-	1,546,875	-	-	928,125	200,000	2,277,963	
17,921	(499,768)	20,772	186,898	(5,641)	(253,916)	104,254	139,077	546,333	
17,896	(1,199,005)	(37,490)	(17,758)	-	(52,739)	(47,346)	(441,188)	2,378,918	
\$ 35,817	\$ (1,698,773)	\$ (16,718)	\$ 169,140	\$ (5,641)	\$ (306,655)	\$ 56,908	\$ (302,111)	\$ 2,925,251	

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
June 30, 2023

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
ASSETS			
Cash	\$ 20,727	\$ 14,651	\$ 35,378
Total Assets	<u>20,727</u>	<u>14,651</u>	<u>35,378</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	11,389	-	11,389
Total Deferred Outflows of Resources	<u>11,389</u>	<u>-</u>	<u>11,389</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	13,861	10,421	24,282
Accrued Expenses	6,981	-	6,981
Total Current Liabilities	<u>20,842</u>	<u>10,421</u>	<u>31,263</u>
Noncurrent Liabilities:			
Net Pension Liability	40,360	-	40,360
Total Liabilities	<u>61,202</u>	<u>10,421</u>	<u>71,623</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	5,572	-	5,572
Total Deferred Outflows of Resources	<u>5,572</u>	<u>-</u>	<u>5,572</u>
NET POSITION			
Unrestricted	(34,658)	4,230	(30,428)
Total Net Position	<u>\$ (34,658)</u>	<u>\$ 4,230</u>	<u>\$ (30,428)</u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds
For the Year Ended June 30, 2023

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
Operating Revenues:			
Charges for Services	283,440	91,050	\$ 374,490
Total Operating Revenue	<u>283,440</u>	<u>91,050</u>	<u>374,490</u>
Operating Expenses:			
Operating and Maintenance	272,498	123,728	396,226
Total Operating Expenses	<u>272,498</u>	<u>123,728</u>	<u>396,226</u>
Operating Income	10,942	(32,678)	(21,736)
Change in Net Position	10,942	(32,678)	(21,736)
Net Position - Beginning	<u>(45,600)</u>	<u>36,908</u>	<u>(8,692)</u>
Net Position - Ending	<u>\$ (34,658)</u>	<u>\$ 4,230</u>	<u>\$ (30,428)</u>

See Accompanying Notes to Financial Statements

STATISTICAL SECTION

This part of the City of Sioux Center's 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	73
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	78
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	83
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	88
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	89
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 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>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>	<u>2023</u>
Governmental activities										
Net Investment in capital assets	\$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	\$44,200,918
Restricted	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	5,036,992
Unrestricted	2,685,934	(453,707)	(96,393)	1,397,216	2,080,034	2,019,893	2,553,943	(24,989)	1,173,784	2,065,090
Total governmental activities net position	<u>\$40,193,774</u>	<u>\$40,345,567</u>	<u>\$41,737,132</u>	<u>\$43,333,331</u>	<u>\$43,895,651</u>	<u>\$45,801,225</u>	<u>\$46,291,375</u>	<u>\$42,973,585</u>	<u>\$44,144,701</u>	<u>\$51,303,000</u>
Business-type activities										
Net Investment in capital assets	\$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	\$28,330,603
Restricted	759,566	433,522	403,778	407,964	367,018	359,772	510,904	362,249	301,686	296,700
Unrestricted	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	29,070,581
Total business-type activities net position	<u>\$38,426,824</u>	<u>\$39,108,658</u>	<u>\$40,825,596</u>	<u>\$41,633,265</u>	<u>\$42,829,710</u>	<u>\$45,308,088</u>	<u>\$51,839,237</u>	<u>\$53,415,210</u>	<u>\$52,825,889</u>	<u>\$57,697,884</u>
Primary government										
Net Investment in capital assets	\$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	\$72,531,521
Restricted	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	5,333,692
Unrestricted	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	31,135,671
Total primary government net position	<u>\$78,620,598</u>	<u>\$79,454,225</u>	<u>\$82,562,728</u>	<u>\$84,966,596</u>	<u>\$86,725,361</u>	<u>\$91,109,313</u>	<u>\$98,130,612</u>	<u>\$96,388,795</u>	<u>\$96,970,590</u>	<u>\$109,000,884</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Public Safety	\$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	\$2,002,861
Public Works	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	1,981,703
Culture and Recreation	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	6,539,967
Community and Economic Development	285,022	159,876	222,034	215,862	1,197,672	400,945	734,365	4,317,670	861,105	888,085
General Government	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	2,388,426
Debt Service	226,094	211,195	131,133	90,990	174,467	236,013	261,212	308,116	385,561	398,026
Total governmental activities expenses	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	14,199,068
Business-type activities:										
Centre Mall	901,545	935,506	873,966	955,746	963,741	940,703	1,015,338	1,008,594	778,556	735,725
Water	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	2,143,213
Sewer	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	3,150,977
Electric	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	10,951,292
Natural Gas	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	14,689,685
Total business-type activities expenses	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	31,670,892
Total primary government expenses	\$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	\$45,869,960
Program Revenues										
Governmental activities:										
Charges for services:										
Public Safety	57,011	345,828	384,310	355,923	420,661	347,501	402,296	389,425	348,297	562,600
Public Works	447,474	486,249	497,318	483,418	531,849	543,204	579,423	580,803	608,326	633,101
Culture and Recreation	887,966	940,108	1,032,268	979,563	982,462	908,180	1,470,702	1,273,636	1,387,264	1,546,196
Community and Economic Development	65,576	-	-	-	-	-	-	-	-	-
General Government	56,431	524,014	600,959	648,059	482,113	505,104	791,035	642,510	587,321	1,120,832
Operating grants and contributions	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	2,742,370
Capital grants and contributions	288,330	484,727	81,859	239,249	678,125	-	-	100,147	584,360	4,659,308
Total governmental activities program revenues	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	11,264,407
Business-type activities:										
Charges for services:										
Centre Mall	440,770	503,314	460,118	469,880	422,434	429,908	436,713	412,710	468,424	449,548
Water	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	2,334,161
Sewer	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	2,190,345
Electric	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	10,684,660
Natural Gas	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	14,556,143
Total business-type activities program revenues	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	30,214,857
Total primary government program revenues	\$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	\$41,479,264

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	(\$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)	(\$2,934,661)
Business-type activities	78,600	1,004,477	228,377	(719,841)	(178,993)	1,296,566	4,428,716	(1,044,541)	(1,946,804)	(1,456,035)
Total primary government net expense	(\$6,746,663)	(\$3,903,517)	(\$5,173,678)	(\$5,969,901)	(\$6,330,275)	(\$4,285,085)	(\$2,183,258)	(\$11,599,825)	(\$8,643,106)	(\$4,390,696)
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	\$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	\$6,912,786
Local option sales tax	732,227	802,539	805,958	898,947	781,860	825,232	1,019,968	1,089,593	1,350,101	1,555,351
Unrestricted investment earnings	10,817	15,403	25,051	20,763	27,652	75,743	64,611	29,647	35,009	140,785
Miscellaneous	1,359,547	52,316	131,269	116,851	155,972	582,389	156,361	176,614	175,413	1,258,267
Transfers	215,504	299,326	474,666	407,011	214,787	(42,984)	(144,594)	(193,591)	(150,642)	225,771
Total governmental activities	7,060,284	6,224,821	6,723,620	6,846,260	6,684,654	7,249,660	7,102,124	7,274,763	7,867,418	10,092,960
Business-type activities										
Unrestricted investment earnings	272,058	74,822	71,314	117,159	137,017	152,911	491,605	280,301	296,462	792,073
Miscellaneous	(874,066)	694,984	1,891,913	1,817,362	1,466,013	985,919	1,434,918	2,146,622	910,379	5,761,728
Transfers	(215,504)	(299,326)	(474,666)	(407,011)	(214,787)	42,984	144,594	193,591	150,642	(225,771)
Total business-type activities	(817,512)	470,480	1,488,561	1,527,510	1,388,243	1,181,814	2,071,117	2,620,514	1,357,483	6,328,030
Total primary government	\$6,242,772	\$6,695,301	\$8,212,181	\$8,373,770	\$8,072,897	\$8,431,474	\$9,173,241	\$9,895,277	\$9,224,901	\$16,420,990
Change in Net Position										
Governmental activities	235,021	1,316,827	1,321,565	1,596,200	533,372	1,668,009	490,150	(3,280,521)	1,171,116	7,158,299
Business-type activities	(738,912)	1,474,957	1,716,938	807,669	1,209,250	2,478,380	6,499,833	1,575,973	(589,321)	4,871,995
Total primary government	(\$503,891)	\$2,791,784	\$3,038,503	\$2,403,869	\$1,742,622	\$4,146,389	\$6,989,983	(\$1,704,548)	\$581,795	\$12,030,294

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

	Fiscal Year									
	<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>	<u>2023</u>
General Fund										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,466
Assigned	442,100	273,560	273,445	151,534	275,685	1,471,623	3,490,766	2,061,271	702,717	949,321
Unassigned	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	3,276,677
Total general fund	<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>	<u>\$4,263,464</u>
All other governmental funds										
Restricted										
Special revenue funds	\$ 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	\$7,983,883
Debt service funds	1,444	886	920	2,007	3,897	5,102	5,001	57,984	17,896	35,817
Restricted, reported in:										
Capital project funds	(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	(2,480,876)
Total all other governmental funds	<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>	<u>\$5,538,824</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$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	\$4,200,048
Tax increment financing	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	2,532,315
Other city taxes	863,726	937,515	949,783	1,042,172	928,371	982,175	1,153,500	1,219,381	1,526,612	1,735,774
Special assessments	37,876	48,439	33,313	26,715	31,976	21,442	20,012	5,101	-	-
Licenses and permits	104,227	90,052	123,935	120,097	172,835	107,640	144,686	156,234	127,510	221,710
Intergovernmental	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	2,591,949
Charges for services	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	6,803,602
Miscellaneous	1,250,063	789,908	947,915	917,418	1,507,743	1,939,992	1,057,220	828,804	1,423,637	1,515,428
Use of property and money	237,795	349,939	295,373	419,814	337,070	430,762	479,257	359,697	385,709	412,606
Total Revenues	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	20,013,432
Expenditures										
Public safety	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	2,055,826
Public works	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	1,807,771
Culture and recreation	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	5,448,554
Community and economic development	285,958	268,921	224,363	195,637	1,176,735	378,640	748,083	4,317,016	1,000,238	934,847
General government	1,099,921	1,092,187	1,305,023	852,743	906,046	980,903	1,030,638	973,639	1,031,552	1,183,089
Capital projects	1,000,931	1,496,634	860,900	49,070	973,608	6,646,830	957,023	3,925,593	3,103,317	13,216,806
Loss on Disposal of Land Held for Resale	-	-	-	-	-	-	-	-	-	202,952
Debt service										
Interest	233,227	196,974	126,886	87,190	157,236	239,702	255,709	311,272	387,179	408,577
Principal	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	1,512,679
Total Expenditures	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	26,771,101
Excess (deficiency) of revenues over expenditures	272,540	(1,835,851)	(847,136)	1,613,361	(498,092)	(5,189,235)	778,054	(5,962,053)	(2,273,601)	(6,757,669)
Other financing sources (uses)										
Bonds issued	-	-	583,000	-	6,592,435	-	5,087,744	2,000,000	6,500,000	2,588,713
Proceeds from Sale of Land or Assets	-	-	-	-	-	64,086	369,702	-	-	1,026,654
Transfers in	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	5,531,007
Transfers out	(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)	(5,305,236)
Total other financing sources (uses)	215,505	299,326	1,057,666	407,011	6,807,222	21,102	5,312,852	1,806,409	6,349,358	3,841,138
Net change in fund balances	\$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	(\$2,916,531)
Debt service as a percentage of noncapital expenditures	18.1%	28.3%	13.6%	14.8%	13.5%	14.2%	8.4%	12.1%	16.0%	14.2%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Tax Increment Financing Tax</u>	<u>Local Option Sales Tax</u>	<u>Hotel/Motel Tax</u>	<u>Road Use Tax</u>	<u>Total</u>
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
2022-23	\$ 4,200,048	\$ 2,532,315	\$ 1,555,351	\$ 180,423	\$ 1,137,808	\$ 9,605,945

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

Fiscal Year	<u>Real Property</u>		<u>Utilities</u>		<u>Total</u>		Assessed Value as a Percentage of Estimated
	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Assessed</u>	<u>Estimated Actual Value</u>	<u>Actual</u>
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%
2022-23	\$465,197,813	\$ 743,293,635	\$ 1,697,718	\$ 1,878,974	\$ 466,895,531	\$ 745,172,609	62.7%

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

Fiscal <u>Year</u>	City Direct Rates							Overlapping Rates			Total City Consolidated <u>Rate</u>
	<u>General Rate</u>	<u>Civic Center Rate</u>	<u>Liability Ins Rate</u>	<u>Employee Benefits Rate</u>	<u>Emergency Rate</u>	<u>Debt Service Rate</u>	<u>Total Direct City Rate</u>	<u>School District</u>	<u>County Consolidated</u>	<u>Vocational School</u>	
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
2022-23	8.10000	0.13500	0.53327	1.99859	0.23983	0.12830	11.13499	17.70016	3.99606	1.07258	33.90379

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 2021			Taxable Valuation 2012		
<u>Taxpayer</u>	Taxable Assessed Value	Percentage of Total Taxable Value	<u>Taxpayer</u>	Taxable Assessed Value	Percentage of Total Taxable Value
Farmer Coop Society	\$9,454,500	2.02%	Trigen, LLC (Pella)	\$12,792,660	4.77%
Wal-Mart Real Estate	8,331,021	1.78%	Farmers Cooperative Society	7,897,910	2.95%
Harbour Group Investments	7,471,460	1.60%	Walmart Real Estate	7,832,790	2.92%
City of Sioux Center	6,951,730	1.49%	City of Sioux Center (Centre Mall)	6,643,230	2.48%
Trigen, LLC	6,676,380	1.43%	Harbor Group Investments LLC	3,941,170	1.47%
Ver Hoef Automotive	4,552,227	0.97%	Patrick Cudahy (Golden Crisp)	3,483,680	1.30%
American State Bank	4,333,998	0.93%	Link Mfg	2,769,190	1.03%
Mouw Motor Company	3,479,679	0.75%	Southridge Lodging	2,706,980	1.01%
Smithfield Packaged Meats Corp	3,255,318	0.70%	American State Bank	2,556,360	0.95%
South Ridge Lodging	<u>2,861,892</u>	0.61%	R&C Hulshof Farms, LLC	<u>2,520,710</u>	0.94%
	<u><u>\$57,368,205</u></u>	12.29%		<u><u>\$53,144,680</u></u>	19.82%

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

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

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%	1,292	5,234,287	100.0%
2017-18	5,454,401	5,359,890	98.3%	673	5,360,563	98.3%
2018-19	5,651,046	5,652,337	100.0%	451	5,652,788	100.0%
2019-20	5,772,628	5,742,466	99.5%	27,925	5,770,391	100.0%
2020-21	6,053,561	6,046,024	99.9%	272	6,046,296	99.9%
2021-22	6,289,835	6,280,828	99.9%	134	6,280,962	99.9%
2022-23	\$ 6,711,350	\$ 6,710,519	100.0%	\$ -	\$ 6,710,519	100.0%

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 Obligation Bonds	Revenue Bonds	Water Bonds	Sewer Bonds	Gas Bonds	Centre Mall Bonds		
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
2022-23	\$ 14,843,573	\$ 3,122,000	\$ 1,200,426	\$ 19,509,500	\$ 4,105,000	\$ -	\$ 42,780,499	5,199

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

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2022-23	\$ 14,843,573	\$ 35,744	\$ 14,807,829	3.17%	1,799

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	1,685,000	18.27%	307,877
Northwest Iowa Community College	12,710,000	7.64%	971,008
Northwest AEA	4,509,000	2.65%	<u>119,653</u>
Subtotal, overlapping debt			27,330,034
City of Sioux Center direct debt			<u>14,843,573</u>
Total direct and overlapping debt			<u><u>\$42,173,607</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 unit's total taxable assessed value.

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

Legal Debt Margin Calculation for FY 2023

Assessed value	\$745,172,609
Debt limit (5% of assessed value)	37,258,630
Debt applicable to limit	
Total general obligation bonds	23,100,359
Urban Renewal Development Agreements	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	<u>23,100,359</u>
Legal debt margin	<u><u>\$14,158,271</u></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>	<u>2023</u>
Debt limit	\$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	\$37,258,630
Total net debt applicable to limit	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	23,100,359
Legal debt margin	<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>	<u>\$14,158,271</u>
Total net debt applicable to the limit as a percentage of debt limit	34.85%	25.78%	21.13%	13.72%	65.24%	66.18%	72.72%	61.50%	67.40%	62.00%

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

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

Water Revenue Bonds

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022-23	\$ 2,455,366	\$ 1,465,847	\$ 989,519	\$ 250,000	\$ 5,625	3.87

Sewer Revenue Bonds

Fiscal Year	Revenue	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022-23	\$ 2,372,131	\$ 1,537,017	\$ 835,114	\$ 834,000	\$ 151,352	0.85

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	30.7
Median household income	\$81,167
Per capita income	\$32,844
Median home or condo value	\$253,623
Cost of living index (US average is 100)	76.6
Percentage with high-school equivalency	90.0%
Percentage with bachelor's degree or higher	48.1%
Percentage with graduate or professional degree	16.3%
Unemployment rate	2.0%
Daytime population change due to commuting	+1,550 (19.1%)
Average household size	2.7
Residents with incomes below the poverty level	5.3%
School enrollment	2,161

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>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>	<u>2023</u>
General Government and Utilities Management	7.0	7.2	7.1	7.8	7.7	8.2	8.7	7.7	7.7	7.8
Public Safety	9.4	9.4	9.2	9.5	10.1	9.7	11.9	11.9	13.1	13.5
Public Works	3.1	3.0	3.5	3.2	3.7	2.8	2.4	2.1	1.7	2.3
Culture and Recreation	23.7	24.6	23.4	22.7	24.3	24.4	25.0	26.8	26.9	28.0
Library	8.7	8.3	8.4	8.7	8.9	8.8	8.7	8.7	8.5	8.9
Electric	5.9	5.7	5.7	6.3	5.9	6.0	5.7	5.9	6.3	6.3
Natural Gas	4.7	4.5	4.8	4.7	5.0	5.1	5.4	5.2	5.3	5.4
Water	5.0	5.0	5.0	4.9	5.2	5.3	5.4	6.0	6.3	6.3
Sewer	5.5	5.6	5.4	5.3	5.2	5.5	6.3	6.4	6.2	6.3
Centre Mall	3.5	3.4	3.5	3.7	3.6	3.3	3.4	3.2	3.0	3.2
Total	76.5	76.7	76.0	76.8	79.6	79.1	82.9	83.9	85.0	88.0

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>2023</u>
General Government	
Building Permits Issued	110
Police	
Citations	574
Arrests	361
Fire	
Emergency Responses	160
Parks and Recreation	
Pool Admissions	31,362
Ice Arena Admissions	4,642
Library	
Items Checked Out	285,519
Water	
Average Daily Consumption	885,000
Peak Consumption	1,765,000
Sewer	
Average Daily Treatment	942,000
Peak load (gallons per day)	1,684,000
Electric	
KWH Purchased	131,484,272
KWH Sold	128,438,508
Average Revenue per KWH Sold	0.083
Gas	
MCF Purchased	1,868,200
MCF Sold	1,852,793
Average Revenue per MCF Sold	7.856

Source: Various city departments

City of Sioux Center
Capital Asset Statistics by Function/Program

<u>Function/Program</u>	<u>2023</u>
Police	
Stations	1
Patrol units	4
Fire	
Stations	2
Emergency vehicles	7
Other Public Works	
Streets (miles)	61
Highways (miles)	4
Streetlights	889
Traffic signals	4
Parks and Recreation	
Parks/playgrounds	10
Bike trail (miles)	8.0
Baseball/softball diamonds	6
Soccer/football fields	8
Facilities (All Seasons Center and ASB Sports Complex)	2
Water	
Water mains (miles)	74
Fire hydrants	425
Number of wells	16
Elevated storage capacity (gallons)	650,000
Water plant capacity (gallons per day)	2,100,000
Meters in service	3,104
Sewer	
Sanitary sewers (miles)	50
Storm sewers (miles)	29
Design capacity (gallons per day)	4,000,000
Number of lift stations	11
Electric	
Electric main wire (miles)	109
Meters in Service	2,924
Gas	
Gas mains (miles)	104
Meters in Service	2,622

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, 2023, 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 February 9, 2024.

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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2023-001 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*.

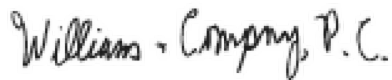
City of Sioux Center, Iowa's Response to Findings

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.



Certified Public Accountants

Le Mars, Iowa
February 9, 2024

**CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2023**

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:

2023-001 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-23 Certified Budget

Condition and Criteria – City expenditures during the year ended June 30, 2023, exceeded amounts budgeted in the Public Safety, Culture and Recreation and Community and Economic Development 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, 2023

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

Cause – The City approved a budget amendment on May 15, 2023. With limited personnel and time constraints, the City inadvertently omitted some items from the preparation of their budget amendment. This resulted in the Public Safety, Culture and Recreation and Community and Economic Development 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-23 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-23 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

III-D-23 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-23 Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

III-F-23 Revenue Bonds - No violations of revenue bond resolutions were noted.

III-G-23 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-23 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-23 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-23 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, 2023

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

III-K-23 Financial Condition – At June 30, 2023, the City had deficit balances in the following funds:

<u>Fund</u>	<u>Amount</u>
Capital Project – Trail Extension	\$ (16,718)
Capital Project – Commercial Industrial Park	(1,698,773)
Capital Project – Storm Water	(306,655)
Capital Project – Heritage Village	(302,111)
Capital Project – ASC Field Turf	(150,978)
Capital Project – South Ridge	(5,641)
Internal Service Fund – Auto Revolving	(34,658)

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.