

City of Sioux Center, Iowa



Annual Financial Report

for the fiscal year ended June 30, 2024

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, 2024
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CITY OF SIOUX CENTER, IOWA

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dale Vander Berg	Mayor	Jan 2028
Eric Moerman	Council Member	Jan 2028
Cory Gotto	Council Member	Jan 2028
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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Sioux Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As described in Note 17 to the financial statements, the City had a correction of error related to inventory. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 58 through 65 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 and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 and the schedule of expenditures of federal awards 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 6, 2025, on our consideration of the City of Sioux Center, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sioux Center's internal control over financial reporting and compliance.

Williams & Company P.C.

Certified Public Accountants

Sheldon, Iowa
February 6, 2025

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Management Discussion and Analysis

June 30, 2024

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, 2024. 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, 2024 by \$119,457,394 (net position). Of this amount, \$31,821,318 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

The City's net position, after restated beginning balance, increased by \$10,323,538 during the fiscal year. An increase of \$8,954,500 is attributable to governmental activities and an increase of \$1,369,038 to business type activities.

The City's long-term debt decreased \$3,588,029 due to principal payoff over the past year. General Obligation debt totaled \$21,659,396 and other long-term debt totaled \$18,952,685.

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 other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Sioux Center's finances in a manner similar to a private-sector business.

The statement of net position presents information on all 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 \$119,457,394 at the close of the most recent fiscal year.

City of Sioux Center Net Position

	Governmental Activities		Business-type		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$17,368,063	\$21,577,792	\$33,925,662	\$35,070,286	\$51,293,725	\$56,648,078
Capital assets	<u>70,550,717</u>	<u>60,145,043</u>	<u>52,525,114</u>	<u>53,144,341</u>	<u>123,075,831</u>	<u>113,289,384</u>
Total assets	<u>87,918,780</u>	<u>81,722,835</u>	<u>86,450,776</u>	<u>88,214,627</u>	<u>174,369,556</u>	<u>169,937,462</u>
Deferred Outflows	693,364	421,705	422,209	252,883	1,115,573	674,588
Long-Term Liabilities	16,194,522	17,494,738	23,437,924	23,796,753	39,632,446	41,291,491
Other liabilities	<u>4,482,444</u>	<u>6,098,007</u>	<u>4,213,468</u>	<u>6,858,934</u>	<u>8,695,912</u>	<u>12,956,941</u>
Total liabilities	<u>20,676,966</u>	<u>23,592,745</u>	<u>27,651,392</u>	<u>30,655,687</u>	<u>48,328,358</u>	<u>54,248,432</u>
Deferred Inflows	7,677,678	7,248,795	21,699	113,939	7,699,377	7,362,734
Net Position:						
Net Investment in Capital Assets	53,928,980	44,200,918	28,479,309	28,330,603	82,408,289	72,531,521
Restricted	5,227,787	5,036,992	-	296,700	5,227,787	5,333,692
Unrestricted	<u>1,100,733</u>	<u>2,065,090</u>	<u>30,720,585</u>	<u>29,070,581</u>	<u>31,821,318</u>	<u>31,135,671</u>
Total net position	<u>\$60,257,500</u>	<u>\$51,303,000</u>	<u>\$59,199,894</u>	<u>\$57,697,884</u>	<u>\$119,457,394</u>	<u>\$109,000,884</u>

The largest part of the City's net position (69.0 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 (4.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$31,821,318 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.

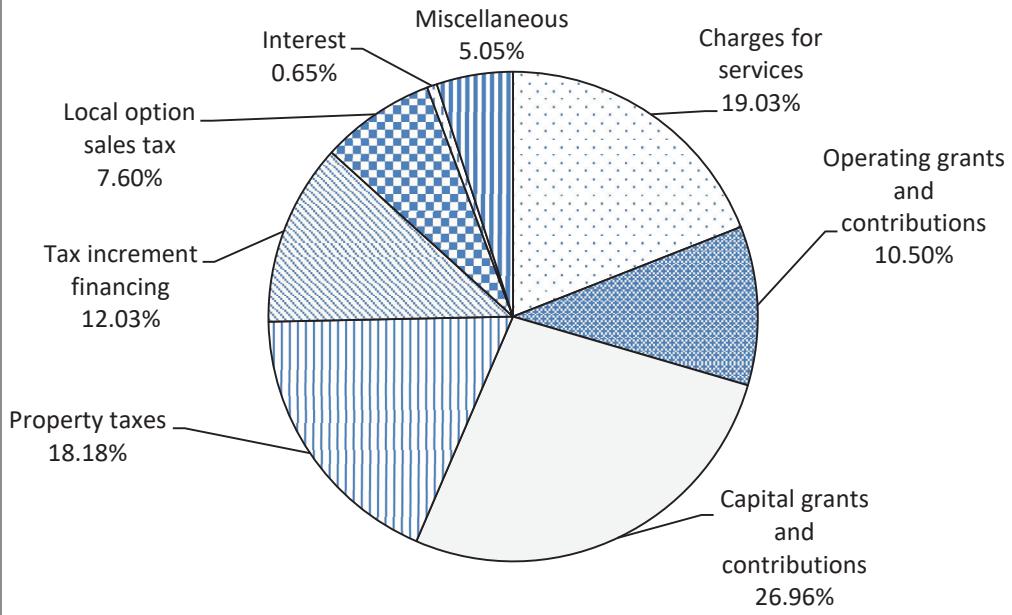
The City's total net position increased during the current fiscal year. The increase in net position in the business-type activities and the increase in the governmental activities column is explained in further detail in the following section.

Governmental Activities

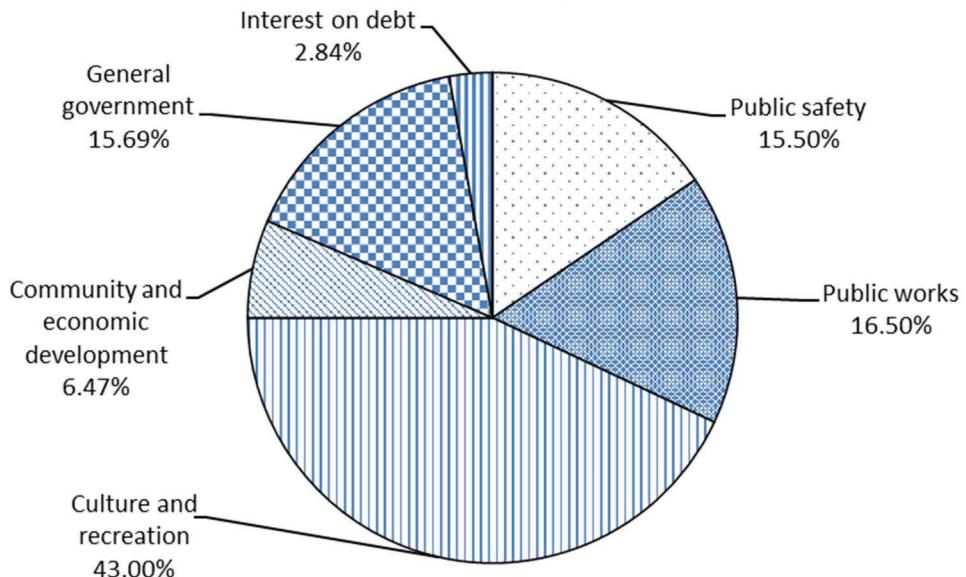
A summary of the City's changes in net position follows:

City of Sioux Center Change Net Position						
	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Charges for services	\$4,509,579	\$3,862,729	\$26,957,200	\$30,214,857	\$31,466,779	\$34,077,586
Operating grants and contributions	2,489,040	2,742,370	-	-	2,489,040	2,742,370
Capital grants and contributions	6,387,020	4,659,308	-	-	6,387,020	4,659,308
General Revenues:						
Property taxes	4,309,816	4,200,048	-	-	4,309,816	4,200,048
Tax increment financing	2,851,999	2,532,315	-	-	2,851,999	2,532,315
Other city taxes	1,801,952	1,735,774	-	-	1,801,952	1,735,774
Interest	153,978	140,785	468,296	414,594	622,274	555,379
Miscellaneous	1,197,916	1,258,267	4,348,444	6,139,207	5,546,360	7,397,474
Total Revenues:	23,701,300	21,131,596	31,773,940	36,768,658	55,475,240	57,900,254
Expenses:						
Public safety	2,546,277	2,002,861	-	-	2,546,277	2,002,861
Public works	2,709,826	1,981,703	-	-	2,709,826	1,981,703
Culture and recreation	7,063,427	6,539,967	-	-	7,063,427	6,539,967
Community and economic development	1,062,331	888,085	-	-	1,062,331	888,085
General government	2,578,177	2,388,426	-	-	2,578,177	2,388,426
Interest on debt	466,878	398,026	-	-	466,878	398,026
Centre Mall	-	-	671,397	735,725	671,397	735,725
Water Utility	-	-	2,498,617	2,143,213	2,498,617	2,143,213
Sewer Utility	-	-	3,172,505	3,150,977	3,172,505	3,150,977
Electric Utility	-	-	10,554,062	10,818,320	10,554,062	10,818,320
Gas Utility	-	-	11,828,205	14,689,685	11,828,205	14,689,685
Total Expenses	16,426,916	14,199,068	28,724,786	31,537,920	45,151,702	45,736,988
Increase/(decrease) in net position before other financing sources						
	7,274,384	6,932,528	3,049,154	5,230,738	10,323,538	12,163,266
Other financing sources (uses)	1,680,116	225,771	(1,680,116)	(225,771)	-	-
Increase/(decrease) in net position	8,954,500	7,158,299	1,369,038	5,004,967	10,323,538	12,163,266
Net Position - beginning	51,303,000	44,144,701	57,830,856	52,825,889	109,133,856	96,970,590
Net Position-ending	\$60,257,500	\$51,303,000	\$59,199,894	\$57,830,856	\$119,457,394	\$109,133,856

Receipts by Source



Disbursements by Function



Sioux Center's property tax revenues for general purposes increased by \$109,768 or approximately 2.6%. 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 2024 was \$8,954,500. In 2023 there was an increase in net position for governmental activities of \$7,158,299. 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 \$1,369,038.

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>2024</u>	<u>2023</u>
Electric Utility	\$313,369	(\$56,048)
Natural Gas Utility	2,631,522	4,832,903
Water Utility	(13,170)	225,515
Sewer Utility	(1,450,336)	9,339
Centre Mall	<u>(112,347)</u>	<u>(139,714)</u>
Change in Net Position	<u>\$1,369,038</u>	<u>\$4,871,995</u>

The change in net position for the electric utility in 2024 increased from 2023 because reimbursement funds for a capital project.

Change in net position in the gas utility in 2024 was due to recognizing revenue from a service agreement with West Branch RNG. Additionally, sales revenue and gas purchased decreased due to decreased commodity cost.

The water utility had a small decrease in net position for 2024. Water purchased cost increased in fiscal 2024 due to Lewis and Clark Regional Water System coming on line. A rate increase was implemented in the fall of 2023.

The sewer utility had a net position decrease for 2024. The net position decrease was due to slightly lower revenue numbers and funds transferred to a capital project. The funds were received from SRF and will lower the interest portion of the three outstanding bonds with SRF.

The Centre Mall's change in net position decreased in 2024. A portion of the loss was due to lower amount of rent collected. Cost did decrease from 2023 to 2024 due to decrease FTE.

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 \$6,675,207 a decrease of \$3,127,081 from last fiscal year.

The general fund is the primary fund of the City. The general total fund balance decreased by \$10,848 as of June 30, 2024 compared to June 30, 2023.

The TIF fund is a major fund of the city. The TIF total fund balance decreased \$13,545 as of June 30, 2024 compared to June 30, 2023.

The highway 75 widening fund is a major capital projects fund of the city. The highway 75 widening fund decreased \$3,295,109 as of June 30, 2024 compared to June 30, 2023.

Budgetary Highlights

The City of Sioux Center adopted one budget amendment during the fiscal year. The total amendment increased budget disbursements by \$3,938,500. The increase was due to additional expenses in all expense function areas. There was additional capital spending costs that were higher than budgeted. Business Type Activities increased due to higher maintenance and depreciation cost. Total disbursements did not exceed the amended budget in fiscal year 2024.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$82,408,289 (net of accumulated depreciation and related debt). Capital assets include land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and right to use assets. The total governmental-type capital assets (net of depreciation and related debt) increased \$9,728,062. The increase in capital assets in business-type activities totaled \$148,706. The net increase in capital assets for governmental activities is due to the construction and engineering cost of 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 \$9,876,768.

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 \$40,574,857 at the end of the current fiscal year. Of this amount \$21,659,396 was general obligation debt which is debt backed by the full faith and credit of the government. The remaining \$18,860,000 is revenue bonds (and notes) debt that is secured by specific revenue sources. This is a net decrease of 2,205,642 from the balance at the end of the previous fiscal year. No new bonds were issued in fiscal year 2024.

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 \$38,560,415. Net bonded debt applicable to the City's debt limit (total issues outstanding and development agreements less funds reserved for repayment of debt) is \$21,659,396 or 56.2% 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 2024. 36 building permits were issued for commercial construction, 87 permits were issued for residential construction, and no permits were issued for tax exempt construction.

Total estimated valuation of this construction was \$65,302,291 compared to \$37,313,411 in the prior year.

Taxable retail sales in fiscal year 2024 increased \$16,396,821 for a total of \$239,772,853. The City's retail sales accounted for 39.2% 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.

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CITY OF SIOUX CENTER, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Cash Equivalents, and Pooled Investments	\$ 4,952,957	\$ 5,046,701	\$ 9,999,658
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	244,571	2,723,123	2,967,694
Taxes	10,163	-	10,163
Subsequent Year Taxes	7,573,423	-	7,573,423
Accrued Interest	554	8,922	9,476
Estimated Unbilled Usage	-	368,129	368,129
Special Assessments	97,639	-	97,639
Lease Receivable	6,380	-	6,380
Notes Receivable	1,332,054	743,785	2,075,839
Interfund Balances	(312,501)	312,501	-
Due from Other Governmental Agencies	1,108,778	-	1,108,778
Inventories	-	1,621,710	1,621,710
Prepaid Assets	166,743	350,461	517,204
Noncurrent Assets:			
Lease Receivable	18,737	-	18,737
Notes Receivable	-	8,872,410	8,872,410
Long Term Prepaid Asset	-	116,510	116,510
Land Held for Resale	2,168,565	13,675,379	15,843,944
Restricted Assets, Cash and Investments:			
Customer Deposits - Cash	-	86,031	86,031
Land	9,055,446	2,480,264	11,535,710
Construction in Progress	18,144,775	4,289,719	22,434,494
Infrastructure, Property and Equipment, Net of Accumulated Depreciation/Amortization	43,350,496	45,755,131	89,105,627
Total Assets	87,918,780	86,450,776	174,369,556
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	662,322	404,389	1,066,711
OPEB Related Deferred Outflows	31,042	17,820	48,862
Total Deferred Outflows of Resources	693,364	422,209	1,115,573
LIABILITIES			
Accounts Payable	2,028,988	1,871,763	3,900,751
Accrued Wages	433,158	128,027	561,185
Accrued Expenses	-	189,098	189,098
Customer Deposits	36,427	86,031	122,458
Unearned Revenue	327,180	-	327,180
Accrued Interest	26,485	23,750	50,235
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	353,000	1,265,000	1,618,000
General Obligation Bonds	1,177,161	585,839	1,763,000
Lease Agreements	21,917	-	21,917
Compensated Absences and Benefits	78,128	63,960	142,088
Due in more than one year:			
Revenue Bonds Payable	2,422,000	14,820,000	17,242,000
General Obligation Bonds	12,576,891	7,374,966	19,951,857
Lease Agreements	70,768	-	70,768
Net Pension Liability	819,140	1,010,122	1,829,262
Other Post Employment Benefits	71,344	40,957	112,301
Compensated Absences and Benefits	234,379	191,879	426,258
Total Liabilities	20,676,966	27,651,392	48,328,358
DEFERRED INFLOW OF RESOURCES			
Deferred Revenue - Subsequent Year Taxes	7,573,423	-	7,573,423
Pension Related Deferred Inflows	60,557	11,838	72,395
OPEB Related Deferred Inflows	17,177	9,861	27,038
Lease Receivable Deferred Inflow	26,521	-	26,521
Total Deferred Inflow of Resources	7,677,678	21,699	7,699,377
NET POSITION			
Net Investment in Capital Assets	53,928,980	28,479,309	82,408,289
Restricted for:			
Debt Service	16,401	-	16,401
TIF	15,369	-	15,369
Specific Revenues	1,032	-	1,032
Economic Development	978,307	-	978,307
Local Option Sales Tax	600,547	-	600,547
Road Use Tax	2,435,984	-	2,435,984
American Rescue Plan Funds	38,982	-	38,982
Donor Restrictions	1,141,165	-	1,141,165
Unrestricted	1,100,733	30,720,585	31,821,318
Total Net Position	\$ 60,257,500	\$ 59,199,894	\$ 119,457,394

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Public Safety	\$ 2,546,277	\$ 530,718	\$ 30,828	\$ -
Public Works	2,709,826	667,148	1,265,668	6,282,994
Culture and Recreation	7,063,427	2,035,712	1,175,166	104,026
Community and Economic Development	1,062,331	-	-	-
General Government	2,578,177	1,276,001	16,115	-
Debt Service	466,878	-	1,263	-
Total governmental activities	<u>16,426,916</u>	<u>4,509,579</u>	<u>2,489,040</u>	<u>6,387,020</u>
Business-Type Activities:				
Electric Utility	10,554,062	10,478,779	-	-
Water Utility	2,498,617	2,485,945	-	-
Sewer Utility	3,172,505	2,181,763	-	-
Gas Utility	11,828,205	11,395,092	-	-
Centre Mall	671,397	415,621	-	-
Total Business-Type Activities:	<u>28,724,786</u>	<u>26,957,200</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 45,151,702</u>	<u>\$ 31,466,779</u>	<u>\$ 2,489,040</u>	<u>\$ 6,387,020</u>
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				
Miscellaneous				
Interfund Transfers				
Total general revenues and transfers				
Change in net position				
Net Position - beginning				
Correction of an error				
Net Position - beginning as restated				
Net Position - ending				

See Accompanying Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (1,984,731)	\$ (1,984,731)	
5,505,984	5,505,984	
(3,748,523)	(3,748,523)	
(1,062,331)	(1,062,331)	
(1,286,061)	(1,286,061)	
(465,615)	(465,615)	
<u>(3,041,277)</u>	<u>(3,041,277)</u>	
\$ (75,283)	\$ (75,283)	
(12,672)	(12,672)	
(990,742)	(990,742)	
(433,113)	(433,113)	
(255,776)	(255,776)	
<u>(1,767,586)</u>	<u>(1,767,586)</u>	
<u>(3,041,277)</u>	<u>(1,767,586)</u>	<u>(4,808,863)</u>
4,309,816	-	4,309,816
2,851,999	-	2,851,999
1,801,952	-	1,801,952
153,978	468,296	622,274
910,096	-	910,096
260,726	-	260,726
21,706	272,872	294,578
5,388	4,075,572	4,080,960
1,680,116	<u>(1,680,116)</u>	-
<u>11,995,777</u>	<u>3,136,624</u>	<u>15,132,401</u>
8,954,500	1,369,038	10,323,538
51,303,000	57,697,884	109,000,884
-	132,972	132,972
<u>51,303,000</u>	<u>57,830,856</u>	<u>109,133,856</u>
<u>\$ 60,257,500</u>	<u>\$ 59,199,894</u>	<u>\$ 119,457,394</u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2024

	General	TIF	Highway 75 Widening	Formerly Major Fund ASC	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Pooled Investments	\$ 422,049	\$ 10,975	\$ 44,646	\$ -	\$ 4,439,606	\$ 4,917,276
Receivables (Net, where applicable, of allowance for uncollectibles)						
Accounts	244,571	-	-	-	-	244,571
Taxes	4,516	4,394	-	-	1,253	10,163
Subsequent Year Taxes	3,477,616	3,206,000	-	-	889,807	7,573,423
Accrued Interest	554	-	-	-	-	554
Special Assessments	97,639	-	-	-	-	97,639
Notes Receivable	1,332,054	-	-	-	-	1,332,054
Due from Other Funds	2,569,172	-	-	-	1,300,000	3,869,172
Due from Other Governmental Agencies	61,171	-	811,872	-	235,735	1,108,778
Lease Receivable	25,117	-	-	-	-	25,117
Land Held for Resale	2,168,565	-	-	-	-	2,168,565
Total Assets	10,403,024	3,221,369	856,518	-	6,866,401	21,347,312
Liabilities						
Accounts Payable	445,875	-	1,415,990	-	141,047	2,002,912
Accrued Wages	426,330	-	-	-	-	426,330
Customer Deposits	36,427	-	-	-	-	36,427
Due to Other Funds	1,640,000	-	-	-	2,541,673	4,181,673
Unearned Revenue	-	-	-	-	327,180	327,180
Total Liabilities	2,548,632	-	1,415,990	-	3,009,900	6,974,522
Deferred Inflow of Resources						
Unavailable Revenue - Special Assessments	97,639	-	-	-	-	97,639
Unavailable Revenue - Subsequent Year Taxes	3,477,616	3,206,000	-	-	889,807	7,573,423
Unavailable Revenue - Lease	26,521	-	-	-	-	26,521
Total Deferred Inflow of Resources	3,601,776	3,206,000	-	-	889,807	7,697,583
Fund Balances (Deficits)						
Restricted for:						
Debt Service	-	-	-	-	38,668	38,668
TIF	-	15,369	-	-	-	15,369
Emergency Management	-	-	-	-	138	138
Employee Benefit	-	-	-	-	1,032	1,032
Economic Development	-	-	-	-	978,307	978,307
Road Use Tax	-	-	-	-	2,435,984	2,435,984
Heritage Village	-	-	-	-	1,141,165	1,141,165
Capital Projects	-	-	-	-	32,079	32,079
American Rescue Plan Funds	-	-	-	-	38,982	38,982
Local Option Sales Tax	-	-	-	-	600,547	600,547
Committed for:						
Storm Sewer	52,253	-	-	-	-	52,253
Assigned for:						
Fire Department	204,172	-	-	-	-	204,172
Event Center	76,799	-	-	-	-	76,799
Youth Hockey	166,783	-	-	-	-	166,783
Heritage Village	31,920	-	-	-	-	31,920
All Seasons Center	197,186	-	-	-	-	197,186
Open Space Park	410,000	-	-	-	-	410,000
Trails	5,496	-	-	-	-	5,496
Unassigned	3,108,007	-	(559,472)	-	(2,300,208)	248,327
Total Fund Balances (Deficits)	4,252,616	15,369	(559,472)	-	2,966,694	6,675,207
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,403,024	\$ 3,221,369	\$ 856,518	\$ -	\$ 6,866,401	\$ 21,347,312

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, 2024

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

Total Fund Balance - Governmental Funds (page 16)	\$ 6,675,207
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds	70,550,717
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.	(26,741)
Accrued expenses from the balance sheet that require current financial resources for governmental activities	(26,485)
Accrued compensated absences, net pension liability(asset), and other post employment benefits not reported on the modified accrual basis	(1,154,658)
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	\$ 673,982
Deferred Inflows of Resources	<u>(77,167)</u>
	596,815
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources	166,743
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(16,621,737)</u>
 Total Net Position - Governmental Activities (page 13)	 <u>\$ 60,257,500</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, 2024

	General	TIF	Hwy 75 Widening	Formerly Major Fund ASC Field Turf	Other Governmental Funds	Total Governmental Funds
Revenue:						
Taxes	\$ 3,370,738	\$ -	\$ -	\$ -	\$ 939,078	\$ 4,309,816
Licenses and Permits	176,982	-	-	-	-	176,982
Intergovernmental	162,913	-	6,282,994	-	2,116,924	8,562,831
Charges for Services	3,432,404	-	-	-	44,174	3,476,578
Use of Money and Property	516,830	-	-	-	-	516,830
TIF Revenue	-	2,851,999	-	-	-	2,851,999
Other City Taxes	237,044	-	-	-	1,564,908	1,801,952
Interest on Investments	-	1,258	27,769	-	89,519	118,546
Contributions and Donations	-	-	-	-	59,852	59,852
Miscellaneous	1,132,390	-	-	-	15,269	1,147,659
Total Revenue	9,029,301	2,853,257	6,310,763		4,829,724	23,023,045
Expenditures:						
Public Safety	2,411,229	-	-	-	-	2,411,229
Public Works	1,395,460	-	-	-	1,349,855	2,745,315
Culture and Recreation	6,037,009	-	-	-	145,028	6,182,037
Community and Economic Development	1,067,756	-	-	-	-	1,067,756
General Government	1,270,124	-	-	-	-	1,270,124
Capital Projects	-	-	10,417,750	-	2,051,624	12,469,374
Debt Service:						
Principal Retirement	21,028	-	-	-	1,491,979	1,513,007
Interest/Bond Costs	4,809	-	-	-	449,023	453,832
Total Expenditures	12,207,415	-	10,417,750		5,487,509	28,112,674
Excess (deficiency) of revenues over expenditures	(3,178,114)	2,853,257	(4,106,987)		(657,785)	(5,089,629)
Other financing sources (uses):						
Proceeds from Sale of Land	260,726	-	-	-	-	260,726
Proceeds from Sale of Capital Assets	21,706	-	-	-	-	21,706
Transfers In	3,378,999	-	811,878	-	4,025,213	8,216,090
Transfers Out	(494,165)	(2,866,802)	-	-	(3,175,007)	(6,535,974)
Total other financing sources (uses)	3,167,266	(2,866,802)	811,878		850,206	1,962,548
Net Change in Fund Balance	(10,848)	(13,545)	(3,295,109)		192,421	(3,127,081)
Fund balances - beginning of year	4,263,464	28,914	2,735,637	(150,978)	2,925,251	9,802,288
Change within financial reporting entity (Major to nonmajor)	-	-	-	150,978	(150,978)	-
Fund balances - beginning of the year, restated	4,263,464	28,914	2,735,637		2,774,273	9,802,288
Fund balances - end of year	\$ 4,252,616	\$ 15,369	\$ (559,472)		\$ 2,966,694	\$ 6,675,207

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, 2024

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

Net change in fund balances - total governmental funds (page 18) \$ (3,127,081)

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	\$ 13,855,356	
Depreciation/Amortization expense	<u>(3,449,682)</u>	10,405,674

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:

3,687

Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources

14,458

Accrued interest expense that does not require current financial resources

1,817

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	(34,867)	
Other post employment benefits	<u>(11,585)</u>	
Lease Interest Expense	<u>(4,218)</u>	
Pension expense	<u>187,443</u>	136,773

The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:

1,513,010

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

6,162

Change in net position of governmental activities (page 15)

\$ 8,954,500

CITY OF SIOUX CENTER, IOWA
STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2024

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,003,281	\$ 319,252	\$ 464,459
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	919,955	212,859	352,552
Accrued Interest	4,461	-	-
Estimated Unbilled Usage	234,625	66,388	49,093
Notes Receivable	-	-	289,247
Due from Other Funds	6,202,366	-	-
Inventories	1,053,128	329,965	-
Prepaid Assets	63,304	56,037	122,824
Total Current Assets	9,481,120	984,501	1,278,175
Non Current Assets			
Notes Receivable	982,220	-	4,652,925
Land Held for Resale	9,504,533	-	-
Long Term Prepaid Assets	-	-	-
Restricted Assets:			
Customer Deposits - Cash	39,512	23,012	-
Land	1,491,829	135,046	45,035
Construction in Progress	309,256	344,394	11,618
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	4,730,076	8,864,817	24,286,760
Total Noncurrent Assets	17,057,426	9,367,269	28,996,338
Total Assets	26,538,546	10,351,770	30,274,513
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	106,217	93,823	97,355
OPEB Related Deferred Outflows	4,821	4,198	4,199
Total Deferred Outflows of Resources	111,038	98,021	101,554
LIABILITIES			
Current Liabilities			
Accounts Payable	1,003,291	205,664	61,967
Accrued Wages	31,054	35,214	30,567
Accrued Expenses	-	-	-
Customer Deposits	39,512	23,012	-
Due to Other Funds	1,300,000	2,627,530	1,303,855
Accrued Interest	-	1,440	17,346
Total Current Liabilities	2,373,857	2,892,860	1,413,735
Noncurrent Liabilities:			
Due within one year:			
Revenue Bonds Payable	-	-	842,000
General Obligation Bonds	-	64,839	521,000
Compensated Absences	17,735	15,241	16,730
Due in more than one year:			
Revenue Bonds Payable	-	-	11,550,000
General Obligation Bonds	-	821,569	6,553,397
Net Pension Liability	265,130	230,722	245,725
Other Post Employment Benefits	11,081	9,649	9,651
Compensated Absences and Benefits, Long-Term	53,204	45,723	50,190
Total Liabilities	2,721,007	4,080,603	21,202,428
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	3,107	2,704	2,880
OPEB Related Deferred Inflows	2,668	2,323	2,324
Total Deferred Inflow of Resources	5,775	5,027	5,204
NET POSITION			
Net Investment in Capital Assets	6,531,161	8,457,849	4,877,016
Unrestricted	17,391,641	(2,093,688)	4,291,419
Total Net Position	\$ 23,922,802	\$ 6,364,161	\$ 9,168,435

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities	
Gas Utility	Nonmajor Centre Mall	Total	Internal Service	
\$ 3,194,876	\$ 64,833	\$ 5,046,701	\$ 35,681	
1,204,216	33,541	2,723,123	-	
4,461	-	8,922	-	
18,023	-	368,129	-	
454,538	-	743,785	-	
-	-	6,202,366	-	
238,617	-	1,621,710	-	
59,624	48,672	350,461	-	
<u>5,174,355</u>	<u>147,046</u>	<u>17,065,197</u>	<u>35,681</u>	
3,237,265	-	8,872,410	-	
4,170,846	-	13,675,379	-	
116,510	-	116,510	-	
23,507	-	86,031	-	
572,592	235,762	2,480,264	-	
3,624,451	-	4,289,719	-	
<u>6,251,400</u>	<u>1,622,078</u>	<u>45,755,131</u>	<u>-</u>	
<u>17,996,571</u>	<u>1,857,840</u>	<u>75,275,444</u>	<u>-</u>	
<u>23,170,926</u>	<u>2,004,886</u>	<u>92,340,641</u>	<u>35,681</u>	
80,086	26,908	404,389	19,382	
3,709	893	17,820	-	
<u>83,795</u>	<u>27,801</u>	<u>422,209</u>	<u>19,382</u>	
590,934	9,907	1,871,763	26,076	
27,832	3,360	128,027	-	
-	189,098	189,098	6,828	
23,507	-	86,031	-	
-	658,480	5,889,865	-	
4,964	-	23,750	-	
<u>647,237</u>	<u>860,845</u>	<u>8,188,534</u>	<u>32,904</u>	
423,000	-	1,265,000	-	
-	-	585,839	-	
10,985	3,269	63,960	-	
3,270,000	-	14,820,000	-	
-	-	7,374,966	-	
187,438	81,107	1,010,122	48,333	
8,523	2,053	40,957	-	
32,956	9,806	191,879	-	
<u>4,580,139</u>	<u>957,080</u>	<u>33,541,257</u>	<u>81,237</u>	
2,197	950	11,838	567	
2,052	494	9,861	-	
<u>4,249</u>	<u>1,444</u>	<u>21,699</u>	<u>567</u>	
6,755,443	1,857,840	28,479,309	-	
11,914,890	(783,677)	30,720,585	(26,741)	
<u>\$ 18,670,333</u>	<u>\$ 1,074,163</u>	<u>\$ 59,199,894</u>	<u>\$ (26,741)</u>	

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, 2024

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
Operating Revenues:			
Charges for Services	\$ 10,478,779	\$ 2,485,945	\$ 2,181,763
Total Operating Revenue	10,478,779	2,485,945	2,181,763
Operating Expenses:			
Operating and Maintenance	10,037,081	1,729,573	1,600,517
Depreciation	516,981	712,355	1,347,534
Total Operating Expenses	10,554,062	2,441,928	2,948,051
Operating Income (Loss)	(75,283)	44,017	(766,288)
Non-Operating Income (Expense):			
Interest Income	139,555	13,153	170,757
Other Non-operating Revenues	754,091	92,528	58,344
Interest Expense	-	(56,689)	(224,454)
Gain on Sale of Capital Assets	260,872	-	12,000
Total Non-Operating Income (Expenses)	1,154,518	48,992	16,647
Income (Loss) before Transfers	1,079,235	93,009	(749,641)
Transfers In	48,058	15,593	605,202
Transfers Out	(813,924)	(121,772)	(1,305,897)
Change in Net Position	313,369	(13,170)	(1,450,336)
Net Position - Beginning	23,476,461	6,377,331	10,618,771
Correction of an error	132,972	-	-
Net Position - Beginning (Restated)	23,609,433	6,377,331	10,618,771
Net Position - Ending	\$ 23,922,802	\$ 6,364,161	\$ 9,168,435

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities	
Gas Utility	Nonmajor		Internal Service Fund	
	Centre	Mall	Total	
\$ 11,395,092	\$ 415,621	\$ 26,957,200	\$ 395,823	
11,395,092	415,621	26,957,200	395,823	
11,320,127	526,323	25,213,621	392,136	
444,064	145,074	3,166,008	-	
11,764,191	671,397	28,379,629	392,136	
(369,099)	(255,776)	(1,422,429)	3,687	
144,399	432	468,296	-	
3,162,612	7,997	4,075,572	-	
(64,014)	-	(345,157)	-	
-	-	272,872	-	
3,242,997	8,429	4,471,583	-	
2,873,898	(247,347)	3,049,154	3,687	
-	135,000	803,853	-	
(242,376)	-	(2,483,969)	-	
2,631,522	(112,347)	1,369,038	3,687	
16,038,811	1,186,510	57,697,884	(30,428)	
-	-	132,972	-	
16,038,811	1,186,510	57,830,856	(30,428)	
\$ 18,670,333	\$ 1,074,163	\$ 59,199,894	\$ (26,741)	

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2024

	Business Type Activities		
	Electric Utility	Water Utility	Sewer Utility
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 10,594,675	\$ 2,548,510	\$ 2,471,997
Cash Paid to Suppliers for Goods and Services	(9,962,403)	(1,114,216)	(1,134,770)
Cash Paid to Employees for Services	(628,966)	(552,614)	(560,517)
Other Nonoperating Income	754,091	92,528	58,344
Net Cash Provided (Used) by Operating Activities	<u>757,397</u>	<u>974,208</u>	<u>835,054</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(307,202)	(934,709)	(263,907)
Proceeds from Sale of Capital Assets	-	-	12,000
Proceeds from Issuance of Debt	-	-	1,305,897
Principal Paid on Notes and Bonds	-	(314,019)	(1,349,000)
Interest Paid on Notes and Bonds	-	(56,543)	(225,646)
Net Cash (Used) for Capital and Related Financing Activities	<u>(307,202)</u>	<u>(1,305,271)</u>	<u>(520,656)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers From (To) Other Funds	(765,866)	(106,179)	(700,695)
Due From (To) Other Funds	167,829	467,171	-
Proceeds Paid on Notes	(150,000)	-	-
Payments Received on Notes	394,353	-	280,823
Net Cash Provided (Used) for Non-Capital Financing Activities	<u>(353,684)</u>	<u>360,992</u>	<u>(419,872)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(1,119,099)	-	-
Proceeds from Sale of Land Held for Resale	628,213	-	-
Interest and Dividends on Investments	140,500	13,153	170,757
Net Cash Provided (Used) by Investing Activities	<u>(350,386)</u>	<u>13,153</u>	<u>170,757</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(253,875)</u>	<u>43,082</u>	<u>65,283</u>
Cash and Cash Equivalents at Beginning of Year	<u>1,296,668</u>	<u>299,182</u>	<u>399,176</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,042,793</u>	<u>\$ 342,264</u>	<u>\$ 464,459</u>

See Accompanying Notes to Financial Statements

Gas Utility	Business Type Activities			Governmental Activities	
	Nonmajor		Total	Internal Service	
	Centre Mall				
\$ 11,882,280	\$ 398,460	\$ 27,895,922	\$ 395,823		
(13,072,784)	(422,881)	(25,707,054)	(382,369)		
(500,047)	(136,269)	(2,378,413)	(13,151)		
3,162,612	7,997	4,075,572	-		
<u>1,472,061</u>	<u>(152,693)</u>	<u>3,886,027</u>	<u>303</u>		
 (1,040,961)	 -	 (2,546,779)	 -		
 -	 -	 12,000	 -		
 -	 -	 1,305,897	 -		
 (412,000)	 -	 (2,075,019)	 -		
 (64,409)	 -	 (346,598)	 -		
<u> (1,517,370)</u>	<u> -</u>	<u> (3,650,499)</u>	<u> -</u>		
 (242,376)	 135,000	 (1,680,116)	 -		
 -	 -	 635,000	 -		
 -	 -	 (150,000)	 -		
 <u>712,091</u>	 <u>135,000</u>	 <u>1,387,267</u>	 <u>-</u>		
<u>469,715</u>	<u>135,000</u>	<u>192,151</u>	<u>-</u>		
 -	 -	 (1,119,099)	 -		
 -	 -	 628,213	 -		
<u>145,344</u>	<u>432</u>	<u>470,186</u>	<u>-</u>		
<u>145,344</u>	<u>432</u>	<u>(20,700)</u>	<u>-</u>		
 569,750	 (17,261)	 406,979	 303		
<u>2,648,633</u>	<u>82,094</u>	<u>4,725,753</u>	<u>35,378</u>		
<u>\$ 3,218,383</u>	<u>\$ 64,833</u>	<u>\$ 5,132,732</u>	<u>\$ 35,681</u>		

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, 2024

	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)	\$ (75,283)	\$ 44,017	\$ (766,288)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	516,981	712,355	1,347,534
Other Non-Operating Income	754,091	92,528	58,344
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	146,410	74,255	300,533
Inventories	(333,224)	(17,275)	-
Prepaid Expenses	(7,524)	(6,093)	(9,527)
Estimated Unbilled Usage	(33,841)	(13,664)	(10,299)
Deferred Outflows of Resources	(44,969)	(41,263)	(40,995)
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	(204,978)	95,849	(70,326)
Accrued Wages and Compensated Absences	11,500	6,844	1,036
Accrued Expenses	-	-	-
Customer Deposits	3,327	1,974	-
Net Pension Liability	50,795	46,868	49,478
Deferred Inflows of Resources	(24,002)	(20,518)	(22,062)
OPEB Liability	(1,886)	(1,669)	(2,374)
Total Adjustments	<u>832,680</u>	<u>930,191</u>	<u>1,601,342</u>
Net Cash Provided (Used) by Operating Activities	<u><u>757,397</u></u>	<u><u>974,208</u></u>	<u><u>835,054</u></u>
 Cash and Cash Equivalents			
Restricted for Customer Deposits	1,003,281	319,252	464,459
Total Cash and Cash Equivalents	<u><u>\$ 1,042,793</u></u>	<u><u>\$ 342,264</u></u>	<u><u>\$ 464,459</u></u>

See Accompanying Notes to Financial Statements

Business Type Activities			Governmental Activities	
Gas Utility	Centre Mall	Total	Internal Service	
\$ (369,099)	\$ (255,776)	\$ (1,422,429)	\$ 3,687	
444,064	145,074	3,166,008	-	
3,162,612	7,997	4,075,572	-	
487,007	(17,161)	991,044	-	
(18,158)	-	(368,657)	-	
25,259	(3,522)	(1,407)	-	
(1,001)	-	(58,805)	-	
(37,759)	(4,340)	(169,326)	(7,993)	
(2,236,308)	(887)	(2,416,650)	1,794	
(6,963)	(14,996)	(2,579)	(153)	
-	(2,150)	(2,150)	-	
1,182	-	6,483	-	
38,394	4,471	190,006	7,973	
(16,461)	(9,197)	(92,240)	(5,005)	
(708)	(2,206)	(8,843)	-	
<u>1,841,160</u>	<u>103,083</u>	<u>5,308,456</u>	<u>(3,384)</u>	
<u>1,472,061</u>	<u>(152,693)</u>	<u>3,886,027</u>	<u>303</u>	
3,194,876	64,833	5,046,701	35,681	
23,507	-	86,031	-	
<u>\$ 3,218,383</u>	<u>\$ 64,833</u>	<u>\$ 5,132,732</u>	<u>\$ 35,681</u>	

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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. The City does not have any component units.

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, 2024

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, 2024

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

3) 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 of the City's health insurance.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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, 2024, expenditures exceeded the amount budgeted in the Public Safety and Culture and Recreation.

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, 2024

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

- 2) In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which were valued at an amortized cost of \$1,132,765. 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2023. Any county collections on the 2023-2024 tax levy remitted to the City within 60 days subsequent to June 30, 2024, 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, 2024, 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, 2024

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items.

K. Restricted Assets

Restricted assets include customer deposits restricted for application to unpaid customer accounts or for refund to customers.

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.

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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

The lease term includes the noncancelable 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 noncancelable 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 noncancelable 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 reported with other capital assets and lease liabilities are reported 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, 2024

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

absences liability has been computed based on rates of pay in effect at June 30, 2024. 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, 2024

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 \$327,180 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 form or because they are legally or contractually required to be maintained intact.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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

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, 2024, 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.

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

Note 3 - DUE FROM OTHER GOVERNMENTS

At June 30, 2024, amounts due from other governments were as follows:

Due from the Iowa Department of Transportation for road use tax allocations	\$ 93,633
Due from the State of Iowa for local option sales taxes	142,102
Due from the State of Iowa for sub grants	5,516
Due from the State of Iowa for hotel and motel sales taxes	55,655
Due from the State of Iowa for highway 75 construction reimbursement	811,872
Total Due from Other Governments	<u>\$1,108,778</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2024, 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	Nonmajor Governmental Funds	1,067,557
General Fund	Water Fund	603,040
General Fund	Sewer Fund	240,095
		<hr/>
Electric Fund	Sewer Fund	1,063,760
Electric Fund	Water Fund	2,024,490
Electric Fund	General Fund	1,640,000
Electric Fund	Nonmajor Governmental Funds	1,474,116
		<hr/>
Nonmajor Gov't Funds	Electrical	6,202,366
		<hr/>
		1,300,000
		<hr/>
		\$ 10,071,538

Interfund receivables and payables are used to record negative pooled cash and to record money advanced to internally finance various projects. No balances will be repaid within a year.

Note 5 - LEASE RECEIVABLE

<u>Lease Name</u>	<u>Governmental Activities</u>		<u>Total</u>
Indoor Turf Building Space	\$ 25,117		\$ 25,117

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, 2024, the value of the lease receivable is \$25,117. 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, 2024 was \$26,521 and the City of Sioux Center recognized lease revenue of \$6,336 and lease interest of \$1,164 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity as follows:

<u>Year Ending</u>	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2025	\$ 6,380	\$ 1,120	\$ 7,500
	2026	9,165	835	10,000
	2027	9,572	428	10,000
		<hr/>	<hr/>	<hr/>
		\$ 25,117	\$ 2,383	\$ 27,500

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 6 - TRANSFERS

The following is a summary of transfers between funds:

	Nonmajor			Centre				Total	
	General	Governmental	Hwy 75	Mall	Water	Sewer	Electric	Transfers Out	
General	\$ -	\$ 359,165	\$ -	\$ 135,000	\$ -	\$ -	\$ -	\$ 494,165	
TIF	689,127	1,532,034	-	-	15,593	605,202	24,846	2,866,802	
Nonmajor Governmental	1,789,485	550,432	811,878	-	-	-	23,212	3,175,007	
Water	121,772	-	-	-	-	-	-	121,772	
Sewer	-	1,305,897	-	-	-	-	-	1,305,897	
Electric	536,239	277,685	-	-	-	-	-	813,924	
Gas	242,376	-	-	-	-	-	-	242,376	
Total Transfers In	\$ 3,378,999	\$ 4,025,213	\$ 811,878	\$ 135,000	\$ 15,593	\$ 605,202	\$ 48,058	\$ 9,019,943	

Transfers are used to:

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

Note 7 - CAPITAL ASSETS

A summary of changes in capital assets is follows:

	Primary Government				Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
	Governmental Activities:	Capital Assets not being depreciated:	Capital Assets being depreciated/amortized:	Less: Accumulated Depreciation/Amortization for:					
Governmental Activities:									
Capital assets not being depreciated:									
Land	\$ 9,055,446	\$ -	\$ -	\$ -	\$ -				\$ 9,055,446
Construction in Progress	18,392,705	13,040,430	13,288,360	-	-				18,144,775
Total capital assets not being depreciated	27,448,151	13,040,430	13,288,360	-	-				27,200,221
Capital assets being depreciated/amortized:									
Buildings	26,095,346	9,583,234	-	-	-				35,678,580
Improvements	14,374,789	368,262	-	-	-				14,743,051
Equipment	7,653,524	693,961	289,365	180,764	-				8,238,884
Right to Use Asset - Equipment	139,550	-	-	-	-				139,550
Infrastructure	24,065,349	3,457,829	-	-	-				27,523,178
Total Capital assets being depreciated/amortized	72,328,558	14,103,286	289,365	180,764	-				86,323,243
Less: Accumulated Depreciation/Amortization for:									
Buildings	14,763,103	1,238,798	-	-	-				16,001,901
Improvements	6,059,197	922,462	-	-	-				6,981,659
Equipment	6,057,860	480,321	289,365	(180,764)	-				6,429,580
Right to Use Asset - Equipment	19,738	30,300	-	-	-				50,038
Infrastructure	12,731,768	777,801	-	-	-				13,509,569
Total Accumulated Depreciation/Amortization	39,631,666	3,449,682	289,365	(180,764)	-				42,972,747
Total capital assets being depreciated/amortized, net	32,696,892	10,653,604	-	-	-				43,350,496
Governmental activities capital assets, net	\$ 60,145,043	\$ 23,694,034	\$ 13,288,360	\$ -	\$ -				\$ 70,550,717

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 7- CAPITAL ASSETS – (Continued)

Construction in progress at June 30, 2024, for the governmental activities consisted of Highway 75 Commercial Development projects and recreational related projects.

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 2,480,264	\$ -	\$ -	\$ -	\$ 2,480,264
Construction in Progress	3,149,707	2,151,426	1,011,414	-	4,289,719
Total capital assets not being depreciated	<u>5,629,971</u>	<u>2,151,426</u>	<u>1,011,414</u>	<u>-</u>	<u>6,769,983</u>
Capital assets being depreciated:					
Buildings	22,760,254	-	-	-	22,760,254
Infrastructure	3,019,304	-	-	-	3,019,304
Equipment	2,451,139	395,355	67,521	(180,764)	2,959,737
Transmission	62,978,046	1,011,414	-	-	63,989,460
Total Capital assets being depreciated	<u>91,208,743</u>	<u>1,406,769</u>	<u>67,521</u>	<u>(180,764)</u>	<u>92,728,755</u>
Less: Accumulated Depreciation	<u>43,694,373</u>	<u>3,166,008</u>	<u>67,521</u>	<u>180,764</u>	<u>46,612,096</u>
Total capital assets being depreciated, net	<u>47,514,370</u>	<u>(1,759,239)</u>	<u>-</u>	<u>-</u>	<u>45,755,131</u>
Business-type activities capital assets, net	<u><u>\$ 53,144,341</u></u>	<u><u>\$ 392,187</u></u>	<u><u>\$ 1,011,414</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,525,114</u></u>

Construction in progress at June 30, 2024 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	\$ 311,305
Public Works	192,962
Culture and Recreation	2,012,440
General Government	<u>932,975</u>
 Total depreciation/amortization expense - governmental activities	 <u>\$ 3,449,682</u>
 Business-type activities:	
Electric	\$ 516,981
Water	712,355
Sewer	1,347,534
Gas	444,064
Centre Mall	<u>145,074</u>
 Total depreciation expense - business-type activities	 <u>\$ 3,166,008</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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	18,144,775	4,289,719
Capital Assets (net of accumulated depreciation/amortization)	43,350,496	45,755,131
Less: General Obligation Bonds Payable	13,754,052	7,960,805
Revenue Bonds	2,775,000	16,085,000
Lease Agreements	92,685	-
Net Investment in Capital Assets	<u>\$ 53,928,980</u>	<u>\$ 28,479,309</u>

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.

Purpose	Maturity	Interest Rates	Interest
			Amounts
Governmental Activities – 2018	2033	3.00%	\$ 4,425,000
Business Type Activities – 2018 – Direct Borrowing	2037	2.00%	7,074,397
Governmental Activities – 2020	2035	1.95%	2,353,591
Business Activities – 2020	2035	1.95%	886,408
Governmental Activities – 2021	2036	1.78%	1,860,000
Governmental Activities – 2022	2036	2.30%	2,795,000
Governmental Activities – 2023	2033	3.24%	2,265,000
			<u>21,659,396</u>
Net Unamortized Bond Discounts and Premium			55,461
Total General Obligation Bonds on Statement of Net Position			<u>\$21,714,857</u>

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 8 - LONG-TERM DEBT – (Continued)

General obligation bonds outstanding as of June 30, 2024 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
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	1,556,662	220,801	1,777,463	166,338	12,132	178,470
2030-2034	6,044,823	548,999	6,593,822	318,177	34,725	352,902
2035-2036	1,215,387	25,047	1,240,434	137,612	2,683	140,295
Total	\$ 13,698,591	\$ 2,003,407	\$ 15,701,998	\$ 886,408	\$ 111,029	\$ 997,437

Year Ending June 30,	Business-Type Activities Direct Borrowings		
	Principal	Interest	Total
2025	\$ 521,000	\$ 84,228	\$ 605,228
2026	527,000	78,184	605,184
2027	533,000	72,070	605,070
2028	539,000	65,888	604,888
2029	545,000	59,636	604,636
2030-2034	2,823,000	201,806	3,024,806
2035-2037	1,586,397	41,294	1,627,691
Total	\$ 7,074,397	\$ 603,106	\$ 7,677,503

The Governmental General Obligation Bonds on the Statement of Net Position is net unamortized premium of \$55,461.

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 \$7,074,397 as of June 30, 2024. Repayment of this note began in fiscal year 2019.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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, 2024 are as follows:

Purpose	Interest Rates	Maturity	Amounts
IFA Clean Water Program Revolving Fund	2.00%	2038	\$ 6,663,000
IFA Clean Water Program Revolving Fund	2.00%	2038	5,729,000
Gas Revenue Bonds	0.95-1.95%	2032	3,693,000
Governmental Activities	1.23%	2031	1,429,000
Governmental Activities	2.18%	2032	1,346,000
Total Revenue Bonds on Statement of Net Position			<u>\$ 18,860,000</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 \$6,663,000 as of June 30, 2024. 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 \$5,729,000 as of June 30, 2024. Repayment of this note began in fiscal year 2020.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 8 - LONG-TERM DEBT – (Continued)

Revenue bond debt service requirements to maturity are as follows:

Year Ending	Governmental Activities			Business-Type Activities		
	June 30,	Principal	Interest	Total	Principal	Interest
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	377,000	21,156	398,156	467,000	34,944	501,944
2030-2032	953,000	25,306	978,306	1,471,000	55,922	1,526,922
Total	\$ 2,775,000	\$ 191,726	\$ 2,966,726	\$ 3,693,000	\$ 295,146	\$ 3,988,146

Year Ending	Business Type Activities - Direct Borrowings		
	June 30,	Principal	Interest
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	867,000	89,820	956,820
2030-2034	4,437,000	317,680	4,754,680
2035-2038	3,678,000	92,330	3,770,330
Total	\$ 12,392,000	\$ 944,700	\$ 13,336,700

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, 2024, the City paid principal of \$8,388 and interest of \$1,612.

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, 2024, the City paid principal of \$12,640 and interest of \$3,197.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 8 - LONG-TERM DEBT – (Continued)

Future principal and interest lease payments as of June 30, 2024 are as follows:

Year Ending	June 30,	Principal	Interest	Total
	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	\$ 92,685	\$ 7,938	\$ 100,623

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 14,843,573	\$ -	\$ 1,144,982	\$ 13,698,591	\$ 1,177,161
Revenue Bond	3,122,000	-	347,000	2,775,000	353,000
Lease Agreements	113,713	-	21,028	92,685	21,917
Compensated Absences	277,640	34,867	-	312,507	78,128
Governmental Activities:					
Long-Term Liabilities	18,356,926	34,867	1,513,010	16,878,783	1,630,206
Business-Type Activities:					
Bonds Payable:					
General Obligation	950,427	-	64,019	886,408	64,839
GO Direct Borrowing	7,306,359	283,038	515,000	7,074,397	521,000
Revenue Bonds	4,355,000	-	662,000	3,693,000	423,000
Revenue Direct Borrowing	12,203,140	1,022,860	834,000	12,392,000	842,000
Compensated Absences	250,824	5,015	-	255,839	63,960
Business-Type Activities					
Long-Term Liabilities	\$ 25,065,750	\$ 1,310,913	\$ 2,075,019	\$ 24,301,644	\$ 1,914,799

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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, 2024

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 2024, 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, 2024 was \$487,262.

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

At June 30, 2024, the City reported a liability (asset) of \$1,829,262 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, 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, 2023, the City's collective proportion was .040527 percent, which was an increase of .003734 percent from its proportion measured as of June 30, 2022.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 9 - PENSION PLAN – (Continued)

For the year ended June 30, 2024, the City recognized pension expense of \$210,454. At June 30, 2024, 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	\$ 288,184	\$ 8,095
Changes of assumptions	-	37,154
Net difference between projected and actual earnings on IPERS' investments	224,747	-
Changes in proportion and differences between City contributions and proportionate share of contributions	66,518	27,146
City's contributions subsequent to the measurement date	487,262	-
Total	\$ 1,066,711	\$ 72,395

\$487,262 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, 2025. 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
2025	\$ (42,569)
2026	(158,550)
2027	573,500
2028	114,391
2029	20,282
	<hr/>
	\$ 507,054

There were no non-employer contributing entities of IPERS.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 9 - PENSION PLAN – (Continued)

Actuarial assumptions – The total pension liability in the June 30, 2023 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, 2023 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 2023 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	21.0%	4.56%
International Equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public Credit	3.0	4.38
Private Equity	17.0	10.44
Private Real Assets	9.0	3.88
Private Credit	4.5	4.60
Cash	1.0	1.59
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, 2024

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)	\$ 4,542,024	\$ 1,829,262	\$(444,285)

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, 2024, the City reported payables to the defined benefit pension plan of \$41,031 for legally required employer contributions and \$27,345 for legally required employee contributions which had been withheld from employee wages and remitted to IPERS after June 30, 2024.

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, 2024, the following employees were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefit payments	1
Active members	<u>65</u>
Total	<u>66</u>

Total OPEB Liability – The City's total OPEB liability of \$112,301 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 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, 2023)	2.50% per annum
Rates of salary increase (effective July 1, 2023)	3.00% per year,
Discount rate (effective July 1, 2023)	3.65% compounded annually
Healthcare cost trend rate (effective June 30, 2023)	4.5% annually

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% 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, 2024 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Changes in Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 128,444
Changes for the year:	
Service cost	7,687
Interest	3,959
Differences between expected and actual experiences	(10,600)
Changes in assumptions	(16,896)
Benefit payments	(293)
Net changes	(16,143)
Total OPEB liability end of year	<u><u>\$ 112,301</u></u>

Changes of assumptions reflect a change in the discount rate from 2.14% in fiscal year 2023 to 3.65% in fiscal year 2024.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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 (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 124,349	\$ 112,301	\$ 101,689

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

	1% Decrease (3.5%)	Current Healthcare Cost Trend Rate (4.5%)	1% Increase (5.5%)
Total OPEB Liability	\$ 99,524	\$ 112,301	\$ 127,442

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2024, the City recognized OPEB expense of \$15,813. At June 30, 2024, 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	\$ (11,403)	\$ 35,302
Changes of assumptions	(15,635)	13,560
Total	\$ (27,038)	\$ 48,862

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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
2025	\$ 4,167
2026	4,167
2027	4,167
2028	3,924
2029	1,749
Thereafter	3,650
Total	<u>\$ 21,824</u>

Note 11 - DEFICIT FUND EQUITY

The City has eight funds with a deficit equity balance at June 30, 2024. The City intends to finance these deficits from various resources including the general fund, and capital project debt financing.

The individual fund deficits were was as follows:

Capital Project – Trail Extension	\$ 14,428
Capital Project – Storm Water.....	\$ 319,220
Capital Project – 16 th Street SW.....	\$ 83,486
Capital Project – Commercial Industrial Park.....	\$ 1,573,561
Capital Project – South Ridge.....	\$ 9,513
Capital Project – Heritage Village.....	\$ 300,000
Capital Project – Highway 75 Widening.....	\$ 559,472
Internal Services Fund – Auto Revolving	\$ 26,741

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 2023-2024 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, 2024

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
2024	\$ 10,421	\$ 91,600	\$ 92,961	\$ 9,060
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

The June 30, 2024 claims payable balance of \$9,060 is reflected in accounts payable balance on the statement of net position.

Note 13 - COMMITMENTS

At June 30, 2024, the City had six construction contracts in process with the following approximate amounts to be paid as work progresses:

South Ridge Water Main Loop	\$ 4,000
Meadow Creek Detention	\$ 123,712
Hwy 75 Enhancements	\$ 6,663,810
Hwy 75 Enhancements – Phase II	\$ 26,379,224

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 \$324,440 as of June 30, 2024.

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, 2024.

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 \$300,000 as of June 30, 2024.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

Note 14 - NOTES RECEIVABLE – (Continued)

In July 2017, the City loaned Sioux Center Land Development, Inc. \$625,000 for economic development purposes with no interest charged. The final payment is currently payable July 1, 2027. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$344,820 as of June 30, 2024.

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 loan was paid as of June 30, 2024.

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 \$4,942,172 as of June 30, 2024.

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, 2024 is \$10,000.

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, 2024 is \$500,000.

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 \$3,229,583 as of June 30, 2024.

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 1, 2033. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$640,000 as of June 30, 2024.

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, 2024 is \$50,000.

In April 2024, the City loaned The Ridge Golf Course \$427,234 with .80% interest. The loan is to be repaid with a minimum of two payments per year. The balance as of June 30, 2024 is \$427,234.

In June 2024, the City loaned Sioux Center Chamber of Commerce \$150,000 with 2.5% interest for the purchase of a building. The final payment is currently payable June 30, 2029. The balance on the notes is \$150,000 as of June 30, 2024.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2024

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, 2024, the City abated \$488,507 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 \$2,830,956.

During the year ended June 30, 2024, the City rebated \$274,857 of incremental property tax to developers and businesses. The total cumulative principal amount rebated on the agreements is \$1,351,463. The outstanding balance on the agreements at June 30, 2024 was \$1,479,493.

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, 2024

Note 17 - CORRECTION OF AN ERROR

In the prior year financial statements, inventory was understated by \$132,972 in the Electric Fund. An adjustment was recorded to correct this error. The effects of net position are as follows:

	<u>Electric Fund</u>	<u>Business Type Activities</u>
Net Position		
July 1, 2023	\$ 23,476,461	\$ 57,697,884
Inventory Adjustment	<u>132,972</u>	<u>132,972</u>
Net Position		
July 1, 2023 as restated	<u>\$ 23,609,433</u>	<u>\$ 57,830,856</u>

Note 18 - SUBSEQUENT EVENT

On September 16, 2024, the City of Sioux Center approved a bid for a new diesel generator equipment. Along with approval of bid, the city passed approval for a new General Obligation Note in the amount of \$4,640,000.

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, 2024

	Governmental Fund Type Actual	Proprietary Funds Actual	Total Actual
Revenue:			
Taxes	\$ 4,309,816	\$ -	\$ 4,309,816
Licenses and Permits	176,982	-	176,982
Intergovernmental	8,562,831	-	8,562,831
Charges for Services	3,476,578	26,957,200	30,433,778
TIF Revenue	2,851,999	-	2,851,999
Other City Taxes	1,801,952	-	1,801,952
Use of Money and Property	635,376	468,296	1,103,672
Miscellaneous	1,207,511	4,075,572	5,283,083
Total Receipts	23,023,045	31,501,068	54,524,113
Expenditures:			
Public Safety	2,411,229	-	2,411,229
Public Works	2,745,315	-	2,745,315
Culture and Recreation	6,182,037	-	6,182,037
Community and Economic Development	1,067,756	-	1,067,756
General Government	1,270,124	-	1,270,124
Capital Projects	12,469,374	-	12,469,374
Debt Service	1,966,839	-	1,966,839
Business Type Activities	-	28,451,914	28,451,914
Total Disbursements	28,112,674	28,451,914	56,564,588
Excess (deficiency) of revenue over expenditures	(5,089,629)	3,049,154	(2,040,475)
Other financing sources (uses):			
Proceeds from Debt Financing	260,726	-	260,726
Proceeds from Sale of Capitalized Assets	21,706	-	21,706
Interfund Transfers In	8,216,090	803,853	9,019,943
Interfund Transfers Out	(6,535,974)	(2,483,969)	(9,019,943)
Total other financing sources (uses)	1,962,548	(1,680,116)	282,432
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,127,081)	1,369,038	(1,758,043)
Fund balances/Net position- beginning of year	9,802,288	57,697,884	67,500,172
Correction of an error	-	132,972	132,972
Fund balances/Net position - beginning of the year (restated)	9,802,288	57,830,856	67,633,144
Fund balances/Net position - end of year	\$ 6,675,207	\$ 59,199,894	\$ 65,875,101

See Accompanying Notes to Financial Statements

Budgeted Amounts		Final Budget Favorable (Unfavorable)
Original	Final	
\$ 4,169,547	\$ 4,169,547	\$ 140,269
113,100	163,100	13,882
10,016,250	10,051,250	(1,488,419)
32,319,751	32,444,751	(2,010,973)
2,818,000	2,818,000	33,999
1,635,004	1,675,004	126,948
1,224,990	1,343,990	(240,318)
4,366,400	4,591,400	691,683
<u>56,663,042</u>	<u>57,257,042</u>	<u>(2,732,929)</u>
2,170,815	2,377,815	(33,414)
3,550,085	3,788,085	1,042,770
4,981,045	5,729,045	(452,992)
1,076,630	1,146,630	78,874
1,486,995	1,618,995	348,871
11,909,750	13,593,250	1,123,876
1,929,962	2,236,962	270,123
<u>31,936,090</u>	<u>32,489,090</u>	<u>4,037,176</u>
<u>59,041,372</u>	<u>62,979,872</u>	<u>6,415,284</u>
(2,378,330)	(5,722,830)	3,682,355
2,400,000	2,400,000	(2,139,274)
-	-	21,706
7,640,612	9,239,612	(219,669)
(7,640,612)	(9,239,612)	219,669
<u>2,400,000</u>	<u>2,400,000</u>	<u>(2,117,568)</u>
21,670	(3,322,830)	1,564,787
69,181,978	63,047,083	4,453,089
-	-	132,972
<u>69,181,978</u>	<u>63,047,083</u>	<u>4,586,061</u>
<u><u>\$ 69,203,648</u></u>	<u><u>\$ 59,724,253</u></u>	<u><u>\$ 6,150,848</u></u>

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER
Notes to Required Supplementary Information – Budgetary Reporting
For the year ended June 30, 2024

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 \$3,938,500. The budget amendment is reflected in the final budgeted amounts.

During the fiscal year ended June 30, 2024, disbursements exceeded budgeted amounts in public safety and culture and recreation.

CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS* (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023	2022	2021	2020
City's proportion of the net pension liability (asset)	.040527%	.036793%	(.1451822%)	.0411215%	.0410061%
City's proportionate share of the net pension liability (asset)	\$ 1,829	\$ 1,390	\$ (501)	\$ 2,889	\$ 2,375
City's covered payroll	\$ 4,668	\$ 4,271	\$ 3,995	\$ 3,768	\$ 3,682
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.18%	32.55%	(12.54)%	76.67%	64.50%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.13%	91.41%	100.81%	82.90%	85.45%
	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	.0418981%	.0417624%	.0410060%	.0357685%	.0396470%
City's proportionate share of the net pension liability (asset)	\$ 2,651	\$ 2,782	\$ 2,581	\$ 1,767	\$ 1,572
City's covered payroll	\$ 3,663	\$ 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	72.37%	77.26%	86.76%	54.45%	49.92%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.62%	82.21%	81.82%	85.19%	87.61%

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

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, 2024

	2024	2023	2022	2021	2020
Statutorily required contribution	\$ 487	\$ 439	\$ 402	\$ 378	\$ 358
Contributions in relation to the statutorily required contribution	(487)	(439)	(402)	(378)	(358)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$5,202	\$4,668	\$4,271	\$3,995	\$ 3,768
Contributions as a percentage of covered payroll	9.36%	9.40%	9.41%	9.46%	9.50%
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 351	\$ 332	\$ 326	\$ 308	\$ 297
Contributions in relation to the statutorily required contribution	(351)	(332)	(326)	(308)	(297)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$ 3,682	\$ 3,663	\$ 3,601	\$ 2,975	\$ 3,245
Contributions as a percentage of covered payroll	9.53%	9.06%	9.05%	10.35%	9.09%

CITY OF SIOUX CENTER, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2024

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%.

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, 2024

	2024	2023	2022	2021	2020
Service Cost	\$ 7,687	\$ 6,371	\$ 6,185	\$ 2,854	\$ 2,771
Interest Cost	3,959	2,825	2,879	2,840	2,719
Difference between expected and actual experiences	(10,600)	-	35,969	-	(2,994)
Changes in assumptions	(16,896)	-	15,399	-	381
Benefit payments	(293)	(12,774)	(10,711)	(3,349)	(950)
Net change in total OPEB liability	(16,143)	(3,578)	49,721	2,345	1,927
Total OPEB liability beginning of year	128,444	132,022	82,301	79,956	78,029
Total OPEB liability end of year	\$ 112,301	\$ 128,444	\$ 132,022	\$ 82,301	\$ 79,956
Covered-employee payroll	\$ 4,578,661	\$ 4,072,130	\$ 3,953,524	\$ 3,305,691	\$ 3,209,409
Total OPEB liability as a percentage of covered-employee payroll	2.45%	3.15%	3.34%	2.49%	2.49%
	2019	2018			
Service Cost	\$ 2,415	\$ 2,345			
Interest Cost	2,739	2,614			
Difference between expected and actual experiences	-	21,878			
Changes in assumptions	-	4,477			
Benefit payments	(2,447)	(634)			
Net change in total OPEB liability	2,707	30,680			
Total OPEB liability beginning of year	75,322	44,642			
Total OPEB liability end of year	\$ 78,029	\$ 75,322			
Covered-employee payroll	\$ 3,132,251	\$ 3,041,020			
Total OPEB liability as a percentage of covered-employee payroll	2.49%	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, 2024

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, 2024	3.65%
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.

CITY OF SIOUX CENTER, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2024

	Special Revenue						
	Road Use Tax	Employee Benefits Levy	Emergency Levy	LOST	ARPA Federal Funds	Heritage Village	Economic Development
Assets							
Cash and Pooled Investments	\$ 1,103,005	\$ -	\$ -	\$ 458,445	\$ 366,162	\$ 1,141,903	\$ 978,307
Taxes	-	1,032	138	-	-	-	-
Subsequent Year Taxes	-	829,033	-	-	-	-	-
Due from Other Funds	1,300,000	-	-	-	-	-	-
Due from Other Governmental Agencies	93,633	-	-	142,102	-	-	-
Total Assets	2,496,638	830,065	138	600,547	366,162	1,141,903	978,307
Liabilities							
Accounts Payable	60,654	-	-	-	-	738	-
Due to Other Funds	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	327,180	-	-
Total Liabilities	60,654	-	-	-	327,180	738	-
Deferred Inflow of Resources							
Unavailable Revenue - Subsequent Year Taxes	-	829,033	-	-	-	-	-
Total Deferred Inflow of Resources	-	829,033	-	-	-	-	-
Fund Balances							
Restricted for:							
Debt Service	-	-	-	-	-	-	-
Local Option Sales Tax	-	-	-	600,547	-	-	-
Employee Benefit	-	1,032	-	-	-	-	-
Emergency Management	-	-	138	-	-	-	-
Road Use Tax	2,435,984	-	-	-	-	-	-
Heritage Village	-	-	-	-	-	1,141,165	-
American Rescue Plan Funds	-	-	-	-	38,982	-	-
Economic Development	-	-	-	-	-	-	978,307
Capital Projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances (Deficits)	2,435,984	1,032	138	600,547	38,982	1,141,165	978,307
Total Liabilities Deferred Inflow of Resources, and							
Fund Balances	\$ 2,496,638	\$ 830,065	\$ 138	\$ 600,547	\$ 366,162	\$ 1,141,903	\$ 978,307

See Accompanying Notes to Financial Statements

		Capital Projects								Total	
Debt Service Fund	Commercial Industrial Park	Trail Extension	16th Street SW	Formerly Major Fund		South Ridge	Storm Water	Industrial Dev	Heritage Village - CP	Governmental Nonmajor Funds	
				ASC	Field Turf						
\$ 38,585	\$ -	\$ -	\$ 321,120	\$ -	\$ -	\$ -	\$ -	\$ 32,079	\$ -	\$ 4,439,606	
83	-	-	-	-	-	-	-	-	-	1,253	
60,774	-	-	-	-	-	-	-	-	-	889,807	
-	-	-	-	-	-	-	-	-	-	1,300,000	
-	-	-	-	-	-	-	-	-	-	235,735	
99,442	-	-	321,120	-	-	-	-	32,079	-	6,866,401	
<hr/>											
-	-	-	-	-	-	79,655	-	-	-	141,047	
-	1,573,561	14,428	404,606	-	9,513	239,565	-	300,000	-	2,541,673	
-	-	-	-	-	-	-	-	-	-	327,180	
-	1,573,561	14,428	404,606	-	9,513	319,220	-	300,000	-	3,009,900	
<hr/>											
60,774	-	-	-	-	-	-	-	-	-	889,807	
60,774	-	-	-	-	-	-	-	-	-	889,807	
<hr/>											
38,668	-	-	-	-	-	-	-	-	-	38,668	
-	-	-	-	-	-	-	-	-	-	600,547	
-	-	-	-	-	-	-	-	-	-	1,032	
-	-	-	-	-	-	-	-	-	-	138	
-	-	-	-	-	-	-	-	-	-	2,435,984	
-	-	-	-	-	-	-	-	-	-	1,141,165	
-	-	-	-	-	-	-	-	-	-	38,982	
-	-	-	-	-	-	-	-	-	-	976,307	
-	-	-	-	-	-	-	-	-	-	32,079	
-	(1,573,561)	(14,428)	(83,486)	-	(9,513)	(319,220)	-	(300,000)	-	(2,300,208)	
38,668	(1,573,561)	(14,428)	(83,486)	-	(9,513)	(319,220)	32,079	(300,000)	-	2,966,694	
<hr/>											
\$ 99,442	\$ -	\$ -	\$ 321,120	\$ -	\$ -	\$ -	\$ -	\$ 32,079	\$ -	\$ 6,866,401	

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, 2024

	Special Revenue						
	Road Use Tax	Employee Benefits Levy	Emergency Levy	LOST	ARPA Federal Funds	Heritage Village	Economic Development
Revenue:							
Taxes	\$ -	\$ 775,340	\$ 103,377	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,163,519	16,115	2,149	-	811,878	-	-
Charges for Services	-	-	-	-	-	-	-
Other City Taxes	-	-	-	1,564,908	-	-	-
Interest on Investments	-	-	-	-	22,702	61,628	3,727
Donations	-	-	-	-	-	59,852	-
Miscellaneous	-	-	-	-	-	9,881	-
Total Revenue	1,163,519	791,455	105,526	1,564,908	834,580	131,361	3,727
Expenditures:							
Public Works	1,349,855	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	145,028	-
Capital Projects	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-
Interest/Bond Costs	-	-	-	-	-	-	-
Total Expenditures	1,349,855	-	-	-	-	145,028	-
Excess (deficiency) of revenues over expenditures	(186,336)	791,455	105,526	1,564,908	834,580	(13,667)	3,727
Other financing sources (uses):							
Transfers In	-	-	-	-	-	-	277,685
Transfers Out	(110,000)	(791,511)	(105,519)	(1,332,887)	(811,878)	-	(23,212)
Total other financing sources (uses)	(110,000)	(791,511)	(105,519)	(1,332,887)	(811,878)	-	254,473
Net Change in Fund Balance	(296,336)	(56)	7	232,021	22,702	(13,667)	258,200
Fund balances - beginning of year	2,732,320	1,088	131	368,526	16,280	1,154,832	720,107
Change within financial reporting entity (Major to nonmajor)	-	-	-	-	-	-	-
Fund Balance - beginning of year, restated	2,732,320	1,088	131	368,526	16,280	1,154,832	720,107
Fund balances - end of year	\$ 2,435,984	\$ 1,032	\$ 138	\$ 600,547	\$ 38,982	\$ 1,141,165	\$ 978,307

See Accompanying Notes to Financial Statements

Debt Service Fund	Capital Projects									Total
	Commercial Industrial Park	Trail Extension	16th Street SW	Formerly Major Fund ASC Field Turf	South Ridge	Storm Water	Industrial Development	Heritage Village - CP	Governmental Nonmajor Funds	
									939,078	2,116,924
\$ 60,361	\$ -	\$ -	\$ -	\$ 22,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 939,078	
1,263	-	-	-	44,174	-	-	-	-	2,116,924	
-	-	-	-	-	-	-	-	-	44,174	
-	-	-	-	-	-	-	-	-	1,564,908	
1,462	-	-	-	-	-	-	-	-	89,519	
-	-	-	-	-	-	-	-	-	59,852	
-	-	-	-	-	-	-	-	-	15,269	
63,086	-	-	-	66,174	-	100,000	5,388	-	4,829,724	
-	-	-	-	-	-	-	-	-	1,349,855	
-	-	-	-	-	-	-	-	-	145,028	
-	174,005	35,200	252,626	13,274	3,872	1,418,462	30,217	123,968	2,051,624	
1,491,979	-	-	-	-	-	-	-	-	1,491,979	
449,023	-	-	-	-	-	-	-	-	449,023	
1,941,002	174,005	35,200	252,626	13,274	3,872	1,418,462	30,217	123,968	5,487,509	
(1,877,916)	(174,005)	(35,200)	(252,626)	52,900	(3,872)	(1,318,462)	(24,829)	(123,968)	(657,785)	
1,880,767	299,217	37,490	-	98,078	-	1,305,897	-	126,079	4,025,213	
-	-	-	-	-	-	-	-	-	(3,175,007)	
1,880,767	299,217	37,490	-	98,078	-	1,305,897	-	126,079	850,206	
2,851	125,212	2,290	(252,626)	150,978	(3,872)	(12,565)	(24,829)	2,111	192,421	
35,817	(1,698,773)	(16,718)	169,140	-	(5,641)	(306,655)	56,908	(302,111)	2,925,251	
-	-	-	-	(150,978)	-	-	-	-	(150,978)	
35,817	(1,698,773)	(16,718)	169,140	(150,978)	(5,641)	(306,655)	56,908	(302,111)	2,774,273	
\$ 38,668	\$ (1,573,561)	\$ (14,428)	\$ (83,486)	\$ -	\$ (9,513)	\$ (319,220)	\$ 32,079	\$ (300,000)	\$ 2,966,694	

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
June 30, 2024

Internal Service Fund			
	Auto Revolving	Health Insurance	Total
ASSETS			
Cash	\$ 23,845	\$ 11,836	\$ 35,681
Total Assets	<u>23,845</u>	<u>11,836</u>	<u>35,681</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	19,382	-	19,382
Total Deferred Outflows of Resources	<u>19,382</u>	<u>-</u>	<u>19,382</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	17,016	9,060	26,076
Accrued Expenses	6,828	-	6,828
Total Current Liabilities	<u>23,844</u>	<u>9,060</u>	<u>32,904</u>
Noncurrent Liabilities:			
Net Pension Liability	48,333	-	48,333
Total Liabilities	<u>72,177</u>	<u>9,060</u>	<u>81,237</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	567	-	567
Total Deferred Outflows of Resources	<u>567</u>	<u>-</u>	<u>567</u>
NET POSITION			
Unrestricted	(29,517)	2,776	(26,741)
Total Net Position	<u>\$ (29,517)</u>	<u>\$ 2,776</u>	<u>\$ (26,741)</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, 2024

	Internal Service Fund		
	Auto Revolving	Health Insurance	Total
Operating Revenues:			
Charges for Services	\$ 298,473	\$ 97,350	\$ 395,823
Total Operating Revenue	<u>298,473</u>	<u>97,350</u>	<u>395,823</u>
Operating Expenses:			
Operating and Maintenance	293,332	98,804	392,136
Total Operating Expenses	<u>293,332</u>	<u>98,804</u>	<u>392,136</u>
Operating Income	5,141	(1,454)	3,687
Change in Net Position	5,141	(1,454)	3,687
Net Position - Beginning	(34,658)	4,230	(30,428)
Net Position - Ending	<u>\$ (29,517)</u>	<u>\$ 2,776</u>	<u>\$ (26,741)</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	72
These schedules contain trend information to help the reader understand how the Government's financial performance and well-being have changed over time.	
Revenue Capacity	77
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	82
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	87
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	88
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities						
Net investment in capital assets	\$38,508,224	\$39,575,978	\$39,198,868	\$38,508,433	\$39,810,845	\$39,344,845
Restricted	2,291,050	2,257,547	2,737,247	3,307,184	3,970,487	4,392,587
Unrestricted	(453,707)	(96,393)	1,397,216	2,080,034	2,019,893	2,553,943
Total governmental activities net position	\$40,345,567	\$41,737,132	\$43,333,331	\$43,895,651	\$45,801,225	\$46,291,375
Business-type activities						
Net investment in capital assets	\$17,604,973	\$20,227,133	\$21,041,283	\$23,773,082	\$26,357,938	\$23,819,697
Restricted	433,522	403,778	407,964	367,018	359,772	510,904
Unrestricted	21,070,163	20,194,685	20,184,018	18,689,610	18,590,378	27,508,636
Total business-type activities net position	\$39,108,658	\$40,825,596	\$41,633,265	\$42,829,710	\$45,308,088	\$51,839,237
Primary government						
Net investment in capital assets	\$56,113,197	\$59,803,111	\$60,240,151	\$62,281,515	\$66,168,783	\$63,164,542
Restricted	2,724,572	2,661,325	3,145,211	3,674,202	4,330,259	4,903,491
Unrestricted	20,616,456	20,098,292	21,581,234	20,769,644	20,610,271	30,062,579
Total primary government net position	\$79,454,225	\$82,562,728	\$84,966,596	\$86,725,361	\$91,109,313	\$98,130,612

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

Expenses	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Governmental activities:						
Public Safety	\$1,378,410	\$1,292,287	\$1,510,298	\$1,526,040	\$1,234,978	\$1,357,258
Public Works	1,411,372	1,833,705	1,693,888	1,925,094	2,110,487	2,919,672
Culture and Recreation	3,823,595	3,920,969	4,124,895	4,087,358	4,570,715	4,632,680
Community and Economic Development	1,59,876	222,034	215,862	1,197,672	400,945	734,365
General Government	1,894,813	2,015,241	1,680,901	1,735,932	1,814,431	1,426,434
Debt Service	211,195	131,133	90,990	174,467	236,013	261,212
Total governmental activities expenses	<u>8,879,261</u>	<u>9,415,369</u>	<u>9,316,834</u>	<u>10,646,563</u>	<u>10,367,569</u>	<u>11,331,621</u>
Business-type activities:						
Centre Mall	935,506	873,966	955,746	963,741	940,703	1,015,338
Water	1,282,811	1,325,725	1,513,895	1,509,601	1,556,044	1,765,265
Sewer	1,123,375	1,318,322	1,411,190	1,581,146	3,615,949	3,205,694
Electric	9,437,069	9,514,228	10,218,043	10,400,973	10,289,110	9,669,999
Natural Gas	8,426,870	5,912,326	7,110,720	7,638,970	7,276,851	5,467,940
Total business-type activities expenses	<u>21,144,889</u>	<u>18,749,620</u>	<u>21,116,726</u>	<u>21,924,475</u>	<u>21,623,854</u>	<u>22,911,585</u>
Total primary government expenses	<u>\$30,024,150</u>	<u>\$28,164,989</u>	<u>\$30,433,560</u>	<u>\$32,571,038</u>	<u>\$31,991,423</u>	<u>\$37,977,742</u>
Program Revenues						
Governmental activities:						
Charges for services:						
Public Safety	345,828	384,310	355,923	420,661	347,501	402,296
Public Works	486,249	497,318	483,418	531,849	543,204	579,423
Culture and Recreation	940,108	1,032,268	979,563	982,462	908,180	1,470,702
Community and Economic Development	-	-	-	-	-	-
General Government	524,014	600,959	648,059	482,113	505,104	791,035
Operating grants and contributions	1,190,341	1,416,600	1,360,562	1,400,071	2,481,929	1,476,191
Capital grants and contributions	484,727	81,859	239,249	678,125	-	-
Total governmental activities program revenues	<u>3,971,267</u>	<u>4,013,314</u>	<u>4,066,774</u>	<u>4,495,281</u>	<u>4,785,918</u>	<u>4,719,647</u>
Business-type activities:						
Charges for services:						
Centre Mall	503,314	460,118	469,880	422,434	429,908	436,713
Water	1,565,667	1,630,270	1,678,372	1,712,992	1,651,500	1,804,267
Sewer	1,063,220	1,105,295	1,208,260	1,589,842	3,503,024	8,439,487
Electric	10,434,989	9,911,161	9,911,730	10,253,507	10,220,413	10,131,119
Natural Gas	8,582,176	5,871,153	7,128,643	7,766,707	7,115,575	5,151,621
Total business-type activities program revenues	<u>22,149,366</u>	<u>18,977,997</u>	<u>20,396,885</u>	<u>21,745,482</u>	<u>22,920,420</u>	<u>25,963,207</u>
Total primary government program revenues	<u>\$26,120,633</u>	<u>\$22,991,311</u>	<u>\$24,463,659</u>	<u>\$26,240,763</u>	<u>\$27,706,338</u>	<u>\$30,682,854</u>

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

	Fiscal Year					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (expense)/revenue						
Governmental activities	(\$4,907,994)	(\$5,402,055)	(\$5,250,060)	(\$6,151,282)	(\$5,581,651)	(\$6,611,974)
Business-type activities	1,004,477	228,377	(719,841)	(178,993)	1,296,566	4,428,716
Total primary government net expense	(\$3,903,517)	(\$5,173,678)	(\$5,969,901)	(\$6,330,275)	(\$4,285,085)	(\$21,183,258)
General Revenues and Other Changes in Net Position						
Governmental activities						
Property taxes	\$5,055,237	\$5,286,676	\$5,402,688	\$5,504,383	\$5,809,280	\$6,005,778
Local option sales tax	802,539	805,958	898,947	781,860	825,232	1,019,968
Unrestricted investment earnings	15,403	25,051	20,763	27,652	75,743	64,611
Miscellaneous	52,316	131,269	116,851	155,972	582,389	156,361
Transfers	299,326	474,666	407,011	214,787	(42,984)	(144,594)
Total governmental activities	6,224,821	6,723,620	6,846,260	6,684,654	7,249,660	7,102,124
Business-type activities						
Unrestricted investment earnings	74,822	71,314	117,159	137,017	152,911	491,605
Miscellaneous	694,984	1,891,913	1,817,362	1,466,013	985,919	1,434,918
Transfers	(299,326)	(474,666)	(407,011)	(214,787)	42,984	144,594
Total business-type activities	470,480	1,488,361	1,527,510	1,388,243	1,181,814	2,071,117
Total primary government	\$6,695,301	\$8,212,181	\$8,373,770	\$8,072,897	\$8,431,474	\$9,173,241
Change in Net Position						
Governmental activities	1,316,827	1,321,565	1,596,200	533,372	1,668,009	490,150
Business-type activities	1,474,957	1,716,938	807,669	1,209,250	2,478,380	6,499,833
Total primary government	\$2,791,784	\$3,038,503	\$2,403,869	\$1,742,622	\$4,146,389	\$6,989,983

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

	Fiscal Year					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund						
Committed	\$ 273,560	\$ 273,445	\$ 151,534	\$ 275,685	\$ 1,471,623	\$ 3,490,766
Assigned	2,687,880	2,680,227	3,319,492	3,089,589	3,506,777	3,879,969
Unassigned						
Total general fund	\$2,961,440	\$2,953,672	\$3,471,026	\$3,365,274	\$4,978,400	\$7,370,735
All other governmental funds						
Restricted	\$2,283,810	\$2,257,547	\$2,732,731	\$3,307,228	\$2,825,493	\$2,394,543
Special revenue funds	886	920	2,007	3,897	5,102	5,001
Debt service funds						
Restricted, reported in:						
Capital project funds	(2,560,701)	(2,246,176)	(1,219,430)	5,236,803	(1,063,926)	3,065,696
Total all other governmental funds	\$ (276,005)	\$ 12,291	\$ 1,515,308	\$8,547,928	\$1,766,669	\$5,465,240

All other governmental funds
 Restricted
 Special revenue funds
 Debt service funds
 Restricted, reported in:
 Capital project funds
 Total all other governmental funds

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

	<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>	<u>2024</u>
Revenues										
Property taxes	\$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	\$4,309,816
Tax increment financing	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	2,851,999
Other city taxes	937,515	949,783	1,042,172	928,371	982,175	1,153,500	1,219,381	1,526,612	1,735,774	1,801,952
Special assessments	48,439	33,313	26,715	31,976	21,442	20,012	5,101	-	-	-
Licenses and permits	90,052	123,935	120,097	172,835	107,640	144,686	156,234	127,510	221,710	176,982
Intergovernmental	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	8,562,831
Charges for services	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	3,476,578
Miscellaneous	789,908	947,915	917,418	1,507,743	1,939,992	1,057,220	828,804	1,423,637	1,515,428	1,326,057
Use of property and money	349,939	295,373	419,814	337,070	430,762	479,257	359,697	385,709	412,606	516,830
Total Revenues	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	23,023,045
Expenditures										
Public safety	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	2,411,229
Public works	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	2,745,315
Culture and recreation	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	6,182,037
Community and economic development	268,921	224,363	195,637	1,176,735	378,640	748,083	4,317,016	1,000,238	934,847	1,067,756
General government	1,092,187	1,305,023	852,743	906,046	980,903	1,030,638	973,639	1,031,552	1,183,089	1,270,124
Capital projects	1,496,634	860,900	49,070	973,608	6,646,830	957,023	3,925,593	3,103,317	13,216,806	12,469,374
Loss on Disposal of Land Held for Resale	-	-	-	-	-	-	-	-	202,952	-
Debt service	196,974	126,886	87,190	157,236	239,702	255,709	311,272	387,179	408,577	453,832
Interest	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	1,513,007
Principal										
Total Expenditures	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	28,112,674
Excess (deficiency) of revenues over expenditures	(1,835,851)	(847,136)	1,613,361	(498,092)	(5,189,235)	778,054	(5,962,053)	(2,273,601)	(6,757,669)	(5,089,629)
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	282,432
Transfers in	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	8,216,090
Transfers out	(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)	(6,535,974)
Total other financing sources (uses)	299,326	1,057,666	407,011	6,807,222	21,102	5,312,852	1,806,409	6,349,358	3,841,138	1,962,548
Net change in fund balances	(\$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)	(\$3,127,081)
Debt service as a percentage of noncapital expenditures	28.3%	13.6%	14.8%	13.5%	14.2%	8.4%	12.1%	16.0%	14.2%	12.6%

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

Fiscal Year	Property Tax	Tax Increment		Local Option		Road Use Tax	Total
		Financing Tax	Sales Tax	Hotel/Motel Tax			
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
2023-24	\$ 4,309,816	\$ 2,851,999	\$ 1,564,908	\$ 237,044	\$ 1,163,519		\$ 10,127,286

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

Fiscal Year	Real Property		Utilities		Total		Assessed Value as a Percentage of Estimated
	Assessed	Estimated Actual Value	Assessed	Estimated Actual Value	Assessed	Estimated Actual Value	
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%
2023-24	\$ 472,895,747	\$ 769,220,280	\$ 1,785,649	\$ 1,988,025	\$ 474,681,396	\$ 771,208,305	61.6%

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

Fiscal Year	City Direct Rates						Overlapping Rates					Total City Consolidated Rate
	General Rate	Civic Center Rate	Liability Ins Rate	Employee Benefits Rate	Emergency Rate	Debt Service Rate	Total Direct City Rate	School District	County Consolidated	Vocational School		
2014-15	8.10000	0.13500	0.58444	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	
2023-24	8.10000	0.13500	0.49592	2.01153	0.26820	0.12435	11.13500	17.62503	4.49263	1.08694	34.33960	

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 2022			Taxable Valuation 2013		
<u>Taxpayer</u>	Taxable Assessed <u>Value</u>	Percentage of Total <u>Taxable Value</u>	<u>Taxpayer</u>	Taxable Assessed <u>Value</u>	Percentage of Total <u>Taxable Value</u>
Farmer Coop Society	\$9,172,720	1.93%	Farmers Cooperative Society	\$8,824,545	3.15%
Wal-Mart Real Estate	8,201,397	1.73%	Walmart Real Estate	7,854,819	2.81%
Harbour Group Investments	7,828,677	1.65%	Trigen, LLC (Pella)	7,669,284	2.74%
City of Sioux Center	7,418,366	1.56%	City of Sioux Center (Centre Mall)	6,283,686	2.25%
Trigen, LLC	6,838,343	1.44%	R&C Hulshof Farms, LLC	3,840,349	1.37%
Ver Hoef Automotive	6,650,284	1.40%	Harbor Group Investments LLC	3,521,308	1.26%
American State Bank	5,429,730	1.14%	Patrick Cudahy (Golden Crisp)	3,309,496	1.18%
Mouw Motor Company	4,484,767	0.94%	American State Bank	3,274,795	1.17%
Smithfield Packaged Meats Corp	3,473,608	0.73%	Link Mfg	2,758,867	0.99%
South Ridge Lodging	<u>3,317,736</u>	0.70%	Southridge Lodging	<u>2,744,579</u>	0.98%
	<u>\$62,815,628</u>	13.23%		<u>\$50,081,728</u>	17.90%

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

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

Fiscal Year	Collected within the Fiscal Year of the Levy			Delinquent Tax Collections	Total Collections to Date	
	Total Tax Levy For Fiscal Year	Amount	Percent of Levy		Amount	Percent of Levy
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%	18	6,710,537	100.0%
2023-24	\$ 7,021,544	\$ 7,011,450	99.9%	\$ -	\$ 7,011,450	99.9%

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

Fiscal <u>Year</u>	Governmental Activities		Business-Type Activities					Total <u>Primary Government</u>	Per <u>Capita</u>
	General <u>Obligation Bonds</u>	Revenue <u>Bonds</u>	Water <u>Bonds</u>	Sewer <u>Bonds</u>	Gas <u>Bonds</u>	Centre Mall <u>Bonds</u>			
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	
2023-24	\$ 13,698,591	\$ 2,775,000	\$ 886,408	\$ 19,466,397	\$ 3,693,000	\$ -	\$ 40,519,396	4,924	

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amount Available in Debt Service Fund</u>	<u>Total</u>	<u>Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
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
2023-24	\$ 13,698,591	\$ 38,585	\$ 13,660,006	2.88%	1,660

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	\$33,338,000	68.08%	\$22,696,963
Sioux County	187,702	17.96%	33,719
Northwest Iowa Community College	10,305,000	7.58%	<u>780,899</u>
Subtotal, overlapping debt			23,511,581
City of Sioux Center direct debt			<u>13,698,591</u>
Total direct and overlapping debt			<u><u>\$37,210,172</u></u>

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

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 2024

Assessed value	\$771,208,305
Debt limit (5% of assessed value)	38,560,415

Debt applicable to limit	21,659,396
Total general obligation bonds	

Urban Renewal Development Agreements

Less: Amount set aside for

repayment of general

obligation debt

Total net debt applicable to limit

Legal debt margin

21,659,396	
	<u><u>\$16,901,019</u></u>

	<u><u>2015</u></u>	<u><u>2016</u></u>	<u><u>2017</u></u>	<u><u>2018</u></u>	<u><u>2019</u></u>	<u><u>2020</u></u>	<u><u>2021</u></u>	<u><u>2022</u></u>	<u><u>2023</u></u>	<u><u>2024</u></u>
Debt limit	\$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	\$38,560,415
Total net debt applicable to limit	<u><u>5,900,000</u></u>	<u><u>5,003,000</u></u>	<u><u>3,568,000</u></u>	<u><u>17,469,000</u></u>	<u><u>19,403,063</u></u>	<u><u>21,931,696</u></u>	<u><u>20,122,050</u></u>	<u><u>22,635,001</u></u>	<u><u>23,100,359</u></u>	<u><u>21,659,396</u></u>
Legal debt margin	<u><u>\$16,985,123</u></u>	<u><u>\$18,669,628</u></u>	<u><u>\$22,437,079</u></u>	<u><u>\$9,306,329</u></u>	<u><u>\$9,916,933</u></u>	<u><u>\$8,225,644</u></u>	<u><u>\$12,598,271</u></u>	<u><u>\$10,950,502</u></u>	<u><u>\$14,158,271</u></u>	<u><u>\$16,901,019</u></u>

Total net debt applicable to the limit as a percentage of debt limit	25.78%	21.13%	13.72%	65.24%	66.18%	72.72%	61.50%	67.40%	62.00%	56.17%
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Note: Under state finance law, the city's total outstanding general obligation debt should not exceed 5% of total assessed property value.

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

Water Revenue Bonds

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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
2023-24	\$ 2,591,625	\$ 1,735,276	\$ 856,349	\$ -	\$ -	-

Sewer Revenue Bonds

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
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
2023-24	\$ 2,410,864	\$ 1,600,517	\$ 810,347	\$ 842,000	\$ 123,905	0.84

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	31.7
Median household income	\$80,907
Per capita income	\$35,853
Median home or condo value	\$275,076
Cost of living index (US average is 100)	76.7
Percentage with high-school equivalency	89.0%
Percentage with bachelor's degree or higher	41.9%
Percentage with graduate or professional degree	12.8%
Unemployment rate	1.9%
Primary Retail Trade Population	40,318
Average household size	2.7
Residents with incomes below the poverty level	2.7%
School enrollment	2,195

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

Primary Retail Trade Population from The Retail Coach theretailcoach.com

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

<u>Function/Program</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>	<u>2024</u>
General Government and Utilities Management	7.2	7.1	7.8	7.7	8.2	8.7	7.7	7.7	7.8	9.0
Public Safety	9.4	9.2	9.5	10.1	9.7	11.9	11.9	13.1	13.5	15.8
Public Works	3.0	3.5	3.2	3.7	2.8	2.4	2.1	1.7	2.3	2.5
Culture and Recreation	24.6	23.4	22.7	24.3	24.4	25.0	26.8	26.9	28.0	29.1
Library	8.3	8.4	8.7	8.9	8.8	8.7	8.7	8.5	8.9	9.4
Electric	5.7	5.7	6.3	5.9	6.0	5.7	5.9	6.3	6.3	6.5
Natural Gas	4.5	4.8	4.7	5.0	5.1	5.4	5.2	5.3	5.4	6.2
Water	5.0	5.0	4.9	5.2	5.3	5.4	6.0	6.3	6.3	6.6
Sewer	5.6	5.4	5.3	5.2	5.5	6.3	6.4	6.2	6.3	6.3
Centre Mall	3.4	3.5	3.7	3.6	3.3	3.4	3.2	3.0	3.2	2.4
Total	76.7	76.0	76.8	79.6	79.1	82.9	83.9	85.0	88.0	93.8

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>2024</u>
General Government		
Building Permits Issued		123
Police		
Citations		602
Arrests		304
Fire		
Emergency Responses		177
Parks and Recreation		
Pool Admissions		70,352
Ice Arena Admissions		6,074
Library		
Items Checked Out		274,156
Water		
Average Daily Consumption		860,200
Peak Consumption		1,696,000
Sewer		
Average Daily Treatment		1,274,000
Peak load (gallons per day)		6,688,000
Electric		
KWH Purchased		126,691,478
KWH Sold		123,843,278
Average Revenue per KWH Sold		0.084
Gas		
MCF Purchased		2,125,407
MCF Sold		2,139,634
Average Revenue per MCF Sold		6.803

Source: Various city departments

City of Sioux Center
Capital Asset Statistics by Function/Program

	<u>Function/Program</u>	<u>2024</u>
Police		
Stations		1
Patrol units		6
Fire		
Stations		2
Emergency vehicles		7
Other Public Works		
Streets (miles)		61
Highways (miles)		4
Streetlights		886
Traffic signals		5
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)		76
Fire hydrants		434
Number of wells		16
Elevated storage capacity (gallons)		650,000
Water plant capacity (gallons per day)		2,100,000
Meters in service		3,176
Sewer		
Sanitary sewers (miles)		50
Storm sewers (miles)		30
Design capacity (gallons per day)		4,000,000
Number of lift stations		11
Electric		
Electric main wire (miles)		109
Meters in Service		2,953
Gas		
Gas mains (miles)		104
Meters in Service		2,657

Source: Various city departments

City of Sioux Center
Schedule of Expenditures of Federal Awards (Cash Basis)
Year ended June 30, 2024

Federal Grantor Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Project/Contract Number	Passed Through to Subrecipients	Federal Expenditures
US Department of Treasury Coronavirus State and Local Fiscal Recovery	21.027	2022	N/A	\$ 811,874
Passed through Iowa Economic Development Community Development Block Grant Program	14.228	23-CF-002	N/A	11,554
Passed through Iowa Workforce Development 2022 Investing in Iowa's Child Care Grant Agreement	93.575	2022	N/A	16,600
Passed through Iowa Department of Transportation Highway Planning and Construction	20.205	NHSX-075-3(55)--3H-84	N/A	6,282,994
Total Expenditures of Federal Awards				\$ 7,123,022

Notes to Schedule of Expenditures of Federal Awards:

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Sioux Center under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Sioux Center, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the City of Sioux Center.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C—INDIRECT COST RATE

The City of Sioux Center has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**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, 2024, 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 6, 2025.

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 and questioned costs as item 2024-001 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 and questioned costs. 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.

If you have any questions concerning the above matters, we would be pleased to discuss them with you at your convenience.

Williams & Company P.C.

Certified Public Accountants

Sheldon, Iowa
February 6, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

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

Report on Compliance for the Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sioux Center, Iowa's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City of Sioux Center, Iowa's major federal program for the year ended June 30, 2024. The City of Sioux Center, Iowa's major federal programs are identified in the summary of the independent auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Sioux Center, Iowa, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Sioux Center, Iowa and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Sioux Center, Iowa's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Sioux Center's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Sioux Center, Iowa's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a

substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Sioux Center, Iowa's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Sioux Center, Iowa's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Sioux Center, Iowa's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Sioux Center, Iowa's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Williams & Company P.C.

Certified Public Accountants

Sheldon, Iowa

February 6, 2025

CITY OF SIOUX CENTER, IOWA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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. No significant deficiencies were reported.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses or significant deficiencies in internal control over the major program were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance.
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (h) City of Sioux Center did not qualify as a low-risk auditee.
- (i) The major programs identified on the Schedule of Expenditures of Federal Awards include:

<u>Assistance Listing #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Recovery Funds
20.205	Highway Planning and Construction

Part II: Findings Related to the Financial Statements

Instances of Non-Compliance:

No matters were reported.

Material Weakness:

2024-001 Financial Reporting – Material Adjusting Journal Entries

Condition and Criteria – The auditors were required to propose and have management post adjusting entries related to receivables, payables and capital asset additions in 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, current staff workload, and the time constraints 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.

CITY OF SIOUX CENTER, IOWA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No material weaknesses or significant deficiencies in internal control were noted.

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-24 Certified Budget

Condition and Criteria – City expenditures during the year ended June 30, 2024, exceeded amounts budgeted in the Public Safety and Culture and Recreation.

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

Cause – The City approved a budget amendment on May 6, 2024. 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 and Culture and Recreation 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.

IV-B-24 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.

IV-C-24 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-24 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.

IV-E-24 Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

IV-F-24 Revenue Bonds - No violations of revenue bond resolutions were noted.

CITY OF SIOUX CENTER, IOWA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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

IV-G-24 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.

IV-H-24 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.

IV-I-24 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.

IV-J-24 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.

IV-K-24 Financial Condition – At June 30, 2024, the City had deficit balances in the following funds:

Fund	Amount
Capital Project – Trail Extension	\$ (14,428)
Capital Project – Commercial Industrial Park	(1,573,561)
Capital Project – Storm Water	(319,220)
Capital Project – Heritage Village	(300,000)
Capital Project – 16 th Street SW	(83,486)
Capital Project – South Ridge	(9,513)
Capital Project – Highway 75 Widening	(559,472)
Internal Service Fund – Auto Revolving	(26,741)

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.



CITY OF SIOUX CENTER, IOWA, 51250

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**City of Sioux Center, Iowa
Schedule of Prior Year Findings
Year Ended June 30, 2023**

Financial Statement Finding:

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.

Status – This finding still exists at June 30, 2024 (See comment 2024-001)