

City of Sioux Center, Iowa



Annual Financial Report

for the fiscal year ended June 30, 2021

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, 2021
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CITY OF SIOUX CENTER, IOWA

OFFICIALS

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CENTER, IOWA (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux Center, Iowa, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 16 to the financial statements, a receivable had not been properly recorded in the prior year. This amount is corrected on the accompanying financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, Schedule of the City's Proportionate Share of the Net Pension Liability, Schedule of City's Contributions to Iowa Public Employees' Retirement System and Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes on pages 4 through 11 and 55 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022, on our consideration of the City of Sioux Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sioux Center's internal control over financial reporting and compliance.

Williams + Company, P.C.

Certified Public Accountants

Le Mars, Iowa
January 14, 2022



Management Discussion and Analysis

June 30, 2021

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, 2021. 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, 2021 by \$96,388,795 (net position). Of this amount, \$29,580,920 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, decreased by \$1,704,548 during the fiscal year. A decrease of \$3,280,521 is attributable to governmental activities and an increase of \$1,575,973 to business type activities.

The City's long-term debt increased \$4,767,428 due to bonds being issued for the Siouxland Energy Cooperative gas line upgrade and the American State Bank Sports Complex. General Obligation debt totaled \$19,836,000 and other long-term debt totaled \$21,299,000. In addition, the City has issued internal debt for capital projects in the amount of \$2,718,312 that will be paid with TIF funds over the next five years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Sioux Center's basic financial statements. The City of Sioux Center's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Sioux Center that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety, culture and recreation, public works, community and economic development, general government, and interest on long-term debt. The business type activities of the City include electric, gas, water, sewer, and Centre Mall.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sioux Center, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Sioux Center can be divided into three categories: governmental funds and proprietary 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 and deferred outflows exceeded liabilities and deferred inflows by \$96,388,795 at the close of the most recent fiscal year.

City of Sioux Center Net Position

| | Governmental Activities | | Business-type | | Total | |
|----------------------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Current and other assets | \$16,463,813 | \$19,882,547 | \$37,929,250 | \$31,623,779 | \$54,393,063 | \$51,506,326 |
| Capital assets | <u>47,851,071</u> | <u>46,273,962</u> | <u>47,987,528</u> | <u>48,602,429</u> | <u>95,838,599</u> | <u>94,876,391</u> |
| Total assets | <u>64,314,884</u> | <u>66,156,509</u> | <u>85,916,778</u> | <u>80,226,208</u> | <u>150,231,662</u> | <u>146,382,717</u> |
| Deferred Outflows | 462,494 | 445,962 | 335,900 | 316,680 | \$798,394 | \$762,642 |
| Long-Term Liabilities | 12,487,678 | 11,874,943 | 28,321,170 | 24,362,428 | 40,808,848 | 36,237,371 |
| Other liabilities | <u>2,951,235</u> | <u>2,099,747</u> | <u>4,461,781</u> | <u>4,153,664</u> | <u>7,413,016</u> | <u>6,253,411</u> |
| Total liabilities | <u>15,438,913</u> | <u>13,974,690</u> | <u>32,782,951</u> | <u>28,516,092</u> | <u>48,221,864</u> | <u>42,490,782</u> |
| Deferred Inflows | 6,364,880 | 6,336,406 | 54,517 | 187,559 | 6,419,397 | 6,523,965 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 38,360,420 | 39,344,845 | 23,447,052 | 23,819,697 | 61,807,472 | 63,164,542 |
| Restricted | 4,638,154 | 4,392,587 | 362,249 | 510,904 | 5,000,403 | 4,903,491 |
| Unrestricted | <u>(24,989)</u> | <u>2,553,943</u> | <u>29,605,909</u> | <u>27,508,636</u> | <u>29,580,920</u> | <u>30,062,579</u> |
| Total net position | <u>\$42,973,585</u> | <u>\$46,291,375</u> | <u>\$53,415,210</u> | <u>\$51,839,237</u> | <u>\$96,388,795</u> | <u>\$98,130,612</u> |

The largest part of the City's net position (64.1 percent) reflects its investment in capital assets (e.g. land buildings, machinery, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these long-term liabilities.

An additional portion of the City of Sioux Center's net position (5.2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$29,580,920 may be used to meet the government's ongoing obligations to citizens and creditors.

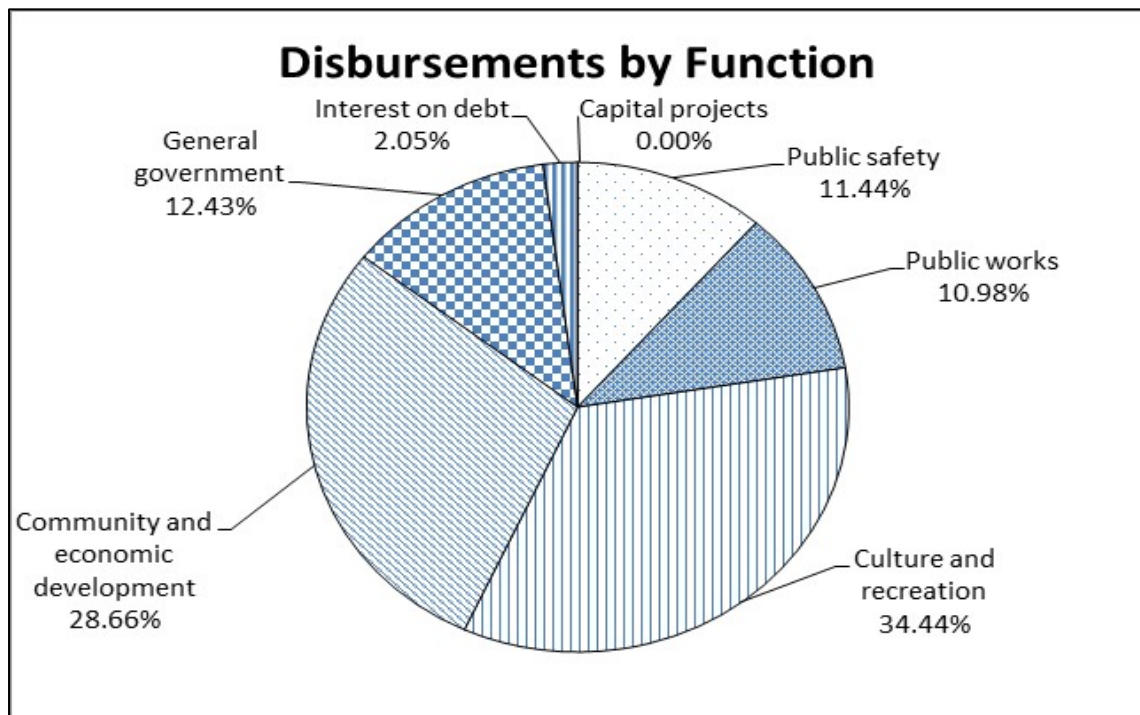
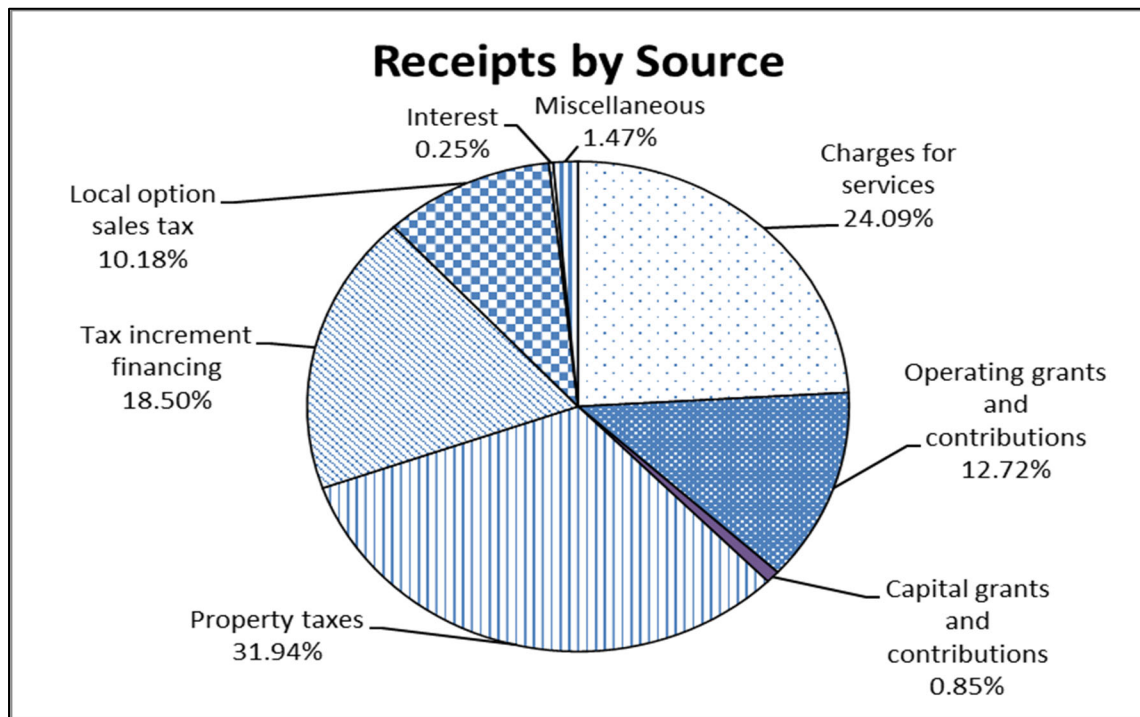
At the end of the current fiscal year, the City of Sioux Center is able to report positive balances in almost all categories of net position, both for the government as a whole, business-type activities, and governmental activities except for unrestricted net position.

The City's total net position increased during the current fiscal year. The increase in net position in the business-type activities and the decrease 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>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Revenues: | | | | | | |
| Charges for services | \$2,886,374 | \$3,243,456 | \$21,867,044 | \$19,443,130 | \$24,753,418 | \$22,686,586 |
| Operating grants and contributions | 1,524,352 | 1,476,191 | - | - | 1,524,352 | 1,476,191 |
| Capital grants and contributions | 100,147 | - | - | 6,520,077 | 100,147 | 6,520,077 |
| General Revenues: | | | | | | |
| Property taxes | 3,826,009 | 3,554,158 | - | - | 3,826,009 | 3,554,158 |
| Tax increment financing | 2,216,703 | 2,318,088 | - | - | 2,216,703 | 2,318,088 |
| Other city taxes | 1,219,381 | 1,153,500 | - | - | 1,219,381 | 1,153,500 |
| Interest | 29,647 | 64,611 | 280,301 | 491,605 | 309,948 | 556,216 |
| Miscellaneous | 176,614 | 156,361 | 2,146,622 | 1,434,918 | 2,323,236 | 1,591,279 |
| Total Revenues: | 11,979,227 | 11,966,365 | 24,293,967 | 27,889,730 | 36,273,194 | 39,856,095 |
| Expenses: | | | | | | |
| Public safety | 1,724,173 | 1,357,258 | - | - | 1,724,173 | 1,357,258 |
| Public works | 1,653,313 | 2,919,672 | - | - | 1,653,313 | 2,919,672 |
| Culture and recreation | 5,189,785 | 4,632,680 | - | - | 5,189,785 | 4,632,680 |
| Community and economic development | 4,317,670 | 734,365 | - | - | 4,317,670 | 734,365 |
| General government | 1,873,100 | 1,426,434 | - | - | 1,873,100 | 1,426,434 |
| Interest on debt | 308,116 | 261,212 | - | - | 308,116 | 261,212 |
| Centre Mall | - | - | 1,008,594 | 1,015,338 | 1,008,594 | 1,015,338 |
| Water Utility | - | - | 1,880,756 | 1,765,265 | 1,880,756 | 1,765,265 |
| Sewer Utility | - | - | 3,205,694 | 3,615,949 | 3,205,694 | 3,615,949 |
| Electric Utility | - | - | 9,674,447 | 9,669,999 | 9,674,447 | 9,669,999 |
| Gas Utility | - | - | 7,142,094 | 5,467,940 | 7,142,094 | 5,467,940 |
| Total Expenses | 15,066,157 | 11,331,621 | 22,911,585 | 21,534,491 | 37,977,742 | 32,866,112 |
| Increase/(decrease) in net position before other financing sources | (3,086,930) | 634,744 | 1,382,382 | 6,355,239 | (1,704,548) | 6,989,983 |
| Other financing sources (uses) | (193,591) | (144,594) | 193,591 | 144,594 | - | - |
| Increase/(decrease) in net position | (3,280,521) | 490,150 | 1,575,973 | 6,499,833 | (1,704,548) | 6,989,983 |
| Net Position - beginning | 46,291,375 | 45,801,225 | 51,839,237 | 45,339,404 | 98,130,612 | 91,140,629 |
| Prior Period Adjustment | (37,269) | - | - | - | (37,269) | - |
| Net Position-beginning (as restated) | 46,254,106 | 45,801,225 | 51,839,237 | 45,339,404 | 98,093,343 | 91,140,629 |
| Net Position-ending | \$42,973,585 | \$46,291,375 | \$53,415,210 | \$51,839,237 | \$96,388,795 | \$98,130,612 |



Sioux Center's property tax revenues for general purposes increased by \$271,851 or approximately 7.6%. This increase is due to continued increasing property valuations and new properties being added to the taxes roles.

The decrease in net position in the governmental activities column in 2021 was \$3,280,521. In 2020 there was an increase in net position for governmental activities of \$490,150. 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 \$1,575,973.

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>2021</u> | <u>2020</u> |
|-------------------------------|--------------------|--------------------|
| Electric Utility | \$1,993,010 | \$1,097,729 |
| Natural Gas Utility | (220,244) | (304,970) |
| Water Utility | 276,997 | 111,853 |
| Sewer Utility | (19,021) | 5,802,080 |
| Centre Mall | <u>(454,769)</u> | <u>(206,859)</u> |
| Change in Net Position | <u>\$1,575,973</u> | <u>\$6,499,833</u> |

The change in net position for the electric utility in 2021 increased from 2020 because of one time payments from Missouri River Energy Services and Northwest Iowa Power Cooperative.

Change in net position in the gas utility in 2021 was negative because of increased personnel cost.

The water utility had a gain in net position for 2021. Water sales were up 15.1 % compared to 2020. Dry summer conditions in 2021 led to more lawn watering. System repair and maintenance increased in fiscal 2021. A rate increase was implemented in the fall of 2020.

The sewer utility had a net position loss for 2021. The decrease was due to increased depreciation of \$538,000 from 2020 because of sewer plant improvements that were completed in 2020. Fiscal 2020 also had one time revenue for future capital contributions from industrial customers for sewer plant improvements.

The Centre Mall's change in net position decreased from 2020 to 2021. This decrease was due decreased lease revenue. Accommodations were made with tenants during the beginning of the pandemic because of lost sales.

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 \$8,643,062 a decrease of \$4,155,644 from last fiscal year.

The general fund is the primary fund of the City. The general total fund balance decreased by \$3,170,097 as of June 30, 2021 compared to June 30, 2020.

Budgetary Highlights

The City of Sioux Center adopted two budget amendment during fiscal year. The total amendment increased budget disbursements by \$6,328,065. The increase was due to additional expenditures in Public Works for additional projects being completed. Community and Economic Development increase was due to a development agreement with the Sioux Center Community School District that were entered into during fiscal 2021. Capital Projects had additional cost for two new projects that were added in Fiscal 2021 (Green Space Development and Trail Extensions) and the Highway 75 Enhancement project. Total disbursements in Capital Projects and Debt Service exceeded the amended budget in fiscal year 2021.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$61,807,472 (net of accumulated depreciation and related debt). Capital assets include land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total governmental-type capital assets (net of depreciation and related debt) decreased \$984,425. The decrease in capital assets in business-type activities totaled \$372,645. The net increase in capital assets for governmental activities is due to the construction of Fire Station #2, Green Space development, and engineering for the Highway 75 Enhancement project. The net decrease in capital assets for all activities for the fiscal year was \$1,357,070. The decrease in capital assets for business-type activities is due to borrowing for the Siouxland Energy Corporation gas line improvement project. Additionally, a full year of depreciation for the wastewater plant upgrades were recorded.

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

Debt Administration

The City of Sioux Center had total bond debt of \$41,135,000 at the end of the current fiscal year. Of this amount \$19,836,000 was general obligation debt which is debt backed by the full faith and credit of the government. The remainder of \$21,299,000 is revenue bonds (and notes) debt that is secured by specific revenue sources. This is a net increase of \$4,767,428 from the balance at the end of the previous fiscal year. Three bonds were drawn on from the Iowa Finance Authority for the sewer plant upgrades and two Revenue bonds were issued.

The City's general obligation debt is limited by the State of Iowa to 5% of the actual value of all taxable property in the community. The City's general obligation debt limit is \$32,720,321. Net bonded debt applicable to the City's debt limit (total issues outstanding and development agreements less funds reserved for repayment of debt) is \$20,122,050 or 61.50% 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

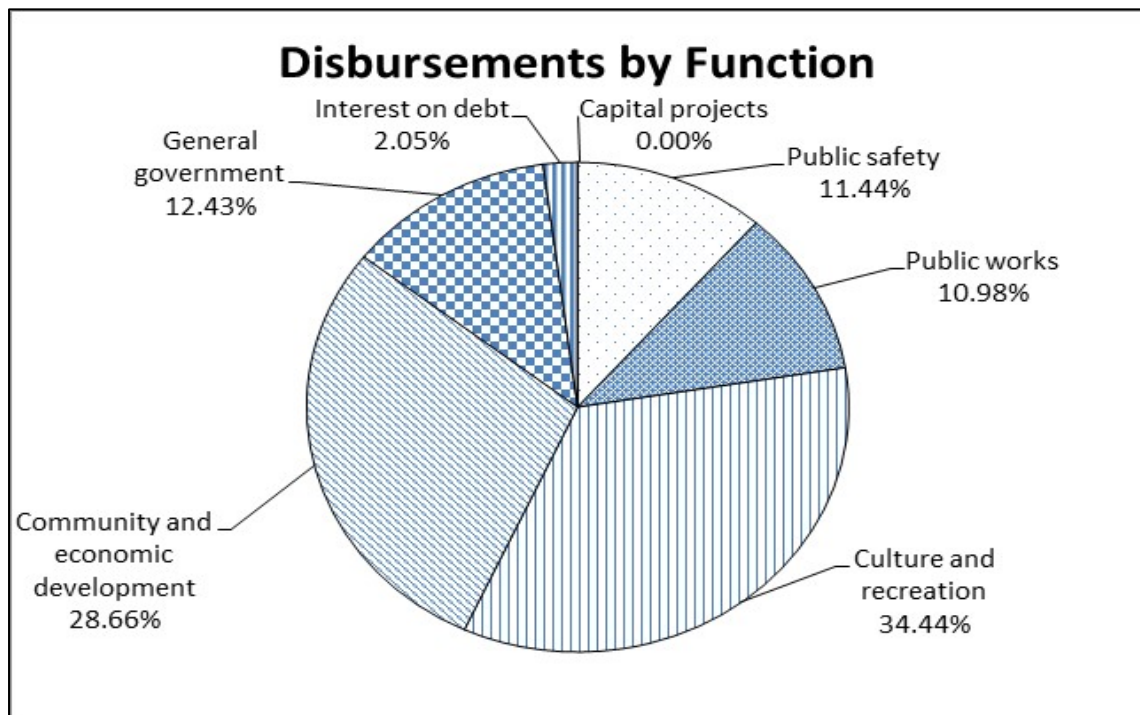
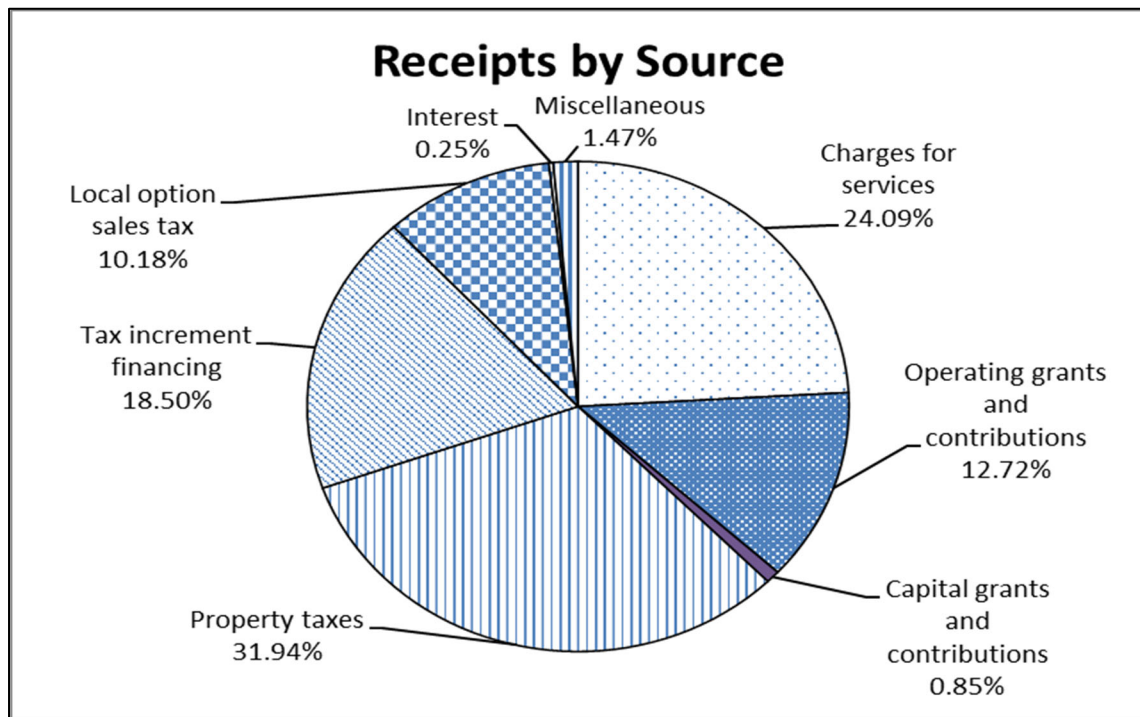
Construction activity in the City had solid activity in calendar year 2021. 31 building permits were issued for commercial construction, 120 permits were issued for residential construction and no permits were issued for tax exempt construction.

Total estimated valuation of this construction was \$53,510,033 compared to \$40,022,137 in the prior year.

Taxable retail sales in fiscal 2021 increased by \$10,555,812 for a total of \$180,838,894. The City's retail sales accounted for 41.0% 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.



Sioux Center's property tax revenues for general purposes increased by \$271,851 or approximately 7.6%. This increase is due to continued increasing property valuations and new properties being added to the taxes roles.

The decrease in net position in the governmental activities column in 2021 was \$3,280,521. In 2020 there was an increase in net position for governmental activities of \$490,150. 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.

CITY OF SIOUX CENTER, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2021

| | Primary Government | | |
|---|----------------------|----------------------|----------------------|
| | Governmental | Business-Type | |
| | Activities | Activities | Total |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 9,910,552 | \$ 13,147,644 | \$ 23,058,196 |
| Receivables (Net, where applicable, of allowance for uncollectibles) | | | |
| Accounts | 359,337 | 2,332,624 | 2,691,961 |
| Taxes | 29,953 | - | 29,953 |
| Subsequent Year Taxes | 6,289,835 | - | 6,289,835 |
| Accrued Interest | - | 4,732 | 4,732 |
| Estimated Unbilled Usage | - | 269,193 | 269,193 |
| Special Assessments | 97,639 | - | 97,639 |
| Notes Receivable | 491,095 | 614,318 | 1,105,413 |
| Interfund Balances | (3,374,447) | 3,374,447 | - |
| Due from Other Governmental Agencies | 236,370 | - | 236,370 |
| Inventories | - | 1,048,769 | 1,048,769 |
| Prepaid Assets | 196,320 | 238,629 | 434,949 |
| Noncurrent Assets: | | | |
| Notes Receivable | - | 6,766,478 | 6,766,478 |
| Long Term Prepaid Asset | - | 216,376 | 216,376 |
| Land Held for Resale | 2,227,159 | 9,549,491 | 11,776,650 |
| Restricted Assets, Cash and Investments: | | | |
| Revenue Bond Current Debt Service Account - Cash & Investments | - | 366,549 | 366,549 |
| Land | 9,134,306 | 2,423,492 | 11,557,798 |
| Construction in Progress | 4,811,964 | 2,295,476 | 7,107,440 |
| Infrastructure, Property and Equipment, Net of Accumulated Depreciation | 33,904,801 | 43,268,560 | 77,173,361 |
| Total Assets | 64,314,884 | 85,916,778 | 150,231,662 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Related Deferred Outflows | 452,233 | 329,169 | 781,402 |
| OPEB Related Deferred Outflows | 10,261 | 6,731 | 16,992 |
| Total Deferred Outflows of Resources | 462,494 | 335,900 | 798,394 |
| LIABILITIES | | | |
| Accounts Payable | 774,166 | 1,956,078 | 2,730,244 |
| Accrued Wages | 336,891 | 100,552 | 437,443 |
| Accrued Expenses | - | 198,975 | 198,975 |
| Customer Deposits | 66,659 | 64,308 | 130,967 |
| Accrued Interest | 23,998 | 47,219 | 71,217 |
| Noncurrent Liabilities: | | | |
| Due within one year: | | | |
| Revenue Bonds Payable | 188,000 | 1,320,000 | 1,508,000 |
| General Obligation Bonds | 1,497,445 | 703,555 | 2,201,000 |
| Compensated Absences and Benefits | 64,076 | 71,094 | 135,170 |
| Due in more than one year: | | | |
| Revenue Bonds Payable | 1,812,000 | 17,974,704 | 19,786,704 |
| General Obligation Bonds | 8,761,938 | 8,943,514 | 17,705,452 |
| Net Pension Liability | 1,671,815 | 1,216,870 | 2,888,685 |
| Other Post Employment Benefits | 49,699 | 32,602 | 82,301 |
| Compensated Absences and Benefits | 192,226 | 153,480 | 345,706 |
| Total Liabilities | 15,438,913 | 32,782,951 | 48,221,864 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred Revenue - Subsequent Year Taxes | 6,289,835 | - | 6,289,835 |
| Pension Related Deferred Inflows | 73,575 | 53,553 | 127,128 |
| OPEB Related Deferred Inflows | 1,470 | 964 | 2,434 |
| Total Deferred Inflow of Resources | 6,364,880 | 54,517 | 6,419,397 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 38,360,420 | 23,447,052 | 61,807,472 |
| Restricted for: | | | |
| Debt Service | - | 362,249 | 362,249 |
| TIF | 228,326 | - | 228,326 |
| Specific Revenues | 2,940 | - | 2,940 |
| Local Option Sales Tax | 234,472 | - | 234,472 |
| Road Use Tax | 2,651,744 | - | 2,651,744 |
| Donor Restrictions | 1,520,672 | - | 1,520,672 |
| Unrestricted | (24,989) | 29,605,909 | 29,580,920 |
| Total Net Position | \$ 42,973,585 | \$ 53,415,210 | \$ 96,388,795 |

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

| Functions/Programs | Expenses | Program Revenues | | |
|------------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| Public Safety | \$ 1,724,173 | \$ 389,425 | \$ 63,630 | \$ 100,000 |
| Public Works | 1,653,313 | 580,803 | 1,048,324 | 147 |
| Culture and Recreation | 5,189,785 | 1,273,636 | 380,048 | - |
| Community and Economic Development | 4,317,670 | - | - | - |
| General Government | 1,873,100 | 642,510 | 28,216 | - |
| Debt Service | 308,116 | - | 4,134 | - |
| Total governmental activities | 15,066,157 | 2,886,374 | 1,524,352 | 100,147 |
| Business-Type Activities: | | | | |
| Electric Utility | 9,674,447 | 10,462,514 | - | - |
| Water Utility | 1,880,756 | 2,155,849 | - | - |
| Sewer Utility | 3,205,694 | 2,174,241 | - | - |
| Gas Utility | 7,142,094 | 6,661,730 | - | - |
| Centre Mall | 1,008,594 | 412,710 | - | - |
| Total Business-Type Activities: | 22,911,585 | 21,867,044 | - | - |
| Total Primary Government | \$ 37,977,742 | \$ 24,753,418 | \$ 1,524,352 | \$ 100,147 |

General Revenues:

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

| Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------------|----------------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (1,171,118) | | \$ (1,171,118) |
| (24,039) | | (24,039) |
| (3,536,101) | | (3,536,101) |
| (4,317,670) | | (4,317,670) |
| (1,202,374) | | (1,202,374) |
| (303,982) | | (303,982) |
| <u>(10,555,284)</u> | | <u>(10,555,284)</u> |
| | \$ 788,067 | 788,067 |
| | 275,093 | 275,093 |
| | (1,031,453) | (1,031,453) |
| | (480,364) | (480,364) |
| | (595,884) | (595,884) |
| | <u>(1,044,541)</u> | <u>(1,044,541)</u> |
| <u>(10,555,284)</u> | <u>(1,044,541)</u> | <u>(11,599,825)</u> |
| 3,826,009 | - | 3,826,009 |
| 2,216,703 | - | 2,216,703 |
| 1,219,381 | - | 1,219,381 |
| 29,647 | 280,301 | 309,948 |
| 176,614 | - | 176,614 |
| - | 4,811 | 4,811 |
| - | 2,141,811 | 2,141,811 |
| (193,591) | 193,591 | - |
| <u>7,274,763</u> | <u>2,620,514</u> | <u>9,895,277</u> |
| (3,280,521) | 1,575,973 | (1,704,548) |
| 46,291,375 | 51,839,237 | 98,130,612 |
| (37,269) | - | (37,269) |
| <u>46,254,106</u> | <u>51,839,237</u> | <u>98,093,343</u> |
| <u>\$ 42,973,585</u> | <u>\$ 53,415,210</u> | <u>\$ 96,388,795</u> |

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2021

| | General | TIF | Other Governmental Funds | Total Governmental Funds |
|---|---------------|--------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Cash and Pooled Investments | \$ 3,914,514 | \$ 213,996 | \$ 5,691,339 | \$ 9,819,849 |
| Receivables (Net, where applicable, of allowance for uncollectibles) | | | | |
| Accounts | 309,337 | - | 50,000 | 359,337 |
| Taxes | 11,910 | 14,330 | 3,713 | 29,953 |
| Subsequent Year Taxes | 3,049,003 | 2,351,000 | 889,832 | 6,289,835 |
| Special Assessments | 97,639 | - | - | 97,639 |
| Notes Receivable | 491,095 | - | - | 491,095 |
| Due from Other Funds | 1,993,802 | - | - | 1,993,802 |
| Due from Other Governmental Agencies | 42,571 | - | 193,799 | 236,370 |
| Land Held for Resale | 2,227,159 | - | - | 2,227,159 |
| Total Assets | 12,137,030 | 2,579,326 | 6,828,683 | 21,545,039 |
| Liabilities | | | | |
| Accounts Payable | 405,153 | - | 343,679 | 748,832 |
| Accrued Wages | 330,763 | - | - | 330,763 |
| Customer Deposits | 66,659 | - | - | 66,659 |
| Due to Other Funds | 4,024,444 | - | 1,343,805 | 5,368,249 |
| Total Liabilities | 4,827,019 | - | 1,687,484 | 6,514,503 |
| Deferred Inflow of Resources | | | | |
| Unavailable Revenue - Special Assessments | 97,639 | - | - | 97,639 |
| Unavailable Revenue - Subsequent Year Taxes | 3,049,003 | 2,351,000 | 889,832 | 6,289,835 |
| Total Deferred Inflow of Resources | 3,146,642 | 2,351,000 | 889,832 | 6,387,474 |
| Fund Balances (Deficits) | | | | |
| Restricted for: | | | | |
| Debt Service | - | - | 57,984 | 57,984 |
| TIF | - | 228,326 | - | 228,326 |
| Emergency Management | - | - | 182 | 182 |
| Employee Benefit | - | - | 2,940 | 2,940 |
| Road Use Tax | - | - | 2,651,744 | 2,651,744 |
| Heritage Village | 1,520,672 | - | - | 1,520,672 |
| Capital Projects | 292,835 | - | 1,950,085 | 2,242,920 |
| Committed for: | | | | |
| Local Option Sales Tax | - | - | 234,472 | 234,472 |
| Assigned for: | | | | |
| Fire Department | 51,717 | - | - | 51,717 |
| Event Center | 56,799 | - | - | 56,799 |
| Youth Hockey | 130,273 | - | - | 130,273 |
| Heritage Village | 8,975 | - | - | 8,975 |
| Capital Projects | - | - | 762,356 | 762,356 |
| Unassigned | 2,102,098 | - | (1,408,396) | 693,702 |
| Total Fund Balances (Deficits) | 4,163,369 | 228,326 | 4,251,367 | 8,643,062 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 12,137,030 | \$ 2,579,326 | \$ 6,828,683 | \$ 21,545,039 |

CITY OF SIOUX CENTER, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

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

| | | | |
|---|--------------------------------|----|-------------------|
| Total Fund Balance - Governmental Funds (page 15) | | \$ | 8,643,062 |
| Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds | | | 47,851,071 |
| 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. | | | 11,307 |
| Accrued expenses from the balance sheet that require current financial resources for governmental activities | | | (23,998) |
| Accrued compensated absences, net pension liability, and other post employment benefits not reported on the modified accrual basis | | | (1,915,843) |
| 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 | \$ | 445,728 |
| | Deferred Inflows of Resources | | (72,318) |
| | | | 373,410 |
| Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources | | | 196,320 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds | | | (12,259,383) |
| Total Net Position - Governmental Activities (page 12) | | \$ | <u>42,973,585</u> |

CITY OF SIOUX CENTER, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended June 30, 2021

| | General | TIF | Other Governmental Funds | Total Governmental Funds |
|--|--------------|-------------|--------------------------------|--------------------------------|
| Revenue: | | | | |
| Taxes | \$ 2,945,953 | \$ - | \$ 904,570 | \$ 3,850,523 |
| Special Assessments | 5,101 | - | - | 5,101 |
| Licenses and Permits | 156,234 | - | - | 156,234 |
| Intergovernmental | 319,815 | - | 1,180,820 | 1,500,635 |
| Charges for Services | 1,874,892 | - | - | 1,874,892 |
| Use of Money and Property | 359,697 | - | - | 359,697 |
| TIF Revenue | - | 2,216,703 | - | 2,216,703 |
| Other City Taxes | 129,788 | - | 1,089,593 | 1,219,381 |
| Interest on Investments | - | 1,614 | 6,723 | 8,337 |
| Miscellaneous | 820,467 | - | - | 820,467 |
| Total Revenue | 6,611,947 | 2,218,317 | 3,181,706 | 12,011,970 |
| Expenditures: | | | | |
| Public Safety | 1,467,499 | - | - | 1,467,499 |
| Public Works | 1,294,882 | - | 376,901 | 1,671,783 |
| Culture and Recreation | 3,917,576 | - | - | 3,917,576 |
| Community and Economic Development | 4,317,016 | - | - | 4,317,016 |
| General Government | 973,639 | - | - | 973,639 |
| Capital Projects | - | - | 3,925,593 | 3,925,593 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 1,389,645 | 1,389,645 |
| Interest/Bond Costs | - | - | 311,272 | 311,272 |
| Total Expenditures | 11,970,612 | - | 6,003,411 | 17,974,023 |
| Excess (deficiency) of revenues over expenditures | (5,358,665) | 2,218,317 | (2,821,705) | (5,962,053) |
| Other financing sources (uses): | | | | |
| Issuance of Debt | - | - | 2,000,000 | 2,000,000 |
| Transfers In | 2,343,570 | - | 2,187,603 | 4,531,173 |
| Transfers Out | (155,002) | (2,402,961) | (2,166,801) | (4,724,764) |
| Total other financing sources (uses) | 2,188,568 | (2,402,961) | 2,020,802 | 1,806,409 |
| Net Change in Fund Balance | (3,170,097) | (184,644) | (800,903) | (4,155,644) |
| Fund balances (Deficits)-beginning of year | 7,370,735 | 412,970 | 5,052,270 | 12,835,975 |
| Prior Period Adjustment | (37,269) | - | - | (37,269) |
| Fund balances (Deficits)-beginning of year as restated | 7,333,466 | 412,970 | 5,052,270 | 12,798,706 |
| Fund balances (Deficits)- end of year | \$ 4,163,369 | \$ 228,326 | \$ 4,251,367 | \$ 8,643,062 |

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, 2021

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

| | |
|--|----------------|
| Net change in fund balances - total governmental funds (page 17) | \$ (4,155,644) |
|--|----------------|

Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation Expenses exceeded capital outlay in the current year as follows:

| | | |
|---------------------------------|--------------------|-----------|
| Expenditures for capital assets | \$ 4,546,577 | |
| Depreciation expense | <u>(2,969,468)</u> | 1,577,109 |

| | |
|--|----------|
| Revenues reported in the funds that are not available to provide current financial resources | (27,724) |
|--|----------|

| | |
|--|---------|
| The internal service fund is used by management to allocate capital equipment operational expenses to various departments. The net revenue of the internal service funds is reported with governmental activities: | (5,021) |
|--|---------|

| | |
|---|--------|
| Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources | 34,406 |
|---|--------|

| | |
|--|-----|
| Accrued interest expense that does not require current financial resources | 260 |
|--|-----|

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 | \$ (20,310) | |
| Other post employment benefits | (2,555) | |
| Pension expense | <u>(73,582)</u> | (96,447) |

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

| | | |
|------------------------------|------------------|-----------|
| Proceeds from debt issuance | \$ (2,000,000) | |
| Repayments of long-term debt | <u>1,389,641</u> | (610,359) |

| | |
|--|--------------|
| The effect of bond issuance discounts and premiums are show in the governmental funds when new debt is issued, whereas, these amounts are deferred and accreted in the Statement of Activities | <u>2,899</u> |
|--|--------------|

| | |
|---|------------------------------|
| Change in net position of governmental activities (page 14) | <u><u>\$ (3,280,521)</u></u> |
|---|------------------------------|

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Proprietary Funds
JUNE 30, 2021

| | Business Type Activities | | |
|---|---------------------------------|--------------------------|--------------------------|
| | Electric Utility | Water Utility | Sewer Utility |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 4,814,522 | \$ 247,072 | \$ 920,310 |
| Receivables (Net, where applicable, of allowance for uncollectibles) | | | |
| Accounts | 1,014,562 | 246,456 | 261,246 |
| Accrued Interest | 2,366 | - | - |
| Estimated Unbilled Usage | 171,433 | 45,108 | 36,762 |
| Notes Receivable | 269,448 | - | 264,702 |
| Due from Other Funds | 5,758,805 | - | - |
| Inventories | 646,151 | 228,963 | - |
| Prepaid Assets | 41,714 | 35,235 | 80,576 |
| Total Current Assets | 12,719,001 | 802,834 | 1,563,596 |
| Non Current Assets | | | |
| Notes Receivable | 510,920 | - | 5,495,638 |
| Land Held for Resale | 4,955,669 | - | - |
| Long Term Prepaid Assets | - | - | - |
| Restricted Assets: | | | |
| Revenue Bond Current Debt Service Account - Cash & Cash Equivalents | - | 366,549 | - |
| Land | 1,491,829 | 78,274 | 45,035 |
| Construction in Progress | 165,500 | 561,844 | 1,043,504 |
| Infrastructure, Property and Equipment, Net of Accumulated Depreciation | 5,164,572 | 8,164,502 | 25,498,969 |
| Total Noncurrent Assets | 12,288,490 | 9,171,169 | 32,083,146 |
| Total Assets | 25,007,491 | 9,974,003 | 33,646,742 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Related Deferred Outflows | 80,382 | 68,694 | 79,917 |
| OPEB Related Deferred Outflows | 1,670 | 1,453 | 1,646 |
| Total Deferred Outflows of Resources | 82,052 | 70,147 | 81,563 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 988,841 | 200,251 | 153,265 |
| Accrued Wages | 23,820 | 22,966 | 23,920 |
| Accrued Expenses | - | - | - |
| Customer Deposits | 30,013 | 15,694 | - |
| Due to Other Funds | - | 1,770,363 | 126,650 |
| Accrued Interest | - | 4,300 | 37,165 |
| Total Current Liabilities | 1,042,674 | 2,013,574 | 341,000 |
| Noncurrent Liabilities: | | | |
| Due within one year: | | | |
| Revenue Bonds Payable | - | 230,000 | 697,000 |
| General Obligation Bonds | - | 66,860 | 636,695 |
| Compensated Absences | 28,994 | 13,043 | 13,580 |
| Due in more than one year: | | | |
| Revenue Bonds Payable | - | 495,704 | 12,972,000 |
| General Obligation Bonds | - | 986,540 | 7,956,974 |
| Net Pension Liability | 297,153 | 253,950 | 295,436 |
| Other Post Employment Benefits | 8,088 | 7,038 | 7,974 |
| Compensated Absences and Benefits, Long-Term | 27,177 | 39,130 | 40,742 |
| Total Liabilities | 1,404,086 | 4,105,839 | 22,961,401 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension Related Deferred Inflows | 13,078 | 11,176 | 13,002 |
| OPEB Related Deferred Inflows | 239 | 208 | 236 |
| Total Deferred Inflow of Resources | 13,317 | 11,384 | 13,238 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 6,821,901 | 7,025,516 | 4,324,839 |
| Restricted for: | | | |
| Debt Service | - | 362,249 | - |
| Unrestricted | 16,850,239 | (1,460,838) | 6,428,827 |
| Total Net Position | \$ 23,672,140 | \$ 5,926,927 | \$ 10,753,666 |

See Accompanying Notes to Financial Statements

| Business Type Activities | | | Governmental Activities Internal Service |
|--------------------------|----------------------------|---------------|---|
| Gas Utility | Nonmajor Centre Mall | Total | |
| \$ 6,989,170 | \$ 176,570 | \$ 13,147,644 | \$ 90,703 |
| 791,042 | 19,318 | 2,332,624 | - |
| 2,366 | - | 4,732 | - |
| 15,890 | - | 269,193 | - |
| 80,168 | - | 614,318 | - |
| - | - | 5,758,805 | - |
| 173,655 | - | 1,048,769 | - |
| 50,661 | 30,443 | 238,629 | - |
| 8,102,952 | 226,331 | 23,414,714 | 90,703 |
| 759,920 | - | 6,766,478 | - |
| 4,593,822 | - | 9,549,491 | - |
| 216,376 | - | 216,376 | - |
| - | - | 366,549 | - |
| 572,592 | 235,762 | 2,423,492 | - |
| 524,628 | - | 2,295,476 | - |
| 2,549,775 | 1,890,742 | 43,268,560 | - |
| 9,217,113 | 2,126,504 | 64,886,422 | - |
| 17,320,065 | 2,352,835 | 88,301,136 | 90,703 |
| 64,301 | 35,875 | 329,169 | 16,766 |
| 1,302 | 660 | 6,731 | - |
| 65,603 | 36,535 | 335,900 | 16,766 |
| 601,189 | 12,532 | 1,956,078 | 25,333 |
| 20,556 | 9,290 | 100,552 | 6,128 |
| - | 198,975 | 198,975 | - |
| 18,601 | - | 64,308 | - |
| - | 487,345 | 2,384,358 | - |
| 5,754 | - | 47,219 | - |
| 646,100 | 708,142 | 4,751,490 | 31,461 |
| 393,000 | - | 1,320,000 | - |
| - | - | 703,555 | - |
| 9,059 | 6,418 | 71,094 | - |
| 4,507,000 | - | 17,974,704 | - |
| - | - | 8,943,514 | - |
| 237,709 | 132,622 | 1,216,870 | 61,974 |
| 6,304 | 3,198 | 32,602 | - |
| 27,177 | 19,254 | 153,480 | - |
| 5,826,349 | 869,634 | 35,167,309 | 93,435 |
| 10,461 | 5,836 | 53,553 | 2,727 |
| 186 | 95 | 964 | - |
| 10,647 | 5,931 | 54,517 | 2,727 |
| 3,148,292 | 2,126,504 | 23,447,052 | - |
| - | - | 362,249 | - |
| 8,400,380 | (612,699) | 29,605,909 | 11,307 |
| \$ 11,548,672 | \$ 1,513,805 | \$ 53,415,210 | \$ 11,307 |

See Accompanying Notes to Financial Statements

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended June 30, 2021

| | Business Type Activities | | |
|--|---------------------------------|--------------------------|--------------------------|
| | Electric Utility | Water Utility | Sewer Utility |
| Operating Revenues: | | | |
| Charges for Services | \$ 10,462,514 | \$ 2,155,849 | \$ 2,174,241 |
| Total Operating Revenue | <u>10,462,514</u> | <u>2,155,849</u> | <u>2,174,241</u> |
| Operating Expenses: | | | |
| Operating and Maintenance | 9,070,933 | 1,269,319 | 1,488,168 |
| Depreciation | 603,514 | 553,234 | 1,242,752 |
| Total Operating Expenses | <u>9,674,447</u> | <u>1,822,553</u> | <u>2,730,920</u> |
| Operating Income (Loss) | 788,067 | 333,296 | (556,679) |
| Non-Operating Income (Expense): | | | |
| Interest Income | 77,266 | 3,985 | 186,731 |
| Other Non-operating Revenues | 1,639,897 | 88,773 | 31,425 |
| Interest Expense | - | (58,203) | (474,774) |
| Gain/(Loss) on Sale of Fixed Assets | (2,281) | - | - |
| Total Non-Operating Income (Expenses) | <u>1,714,882</u> | <u>34,555</u> | <u>(256,618)</u> |
| Income (Loss) before Transfers | 2,502,949 | 367,851 | (813,297) |
| Transfers In | 1,191 | 6,385 | 794,276 |
| Transfers Out | <u>(511,130)</u> | <u>(97,239)</u> | <u>-</u> |
| Change in Net Position | 1,993,010 | 276,997 | (19,021) |
| Net Position - Beginning | <u>21,679,130</u> | <u>5,649,930</u> | <u>10,772,687</u> |
| Net Position - Ending | <u>\$ 23,672,140</u> | <u>\$ 5,926,927</u> | <u>\$ 10,753,666</u> |

| Business Type Activities | | | Governmental |
|--------------------------|---------------------|----------------------|--------------------------|
| Gas Utility | Nonmajor | Total | Activities |
| | Centre Mall | | Internal Service Fund |
| \$ 6,661,730 | \$ 412,710 | \$ 21,867,044 | \$ 302,541 |
| <u>6,661,730</u> | <u>412,710</u> | <u>21,867,044</u> | <u>302,541</u> |
| 6,893,635 | 634,280 | 19,356,335 | 310,525 |
| 242,538 | 374,002 | 3,016,040 | - |
| <u>7,136,173</u> | <u>1,008,282</u> | <u>22,372,375</u> | <u>310,525</u> |
| (474,443) | (595,572) | (505,331) | (7,984) |
| 12,112 | 207 | 280,301 | - |
| 375,808 | 5,908 | 2,141,811 | 2,963 |
| (5,921) | (312) | (539,210) | - |
| 7,092 | - | 4,811 | - |
| <u>389,091</u> | <u>5,803</u> | <u>1,887,713</u> | <u>2,963</u> |
| (85,352) | (589,769) | 1,382,382 | (5,021) |
| - | 135,000 | 936,852 | - |
| <u>(134,892)</u> | <u>-</u> | <u>(743,261)</u> | <u>-</u> |
| (220,244) | (454,769) | 1,575,973 | (5,021) |
| <u>11,768,916</u> | <u>1,968,574</u> | <u>51,839,237</u> | <u>16,328</u> |
| <u>\$ 11,548,672</u> | <u>\$ 1,513,805</u> | <u>\$ 53,415,210</u> | <u>\$ 11,307</u> |

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended June 30, 2021

| | Business Type Activities | | |
|---|---------------------------------|--------------------------|--------------------------|
| | Electric Utility | Water Utility | Sewer Utility |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash Received from Customers | \$ 10,548,529 | \$ 2,108,811 | \$ 2,169,269 |
| Cash Paid to Suppliers for Goods and Services | (8,568,695) | (762,040) | (1,015,750) |
| Cash Paid to Employees for Services | (432,000) | (390,092) | (436,735) |
| Other Nonoperating Income | 1,639,897 | 88,773 | 31,425 |
| Net Cash Provided (Used) by Operating Activities | <u>3,187,731</u> | <u>1,045,452</u> | <u>748,209</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Acquisition and Construction of Capital Assets | (310,226) | (879,653) | (1,279,153) |
| Proceeds from Sale of Fixed Assets | 199,575 | - | - |
| Proceeds from Issuance of Debt | - | - | 828,192 |
| Principal Paid on Notes and Bonds | - | (265,457) | (1,305,665) |
| Interest Paid on Notes and Bonds | - | (57,073) | (470,714) |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(110,651)</u> | <u>(1,202,183)</u> | <u>(2,227,340)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| Transfers From (To) Other Funds | (509,939) | (90,854) | 794,276 |
| Due From (To) Other Funds | (4,073,609) | 115,970 | (48,350) |
| Proceeds Paid on Notes | - | - | - |
| Payments Received on Notes | 637,473 | - | 273,514 |
| Net Cash Provided (Used) for Non-Capital Financing Activities | <u>(3,946,075)</u> | <u>25,116</u> | <u>1,019,440</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of Investments | (96,971) | - | - |
| Interest and Dividends on Investments | 75,943 | 3,985 | 186,731 |
| Net Cash Provided (Used) by Investing Activities | <u>(21,028)</u> | <u>3,985</u> | <u>186,731</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (890,023) | (127,630) | (272,960) |
| Cash and Cash Equivalents at Beginning of Year | <u>5,704,545</u> | <u>741,251</u> | <u>1,193,270</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 4,814,522</u> | <u>\$ 613,621</u> | <u>\$ 920,310</u> |

| Business Type Activities | | | Governmental |
|--------------------------|----------------|---------------|---------------------|
| Gas Utility | Nonmajor | Total | Activities |
| | Centre Mall | | Internal Service |
| \$ 6,262,197 | \$ 455,020 | \$ 21,543,826 | \$ 302,540 |
| (6,198,098) | (442,604) | (16,987,187) | (290,029) |
| (347,651) | (180,284) | (1,786,762) | (1,765) |
| 375,808 | 5,908 | 2,141,811 | 2,963 |
| 92,256 | (161,960) | 4,911,688 | 13,709 |
| (750,206) | (35,002) | (3,254,240) | - |
| 124,253 | - | 323,828 | - |
| 4,900,000 | - | 5,728,192 | - |
| - | - | (1,571,122) | - |
| (167) | (312) | (528,266) | - |
| 4,273,880 | (35,314) | 698,392 | - |
| (134,892) | 135,000 | 193,591 | - |
| - | 238,637 | (3,767,352) | - |
| (49,262) | - | (49,262) | - |
| 104,750 | - | 1,015,737 | - |
| (79,404) | 373,637 | (2,607,286) | - |
| - | - | (96,971) | - |
| 10,717 | 207 | 277,583 | - |
| 10,717 | 207 | 180,612 | - |
| 4,297,449 | 176,570 | 3,183,406 | 13,709 |
| 2,691,721 | - | 10,330,787 | 76,994 |
| \$ 6,989,170 | \$ 176,570 | \$ 13,514,193 | \$ 90,703 |

continued

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

| | 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) | \$ 788,067 | \$ 333,296 | \$ (556,679) |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 603,514 | 553,234 | 1,242,752 |
| Other Non-Operating Income | 1,639,897 | 88,773 | 31,425 |
| (Increase) Decrease in Assets and Deferred Outflows: | | | |
| Accounts Receivable | 71,281 | (48,668) | (7,331) |
| Inventories | (141,669) | (39,265) | - |
| Prepaid Expenses | 8,799 | (5,993) | (15,061) |
| Estimated Unbilled Usage | 10,891 | 21 | 2,359 |
| Deferred Outflows of Resources | 419 | (3,149) | (7,978) |
| Increase (Decrease) in Liabilities and Deferred Inflows: | | | |
| Accounts Payable | 162,848 | 130,937 | (5,530) |
| Accrued Wages and Compensated Absences | 35,381 | 17,501 | 27,964 |
| Accrued Expenses | - | - | - |
| Customer Deposits | 3,843 | 1,609 | - |
| Net Pension Liability | 39,504 | 45,030 | 66,304 |
| Deferred Inflows of Resources | (35,603) | (28,301) | (30,301) |
| OPEB Liability | 559 | 427 | 285 |
| Total Adjustments | 2,399,664 | 712,156 | 1,304,888 |
| Net Cash Provided (Used) by Operating Activities | 3,187,731 | 1,045,452 | 748,209 |
| Cash and Cash Equivalents | 4,814,522 | 247,072 | 920,310 |
| Revenue Bond Current Debt Service Account - Cash & Cash Equivalents | - | 366,549 | - |
| Total Cash and Cash Equivalents | \$ 4,814,522 | \$ 613,621 | \$ 920,310 |

| Business Type Activities | | | Governmental Activities |
|--------------------------|----------------|---------------|----------------------------|
| Gas Utility | Centre Mall | Total | Internal Service |
| \$ (474,443) | \$ (595,572) | \$ (505,331) | \$ (7,984) |
| 242,538 | 374,002 | 3,016,040 | - |
| 375,808 | 5,908 | 2,141,811 | 2,963 |
| (398,586) | 42,310 | (340,994) | - |
| (20,088) | - | (201,022) | - |
| 28,819 | (5,238) | 11,326 | - |
| (1,900) | - | 11,371 | - |
| (5,888) | (2,624) | (19,220) | (1,267) |
| 297,728 | 589 | 586,572 | 8,034 |
| 20,163 | 7,814 | 108,823 | 6,128 |
| - | (1,715) | (1,715) | - |
| 953 | - | 6,405 | - |
| 51,738 | 26,938 | 229,514 | 12,461 |
| (24,690) | (14,147) | (133,042) | (6,626) |
| 104 | (225) | 1,150 | - |
| 566,699 | 433,612 | 5,417,019 | 21,693 |
| 92,256 | (161,960) | 4,911,688 | \$ 13,709 |
| 6,989,170 | 176,570 | 13,147,644 | 90,703 |
| - | - | 366,549 | - |
| \$ 6,989,170 | \$ 176,570 | \$ 13,514,193 | \$ 90,703 |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

For financial reporting purposes, the City of Sioux Center, Iowa, has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the City.

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

B. Basic Financial Statements-Government-Wide Statements

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

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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, 2021

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

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

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

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

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

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

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

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

D. Basis of Accounting

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

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

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

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

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

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, expenditures exceeded the amount budgeted in the Capital Projects and Debt Service functions.

F. Cash And Cash Equivalents And Investments

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

1) **Cash and Cash Equivalents**

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

2) **Investments consist of the following**

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

3) In addition, the City had investments in the Iowa Public Agency Investment Trust (IPAIT) which were valued at an amortized cost of \$518,304. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City's investment in IPAIT is unrated.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

G. Property Tax Receivable

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March, 2020. Any county collections on the 2020-2021 tax levy remitted to the City within 60 days subsequent to June 30, 2021, 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, 2021, balances of interfund amounts payable or receivable have been recorded as “due to other funds” and “due from other funds”, respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

I. Inventories

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

K. Restricted Assets

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

L. Property and Equipment

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

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

M. Land Held for Resale

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

N. Compensated Absences

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability for this and any related benefits is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts and related benefits is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

O. Long-Term Obligations

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

P. Interfund Transactions

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

Q. Landfill Closure Costs

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

R. Classifying Fund Balance Amounts

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

S. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and OPEB and contributions from the employer after the measurement date but before the end of the employer's reporting period and the unamortized portion of the net difference between projected and actual earnings on pension plan investments and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and the unrecognized items not yet charged to pension expense.

T. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employers' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Total OPEB Liability

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

V. Fund Equity

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

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

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

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

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

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The City's deposits at June 30, 2021, were entirely covered by Federal Depository Insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

| Type of Investment | Fair Value | <u>Investment Maturities (In Years)</u> | <u>S & P Rating</u> |
|--------------------|------------|---|-------------------------|
| | | Greater Than 1 Year | June 30, 2021 |
| Commercial Bonds | \$ 161,198 | \$ 161,198 | AA+ |

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

The recurring fair value measurement for the Commercial Bonds of \$161,198 were determined using the last reported sales price at current exchange rates (Level 1 inputs).

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

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

Note 3 - DUE FROM OTHER GOVERNMENTS

At June 30, 2021, amounts due from other governments were as follows:

| | |
|---|-------------------|
| Due from the Iowa Department of Transportation for road use tax allocations | \$ 110,251 |
| Due from the State of Iowa for local option sales taxes | 83,548 |
| Due from the State of Iowa for hotel and motel sales taxes | 42,571 |
| Total Due from Other Governments | <u>\$ 236,370</u> |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 4 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2021, short-term interfund borrowings were as follows:

| <u>Fund Due To</u> | <u>Fund Due From</u> | <u>Amount</u> |
|--------------------|-----------------------------|---------------------|
| General Fund | Mall Fund | \$ 487,345 |
| General Fund | Nonmajor Governmental Funds | 1,043,934 |
| General Fund | Water Fund | 335,873 |
| General Fund | Sewer Fund | 126,650 |
| | | <u>1,993,802</u> |
| Electric Fund | Water Fund | 1,434,490 |
| Electric Fund | General Fund | 4,024,444 |
| Electric Fund | Nonmajor Governmental Funds | 299,871 |
| | | <u>5,758,805</u> |
| | | <u>\$ 7,752,607</u> |

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

Note 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Primary Government

| | Balance July 1, 2020 | Additions | Deletions | Reclass | Balance June 30, 2021 |
|---|-------------------------------------|---------------------|------------------|------------------|--------------------------------------|
| Governmental Activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 9,134,306 | \$ - | \$ - | \$ - | \$ 9,134,306 |
| Construction in Progress | 885,831 | 3,926,133 | - | - | 4,811,964 |
| Total capital assets not being depreciated | <u>10,020,137</u> | <u>3,926,133</u> | <u>-</u> | <u>-</u> | <u>13,946,270</u> |
| Capital assets being depreciated: | | | | | |
| Buildings | 25,019,625 | - | - | 1,739 | 25,021,364 |
| Improvements | 13,389,913 | 420,602 | 320,831 | - | 13,489,684 |
| Equipment | 7,160,127 | 178,873 | 123,921 | 19,230 | 7,234,309 |
| Infrastructure | 23,966,950 | - | - | - | 23,966,950 |
| Total Capital assets being depreciated | <u>69,536,615</u> | <u>599,475</u> | <u>444,752</u> | <u>20,969</u> | <u>69,712,307</u> |
| Less: Accumulated Depreciation for: | | | | | |
| Buildings | 12,239,939 | 960,491 | - | - | 13,200,430 |
| Improvements | 4,682,374 | 799,148 | 320,831 | - | 5,160,691 |
| Equipment | 5,214,618 | 487,798 | 123,921 | - | 5,578,495 |
| Infrastructure | 11,145,859 | 722,031 | - | - | 11,867,890 |
| Total Accumulated Depreciation | <u>33,282,790</u> | <u>2,969,468</u> | <u>444,752</u> | <u>-</u> | <u>35,807,506</u> |
| Total capital assets being depreciated, net | <u>36,253,825</u> | <u>(2,369,993)</u> | <u>-</u> | <u>20,969</u> | <u>33,904,801</u> |
| Governmental activities capital assets, net | <u>\$ 46,273,962</u> | <u>\$ 1,556,140</u> | <u>\$ -</u> | <u>\$ 20,969</u> | <u>\$ 47,851,071</u> |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 5 - CAPITAL ASSETS – (Continued)

Construction in progress at June 30, 2021, for the governmental activities consisted of Highway 75 Commercial Development projects, fire station #2, indoor turf field and recreational related projects.

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
|--|-------------------------------------|------------------|------------------|--------------------------------------|
| Business-type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,444,691 | \$ - | \$ 21,199 | \$ 2,423,492 |
| Construction in Progress | 1,101,925 | 2,344,035 | 1,150,484 | 2,295,476 |
| Total capital assets not being depreciated | 3,546,616 | 2,344,035 | 1,171,683 | 4,718,968 |
| Capital assets being depreciated: | | | | |
| Buildings | 22,202,211 | 35,002 | - | 22,237,213 |
| Infrastructure | 53,703,749 | 1,071,169 | 297,783 | 54,477,135 |
| Equipment | 2,093,851 | 122,616 | 79,825 | 2,136,642 |
| Transmission | 2,455,332 | - | - | 2,455,332 |
| Total Capital assets being depreciated | 80,455,143 | 1,228,787 | 377,608 | 81,306,322 |
| Less: Accumulated Depreciation | 35,399,330 | 3,016,040 | 377,608 | 38,037,762 |
| Total capital assets being depreciated, net | 45,055,813 | (1,787,253) | - | 43,268,560 |
| Business-type activities capital assets, net | \$48,602,429 | \$ 556,782 | \$ 1,171,683 | \$ 47,987,528 |

Construction in progress at June 30, 2021 for the business-type activities consisted of sewer lift station projects, and various electric, water and gas related improvements.

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

| | |
|--|---------------------|
| Governmental Activities: | |
| Public Safety | \$ 253,513 |
| Public Works | 216,090 |
| Culture and Recreation | 1,619,818 |
| General Government | 880,047 |
| Total depreciation expense - governmental activities | <u>\$ 2,969,468</u> |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 5 - CAPITAL ASSETS – (Continued)

Business-type activities:

| | |
|-------------|----------------|
| Electric | \$ 603,514 |
| Water | 553,234 |
| Sewer | 1,242,752 |
| Gas | 242,538 |
| Centre Mall | <u>374,002</u> |

| | |
|---|----------------------------|
| Total depreciation expense - business-type activities | <u><u>\$ 3,016,040</u></u> |
|---|----------------------------|

Reconciliation of Net Investment in Capital Assets:

| | Governmental Activities | Business-type Activities |
|--|------------------------------------|-------------------------------------|
| Land | \$ 9,134,306 | \$ 2,423,492 |
| Construction in Progress | 4,811,964 | 2,295,476 |
| Capital Assets (net of accumulated depreciation) | 33,904,801 | 43,268,560 |
| Unspent Bond Proceeds | 2,768,732 | 4,401,297 |
| Less: General Obligation Bonds Payable | 10,259,383 | 9,647,069 |
| Revenue Bonds | <u>2,000,000</u> | <u>19,294,704</u> |
| Net Investment in Capital Assets | <u><u>\$ 38,360,420</u></u> | <u><u>\$ 23,447,052</u></u> |

Note 6 - LONG-TERM DEBT

General Obligation Bonds

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 6 - LONG-TERM DEBT – (Continued)

General obligation bonds outstanding as of June 30, 2021 are as follows:

| <u>Purpose</u> | <u>Maturity</u> | <u>Interest Rates</u> | <u>Amounts</u> |
|--|-----------------|-----------------------|----------------------------|
| Governmental Activities – 2013 Refunding | 2022 | .40-1.60% | \$ 229,714 |
| Business Type Activities – 2013 Refunding | 2022 | .40-1.60% | 70,286 |
| Governmental Activities – 2018 | 2033 | 3.00% | 5,650,000 |
| Business Type Activities – 2018 – Direct Borrowing | 2037 | 2.00% | 8,227,000 |
| Governmental Activities – 2019 | 2023 | 2.25% | 1,621,241 |
| Business Activities – 2019 | 2023 | 2.25% | 337,761 |
| Governmental Activities – 2020 | 2035 | 1.95% | 2,687,743 |
| Business Activities – 2020 | 2035 | 1.95% | 1,012,255 |
| | | | <u>19,836,000</u> |
| Net Unamortized Bond Discounts and Premium | | | <u>70,452</u> |
| Total General Obligation Bonds on Statement of Net Position | | | <u><u>\$19,906,452</u></u> |

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 |
| 2022 | \$ 1,497,445 | \$ 265,577 | \$ 1,763,022 | \$ 262,555 | \$ 28,443 | \$ 290,998 |
| 2023 | 1,322,680 | 230,562 | 1,553,242 | 207,320 | 23,090 | 230,410 |
| 2024 | 589,982 | 198,052 | 788,034 | 64,018 | 18,533 | 82,551 |
| 2025 | 607,161 | 182,138 | 789,299 | 64,839 | 17,285 | 82,124 |
| 2026 | 624,340 | 165,730 | 790,070 | 65,660 | 16,021 | 81,681 |
| 2027-2031 | 3,546,078 | 556,507 | 4,102,585 | 410,922 | 57,019 | 467,941 |
| 2032-2035 | 2,001,012 | 108,395 | 2,109,407 | 344,988 | 20,705 | 365,693 |
| Total | <u>\$ 10,188,698</u> | <u>\$ 1,706,961</u> | <u>\$ 11,895,659</u> | <u>\$ 1,420,302</u> | <u>\$ 181,096</u> | <u>\$ 1,601,398</u> |

| Year Ending June 30, | Business-Type Activities Direct Borrowings | | |
|----------------------------|--|---------------------|---------------------|
| | Principal | Interest | Total |
| 2022 | \$ 441,000 | \$ 143,973 | \$ 584,973 |
| 2023 | 450,000 | 136,255 | 586,255 |
| 2024 | 459,000 | 128,380 | 587,380 |
| 2025 | 468,000 | 120,348 | 588,348 |
| 2026 | 478,000 | 112,158 | 590,158 |
| 2027-2031 | 2,536,000 | 431,987 | 2,967,987 |
| 2032-2036 | 2,801,000 | 200,987 | 3,001,987 |
| 2037 | 594,000 | 10,395 | 604,395 |
| Total | <u>\$ 8,227,000</u> | <u>\$ 1,284,483</u> | <u>\$ 9,511,483</u> |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 6 - LONG-TERM DEBT – (Continued)

The Governmental General Obligation Bonds on the Statement of Net Position is net unamortized bond discount of \$3,263 and premium of \$73,948.

The Business-type General Obligation Bonds on the Statement of Net Position is net of unamortized bond discount of \$233.

The City issued \$9,500,000 Sewer General Obligation Capital Loan Note, a direct borrowing from the Iowa finance Authority during fiscal year 2018. The note is subject to optional redemption by the City at a price of par plus accrued interest on any date with the prior written consent of the Issuer, or if all or substantially all of the project is damaged or destroyed. The note is subject to mandatory redemption if costs of the project are less than initially projected, in which case the amount of the loan shall be reduced to an amount equal to the actual project costs disbursed. Whenever an event of default occurs the Issuer shall have the right to take any action authorized under the loan agreement. The proceeds will be used for the construction of a new waste treatment plant. The City had a balance of \$8,227,000 as of June 30, 2021. Repayment of this note began in fiscal year 2019.

Revenue Bonds

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

Revenue bonds outstanding at June 30, 2021 are as follows:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Maturity</u> | <u>Amounts</u> |
|--|------------------------------|------------------------|-----------------------------|
| Water Revenue Bonds | 2.00-2.25% | 2024 | \$ 730,000 |
| IFA Clean Water Program Revolving Fund | 2.00% | 2038 | 7,349,000 |
| IFA Clean Water Program Revolving Fund | 2.00% | 2038 | 6,320,000 |
| Gas Revenue Bonds | 0.95-1.95% | 2032 | 4,900,000 |
| Governmental Activities | 1.23% | 2031 | 2,000,000 |
| | | | <u>21,299,000</u> |
| Net unamortized bond discount and premium | | | <u>(4,296)</u> |
| Total Revenue Bonds on Statement of Net Position | | | <u><u>\$ 21,294,704</u></u> |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 6 - LONG-TERM DEBT – (Continued)

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 \$7,349,000 as of June 30, 2021. 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 \$6,320,000 as of June 30, 2021. Repayment of this note began in fiscal year 2020.

Revenue bond debt service requirements to maturity are as follows:

| Year Ending June 30, | Governmental Activities | | | Business-Type Activities | | |
|----------------------------|-------------------------|------------|--------------|--------------------------|------------|--------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | \$ 188,000 | \$ 23,507 | \$ 211,507 | \$ 623,000 | \$ 84,648 | \$ 707,648 |
| 2023 | 190,000 | 22,288 | 212,288 | 652,000 | 79,527 | 731,527 |
| 2024 | 193,000 | 19,951 | 212,951 | 662,000 | 69,931 | 731,931 |
| 2025 | 196,000 | 17,577 | 213,577 | 423,000 | 59,568 | 482,568 |
| 2026 | 198,000 | 15,166 | 213,166 | 433,000 | 54,280 | 487,280 |
| 2027-2031 | 1,035,000 | 38,561 | 1,073,561 | 2,334,000 | 171,487 | 2,505,487 |
| 2032 | - | - | - | 503,000 | 9,809 | 512,809 |
| Total | \$ 2,000,000 | \$ 137,050 | \$ 2,137,050 | \$ 5,630,000 | \$ 529,250 | \$ 6,159,250 |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 6 - LONG-TERM DEBT – (Continued)

| Ending June 30, | Business Type Activities - Direct Borrowings | | |
|----------------------------|---|---------------------|----------------------|
| | Principal | Interest | Total |
| 2022 | \$ 697,000 | \$ 239,208 | \$ 936,208 |
| 2023 | 709,000 | 227,010 | 936,010 |
| 2024 | 722,000 | 214,603 | 936,603 |
| 2025 | 735,000 | 201,968 | 936,968 |
| 2026 | 748,000 | 189,105 | 937,105 |
| 2027-2031 | 3,938,000 | 744,608 | 4,682,608 |
| 2032-2036 | 4,295,000 | 387,802 | 4,682,802 |
| 2037-2038 | 1,825,000 | 48,055 | 1,873,055 |
| Total | \$ 13,669,000 | \$ 2,252,359 | \$ 15,921,359 |

The Water Revenue Bonds are shown net of unamortized bond discount of \$4,296.

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2021, was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation | \$ 11,578,343 | \$ - | \$ 1,389,645 | \$ 10,188,698 | \$ 1,497,445 |
| Revenue Bond | - | 2,000,000 | - | 2,000,000 | 188,000 |
| Compensated Absences | 235,992 | 20,310 | - | 256,302 | 64,076 |
| Governmental Activity Long-Term Liabilities | 11,814,335 | 2,020,310 | 1,389,645 | 12,445,000 | 1,749,521 |
| Business-Type Activities: | | | | | |
| Bonds Payable: | | | | | |
| General Obligation | 1,651,655 | - | 231,353 | 1,420,302 | 262,555 |
| GO Direct Borrowing | 8,493,823 | 166,177 | 433,000 | 8,227,000 | 441,000 |
| Revenue Bonds | 955,000 | 4,900,000 | 225,000 | 5,630,000 | 623,000 |
| Revenue Direct Borrowing | 13,688,751 | 662,015 | 681,766 | 13,669,000 | 697,000 |
| Compensated Absences | 216,303 | 8,271 | - | 224,574 | 71,094 |
| Business-Type Activity Long-Term Liabilities | \$ 25,005,532 | \$ 5,736,463 | \$ 1,571,119 | \$ 29,170,876 | \$ 2,094,649 |

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 7 - TRANSFERS

The following is a summary of transfers between funds:

| | General | Nonmajor Governmental | Centre Mall | Water | Sewer | Electric | Total Transfers Out |
|-----------------------|--------------|--------------------------|----------------|----------|------------|----------|------------------------|
| General | \$ - | \$ 20,002 | \$ 135,000 | \$ - | \$ - | \$ - | \$ 155,002 |
| TIF | 219,955 | 1,381,154 | - | 6,385 | 794,276 | 1,191 | 2,402,961 |
| Nonmajor Governmental | 1,380,354 | 786,447 | - | - | - | - | 2,166,801 |
| Water | 97,239 | - | - | - | - | - | 97,239 |
| Electric | 511,130 | - | - | - | - | - | 511,130 |
| Gas | 134,892 | - | - | - | - | - | 134,892 |
| Total Transfers In | \$ 2,343,570 | \$ 2,187,603 | \$ 135,000 | \$ 6,385 | \$ 794,276 | \$ 1,191 | \$ 5,468,025 |

Transfers are used to:

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

Note 8 - PENSION PLAN

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

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

Pension Benefits

A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, 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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 8 - PENSION PLAN – (Continued)

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

Protection occupation members may retire at normal retirement age which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

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

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

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

Disability and Death Benefits

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

Contributions

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 8 - PENSION PLAN – (Continued)

In fiscal year 2021, 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 6.41 percent of covered payroll and the City contributed 9.61 percent of covered payroll for a total rate of 16.02 percent.

The City's total contributions to IPERS for the year ended June 30, 2021 was \$378,216.

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

At June 30, 2021, the City reported a liability of \$2,888,685 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the City's collective proportion was .0411215 percent, which was an increase of .000115 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$534,540. At June 30, 2021, 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 | \$ 10,147 | \$ 68,130 |
| Changes of assumptions | 167,269 | 1,047 |
| Net difference between projected and actual earnings on IPERS' investments | 195,738 | - |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 30,032 | 57,951 |
| City's contributions subsequent to the measurement date | 378,216 | - |
| Total | <u>\$ 781,402</u> | <u>\$ 127,128</u> |

\$378,216 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 8 - PENSION PLAN – (Continued)

| Year Ending June 30, | Amount |
|---------------------------------|---------------|
| 2022 | \$ 57,945 |
| 2023 | 63,249 |
| 2024 | 57,112 |
| 2025 | 102,528 |
| 2026 | (4,777) |
| | \$ 276,057 |

There were no non-employer contributing entities of IPERS.

Actuarial assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 8 - PENSION PLAN – (Continued)

| Asset Class | Asset Allocation | Long-Term Expected Real Rate of Return |
|--------------------------|-------------------------|---|
| Domestic Equity | 22.0% | 4.43% |
| International Equity | 17.5 | 5.15 |
| Global smart beta equity | 6.0 | 4.87 |
| Core plus fixed income | 28.0 | (0.29) |
| Public Credit | 4.0 | 2.29 |
| Private Equity | 11.0 | 6.54 |
| Private Real Assets | 7.5 | 4.48 |
| Private Credit | 3.0 | 3.11 |
| Cash | 1.0 | (0.78) |
| Total | 100.0% | |

Discount rate – The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

| | 1% Decrease 6.0% | Discount Rate 7.0% | 1% Increase 8.0% |
|---|-----------------------------|-------------------------------|-----------------------------|
| Proportionate Share of the Net Pension Liability City | \$ 5,141,833 | \$ 2,888,685 | \$ 999,869 |

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, 2021, the City reported payables to the defined benefit pension plan of \$34,023 for legally required employer contributions and \$22,673 for legally required employee contributions which had been withheld from employee wages and remitted to IPERS after June 30, 2021.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive members or beneficiaries currently receiving benefit payments | 0 |
| Active members | <u>54</u> |
| Total | <u>54</u> |

Total OPEB Liability – The City's total OPEB liability of \$82,301 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurements.

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

Changes in Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|---------------------------------|
| Total OPEB liability beginning of year | \$ 79,956 |
| Changes for the year: | |
| Service cost | 2,854 |
| Interest | 2,840 |
| Differences between expected and actual experiences | 0 |
| Changes in assumptions | 0 |
| Benefit payments | <u>(3,349)</u> |
| Net changes | <u>2,345</u> |
| Total OPEB liability end of year | <u><u>\$ 82,301</u></u> |

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

| | 1% Decrease (2.50%) | Current Discount Rate (3.50%) | 1% Increase (4.50%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB Liability | \$ 90,637 | \$ 82,301 | \$ 74,889 |

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

| | 1% Decrease (4.5% decreasing to 3.5%) | Current Healthcare Cost Trend Rate (5.50% decreasing To 4.5%) | 1% Increase (6.50% decreasing To 5.5%) |
|----------------------|--|---|---|
| Total OPEB Liability | \$ 73,575 | \$ 82,301 | \$ 92,554 |

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2021, the City recognized OPEB expense of \$7,868. At June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

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

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|--|-------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ (2,434) | \$ 13,850 |
| Changes of assumptions | - | 3,142 |
| Total | <u>\$ (2,434)</u> | <u>\$ 16,992</u> |

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

| Year ending June 30, | Amount |
|-------------------------|------------------|
| 2022 | \$ 2,174 |
| 2023 | 2,174 |
| 2024 | 2,174 |
| 2025 | 2,174 |
| 2026 | 2,174 |
| Thereafter | 3,688 |
| Total | <u>\$ 14,558</u> |

Note 10 - DEFICIT FUND EQUITY

The City has six funds with a deficit equity balance at June 30, 2021. The City intends to finance these deficits from various resources including road use tax funds, general funds, and capital project debt financing.

The individual fund deficits were as follows:

| | |
|--|-----------|
| Capital Project – Trail Extension | \$ 37,490 |
| Capital Project – Storm Water | 51,053 |
| Capital Project – Commercial Industrial Park | 1,194,003 |
| Capital Project – Fire Station #2 | 122,424 |
| Capital Project – Heritage Village | 3,426 |
| Internal Services Fund – Auto Revolving | 47,936 |

Note 11 - RISK FINANCING

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the 2020-2021 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.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 11 - RISK FINANCING – (Continued)

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

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

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

| Year Ended June 30, | Beginning Balance Liability | Claims and Changes in Estimates | Claim Payments | Ending Balance |
|------------------------|--------------------------------|------------------------------------|-------------------|-------------------|
| 2021 | \$ 6,546 | \$ 85,164 | \$ 80,557 | \$ 11,153 |
| 2020 | \$ 5,074 | \$ 79,766 | \$ 78,294 | \$ 6,546 |
| 2019 | \$ 7,931 | \$ 100,477 | \$ 103,334 | \$ 5,074 |
| 2018 | \$ 506 | \$ 79,448 | \$ 72,023 | \$ 7,931 |
| 2017 | \$ 3,425 | \$ 64,340 | \$ 67,259 | \$ 506 |

The June 30, 2021 claims payable balance of \$11,153 is reflected in accounts payable balance on the statement of net position.

Note 12 - COMMITMENTS

At June 30, 2021, the City had five construction contracts in process with the following approximate amounts to be paid as work progresses:

| | |
|-------------------------|------------|
| 69 kV Transmission Line | \$ 388,521 |
| COOP Wastewater Project | 375,030 |
| HMA Resurfacing Project | 329,444 |
| SEC Project | 3,250,255 |
| SEC Gas Line Project | 433,445 |

Note 13 - NOTES RECEIVABLE

In August 2006, the City loaned Sioux Center Land Development, Inc. \$1,850,000 for economic development purposes. The final payment is currently payable August 1, 2025 and interest equal to the 5-Year Treasury note. In fiscal year 2013, the City paid for improvements totaling \$70,000 for land developed by Sioux Center Land Development, Inc. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the note is \$782,176 as of June 30, 2021.

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, 2021.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 13 - NOTES RECEIVABLE – (Continued)

In March 2014, the City agreed to lease Sandy Hollow Golf Club and Campground to Sioux County with the option to purchase the property at any time during the lease. The annual payments made by the County shall be credited towards the purchase price. The City recorded a note receivable of \$600,000 which has a balance of \$390,000 as of June 30, 2021.

In 2015, the City loaned The Ridge Golf Course \$22,647 with no interest charged. The loan is to be repaid within 10 years. In 2016, the City loaned an additional \$154,053 to The Ridge Golf Course. In 2017, the City loaned an additional \$172,450 to the Ridge Golf Course. In 2021, the City loaned an additional \$49,262 to the Ridge Golf Course. The balance as of June 30, 2021 is \$59,000.

In July 2017, the City loaned Sioux Center Land Development, Inc. \$625,000 for economic development purposes with no interest charged. The final payment is currently payable July 1, 2027. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$398,700 as of June 30, 2021.

In February 2018, the City loaned Sioux Center Land Development, Inc. \$724,343 for economic development purposes. The final payment is currently payable September 1, 2027 and interest equal to the 5-Year Treasury note. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the notes is \$139,280 as of June 30, 2021.

In May 2018, the City loaned The Ridge Golf Course \$227,741 with 0.85% interest. The loan is to be repaid within 5 years. The loan was paid as of June 30, 2021.

In April 2019, the City loaned The Ridge Golf Course \$150,509 with 1.10% interest. The loan is to be repaid with a minimum of two payment per year. The balance as of June 30, 2021 is \$45,250.

In February 2020, the City loaned The Ridge Golf Course \$66,100 with 1.00% interest. The loan is to be repaid with a minimum of two payment per year. The balance as of June 30, 2021 is \$37,100.

In May 2021, the City loaned The Ridge Golf Course \$24,396 with 1.00% interest. The loan is to be repaid with a minimum of two payment per year. The balance as of June 30, 2021 is \$10,045.

In December 2019, the City loaned Sioux Center Land Development, Inc. \$600,000 for economic development purposes. The final payment is currently payable December 1, 2029 and interest equal to the 5-Year Treasury note. The City will be reimbursed as lots are sold by Sioux Center Land Development. The balance on the note is \$220,000 as of June 30, 2021.

In November 2017, the City entered into cost-sharing agreements with Sioux Pharm, Inc. Siouxpreme Egg and Patrick Cuday, LLC for the building of a new wastewater treatment plant. The final amounts owed by each entity were determined on completion of the project. The loans are to be paid over 18 years with 3.0% interest. The balance on the notes is \$5,760,340 as of June 30, 2021.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 14 - TAX ABATEMENTS

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

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements. For the year ended June 30, 2021, the City abated \$122,464 of property tax under the urban renewal and economic development projects.

Note 15 - URBAN RENEWAL DEVELOPMENT AGREEMENTS

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer or business in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer or additions of employees by the business. The total to be paid by the City under the agreements is not to exceed \$1,702,313.

During the year ended June 30, 2021, the City rebated \$207,517 of incremental property tax to developers and businesses. The total cumulative principal amount rebated on the agreements is \$598,007. The outstanding balance on the agreements at June 30, 2021 was \$1,104,306.

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

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

Note 16 - ACCOUNTING CHANGE/RESTATEMENT

It was determined that in the prior year revenue was recorded that had not been earned. A prior period adjustment was made decreasing the general fund net position and governmental activities net position by \$37,269.

CITY OF SIOUX CENTER, IOWA
Notes to Financial Statements
June 30, 2021

Note 17 - PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

Note 18 - SUBSEQUENT EVENTS

In October of 2021, the City issued \$2,000,000 of General Obligation Urban Renewal Capital Loan notes to pay the costs of planning, design, acquisition and construction of Highway 75 project.

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, 2021

| | Governmental Fund Type Actual | Proprietary Funds Actual |
|---|-------------------------------------|--------------------------------|
| Revenue: | | |
| Taxes | \$ 3,850,523 | \$ - |
| Special Assessments | 5,101 | - |
| Licenses and Permits | 156,234 | - |
| Intergovernmental | 1,500,635 | - |
| Charges for Services | 1,874,892 | 21,867,044 |
| TIF Revenue | 2,216,703 | - |
| Other City Taxes | 1,219,381 | - |
| Use of Money and Property | 368,034 | 280,301 |
| Miscellaneous | 820,467 | 2,141,811 |
| Gain on Sale of Fixed Assets | - | - |
| Total Receipts | <u>12,011,970</u> | <u>24,289,156</u> |
| Expenditures: | | |
| Public Safety | 1,467,499 | - |
| Public Works | 1,671,783 | - |
| Culture and Recreation | 3,917,576 | - |
| Community and Economic Development | 4,317,016 | - |
| General Government | 973,639 | - |
| Capital Projects | 3,925,593 | - |
| Debt Service | 1,700,917 | - |
| Business Type Activities | - | 22,906,774 |
| Total Disbursements | <u>17,974,023</u> | <u>22,906,774</u> |
| Excess (deficiency) of revenue over expenditures | (5,962,053) | 1,382,382 |
| Other financing sources (uses): | | |
| Proceeds from Debt Financing | 2,000,000 | - |
| Interfund Transfers In | 4,531,173 | 936,852 |
| Interfund Transfers Out | (4,724,764) | (743,261) |
| Total other financing sources (uses) | <u>1,806,409</u> | <u>193,591</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (4,155,644) | 1,575,973 |
| Fund balances/Net position- beginning of year | 12,835,975 | 51,839,237 |
| Prior Period Adjustment | (37,269) | - |
| Fund balances/Net position - end of year | <u>\$ 8,643,062</u> | <u>\$ 53,415,210</u> |

| Total Actual | Budgeted Amounts | | Final Budget Favorable (Unfavorable) |
|----------------------|----------------------|----------------------|--|
| | Original | Final | |
| \$ 3,850,523 | \$ 3,834,748 | \$ 3,834,748 | \$ 15,775 |
| 5,101 | - | - | 5,101 |
| 156,234 | 103,680 | 103,680 | 52,554 |
| 1,500,635 | 1,195,200 | 1,195,200 | 305,435 |
| 23,741,936 | 22,650,710 | 22,820,710 | 921,226 |
| 2,216,703 | 2,238,000 | 2,238,000 | (21,297) |
| 1,219,381 | 1,001,005 | 1,001,005 | 218,376 |
| 648,335 | 832,490 | 832,490 | (184,155) |
| 2,962,278 | 1,471,060 | 1,863,560 | 1,098,718 |
| - | - | - | - |
| <u>36,301,126</u> | <u>33,326,893</u> | <u>33,889,393</u> | <u>2,411,733</u> |
| 1,467,499 | 1,648,070 | 1,648,070 | 180,571 |
| 1,671,783 | 2,013,110 | 2,198,110 | 526,327 |
| 3,917,576 | 4,325,225 | 4,095,225 | 177,649 |
| 4,317,016 | 366,520 | 4,321,520 | 4,504 |
| 973,639 | 986,770 | 1,042,770 | 69,131 |
| 3,925,593 | 2,240,000 | 3,905,000 | (20,593) |
| 1,700,917 | 1,636,528 | 1,685,593 | (15,324) |
| 22,906,774 | 22,599,040 | 23,247,040 | 340,266 |
| <u>40,880,797</u> | <u>35,815,263</u> | <u>42,143,328</u> | <u>1,262,531</u> |
| (4,579,671) | (2,488,370) | (8,253,935) | 3,674,264 |
| 2,000,000 | 700,000 | 700,000 | 1,300,000 |
| 5,468,025 | 6,151,882 | 6,551,882 | (1,083,857) |
| <u>(5,468,025)</u> | <u>(6,151,882)</u> | <u>(6,551,882)</u> | <u>1,083,857</u> |
| <u>2,000,000</u> | <u>700,000</u> | <u>700,000</u> | <u>1,300,000</u> |
| (2,579,671) | (1,788,370) | (7,553,935) | 4,974,264 |
| 64,675,212 | 55,430,269 | 55,430,269 | 9,244,943 |
| (37,269) | - | - | (37,269) |
| <u>\$ 62,058,272</u> | <u>\$ 53,641,899</u> | <u>\$ 47,876,334</u> | <u>\$ 14,181,938</u> |

CITY OF SIOUX CENTER
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2021

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the modified accrual basis following required public notice and hearing for all funds except Agency Funds and the Internal Service Funds, and appropriates the amount deemed necessary for each of the different City offices and departments. The budgets may be amended during the year utilizing similar statutorily prescribed procedures. The budget was amended once during the year.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety, public works, community and economic development, health and social services, culture and recreation, general government, debt service, capital projects, and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted expenditures by \$6,328,065. The budget amendment is reflected in the final budgeted amounts.

During the fiscal year ended June 30, 2021, disbursements exceeded budgeted amounts in the capital projects and debt service.

CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS* (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|
| City's proportion of the net pension liability | .0411215% | .0410061% | .0418981% | .0417624% | .0410060% |
| City's proportionate share of the net pension liability | \$ 2,889 | \$ 2,375 | \$ 2,651 | \$ 2,782 | \$ 2,581 |
| City's covered payroll | \$ 3,768 | \$ 3,682 | \$ 3,663 | \$ 3,601 | \$ 2,975 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 76.67% | 64.50% | 72.37% | 77.26% | 86.76% |
| Plan fiduciary net position as a percentage of the total pension liability | 82.90% | 85.45% | 83.62% | 82.21% | 81.82% |

| | 2016 | 2015 |
|---|-------------|-------------|
| City's proportion of the net pension liability | .0357685% | .0396470% |
| City's proportionate share of the net pension liability | \$ 1,767 | \$ 1,572 |
| City's covered payroll | \$ 3,245 | \$ 3,149 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 54.45% | 49.92% |
| Plan fiduciary net position as a percentage of the total pension liability | 85.19% | 87.61% |

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

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

**CITY OF SIOUX CENTER, IOWA
SCHEDULE OF THE CITY'S CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN YEARS (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|
| Statutorily required contribution | \$ 378 | \$ 358 | \$ 351 | \$ 332 | \$ 326 |
| Contributions in relation to the statutorily required contribution | (378) | (358) | (351) | (332) | (326) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Entity's covered payroll | \$3,995 | \$ 3,768 | \$ 3,682 | \$ 3,663 | \$ 3,601 |
| Contributions as a percentage of covered payroll | 9.46% | 9.50% | 9.53% | 9.06% | 9.05% |

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-------------|-------------|-------------|-------------|-------------|
| Statutorily required contribution | \$ 308 | \$ 297 | \$ 286 | \$ 270 | \$ 251 |
| Contributions in relation to the statutorily required contribution | (308) | (297) | (286) | (270) | (251) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Entity's covered payroll | \$ 2,975 | \$ 3,245 | \$ 3,149 | \$ 3,048 | \$ 3,022 |
| Contributions as a percentage of covered payroll | 10.35% | 9.09% | 9.08% | 8.86% | 8.31% |

**CITY OF SIOUX CENTER, IOWA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021**

Changes of Benefit Terms:

There were no significant changes of benefit terms.

Changes of Assumptions

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

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

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

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

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

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

**CITY OF SIOUX CENTER, IOWA
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

| | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|--------------|
| Service Cost | \$ 2,854 | \$ 2,771 | \$ 2,415 | \$ 2,345 |
| Interest Cost | 2,840 | 2,719 | 2,739 | 2,614 |
| Difference between expected and actual experiences | - | (2,994) | - | 21,878 |
| Changes in assumptions | - | 381 | - | 4,477 |
| Benefit payments | (3,349) | (950) | (2,447) | (634) |
| Net change in total OPEB liability | 2,345 | 1,927 | 2,707 | 30,680 |
| Total OPEB liability beginning of year | 79,956 | 78,029 | 75,322 | 44,642 |
| Total OPEB liability end of year | \$ 82,301 | \$ 79,956 | \$ 78,029 | \$ 75,322 |
| Covered-employee payroll | \$ 3,305,691 | \$ 3,209,409 | \$ 3,132,251 | \$ 3,041,020 |
| Total OPEB liability as a percentage of covered-employee payroll | 2.49% | 2.49% | 2.49% | 2.48% |

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

| | |
|--------------------------|-------|
| Year ended June 30, 2021 | 3.50% |
| Year ended June 30, 2020 | 3.50% |
| Year ended June 30, 2019 | 3.58% |
| Year ended June 30, 2018 | 3.58% |
| Year ended June 30, 2017 | 4.00% |

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

See accompanying independent auditor's report

CITY OF SIOUX CENTER, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2021

| | Special Revenue | | | | |
|--|-------------------|------------------------------|---------------------|-------------------|-------------------------|
| | LOST | Employee Benefits Levy | Road Use Tax | Emergency Levy | Debt Service Fund |
| Assets | | | | | |
| Cash and Pooled Investments | \$ 150,924 | \$ - | \$ 2,598,151 | \$ - | \$ 58,393 |
| Receivables (Net, where applicable, of allowance for uncollectible) | | | | | |
| Accounts | - | - | - | - | - |
| Taxes | - | 2,940 | - | 182 | 591 |
| Subsequent Year Taxes | - | 740,000 | - | 90,001 | 59,831 |
| Due from Other Governmental Agencies | 83,548 | - | 110,251 | - | - |
| Total Assets | <u>234,472</u> | <u>742,940</u> | <u>2,708,402</u> | <u>90,183</u> | <u>118,815</u> |
| Liabilities | | | | | |
| Accounts Payable | - | - | 56,658 | - | 1,000 |
| Due to Other Funds | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>56,658</u> | <u>-</u> | <u>1,000</u> |
| Deferred Inflow of Resources | | | | | |
| Unavailable Revenue - Subsequent Year Taxes | - | 740,000 | - | 90,001 | 59,831 |
| Total Deferred Inflow of Resources | <u>-</u> | <u>740,000</u> | <u>-</u> | <u>90,001</u> | <u>59,831</u> |
| Fund Balances | | | | | |
| Restricted for: | | | | | |
| Debt Service | - | - | - | - | 57,984 |
| Local Option Sales Tax | 234,472 | - | - | - | - |
| Employee Benefit | - | 2,940 | - | - | - |
| Emergency Management | - | - | - | 182 | - |
| Road Use Tax | - | - | 2,651,744 | - | - |
| Capital Projects | - | - | - | - | - |
| Assigned Capital Projects | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | <u>234,472</u> | <u>2,940</u> | <u>2,651,744</u> | <u>182</u> | <u>57,984</u> |
| Total Liabilities Deferred Inflow of Resources, and Fund Balances | <u>\$ 234,472</u> | <u>\$ 742,940</u> | <u>\$ 2,708,402</u> | <u>\$ 90,183</u> | <u>\$ 118,815</u> |

| Capital Projects | | | | | | | | | Total |
|-------------------------------|------------------------|--------------------|-------------------|----------------|----------------|---------------|-------------------|---------------------|-----------------------------------|
| Commercial Industrial Park | Highway 75 Widening | Trail Extension | Firestation #2 | Storm Water | Green Space | Field Turf | Industrial Dev | Heritage Village | Governmental Nonmajor Funds |
| \$ - | \$ 910,166 | \$ - | \$ - | \$ - | \$ - | \$ 1,964,313 | \$ 9,392 | \$ - | \$ 5,691,339 |
| - | - | - | 50,000 | - | - | - | - | - | 50,000 |
| - | - | - | - | - | - | - | - | - | 3,713 |
| - | - | - | - | - | - | - | - | - | 889,832 |
| - | - | - | - | - | - | - | - | - | 193,799 |
| - | 910,166 | - | 50,000 | - | - | 1,964,313 | 9,392 | - | 6,828,683 |
| 167 | 89,810 | - | 172,424 | - | - | 14,228 | 9,392 | - | 343,679 |
| 1,193,836 | 58,000 | 37,490 | - | 51,053 | - | - | - | 3,426 | 1,343,805 |
| 1,194,003 | 147,810 | 37,490 | 172,424 | 51,053 | - | 14,228 | 9,392 | 3,426 | 1,687,484 |
| - | - | - | - | - | - | - | - | - | 889,832 |
| - | - | - | - | - | - | - | - | - | 889,832 |
| - | - | - | - | - | - | - | - | - | 57,984 |
| - | - | - | - | - | - | - | - | - | 234,472 |
| - | - | - | - | - | - | - | - | - | 2,940 |
| - | - | - | - | - | - | - | - | - | 182 |
| - | - | - | - | - | - | - | - | - | 2,651,744 |
| - | - | - | - | - | - | 1,950,085 | - | - | 1,950,085 |
| - | 762,356 | - | - | - | - | - | - | - | 762,356 |
| (1,194,003) | - | (37,490) | (122,424) | (51,053) | - | - | - | (3,426) | (1,408,396) |
| (1,194,003) | 762,356 | (37,490) | (122,424) | (51,053) | - | 1,950,085 | - | (3,426) | 4,251,367 |
| \$ - | \$ 910,166 | \$ - | \$ 50,000 | \$ - | \$ - | \$ 1,964,313 | \$ 9,392 | \$ - | \$ 6,828,683 |

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Governmental Nonmajor Funds
For the Year Ended June 30, 2021

| | Special Revenue | | | | |
|---|-----------------|------------------------------|-----------------|-------------------|-------------------------|
| | LOST | Employee Benefits Levy | Road Use Tax | Emergency Levy | Debt Service Fund |
| Revenue: | | | | | |
| Taxes | \$ - | \$ 727,983 | \$ - | \$ 45,183 | \$ 131,404 |
| Intergovernmental | - | 28,216 | 1,046,573 | 1,751 | 4,133 |
| Other City Taxes | 1,089,593 | - | - | - | - |
| Interest on Investments | - | - | - | - | 1,066 |
| Total Revenue | 1,089,593 | 756,199 | 1,046,573 | 46,934 | 136,603 |
| Expenditures: | | | | | |
| Public Works | - | - | 376,901 | - | - |
| Capital Projects | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | 1,389,645 |
| Interest/Bond Costs | - | - | - | - | 297,443 |
| Total Expenditures | - | - | 376,901 | - | 1,687,088 |
| Excess (deficiency) of revenues over expenditures | 1,089,593 | 756,199 | 669,672 | 46,934 | (1,550,485) |
| Other financing sources (uses): | | | | | |
| Issuance of Debt | - | - | - | - | - |
| Transfers In | - | - | 20,000 | - | 1,603,468 |
| Transfers Out | (1,248,398) | (761,160) | (110,000) | (47,243) | - |
| Total other financing sources (uses) | (1,248,398) | (761,160) | (90,000) | (47,243) | 1,603,468 |
| Net Change in Fund Balance | (158,805) | (4,961) | 579,672 | (309) | 52,983 |
| Fund balances (Deficits)-beginning of year | 393,277 | 7,901 | 2,072,072 | 491 | 5,001 |
| Fund balances (Deficits)- end of year | \$ 234,472 | \$ 2,940 | \$ 2,651,744 | \$ 182 | \$ 57,984 |

| Capital Projects | | | | | | | | | Total |
|-------------------------------|------------------------|--------------------|-------------------|----------------|----------------|---------------|---------------------------|---------------------|-----------------------------------|
| Commercial Industrial Park | Highway 75 Widening | Trail Extension | Firestation #2 | Storm Water | Green Space | Field Turf | Industrial Development | Heritage Village | Governmental Nonmajor Funds |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 904,570 |
| - | 147 | - | 100,000 | - | - | - | - | - | 1,180,820 |
| - | - | - | - | - | - | - | - | - | 1,089,593 |
| - | 5,537 | - | - | - | - | 120 | - | - | 6,723 |
| - | 5,684 | - | 100,000 | - | - | 120 | - | - | 3,181,706 |
| - | - | - | - | - | - | - | - | - | 376,901 |
| 733,331 | 884,653 | 149,250 | 1,264,052 | 40,846 | 800,000 | 50,035 | - | 3,426 | 3,925,593 |
| - | - | - | - | - | - | - | - | - | 1,389,645 |
| - | 10,141 | - | 3,688 | - | - | - | - | - | 311,272 |
| 733,331 | 894,794 | 149,250 | 1,267,740 | 40,846 | 800,000 | 50,035 | - | 3,426 | 6,003,411 |
| (733,331) | (889,110) | (149,250) | (1,167,740) | (40,846) | (800,000) | (49,915) | - | (3,426) | (2,821,705) |
| - | - | - | - | - | - | 2,000,000 | - | - | 2,000,000 |
| - | - | 133,049 | 431,086 | - | - | - | - | - | 2,187,603 |
| - | - | - | - | - | - | - | - | - | (2,166,801) |
| - | - | 133,049 | 431,086 | - | - | 2,000,000 | - | - | 2,020,802 |
| (733,331) | (889,110) | (16,201) | (736,654) | (40,846) | (800,000) | 1,950,085 | - | (3,426) | (800,903) |
| (460,672) | 1,651,466 | (21,289) | 614,230 | (10,207) | 800,000 | - | - | - | 5,052,270 |
| \$ (1,194,003) | \$ 762,356 | \$ (37,490) | \$ (122,424) | \$ (51,053) | \$ - | \$ 1,950,085 | \$ - | \$ (3,426) | \$ 4,251,367 |

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
June 30, 2021

| | Internal Service Fund | | |
|---------------------------------------|-----------------------|---------------------|------------------|
| | Auto Revolving | Health Insurance | Total |
| ASSETS | | | |
| Cash | \$ 20,307 | \$ 70,396 | \$ 90,703 |
| Total Assets | <u>20,307</u> | <u>70,396</u> | <u>90,703</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension Related Deferred Outflows | 16,766 | - | 16,766 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 14,180 | 11,153 | 25,333 |
| Accrued Expenses | 6,128 | - | 6,128 |
| Total Current Liabilities | <u>20,308</u> | <u>11,153</u> | <u>31,461</u> |
| Noncurrent Liabilities: | | | |
| Net Pension Liability | 61,974 | - | 61,974 |
| Total Liabilities | <u>82,282</u> | <u>11,153</u> | <u>93,435</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension Related Deferred Inflows | 2,727 | - | 2,727 |
| NET POSITION | | | |
| Unrestricted | (47,936) | 59,243 | 11,307 |
| Total Net Position | <u>\$ (47,936)</u> | <u>\$ 59,243</u> | <u>\$ 11,307</u> |

CITY OF SIOUX CENTER, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds
For the Year Ended June 30, 2021

| | Internal Service Fund | | |
|---------------------------------|-----------------------|---------------------|------------------|
| | Auto Revolving | Health Insurance | Total |
| Operating Revenues: | | | |
| Charges for Services | \$ 226,004 | \$ 79,500 | \$ 305,504 |
| Total Operating Revenue | <u>226,004</u> | <u>79,500</u> | <u>305,504</u> |
| Operating Expenses: | | | |
| Operating and Maintenance | 230,572 | 79,953 | 310,525 |
| Total Operating Expenses | <u>230,572</u> | <u>79,953</u> | <u>310,525</u> |
| Operating Income | (4,568) | (453) | (5,021) |
| Change in Net Position | (4,568) | (453) | (5,021) |
| Net Position - Beginning | <u>(43,368)</u> | <u>59,696</u> | <u>16,328</u> |
| Net Position - Ending | <u>\$ (47,936)</u> | <u>\$ 59,243</u> | <u>\$ 11,307</u> |

STATISTICAL SECTION

This part of the City of Sioux Center's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| Contents | Page |
|--|-------------|
| Financial Trends | 68 |
| 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 | 73 |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | |
| Debt Capacity | 78 |
| 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 | 83 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place. | |
| Operating Information | 84 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | |

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

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

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| Governmental activities | | | | | | | | | | |
| Net Invested in capital assets | \$36,189,621 | \$37,921,056 | \$36,127,931 | \$38,508,224 | \$39,575,978 | \$39,198,868 | \$38,508,433 | \$39,810,845 | \$39,344,845 | \$38,360,420 |
| Restricted | 1,455,096 | 1,457,573 | 1,379,909 | 2,291,050 | 2,257,547 | 2,737,247 | 3,307,184 | 3,970,487 | 4,392,587 | 4,638,154 |
| Unrestricted | 1,602,866 | 580,123 | 2,685,934 | (453,707) | (96,393) | 1,397,216 | 2,080,034 | 2,019,893 | 2,553,943 | (24,989) |
| Total governmental activities net position | <u>\$39,247,583</u> | <u>\$39,958,752</u> | <u>\$40,193,774</u> | <u>\$40,345,567</u> | <u>\$41,737,132</u> | <u>\$43,333,331</u> | <u>\$43,895,651</u> | <u>\$45,801,225</u> | <u>\$46,291,375</u> | <u>\$42,973,585</u> |
| Business-type activities | | | | | | | | | | |
| Net Invested in capital assets | \$15,031,420 | \$16,013,908 | \$16,068,047 | \$17,604,973 | \$20,227,133 | \$21,041,283 | \$23,773,082 | \$26,357,938 | \$23,819,697 | \$23,447,052 |
| Restricted | 688,534 | 624,266 | 759,566 | 433,522 | 403,778 | 407,964 | 367,018 | 359,772 | 510,904 | 362,249 |
| Unrestricted | 22,811,697 | 22,527,561 | 21,599,211 | 21,070,163 | 20,194,685 | 20,184,018 | 18,689,610 | 18,590,378 | 27,508,636 | 29,605,909 |
| Total business-type activities net position | <u>\$38,531,651</u> | <u>\$39,165,735</u> | <u>\$38,426,824</u> | <u>\$39,108,658</u> | <u>\$40,825,596</u> | <u>\$41,633,265</u> | <u>\$42,829,710</u> | <u>\$45,308,088</u> | <u>\$51,839,237</u> | <u>\$53,415,210</u> |
| Primary government | | | | | | | | | | |
| Net Invested in capital assets | \$51,221,041 | \$53,934,964 | \$52,195,978 | \$56,113,197 | \$59,803,111 | \$60,240,151 | \$62,281,515 | \$66,168,783 | \$63,164,542 | \$61,807,472 |
| Restricted | 2,143,630 | 2,081,839 | 2,139,475 | 2,724,572 | 2,661,325 | 3,145,211 | 3,674,202 | 4,330,259 | 4,903,491 | 5,000,403 |
| Unrestricted | 24,414,563 | 23,107,684 | 24,285,145 | 20,616,456 | 20,098,292 | 21,581,234 | 20,769,644 | 20,610,271 | 30,062,579 | 29,580,920 |
| Total primary government net position | <u>\$77,779,234</u> | <u>\$79,124,487</u> | <u>\$78,620,598</u> | <u>\$79,454,225</u> | <u>\$82,562,728</u> | <u>\$84,966,596</u> | <u>\$86,725,361</u> | <u>\$91,109,313</u> | <u>\$98,130,612</u> | <u>\$96,388,795</u> |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Public Safety | \$1,123,039 | \$1,205,647 | \$1,232,254 | \$1,378,410 | \$1,292,287 | \$1,510,298 | \$1,526,040 | \$1,234,978 | \$1,357,258 | \$1,724,173 |
| Public Works | 1,683,109 | 1,983,961 | 2,028,060 | 1,411,372 | 1,833,705 | 1,693,888 | 1,925,094 | 2,110,487 | 2,919,672 | 1,653,313 |
| Culture and Recreation | 3,442,682 | 3,634,503 | 4,414,137 | 3,823,595 | 3,920,969 | 4,124,895 | 4,087,358 | 4,570,715 | 4,632,680 | 5,189,785 |
| Community and Economic Development | 148,066 | 185,660 | 285,022 | 159,876 | 222,034 | 215,862 | 1,197,672 | 400,945 | 734,365 | 4,317,670 |
| General Government | 996,544 | 943,785 | 1,146,253 | 1,894,813 | 2,015,241 | 1,680,901 | 1,735,932 | 1,814,431 | 1,426,434 | 1,873,100 |
| Debt Service | 323,338 | 258,630 | 226,094 | 211,195 | 131,133 | 90,990 | 174,467 | 236,013 | 261,212 | 308,116 |
| Total governmental activities expenses | 7,716,778 | 8,212,186 | 9,331,820 | 8,879,261 | 9,415,369 | 9,316,834 | 10,646,563 | 10,367,569 | 11,331,621 | 15,066,157 |
| Business-type activities: | | | | | | | | | | |
| Centre Mall | 1,109,253 | 1,016,468 | 901,545 | 935,506 | 873,966 | 955,746 | 963,741 | 940,703 | 1,015,338 | 1,008,594 |
| Water | 1,264,355 | 1,317,264 | 1,248,792 | 1,282,811 | 1,325,725 | 1,513,895 | 1,509,601 | 1,556,044 | 1,765,265 | 1,880,756 |
| Sewer | 1,050,397 | 1,019,632 | 1,010,493 | 1,062,633 | 1,123,375 | 1,318,322 | 1,411,190 | 1,581,146 | 3,615,949 | 3,205,694 |
| Electric | 8,715,106 | 8,767,471 | 9,196,469 | 9,437,069 | 9,514,228 | 10,218,043 | 10,400,973 | 10,269,110 | 9,669,999 | 9,674,447 |
| Natural Gas | 7,014,332 | 7,396,615 | 10,919,217 | 8,426,870 | 5,912,326 | 7,110,720 | 7,638,970 | 7,276,851 | 5,467,940 | 7,142,094 |
| Total business-type activities expenses | 19,153,443 | 19,517,450 | 23,276,516 | 21,144,889 | 18,749,620 | 21,116,726 | 21,924,475 | 21,623,854 | 21,534,491 | 22,911,585 |
| Total primary government expenses | <u>\$26,870,221</u> | <u>\$27,729,636</u> | <u>\$32,608,336</u> | <u>\$30,024,150</u> | <u>\$28,164,989</u> | <u>\$30,433,560</u> | <u>\$32,571,038</u> | <u>\$31,991,423</u> | <u>\$32,866,112</u> | <u>\$37,977,742</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Public Safety | 57,466 | 57,479 | 57,011 | 345,828 | 384,310 | 355,923 | 420,661 | 347,501 | 402,296 | 389,425 |
| Public Works | 394,089 | 421,184 | 447,474 | 486,249 | 497,318 | 483,418 | 531,849 | 543,204 | 579,423 | 580,803 |
| Culture and Recreation | 818,972 | 905,664 | 887,966 | 940,108 | 1,032,268 | 979,563 | 982,462 | 908,180 | 1,470,702 | 1,273,636 |
| Community and Economic Development | 66,080 | 187,367 | 65,576 | - | - | - | - | - | - | - |
| General Government | 54,273 | 57,761 | 56,431 | 524,014 | 600,959 | 648,059 | 482,113 | 505,104 | 791,035 | 642,510 |
| Operating grants and contributions | 668,511 | 674,958 | 703,769 | 1,190,341 | 1,416,600 | 1,360,562 | 1,400,071 | 2,481,929 | 1,476,191 | 1,524,352 |
| Capital grants and contributions | 564,919 | 66,900 | 288,330 | 484,727 | 81,859 | 239,249 | 678,125 | - | - | 100,147 |
| Total governmental activities program revenues | 2,624,310 | 2,371,313 | 2,506,557 | 3,971,267 | 4,013,314 | 4,066,774 | 4,495,281 | 4,785,918 | 4,719,647 | 4,510,873 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Centre Mall | 482,752 | 471,820 | 440,770 | 503,314 | 460,118 | 469,880 | 422,434 | 429,908 | 436,713 | 412,710 |
| Water | 1,463,515 | 1,526,332 | 1,580,634 | 1,565,667 | 1,630,270 | 1,678,372 | 1,712,992 | 1,651,500 | 1,804,267 | 2,155,849 |
| Sewer | 1,170,720 | 1,068,788 | 1,073,016 | 1,063,220 | 1,105,295 | 1,208,260 | 1,589,842 | 3,503,024 | 8,439,487 | 2,174,241 |
| Electric | 9,091,337 | 9,147,357 | 9,637,207 | 10,434,989 | 9,911,161 | 9,911,730 | 10,253,507 | 10,220,413 | 10,131,119 | 10,462,514 |
| Natural Gas | 6,846,384 | 7,434,309 | 10,623,489 | 8,582,176 | 5,871,153 | 7,128,643 | 7,766,707 | 7,115,575 | 5,151,621 | 6,661,730 |
| Total business-type activities program revenues | 19,054,708 | 19,648,606 | 23,355,116 | 22,149,366 | 18,977,997 | 20,396,885 | 21,745,482 | 22,920,420 | 25,963,207 | 21,867,044 |
| Total primary government program revenues | <u>\$21,679,018</u> | <u>\$22,019,919</u> | <u>\$25,861,673</u> | <u>\$26,120,633</u> | <u>\$22,991,311</u> | <u>\$24,463,659</u> | <u>\$26,240,763</u> | <u>\$27,706,338</u> | <u>\$30,682,854</u> | <u>\$26,377,917</u> |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | (\$5,092,468) | (\$5,840,873) | (\$6,825,263) | (\$4,907,994) | (\$5,402,055) | (\$5,250,060) | (\$6,151,282) | (\$5,581,651) | (\$6,611,974) | (\$10,555,284) |
| Business-type activities | (98,735) | 131,156 | 78,600 | 1,004,477 | 228,377 | (719,841) | (178,993) | 1,296,566 | 4,428,716 | (1,044,541) |
| Total primary government net expense | <u>(\$5,191,203)</u> | <u>(\$5,709,717)</u> | <u>(\$6,746,663)</u> | <u>(\$3,903,517)</u> | <u>(\$5,173,678)</u> | <u>(\$5,969,901)</u> | <u>(\$6,330,275)</u> | <u>(\$4,285,085)</u> | <u>(\$2,183,258)</u> | <u>(\$11,599,825)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes | \$4,785,273 | \$4,792,723 | \$4,742,189 | \$5,055,237 | \$5,286,676 | \$5,402,688 | \$5,504,383 | \$5,809,280 | \$6,005,778 | \$6,172,500 |
| Local option sales tax | 640,653 | 760,459 | 732,227 | 802,539 | 805,958 | 898,947 | 781,860 | 825,232 | 1,019,968 | 1,089,593 |
| Unrestricted investment earnings | 27,596 | 13,652 | 10,817 | 15,403 | 25,051 | 20,763 | 27,652 | 75,743 | 64,611 | 29,647 |
| Miscellaneous | 856,405 | 806,237 | 1,359,547 | 52,316 | 131,269 | 116,851 | 155,972 | 582,389 | 156,361 | 176,614 |
| Transfers | 224,844 | 178,971 | 215,504 | 299,326 | 474,666 | 407,011 | 214,787 | (42,984) | (144,594) | (193,591) |
| Total governmental activities | <u>6,534,771</u> | <u>6,552,042</u> | <u>7,060,284</u> | <u>6,224,821</u> | <u>6,723,620</u> | <u>6,846,260</u> | <u>6,684,654</u> | <u>7,249,660</u> | <u>7,102,124</u> | <u>7,274,763</u> |
| Business-type activities | | | | | | | | | | |
| Unrestricted investment earnings | 394,572 | 450,744 | 272,058 | 74,822 | 71,314 | 117,159 | 137,017 | 152,911 | 491,605 | 280,301 |
| Miscellaneous | 927,931 | 231,155 | (874,066) | 694,984 | 1,891,913 | 1,817,362 | 1,466,013 | 985,919 | 1,434,918 | 2,146,622 |
| Transfers | (224,844) | (178,971) | (215,504) | (299,326) | (474,666) | (407,011) | (214,787) | 42,984 | 144,594 | 193,591 |
| Total business-type activities | <u>1,097,659</u> | <u>502,928</u> | <u>(817,512)</u> | <u>470,480</u> | <u>1,488,561</u> | <u>1,527,510</u> | <u>1,388,243</u> | <u>1,181,814</u> | <u>2,071,117</u> | <u>2,620,514</u> |
| Total primary government | <u>\$7,632,430</u> | <u>\$7,054,970</u> | <u>\$6,242,772</u> | <u>\$6,695,301</u> | <u>\$8,212,181</u> | <u>\$8,373,770</u> | <u>\$8,072,897</u> | <u>\$8,431,474</u> | <u>\$9,173,241</u> | <u>\$9,895,277</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 1,442,303 | 711,169 | 235,021 | 1,316,827 | 1,321,565 | 1,596,200 | 533,372 | 1,668,009 | 490,150 | (3,280,521) |
| Business-type activities | 998,924 | 634,084 | (738,912) | 1,474,957 | 1,716,938 | 807,669 | 1,209,250 | 2,478,380 | 6,499,833 | 1,575,973 |
| Total primary government | <u>\$2,441,227</u> | <u>\$1,345,253</u> | <u>(\$503,891)</u> | <u>\$2,791,784</u> | <u>\$3,038,503</u> | <u>\$2,403,869</u> | <u>\$1,742,622</u> | <u>\$4,146,389</u> | <u>\$6,989,983</u> | <u>(\$1,704,548)</u> |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$332,848 | \$388,311 | \$442,100 | \$273,560 | \$273,445 | \$151,534 | \$275,685 | \$1,471,623 | \$3,490,766 | \$2,061,271 |
| Unreserved | 2,379,009 | 1,951,621 | 2,363,220 | 2,687,880 | 2,680,227 | 3,319,492 | 3,089,589 | 3,506,777 | 3,879,969 | 2,102,098 |
| Total general fund | <u>\$2,711,857</u> | <u>\$2,339,932</u> | <u>\$2,805,320</u> | <u>\$2,961,440</u> | <u>\$2,953,672</u> | <u>\$3,471,026</u> | <u>\$3,365,274</u> | <u>\$4,978,400</u> | <u>\$7,370,735</u> | <u>\$4,163,369</u> |
| All other governmental funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Special revenue funds | \$964,159 | \$666,311 | \$829,848 | \$2,283,810 | \$2,257,547 | \$2,732,731 | \$3,307,228 | \$2,825,493 | \$2,394,543 | \$2,471,624 |
| Debt service funds | - | 2,366 | 1,444 | 886 | 920 | 2,007 | 3,897 | 5,102 | 5,001 | 57,984 |
| Unreserved, reported in: | | | | | | | | | | |
| Capital project funds | (1,061,047) | (1,093,762) | (1,233,721) | (2,560,701) | (2,246,176) | (1,219,430) | 5,236,803 | (1,063,926) | 3,065,696 | 1,950,085 |
| Total all other governmental funds | <u>(\$96,888)</u> | <u>(\$425,085)</u> | <u>(\$402,429)</u> | <u>(\$276,005)</u> | <u>\$12,291</u> | <u>\$1,515,308</u> | <u>\$8,547,928</u> | <u>\$1,766,669</u> | <u>\$5,465,240</u> | <u>\$4,479,693</u> |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|-------------|-------------|-------------|---------------|-------------|-------------|-------------|---------------|-------------|---------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$2,844,644 | \$2,748,374 | \$2,753,332 | \$2,836,721 | \$2,846,253 | \$3,137,041 | \$3,298,407 | \$3,444,605 | \$3,529,646 | \$3,850,523 |
| Tax increment financing | 1,940,629 | 1,938,795 | 1,857,358 | 2,066,001 | 2,270,163 | 2,095,955 | 2,059,465 | 2,207,730 | 2,318,088 | 2,216,703 |
| Other city taxes | 640,653 | 866,013 | 863,726 | 937,515 | 949,783 | 1,042,172 | 928,371 | 982,175 | 1,153,500 | 1,219,381 |
| Special assessments | 65,385 | 291,450 | 37,876 | 48,439 | 33,313 | 26,715 | 31,976 | 21,442 | 20,012 | 5,101 |
| Licenses and permits | 106,251 | 226,252 | 104,227 | 90,052 | 123,935 | 120,097 | 172,835 | 107,640 | 144,686 | 156,234 |
| Intergovernmental | 1,298,302 | 813,507 | 1,059,050 | 1,296,967 | 1,220,719 | 1,256,781 | 1,119,728 | 1,152,800 | 1,177,341 | 1,500,635 |
| Charges for services | 1,084,598 | 1,183,030 | 1,187,909 | 1,450,178 | 1,546,092 | 1,511,161 | 1,539,117 | 1,455,668 | 2,051,209 | 1,874,892 |
| Miscellaneous | 722,131 | 443,137 | 1,250,063 | 789,908 | 947,915 | 917,418 | 1,507,743 | 1,939,992 | 1,057,220 | 828,804 |
| Use of property and money | 230,867 | 233,827 | 237,795 | 349,939 | 295,373 | 419,814 | 337,070 | 430,762 | 479,257 | 359,697 |
| Total Revenues | 8,933,460 | 8,744,385 | 9,351,336 | 9,865,720 | 10,233,546 | 10,527,154 | 10,994,712 | 11,742,814 | 11,930,959 | 12,011,970 |
| Expenditures | | | | | | | | | | |
| Public safety | 867,980 | 1,036,957 | 971,376 | 1,284,798 | 1,206,043 | 1,225,152 | 1,435,799 | 1,327,128 | 1,396,435 | 1,467,499 |
| Public works | 1,123,927 | 1,272,247 | 1,303,694 | 1,195,356 | 1,983,696 | 1,818,395 | 1,902,419 | 2,098,704 | 1,765,219 | 1,671,783 |
| Culture and recreation | 2,941,486 | 2,946,583 | 2,956,452 | 3,473,949 | 4,105,876 | 3,463,196 | 3,680,723 | 4,037,913 | 4,402,741 | 3,917,576 |
| Community and economic development | 147,425 | 185,538 | 285,958 | 268,921 | 224,363 | 195,637 | 1,176,735 | 378,640 | 748,083 | 4,317,016 |
| General government | 1,178,767 | 1,210,905 | 1,099,921 | 1,092,187 | 1,305,023 | 852,743 | 906,046 | 980,903 | 1,030,638 | 973,639 |
| Capital projects | 3,493,052 | 1,516,153 | 1,000,931 | 1,496,634 | 860,900 | 49,070 | 973,608 | 6,646,830 | 957,023 | 3,925,593 |
| Debt service | | | | | | | | | | |
| Interest | 331,022 | 261,202 | 233,227 | 196,974 | 126,886 | 87,190 | 157,236 | 239,702 | 255,709 | 311,272 |
| Principal | 1,381,722 | 1,193,894 | 1,227,237 | 2,692,752 | 1,267,895 | 1,222,410 | 1,260,238 | 1,222,229 | 597,057 | 1,389,645 |
| Total Expenditures | 11,465,381 | 9,623,479 | 9,078,796 | 11,701,571 | 11,080,682 | 8,913,793 | 11,492,804 | 16,932,049 | 11,152,905 | 17,974,023 |
| Excess of revenues over (under) expenditures | | | | | | | | | | |
| Other financing sources (uses) | | | | | | | | | | |
| Bonds issued | 1,500,000 | - | - | - | 583,000 | - | 6,592,435 | - | 5,087,744 | 2,000,000 |
| Proceeds from Sale of Land or Assets | - | - | - | - | - | - | - | 64,086 | 369,702 | - |
| Transfers in | 5,075,390 | 4,709,077 | 4,460,960 | 4,025,995 | 4,497,120 | 3,919,763 | 3,659,770 | 4,709,105 | 4,752,051 | 4,531,173 |
| Transfers out | (4,849,769) | (4,530,106) | (4,245,455) | (3,726,669) | (4,022,454) | (3,512,752) | (3,444,983) | (4,752,089) | (4,896,645) | (4,724,764) |
| Total other financing sources (uses) | 1,725,621 | 178,971 | 215,505 | 299,326 | 1,057,666 | 407,011 | 6,807,222 | 21,102 | 5,312,852 | 1,806,409 |
| Net change in fund balances | (\$806,300) | (\$700,123) | \$488,045 | (\$1,536,525) | \$210,530 | \$2,020,372 | \$6,309,130 | (\$5,168,133) | \$6,090,906 | (\$4,155,644) |
| Debt service as a percentage of noncapital expenditures | 21.5% | 17.9% | 18.1% | 28.3% | 13.6% | 14.8% | 13.5% | 14.2% | 8.4% | 12.1% |

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

| <u>Fiscal Year</u> | <u>Property Tax</u> | <u>Tax Increment Financing Tax</u> | <u>Local Option Sales Tax</u> | <u>Hotel/Motel Tax</u> | <u>Road Use Tax</u> | <u>Total</u> |
|--------------------|---------------------|--|-----------------------------------|------------------------|---------------------|--------------|
| 2011-12 | \$ 2,844,644 | \$ 1,940,629 | \$ 640,653 | \$ 104,920 | \$ 668,511 | \$ 6,199,357 |
| 2012-13 | 2,748,374 | 1,938,795 | 760,459 | 105,554 | 674,958 | 6,228,140 |
| 2013-14 | 2,753,332 | 1,857,358 | 732,227 | 131,499 | 703,769 | 6,178,185 |
| 2014-15 | 2,836,721 | 2,066,001 | 802,539 | 134,975 | 750,961 | 6,591,197 |
| 2015-16 | 2,846,253 | 2,270,163 | 805,958 | 143,825 | 864,109 | 6,930,308 |
| 2016-17 | 3,137,041 | 2,095,955 | 898,947 | 143,225 | 900,684 | 7,175,852 |
| 2017-18 | 3,298,407 | 2,059,465 | 781,859 | 146,511 | 875,158 | 7,161,400 |
| 2018-19 | 3,444,605 | 2,207,730 | 825,232 | 156,943 | 916,040 | 7,550,550 |
| 2019-20 | 3,529,646 | 2,318,088 | 1,019,968 | 133,532 | 951,681 | 7,952,915 |
| 2020-21 | \$ 3,850,523 | \$ 2,216,703 | \$ 1,089,593 | \$ 129,788 | \$ 1,046,573 | \$ 8,333,180 |

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

| Fiscal Year | <u>Real Property</u> | | <u>Utilities</u> | | <u>Total</u> | | Assessed Value as a Percentage of |
|----------------|----------------------|-----------------------------------|------------------|-----------------------------------|-----------------|-----------------------------------|---|
| | <u>Assessed</u> | <u>Estimated Actual Value</u> | <u>Assessed</u> | <u>Estimated Actual Value</u> | <u>Assessed</u> | <u>Estimated Actual Value</u> | <u>Estimated Actual</u> |
| 2011-12 | \$ 252,797,103 | \$ 406,947,980 | \$ 1,480,698 | \$ 1,480,698 | \$ 254,277,801 | \$ 408,428,678 | 62.3% |
| 2012-13 | 266,433,924 | 417,788,946 | 1,666,484 | 1,666,484 | 268,100,408 | 419,455,430 | 63.9% |
| 2013-14 | 279,840,418 | 428,869,986 | 1,512,294 | 1,512,294 | 281,352,712 | 430,382,280 | 65.4% |
| 2014-15 | 297,906,658 | 460,200,314 | 1,421,943 | 1,477,025 | 299,328,601 | 461,677,339 | 64.8% |
| 2015-16 | 304,122,233 | 472,051,140 | 1,292,230 | 1,401,426 | 305,414,463 | 473,452,566 | 64.5% |
| 2016-17 | 334,548,710 | 518,532,614 | 1,443,227 | 1,568,958 | 335,991,937 | 520,101,572 | 64.6% |
| 2017-18 | 350,662,030 | 533,859,189 | 1,508,162 | 1,647,381 | 352,170,192 | 535,506,570 | 65.8% |
| 2018-19 | 375,480,803 | 584,858,208 | 1,414,313 | 1,541,704 | 376,895,116 | 586,399,912 | 64.3% |
| 2019-20 | 391,925,312 | 601,382,756 | 1,610,971 | 1,764,048 | 393,536,283 | 603,146,804 | 65.2% |
| 2020-21 | \$ 416,536,788 | \$ 652,568,175 | \$ 1,670,126 | \$ 1,838,241 | \$ 418,206,914 | \$ 654,406,416 | 63.9% |

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

| Fiscal <u>Year</u> | City Direct Rates | | | | | | | Overlapping Rates | | | Total City Consolidated <u>Rate</u> |
|-----------------------|-------------------------|------------------------------|-------------------------------|-----------------------------------|---------------------------|------------------------------|-----------------------------------|----------------------------|--------------------------------|------------------------------|---|
| | <u>General Rate</u> | <u>Civic Center Rate</u> | <u>Liability Ins Rate</u> | <u>Employee Benefits Rate</u> | <u>Emergency Rate</u> | <u>Debt Service Rate</u> | <u>Total Direct City Rate</u> | <u>School District</u> | <u>County Consolidated</u> | <u>Vocational School</u> | |
| 2011-12 | 8.10000 | 0.13500 | 0.67817 | 3.76149 | | 1.10076 | 13.77542 | 16.12157 | 5.36350 | 0.65058 | 35.91107 |
| 2012-13 | 8.10000 | 0.13500 | 0.63748 | 3.59173 | | 0.68380 | 13.14801 | 16.11643 | 5.34016 | 0.64379 | 35.24839 |
| 2013-14 | 8.10000 | 0.13500 | 0.61160 | 3.11155 | | 0.66247 | 12.62062 | 13.93095 | 5.33520 | 0.69069 | 32.57746 |
| 2014-15 | 8.10000 | 0.13500 | 0.58434 | 2.97283 | | 0.60273 | 12.39490 | 14.91587 | 5.43111 | 0.69099 | 33.43287 |
| 2015-16 | 8.10000 | 0.13500 | 0.58696 | 2.99075 | | 0.55735 | 12.37006 | 15.85291 | 5.38224 | 0.73347 | 34.33868 |
| 2016-17 | 8.10000 | 0.13500 | 0.50721 | 2.58441 | | 0.49938 | 11.82600 | 15.90604 | 5.17972 | 0.78118 | 33.69294 |
| 2017-18 | 8.10000 | 0.13500 | 0.48098 | 2.46904 | 0.11619 | 0.49879 | 11.80000 | 15.96735 | 5.04687 | 0.79048 | 33.60470 |
| 2018-19 | 8.10000 | 0.13500 | 0.45419 | 2.30779 | 0.10860 | 0.44142 | 11.54700 | 15.99929 | 5.11961 | 0.79417 | 33.46007 |
| 2019-20 | 8.10000 | 0.13500 | 0.45129 | 2.33755 | 0.14509 | 0.16607 | 11.33500 | 17.75894 | 4.81808 | 0.99383 | 34.90585 |
| 2020-21 | 8.10000 | 0.13500 | 0.42865 | 2.14494 | 0.13313 | 0.31428 | 11.25600 | 17.75650 | 4.47912 | 1.07539 | 34.56701 |

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 2019 | | | Taxable Valuation 2009 | | |
|--------------------------------|------------------------------|---|------------------------------------|------------------------------|---|
| <u>Taxpayer</u> | Taxable Assessed Value | Percentage of Total Taxable Value | <u>Taxpayer</u> | Taxable Assessed Value | Percentage of Total Taxable Value |
| Farmer Coop Society | \$9,454,500 | 2.26% | Trigen, LLC (Pella) | \$10,443,060 | 4.29% |
| Wal-Mart Real Estate | 8,331,021 | 1.99% | Walmart Real Estate | 7,832,790 | 3.22% |
| City of Sioux Center | 7,021,742 | 1.68% | Farmers Cooperative Society | 7,358,530 | 3.02% |
| American State Bank | 6,794,073 | 1.62% | City of Sioux Center (Centre Mall) | 6,283,200 | 2.58% |
| Trigen, LLC | 6,676,380 | 1.60% | Sioux Automation | 3,529,600 | 1.45% |
| Harbour Group Investments | 6,237,846 | 1.49% | Patrick Cudahy (Golden Crisp) | 3,436,610 | 1.41% |
| Ver Hoef Automotive | 4,525,119 | 1.08% | Southridge Lodging | 2,789,480 | 1.15% |
| Mouw Motor Company | 3,440,538 | 0.82% | Link Mfg | 2,499,400 | 1.03% |
| Smithfield Packaged Meats Corp | 3,035,664 | 0.73% | American State Bank | 2,468,840 | 1.01% |
| South Ridge Lodging | <u>2,861,892</u> | 0.68% | Harbor Group Investments LLC | <u>2,376,840</u> | 0.98% |
| | <u>\$58,378,775</u> | 13.96% | | <u>\$49,018,350</u> | 20.15% |

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

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

| Fiscal Year | Total Tax Levy For Fiscal Year | Collected within the Fiscal Year of the Levy | | Delinquent Tax Collections | Total Collections to Date | |
|----------------|-----------------------------------|---|--------------------|----------------------------------|---------------------------|--------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2011-12 | \$ 4,694,612 | \$ 4,679,886 | 99.7% | \$ 789 | \$ 4,680,675 | 99.7% |
| 2012-13 | 4,732,132 | 4,686,293 | 99.0% | 4,290 | 4,690,583 | 99.1% |
| 2013-14 | 4,600,157 | 4,610,062 | 100.2% | 628 | 4,610,690 | 100.2% |
| 2014-15 | 4,898,269 | 4,891,613 | 99.9% | 5,498 | 4,897,111 | 100.0% |
| 2015-16 | 5,119,475 | 5,115,891 | 99.9% | 525 | 5,116,416 | 99.9% |
| 2016-17 | 5,233,042 | 5,232,995 | 100.0% | 1,245 | 5,234,240 | 100.0% |
| 2017-18 | 5,454,401 | 5,359,890 | 98.3% | 626 | 5,360,516 | 98.3% |
| 2018-19 | 5,651,046 | 5,652,337 | 100.0% | 376 | 5,652,713 | 100.0% |
| 2019-20 | 5,772,628 | 5,742,466 | 99.5% | 27,850 | 5,770,316 | 100.0% |
| 2020-21 | \$ 6,053,561 | \$ 6,046,024 | 99.9% | \$ - | \$ 6,046,024 | 99.9% |

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

| Fiscal Year | Governmental Activities | Business-Type Activities | | | | Total | Per Capita |
|----------------|-----------------------------------|------------------------------|------------------------------|----------------------------|------------------------------------|-----------------------------------|---------------|
| | General | | | | | Primary | |
| | <u>Obligation</u> <u>Bonds</u> | <u>Water</u> <u>Bonds</u> | <u>Sewer</u> <u>Bonds</u> | <u>Gas</u> <u>Bonds</u> | <u>Centre Mall</u> <u>Bonds</u> | <u>Government</u> <u>Bonds</u> | |
| 2011-12 | \$ 8,534,854 | \$ 3,625,000 | \$ 1,063,146 | \$ - | \$ 1,245,000 | \$ 14,468,000 | 2,053 |
| 2012-13 | 9,506,884 | 3,586,172 | 1,158,944 | - | 975,000 | 15,227,000 | 2,160 |
| 2013-14 | 7,670,181 | 3,255,314 | 919,505 | - | 695,000 | 12,540,000 | 1,779 |
| 2014-15 | 4,977,429 | 2,656,343 | 549,228 | - | 400,000 | 8,583,000 | 1,218 |
| 2015-16 | 4,292,534 | 2,317,943 | 357,523 | - | 270,000 | 7,238,000 | 1,027 |
| 2016-17 | 3,070,124 | 1,979,543 | 507,069 | - | 140,000 | 5,696,736 | 808 |
| 2017-18 | 8,309,886 | 1,615,457 | 4,983,577 | - | - | 14,908,920 | 2,115 |
| 2018-19 | 7,087,657 | 1,326,371 | 15,447,642 | - | - | 23,861,670 | 3,386 |
| 2019-20 | 11,578,343 | 2,048,856 | 22,740,374 | - | - | 36,367,573 | 5,160 |
| 2020-21 | \$ 12,188,698 | \$ 1,783,400 | \$ 22,262,902 | \$ 4,900,000 | \$ - | \$ 41,135,000 | 4,999 |

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

| Fiscal Year | General Obligation Bonds | Less: Amount Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|----------------|--------------------------------|---|---------------|---|---------------|
| 2011-12 | \$ 8,534,854 | \$ - | \$ 8,534,854 | 3.36% | 1,211 |
| 2012-13 | 9,506,884 | 2,366 | 9,504,518 | 3.55% | 1,349 |
| 2013-14 | 8,279,647 | 1,444 | 8,278,203 | 2.94% | 1,175 |
| 2014-15 | 4,977,429 | 577 | 4,976,852 | 1.66% | 706 |
| 2015-16 | 4,292,534 | 451 | 4,292,083 | 1.41% | 609 |
| 2016-17 | 3,070,124 | 1,804 | 3,068,320 | 0.91% | 435 |
| 2017-18 | 8,309,886 | 3,693 | 8,306,193 | 2.36% | 1,179 |
| 2018-19 | 7,087,657 | 4,798 | 7,082,859 | 1.88% | 1,005 |
| 2019-20 | 11,578,343 | 4,301 | 11,574,042 | 2.94% | 1,642 |
| 2020-21 | \$ 12,188,698 | \$ 58,394 | \$ 12,130,304 | 2.90% | 1,474 |

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 | \$39,982,000 | 67.95% | \$27,168,987 |
| Sioux County | 3,500,000 | 17.69% | 619,119 |
| Northwest Iowa Community College | 18,315,000 | 7.45% | <u>1,365,237</u> |
| Subtotal, overlapping debt | | | 29,153,344 |
| City of Sioux Center direct debt | | | <u>12,188,698</u> |
| Total direct and overlapping debt | | | <u><u>\$41,342,042</u></u> |

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

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of Sioux Center. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

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

Legal Debt Margin Calculation for FY 2021

| | |
|---|----------------------------|
| Assessed value | \$654,406,416 |
| Debt limit (5% of assessed value) | 32,720,321 |
| Debt applicable to limit | |
| Total general obligation bonds | 19,836,000 |
| Urban Renewal Development Agreements | 286,050 |
| Less: Amount set aside for repayment of general obligation debt | |
| Total net debt applicable to limit | <u>20,122,050</u> |
| Legal debt margin | <u><u>\$12,598,271</u></u> |

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| Debt limit | \$20,421,434 | \$20,972,772 | \$21,386,457 | \$22,885,123 | \$23,672,628 | \$26,005,079 | \$26,775,329 | \$29,319,996 | \$30,157,340 | \$32,720,321 |
| Total net debt applicable to limit | 10,490,000 | 9,008,613 | 7,454,183 | 5,900,000 | 5,003,000 | 3,568,000 | 17,469,000 | 19,403,063 | 21,931,696 | 20,122,050 |
| Legal debt margin | <u>\$9,931,434</u> | <u>\$11,964,159</u> | <u>\$13,932,274</u> | <u>\$16,985,123</u> | <u>\$18,669,628</u> | <u>\$22,437,079</u> | <u>\$9,306,329</u> | <u>\$9,916,933</u> | <u>\$8,225,644</u> | <u>\$12,598,271</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 51.37% | 42.95% | 34.85% | 25.78% | 21.13% | 13.72% | 65.24% | 66.18% | 72.72% | 61.50% |

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

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

Water Revenue Bonds

| Fiscal Year | Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|----------------|--------------|-----------------------|--------------------------|--------------|-----------|----------|
| | | | | Principal | Interest | |
| 2011-12 | \$ 1,471,268 | \$ 774,876 | \$ 696,392 | \$ 285,000 | \$ 66,300 | 1.98 |
| 2012-13 | 1,528,648 | 802,483 | 726,165 | 300,000 | 60,600 | 2.01 |
| 2013-14 | 1,594,293 | 801,967 | 792,326 | 300,000 | 54,600 | 2.23 |
| 2014-15 | 1,624,296 | 846,553 | 777,743 | 300,000 | 48,600 | 2.23 |
| 2015-16 | 1,721,001 | 886,376 | 834,625 | 300,000 | 42,600 | 2.44 |
| 2016-17 | 1,743,737 | 1,036,582 | 707,155 | 325,000 | 36,600 | 1.96 |
| 2017-18 | 1,783,116 | 1,001,580 | 781,536 | 250,000 | 30,100 | 2.79 |
| 2018-19 | 1,764,707 | 1,032,304 | 732,403 | 250,000 | 25,100 | 2.66 |
| 2019-20 | 1,962,391 | 1,207,803 | 754,588 | 225,000 | 20,100 | 3.08 |
| 2020-21 | \$ 2,248,606 | \$ 1,276,456 | \$ 972,150 | \$ 230,000 | \$ 15,600 | 3.96 |

Sewer Revenue Bonds

| Fiscal Year | Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|----------------|--------------|-----------------------|--------------------------|--------------|------------|----------|
| | | | | Principal | Interest | |
| 2011-12 | \$ 1,181,779 | \$ 737,017 | \$ 444,762 | \$ 131,000 | \$ 21,390 | 2.92 |
| 2012-13 | 1,095,049 | 701,362 | 393,687 | 137,000 | 10,185 | 2.67 |
| 2013-14 | 1,086,805 | 701,265 | 385,540 | 142,000 | 7,788 | 2.57 |
| 2014-15 | 1,082,507 | 735,229 | 347,278 | 148,000 | 5,303 | 2.27 |
| 2015-16 | 1,127,868 | 785,953 | 341,915 | 155,000 | 2,713 | 2.17 |
| 2016-17 | 1,260,145 | 959,771 | 300,374 | - | - | |
| 2017-18 | 1,650,114 | 1,026,791 | 623,323 | - | - | |
| 2018-19 | 3,692,589 | 1,066,665 | 2,625,924 | - | - | |
| 2019-20 | 8,075,151 | 1,734,961 | 6,340,190 | - | - | |
| 2020-21 | \$ 2,392,395 | \$ 1,488,420 | \$ 903,975 | \$ 697,000 | \$ 273,380 | 0.93 |

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

**City of Sioux Center
Demographic and Economic Statistics**

| | |
|---|----------------|
| Population | 8,229 |
| Median age | 30.3 |
| Median household income | \$75,747 |
| Per capita income | \$28,257 |
| Median home or condo value | \$224,589 |
| Cost of living index (US average is 100) | 78.6 |
| Percentage with high-school equivalency | 84.5% |
| Percentage with bachelor's degree or higher | 43.1% |
| Percentage with graduate or professional degree | 14.1% |
| Unemployment rate | 1.7% |
| Daytime population change due to commuting | +1,796 (23.7%) |
| Average household size | 2.7 |
| Residents with incomes below the poverty level | 7.2% |
| School enrollment | 1,983 |

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

School enrollment data provided by Sioux Center News.

Unemployment rate provided by the Iowa Workforce Development.

Information from federal agencies consolidated by www.city-data.com

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

| <u>Function/Program</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government and Utilities Management | 6.9 | 7.2 | 7.0 | 7.2 | 7.1 | 7.8 | 7.7 | 8.2 | 8.7 | 7.7 |
| Public Safety | 8.7 | 9.0 | 9.4 | 9.4 | 9.2 | 9.5 | 10.1 | 9.7 | 11.9 | 11.9 |
| Public Works | 3.1 | 3.0 | 3.1 | 3.0 | 3.5 | 3.2 | 3.7 | 2.8 | 2.4 | 2.1 |
| Culture and Recreation | 24.9 | 25.0 | 23.7 | 24.6 | 23.4 | 22.7 | 24.3 | 24.4 | 25.0 | 26.8 |
| Library | 8.9 | 8.5 | 8.7 | 8.3 | 8.4 | 8.7 | 8.9 | 8.8 | 8.7 | 8.7 |
| Electric | 6.4 | 6.3 | 5.9 | 5.7 | 5.7 | 6.3 | 5.9 | 6.0 | 5.7 | 5.9 |
| Natural Gas | 4.8 | 4.9 | 4.7 | 4.5 | 4.8 | 4.7 | 5.0 | 5.1 | 5.4 | 5.2 |
| Water | 5.1 | 5.2 | 5.0 | 5.0 | 5.0 | 4.9 | 5.2 | 5.3 | 5.4 | 6.0 |
| Sewer | 5.2 | 5.5 | 5.5 | 5.6 | 5.4 | 5.3 | 5.2 | 5.5 | 6.3 | 6.4 |
| Centre Mall | 3.6 | 3.5 | 3.5 | 3.4 | 3.5 | 3.7 | 3.6 | 3.3 | 3.4 | 3.2 |
| Total | 77.6 | 78.1 | 76.5 | 76.7 | 76.0 | 76.8 | 79.6 | 79.1 | 82.9 | 83.9 |

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>2021</u> |
|--------------------------------|--------------------|
| General Government | |
| Building Permits Issued | 151 |
| Police | |
| Citations | 478 |
| Arrests | 243 |
| Fire | |
| Emergency Responses | 155 |
| Parks and Recreation | |
| Pool Admissions | 46,089 |
| Ice Arena Admissions | 2,947 |
| Library | |
| Items Checked Out | 248,135 |
| Water | |
| Average Daily Consumption | 943,000 |
| Peak Consumption | 1,802,000 |
| Sewer | |
| Average Daily Treatment | 793,000 |
| Peak load (gallons per day) | 1,294,000 |
| Electric | |
| KWH Purchased | 126,049,173 |
| KWH Sold | 122,858,523 |
| Average Revenue per KWH Sold | 0.085 |
| Gas | |
| MCF Purchased | 1,478,956 |
| MCF Sold | 1,462,446 |
| Average Revenue per MCF Sold | 4.555 |

Source: Various city departments

City of Sioux Center
Capital Asset Statistics by Function/Program

| <u>Function/Program</u> | <u>2021</u> |
|---|--------------------|
| Police | |
| Stations | 1 |
| Patrol units | 4 |
| Fire | |
| Stations | 2 |
| Emergency vehicles | 7 |
| Other Public Works | |
| Streets (miles) | 60 |
| Highways (miles) | 4 |
| Streetlights | 790 |
| Traffic signals | 4 |
| Parks and Recreation | |
| Parks/playgrounds | 10 |
| Bike trail (miles) | 7.8 |
| Baseball/softball diamonds | 8 |
| Soccer/football fields | 6 |
| Facilities (All Seasons Center - pool, ice arena) | 1 |
| Water | |
| Water mains (miles) | 69 |
| Fire hydrants | 401 |
| Number of wells | 16 |
| Elevated storage capacity (gallons) | 650,000 |
| Water plant capacity (gallons per day) | 2,100,000 |
| Meters in service | 2,861 |
| Sewer | |
| Sanitary sewers (miles) | 45 |
| Storm sewers (miles) | 22 |
| Design capacity (gallons per day) | 4,000,000 |
| Number of lift stations | 12 |
| Electric | |
| Electric main wire (miles) | 105 |
| Meters in Service | 2,902 |
| Gas | |
| Gas mains (miles) | 92 |
| Meters in Service | 2,561 |

Source: Various city departments

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux Center, Iowa, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Sioux Center, Iowa's basic financial statements and have issued our report thereon dated January 14, 2022.

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 have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters:

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

City of Sioux Center, Iowa's Response to Findings

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

Purpose of this Report

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

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



Certified Public Accountants

Le Mars, Iowa
January 14, 2022

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2021

Part I: Summary of the Independent Auditors' Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

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

Material Weakness:

2021-001 Financial Reporting – Material Adjusting Journal Entries

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

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

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

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

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

Part III: Other Findings Related to Required Statutory Reporting

III-A-21 Certified Budget

Condition and Criteria – City expenditures during the year ended June 30, 2021, exceeded amounts budgeted in the Capital Projects and Debt Service.

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

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2021

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

Cause – The City approved a budget amendment on May 10, 2021. With limited personnel and time constraints, the City inadvertently omitted some items from the preparation of their budget amendment. This resulted in the Capital Project and Debt Service to be overspent.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Views of Responsible Officials – The budget will be amended in the future, if applicable.

III-B-21 Questionable Expenditures – In accordance with Article III, Section 31, of the Iowa Constitution and an Attorney General's opinion dated April 25, 1979, public funds may only be spent for public benefit. No expenditures were noted that did not meet the public benefit test.

III-C-21 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

III-D-21 - Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to ensure that the coverage is adequate for current operations.

III-E-21 - Council Minutes - We noted no transactions requiring approval which had not been approved by the Council.

III-F-21 - Revenue Bonds - No violations of revenue bond resolutions were noted.

III-G-21 - 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 | (3) |
| W. Dale Den Herder, Council Member American State Bank | Bank fees as fiscal agent | 2,500 | (1) |
| Jamie Van Ravensway, Council Member MJ's Sinclair | Fuel and Supplies | 424 | (1) |

1) The transaction does not appear to represent a conflict of interest since the total transaction was less than \$6,000 during the year, per Chapter 362.5(3)(j) of the Code of Iowa.

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

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

CITY OF SIOUX CENTER, IOWA
Schedule of Findings
For the Year Ended June 30, 2021

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

- III-H-21 - Cash and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- III-I-21 - Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- III-J-21 - Urban Renewal Annual Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.
- III-K-21 - Financial Condition – At June 30, 2021, the City had deficit balances in the following funds:

| Fund | Amount |
|--|-------------|
| Capital Projects – Trail Extension | \$ (37,490) |
| Commercial Industrial Park | (1,194,003) |
| Capital Project – Storm Water | (51,053) |
| Capital Project – Fire station 32 | (122,424) |
| Capital Project – Heritage Village | (3,426) |
| Internal Service Fund – Auto Revolving | (47,936) |

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

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

Conclusion – Response accepted.