

CITY OF OGDEN

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS**

JUNE 30, 2023

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CITY OF OGDEN

Officials

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|-----------------|--------------------|---------------------|
| Mark Trueblood | Mayor | Dec. 2023 |
| Lori Anderson | Council Member | Dec. 2023 |
| Margaret Liston | Council Member | Dec. 2023 |
| Jason Weber | Council Member | Dec. 2023 |
| Brian Reimers | Council Member | Dec. 2025 |
| David Ohlson | Council Member | Dec. 2025 |
| Emily Clausen | City Administrator | Indefinite |
| Melanie Olesen | City Clerk | Indefinite |
| Lee Johnson | Attorney | Indefinite |



Ogden is an attractive and friendly community of 2,007 people nestled in the heart of Iowa. Just 25 miles from Ames and 45 miles from Des Moines, Ogden residents can easily travel to big city amenities and come home to a small town where neighbors are friends.

Rich History

Ogden celebrates its rich history and works to maintain its small-town values. The town was laid out by the railroad in 1866 and Ogden's main street was part of the famous Lincoln Highway; the first highway to cross the continent from New York City to San Francisco. Today, Ogden's downtown has the look and feel of those early days and offers goods and services to antique buffs and modern shoppers.

Moving Forward

Ogden seeks out opportunities to grow, prosper and move forward. The local economic development group, Ogden Legacy, is working to help local businesses expand and grow. Ogden Legacy also sponsors great promotions like Ogden Fun Days, City-Wide Garage Sales, Oktoberfest and the Christmas Celebration.

Ogden was recognized in 2015 as a Certified Connected Community. Certified connected communities demonstrate measurable success in technology readiness. The Ogden Telephone Company is currently expanding its services. Areas included in this expansion are rural Ogden, Boone and Ames.

The community is extremely proud of its modern and up-to-date schools. The Ogden Community School District recently completed a \$10 million expansion project. The current middle school became home to the elementary students. The high school has a new addition and is now home to junior high and high school students. A new gymnasium was just completed at the high school.

The Leonard Good Community Center provides a beautiful, well-equipped event and meeting place at affordable rates right here in Ogden. It has a great layout for wedding receptions, corporate meetings, reunions and graduation parties. The top level will seat up to 300 with a full kitchen. A nice conference room, meeting area and kitchen are available on the lower level as well.

Ogden offers many amenities such as affordable housing, a vital business district, local utility and telephone services and the security of a small town. The community welcomed a new Fareway Store last fall. The City of Ogden provides modern services too, with an attractive City Hall, a well-equipped Fire Department and a well-appointed Library.

Area Recreational Opportunities

Ogden is blessed with many scenic recreational opportunities. In town, area residents enjoy city parks with a band stand, shelters, children's play equipment and basketball courts. They can also enjoy a recreational trail that connects the city parks to the Community Center and the Ogden High School, meandering through a prairie wildflower area. Outside of town, area residents can enjoy a beautiful lake, modern campgrounds, and a challenging golf course at Don Williams Recreation Area. Also near Ogden is Seven Oaks Recreation Center, offering skiing in the winter, a "Gladiator Assault Challenge" in the spring and hiking and canoeing in the summer and fall. A short drive will take travelers to the Hickory Grove School Museum, the Battin Chapel and a collection of historic bridges including the Humpback Bridge, the Wagon Bridge and the Kate Shelley High Bridge.

Contact Us!

Ogden is proud of its small town and welcomes you to visit us soon! For more information, contact Ogden City Hall at info@ogdeniowa.org or 515-275-2917.

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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the City of Ogden, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund, the discretely presented component unit and the aggregate remaining information of the City of Ogden as of June 30, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ogden's basic financial statements. We previously audited, in accordance with the standards referred to in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report, the financial statements for the six years ended June 30, 2022 (which are not presented here in) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 and 2 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introduction, Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the City and Utility's Proportionate Share of the Net Pension Liability, and the Schedule of City and Utility's Contributions on pages 4, 8 through 13, 34 through 35, and 37 through 40 but does not include the basis financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 21, 2023 on our consideration of the City of Ogden's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 on 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 the City of Ogden's internal control over financial reporting and compliance.

Houston & Seeman, P.C.

Houston & Seeman, P.C.

September 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Ogden provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- The City's governmental activities receipts increased 5%, or approximately \$108,000, from fiscal year 2022. Property tax increased approximately \$4,000.
- The City's governmental activities disbursements increased 57%, or approximately \$1,004,000 from fiscal year 2022. Community and economic development and capital project disbursements increased approximately \$590,000 and \$511,000, respectively.
- The City's total cash basis net position decreased 11%, or approximately \$375,000 from fiscal year 2022. Of this amount, the cash basis net position of the governmental activities decreased approximately \$395,000 and the cash basis net position of the business type activities increased approximately \$20,000.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Cash Basis Statement of Activities and Net Position. This statement provides information about the activities of the City as a whole, including the discretely presented component unit, and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide financial statement by providing information about the most significant funds.

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year and the City's proportionate share of the net pension liability and related contributions.

Supplementary Information provides detailed information about the nonmajor governmental funds.

BASIS OF ACCOUNTING

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

The City's Reporting Entity Presentation

This annual report includes all activities for which the City of Ogden is fiscally responsible. These activities, defined as the City's reporting entity, are operated within a separate legal entity that is the primary government and another separate legal entity that is included as a component unit.

The primary government consists of one legal entity, the City of Ogden. The component unit presentation consists of one legal entity, Ogden Municipal Utilities.

Government-wide Financial Statement

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Cash Basis Statement of Activities and Net Position reports information which helps answer this question.

The Cash Basis Statement of Activities and Net Position presents the City's net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Cash Basis Statement of Activities and Net Position is divided into three kinds of activities:

- Governmental Activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business Type Activities include the sanitary sewer and storm water system. These activities are financed primarily by user charges.
- Discretely Presented Component Unit consists of Ogden Municipal Utilities, a legally separate organization that has the potential to provide specific benefits or impose specific financial burdens on the City.

Fund Financial Statements

The City has two kinds of funds:

- 1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of the funds and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax, Employee Benefit and Local Option Sales Tax, 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent Fund. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statement for governmental funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

- 2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the storm water and sewer funds, considered to be major funds of the City.

The required financial statement for proprietary funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

Reconciliations between the government-wide financial statement and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities decreased \$395,000 from a year ago, from \$2.780 million to \$2.385 million. The analysis that follows focuses on the changes in cash basis net position of governmental activities.

| Changes in Cash Basis Net Position of Governmental Activities (Expressed in Thousands) | | |
|---|---------------------|-------|
| | Year ended June 30, | |
| | 2023 | 2022 |
| Receipts and transfers: | | |
| Program receipts: | | |
| Charges for services and sales | \$ 46 | 49 |
| Operating grants, contributions and restricted interest | 90 | 74 |
| Capital grants, contributions and restricted interest | 747 | 660 |
| General receipts: | | |
| Property tax | 959 | 956 |
| Utility franchise tax | 12 | 11 |
| Local option sales tax | 245 | 257 |
| American Rescue Plan Act | 148 | 148 |
| Unrestricted investment earnings | 15 | 10 |
| Dividend | 29 | 23 |
| Other general receipts | 39 | 34 |
| Transfers, net | 20 | 20 |
| Total receipts and transfers | 2,350 | 2,242 |
| Disbursements: | | |
| Public safety | 435 | 398 |
| Public works | 255 | 345 |
| Health and social services | 7 | 7 |
| Culture and recreation | 240 | 227 |
| Community and economic development | 624 | 35 |
| General government | 337 | 337 |
| Debt service | 230 | 287 |
| Capital projects | 617 | 106 |
| Total disbursements | 2,745 | 1,742 |
| Change in cash basis net position | (395) | 500 |
| Cash basis net position beginning of year | 2,780 | 2,280 |
| Cash basis net position end of year | \$ 2,385 | 2,780 |

The City's total receipts for governmental activities increased by approximately 5%. The total cost of all programs and services increased by approximately 57%.

The cost of all governmental activities this year was \$2,746,336 compared to \$1,742,745 last year. However, as shown in the statement of activities and changes in cash balance on pages 15-16, the amount that our taxpayers ultimately financed for these activities was only \$959,133 because some of the cost was paid by those who directly benefited from the programs (\$45,806) or by other governments and organizations that subsidized certain programs with grants and contributions (\$836,706). Overall, the City's governmental program receipts, including intergovernmental aid and fees for service, increased in 2023 from approximately \$783,000 to approximately \$882,000, principally due to an increase in operating and capital grants, contributions and restricted interest, related to more capital projects undertaken compared to the prior year. The City paid for the remaining public benefit portion of governmental activities with approximately \$1,217,000 in tax (some of which could only be used for certain programs) and with other receipts, such as interest, general entitlements and ARPA funds.

| Changes in Cash Basis Net Position of Business Type Activities (Expressed in Thousands) | | |
|--|---------------------|------|
| | Year ended June 30, | |
| | 2023 | 2022 |
| Receipts and transfers: | | |
| Program receipts: | | |
| Charges for services and sales: | | |
| Sewer | \$ 693 | 690 |
| Storm water | 36 | 36 |
| General receipts: | | |
| Transfers, net | (20) | (20) |
| Total receipts | 709 | 706 |
| Disbursements: | | |
| Sewer | 652 | 618 |
| Storm water | 37 | 26 |
| Total disbursements and transfers | 689 | 644 |
| Change in cash basis net position | 20 | 62 |
| Cash basis net position beginning of year | 724 | 662 |
| Cash basis net position end of year | \$ 744 | 724 |

Total business type activities receipts for the fiscal year were approximately \$709,000 compared to approximately \$706,000 last year. The increase was primarily due to an increase in residents served during the year. The cash balance increased by approximately \$20,000 from the prior year. Total disbursements for the fiscal year increased 7% to a total of \$689,000, primarily due to more operational costs compared to the prior year.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

The City of Ogden uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's funds is to provide information on near-term inflows, outflows and cash balances of spendable resources. The following are the major reasons for the changes in cash balances from the prior year for the City's major funds.

- The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund has a balance of \$656,000, a decrease of \$232,000 from the prior year.
- The Road Use Tax Fund cash balance decreased by \$116,000 to \$389,000 during the year.

- The Local Option Tax Fund was established in 1990 to collect a 1% local option sales and service tax. The City collected \$245,000 during this year, a 5% decrease from the previous year.
- The Capital Projects Fund cash balance decreased by \$86,000 during the year with a balance at the end of the year of \$690,000.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The cash balance of the Sewer Fund increased by approximately \$22,000 to \$636,000 due to an increase in sewer rates during the year.
- The Storm Water Fund decreased by approximately \$2,000 to \$108,000 due to an increase in operational expenses.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearings for all funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Over the course of the year, the City amended its operating budget once. The amendment was approved on May 9, 2023, to increase expenditures in certain City departments. The City exceeded the amount budgeted in the capital projects and business-type activities functions for the year ended June 30, 2023 due to street projects and the component units electrical grid upgrade that were not budgeted.

DEBT ADMINISTRATION

| Outstanding Debt at Year-End (Expressed in Thousands) | | |
|--|-----------------|--------------|
| | 2023 | 2022 |
| General obligation bonds | \$ - | 100 |
| Revenue bonds and notes | 5,417 | 5,630 |
| Other notes | 123 | 243 |
| | <u>\$ 5,540</u> | <u>5,973</u> |

At year-end, the City had approximately \$5,540,000 in bonds and other long-term debt compared to approximately \$5,973,000 last year as shown above.

More detailed information about the City's long-term liabilities is presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials and citizens considered many factors when setting the 2024 fiscal year budget, tax rates, and fees that will be charged for various City activities. Amounts available for appropriation in the budget are \$7.1 million, an increase of 13% from the final 2023 budget. Budgeted disbursements are \$7.1 million, an increase of 1% from the final 2023 budget.

If these estimates are realized, the City's budgeted cash balance is expected to decrease by approximately \$11,000 by the close of 2024.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Emily Clausen, City Administrator, 513 West Walnut, Box 694, Ogden, Iowa 50212.

Basic Financial Statements

CITY OF OGDEN
Cash Basis Statement of Activities and Net Position
As of and for the year ended June 30, 2023

| Functions / Programs: | Disbursements | Program Receipts | | |
|---|---------------|-------------------------------|--|--|
| | | Charges for Service and Sales | Operating Grants, Contributions, and Restricted Interest | Capital Grants, Contributions, and Restricted Interest |
| Governmental activities: | | | | |
| Public safety | \$ 435,592 | \$ 2,319 | \$ 31,651 | \$ 153,650 |
| Public works | 254,653 | - | 37,922 | 244,710 |
| Health and social services | 7,150 | - | - | - |
| Culture and recreation | 240,076 | 38,951 | 20,000 | 35,070 |
| Community and economic development | 624,590 | - | - | 290,000 |
| General government | 336,532 | 4,536 | - | - |
| Debt service | 230,400 | - | - | - |
| Capital projects | 617,343 | - | 500 | 23,203 |
| Total governmental activities | 2,746,336 | 45,806 | 90,073 | 746,633 |
| Business-type activities: | | | | |
| Sewer | 651,766 | 693,076 | - | - |
| Storm Water | 36,445 | 36,023 | - | - |
| Total business-type activities | 688,211 | 729,099 | - | - |
| Total Primary Government | \$ 3,434,547 | \$ 774,905 | \$ 90,073 | \$ 746,633 |
| Discretely Presented Component Unit: | | | | |
| Ogden Municipal Utilities | \$ 3,148,101 | \$ 2,683,186 | \$ - | \$ - |
| General Receipts and Transfers: | | | | |
| Property tax levied for: | | | | |
| General purposes | | | | |
| Employee benefits | | | | |
| Debt service | | | | |
| Mobile home tax | | | | |
| Local option sales tax | | | | |
| Utility franchise tax | | | | |
| American Rescue Plan Act | | | | |
| Unrestricted interest on investments | | | | |
| Dividend | | | | |
| Bond proceeds | | | | |
| Miscellaneous | | | | |
| Transfers | | | | |
| Total general receipts and transfers | | | | |
| Change in cash basis net position | | | | |
| Cash basis net position beginning of year | | | | |
| Cash basis net position end of year | | | | |
| Cash Basis Net Position | | | | |
| Restricted | | | | |
| Nonexpendable: | | | | |
| Cemetery perpetual care | | | | |
| Expendable: | | | | |
| Customer deposits | | | | |
| Streets | | | | |
| Debt service | | | | |
| Capital projects | | | | |
| American Rescue Plan Act | | | | |
| Other purposes | | | | |
| Unrestricted | | | | |
| Total cash basis net position | | | | |

See notes to financial statements.

| Net (Disbursements) Receipts | | | | |
|------------------------------|--------------------------|--------------|-------------------------------------|--|
| Primary Government | | | Discretely Presented Component Unit | |
| Governmental Activities | Business-Type Activities | Total | | |
| \$ (247,972) | \$ - | \$ (247,972) | | |
| 27,979 | - | 27,979 | | |
| (7,150) | - | (7,150) | | |
| (146,055) | - | (146,055) | | |
| (334,590) | - | (334,590) | | |
| (331,996) | - | (331,996) | | |
| (230,400) | - | (230,400) | | |
| (593,640) | - | (593,640) | | |
| (1,863,824) | - | (1,863,824) | | |
| - | 41,310 | 41,310 | | |
| - | (422) | (422) | | |
| - | 40,888 | 40,888 | | |
| (1,863,824) | 40,888 | (1,822,936) | | |
| | | | \$ (464,915) | |
| 649,021 | - | 649,021 | - | |
| 205,451 | - | 205,451 | - | |
| 104,163 | - | 104,163 | - | |
| 498 | - | 498 | - | |
| 245,278 | - | 245,278 | - | |
| 12,432 | - | 12,432 | - | |
| 147,953 | - | 147,953 | - | |
| 15,349 | - | 15,349 | 2,129 | |
| 28,600 | - | 28,600 | - | |
| - | - | - | 3,500,000 | |
| 39,014 | - | 39,014 | 147,480 | |
| 20,490 | (20,490) | - | - | |
| 1,468,249 | (20,490) | 1,447,759 | 3,649,609 | |
| (395,575) | 20,398 | (375,177) | 3,184,694 | |
| 2,780,230 | 724,222 | 3,504,452 | 1,140,452 | |
| \$ 2,384,655 | \$ 744,620 | \$ 3,129,275 | \$ 4,325,146 | |
| \$ 74,390 | \$ - | \$ 74,390 | \$ - | |
| - | - | - | 38,141 | |
| 389,050 | - | 389,050 | - | |
| - | 165,896 | 165,896 | - | |
| 690,008 | - | 690,008 | - | |
| 147,953 | - | 147,953 | - | |
| 580,039 | - | 580,039 | - | |
| 503,215 | 578,724 | 1,081,939 | 4,287,005 | |
| \$ 2,384,655 | \$ 744,620 | \$ 3,129,275 | \$ 4,325,146 | |

CITY OF OGDEN
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds
As of and for the year ended June 30, 2023

Exhibit B

| | Special Revenue | | | Capital Projects | Other Nonmajor Governmental Funds | Total |
|---|-----------------|-----------------|------------------------------|---------------------|--|--------------|
| | General | Road Use Tax | Local Option Sales Tax | | | |
| Receipts: | | | | | | |
| Property tax | \$ 649,519 | \$ - | \$ - | \$ - | \$ 309,614 | \$ 959,133 |
| Other city tax | 12,432 | - | 245,278 | - | - | 257,710 |
| Licenses and permits | 4,536 | - | - | - | - | 4,536 |
| Use of money and property | 43,949 | - | - | - | - | 43,949 |
| Intergovernmental | 474,072 | 280,700 | - | - | 151,700 | 906,472 |
| Charges for services | 35,152 | - | - | - | 900 | 36,052 |
| Special Assessments | 157 | - | - | - | - | 157 |
| Miscellaneous | 78,559 | - | - | 43,703 | - | 122,262 |
| Total receipts | 1,298,376 | 280,700 | 245,278 | 43,703 | 462,214 | 2,330,271 |
| Disbursements: | | | | | | |
| Operating: | | | | | | |
| Public safety | 435,592 | - | - | - | - | 435,592 |
| Public works | 213,091 | 41,562 | - | - | - | 254,653 |
| Health and social services | - | - | 7,150 | - | - | 7,150 |
| Culture and recreation | 240,076 | - | - | - | - | 240,076 |
| Community and economic development | 612,090 | - | 12,500 | - | - | 624,590 |
| General government | 336,532 | - | - | - | - | 336,532 |
| Debt service | - | - | - | - | 230,400 | 230,400 |
| Capital projects | - | 355,233 | - | 262,110 | - | 617,343 |
| Total disbursements | 1,837,381 | 396,795 | 19,650 | 262,110 | 230,400 | 2,746,336 |
| Excess (deficiency) of receipts over (under) disbursements | (539,005) | (116,095) | 225,628 | (218,407) | 231,814 | (416,065) |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | 357,424 | - | - | 179,500 | 127,752 | 664,676 |
| Operating transfers out | (50,000) | - | (224,500) | (46,812) | (322,874) | (644,186) |
| Total other financing sources (uses) | 307,424 | - | (224,500) | 132,688 | (195,122) | 20,490 |
| Change in cash balances | (231,581) | (116,095) | 1,128 | (85,719) | 36,692 | (395,575) |
| Cash balances beginning of year | 887,545 | 505,145 | 331,508 | 775,727 | 280,305 | 2,780,230 |
| Cash balances end of year | \$ 655,964 | \$ 389,050 | \$ 332,636 | \$ 690,008 | \$ 316,997 | \$ 2,384,655 |
| Cash Basis Fund Balances | | | | | | |
| Nonspendable - Cemetery perpetual care | \$ - | \$ - | \$ - | \$ - | \$ 74,390 | \$ 74,390 |
| Restricted for: | | | | | | |
| Streets | - | 389,050 | - | - | - | 389,050 |
| Capital projects | - | - | - | 690,008 | - | 690,008 |
| American Rescue Plan Act projects | 147,953 | - | - | - | - | 147,953 |
| Other purposes | - | - | 332,636 | - | 247,403 | 580,039 |
| Unassigned | 508,011 | - | - | - | (4,796) | 503,215 |
| Total cash basis fund balances | \$ 655,964 | \$ 389,050 | \$ 332,636 | \$ 690,008 | \$ 316,997 | \$ 2,384,655 |

See notes to financial statements.

CITY OF OGDEN
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Proprietary Funds
As of and for the year ended June 30, 2023

Exhibit C

| | Enterprise Funds | | |
|--|------------------|--------------------------|------------|
| | Sewer | Non-Major Storm Water | Total |
| Operating receipts: | | | |
| Charges for services | \$ 693,076 | \$ 36,023 | \$ 729,099 |
| Total operating receipts | 693,076 | 36,023 | 729,099 |
| Operating disbursements: | | | |
| Capital projects | 12,142 | - | 12,142 |
| Business-type activities | 301,336 | 36,445 | 337,781 |
| Total operating disbursements | 313,478 | 36,445 | 349,923 |
| Excess (deficiency) of operating receipts over (under) operating disbursements | 379,598 | (422) | 379,176 |
| Non-operating (disbursements): | | | |
| Debt service | (338,288) | - | (338,288) |
| Excess (deficiency) of receipts over (under) disbursements | 41,310 | (422) | 40,888 |
| Transfers in | 339,689 | - | 339,689 |
| Transfers out | (359,189) | (990) | (360,179) |
| Change in cash balances | 21,810 | (1,412) | 20,398 |
| Cash balances beginning of year | 614,551 | 109,671 | 724,222 |
| Cash balances end of year | \$ 636,361 | \$ 108,259 | \$ 744,620 |
| Cash Basis Fund Balances | | | |
| Restricted for: | | | |
| Debt service | \$ 165,896 | \$ - | \$ 165,896 |
| Unrestricted | 470,465 | 108,259 | 578,724 |
| Total cash basis fund balances | \$ 636,361 | \$ 108,259 | \$ 744,620 |

See notes to financial statements.

CITY OF OGDEN
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

The City of Ogden is a political subdivision of the State of Iowa located in Boone County. It was first incorporated in 1875 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Ogden has included all funds, organizations, agencies, boards, commissions and authorities that are not legally separate from such. 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.

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. The component unit that is discretely presented in the City's report is presented below:

Component Unit

The Ogden Municipal Utilities (Utility) was established to operate the City's electric and water facilities. The Utility are governed by a three-member Board of Trustees appointed by the Mayor and approved by the City Council. Title to all property of the Utility is held in the name of the City. A financial benefit/burden relationship exists between the City and the Utility in that the City is authorized by statute to issue obligation debt of a city utility, and may certify taxes for the payment of debt.

The Utility issues a publicly available audited financial report that includes financial statements and other supplementary information. The report may be obtained by writing to: Ogden Municipal Utilities, PO Box 70, Ogden, Iowa 50212-0070.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Boone County Assessor's Conference Board, Boone County Solid Waste Management Commission, and Boone County E911 Board.

The City Council members also sit on the Rural Fire Services Board. The City has an ongoing financial interest in this Board. (See Note 10)

CITY OF OGDEN
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-Wide Financial Statements

The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental receipts are reported separately from business type activities, which rely to a significant extent on fees and charges for services. Activities between the primary government (the City) and the discretely presented component unit (Ogden Municipal Utilities) are reported as if they were external transactions and area classified separately from internal activities within the primary government.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary net position. Net position is reported in the following categories/components:

Nonexpendable restricted net position is subject to externally imposed stipulations which require the cash balance to be maintained permanently by the City, including the City's Permanent Fund.

Expendable restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of cash balances not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management, which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

CITY OF OGDEN
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Special Revenue:

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the proceeds from the 1% local option sales and the related designation of payments for property tax relief, human services, and capital projects authorized by the local option sales tax resolution.

The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities with the exception of those financed through Enterprise Funds.

The City reports the following major proprietary funds:

The Enterprise, Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system. Also accounted for in this fund are the payments of principal and interest on the City's long-term sewer revenue debt.

The Enterprise, Storm Water Fund accounts for the operation and maintenance of the City's storm water system.

C. Measurement Focus and Basis of Accounting

The City of Ogden maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

CITY OF OGDEN
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

D. Property Taxes and Governmental Cash Basis Fund Balances

The following accounting policies are followed in preparing the financial statements:

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects tax asking contained in the budget certified by the City Council in March 2022.

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

Nonspendable – Amounts which cannot be spent 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.

Assigned – Amounts the City Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the capital projects and business-type activities functions.

Note 2 – Cash and Pooled Investments

The City's and Utility's deposits in banks at June 30, 2023, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. The City and Utility had \$477,646 in certificates of deposit and \$6,976,765 in checking and savings accounts at June 30, 2023.

The City and Utility is authorized by statute to invest public funds in obligations 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 or Utility Board of Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City owns 560 shares of \$25 par value common stock of the Ogden Telephone Company, of which 140 shares (\$100 par value) were acquired by donation and another 420 shares were acquired by stock splits. In 1972, when the stock was donated, there was no market value, therefore it is not included in the cash and investments balance.

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) to 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 use of the City.

Credit Risk – The City's investment in the Ogden Telephone Company stock is unrated.

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Bonds, Notes and Leases Payable

A summary of changes in bonds, notes and leases payable for the year ended June 30, 2023 is as follows:

| | Balance Beginning of Year | Increases | Decreases | Balance End of Year | Due Within One Year |
|-------------------------------------|---------------------------------|--------------------|-------------------|---------------------------|---------------------------|
| Primary Government | | | | | |
| General obligation bonds: | | | | | |
| Essential corp purpose | \$ 100,000 | \$ - | \$ 100,000 | \$ - | \$ - |
| Revenue Bonds: | | | | | |
| Sewer revenue cap loan notes | 339,000 | - | 110,000 | 229,000 | 113,000 |
| Sewer revenue cap loan notes | 5,290,529 | - | 103,000 | 5,187,529 | 105,000 |
| | <u>\$5,629,529</u> | <u>\$ -</u> | <u>\$ 213,000</u> | <u>\$5,416,529</u> | <u>\$ 218,000</u> |
| Other debt: | | | | | |
| Fire Truck Loan | \$ 243,104 | \$ - | \$ 119,527 | \$ 123,577 | \$ 61,274 |
| Lease agreements | <u>\$ 8,157</u> | <u>\$ -</u> | <u>\$ 3,449</u> | <u>\$ 4,708</u> | <u>\$ 3,519</u> |
| Discretely presented component unit | | | | | |
| Revenue Notes: | | | | | |
| Electric Capital | | | | | |
| Loan Note | 410,338 | - | 105,072 | 305,266 | 105,534 |
| Loan Note | - | 3,500,000 | 830 | 3,499,170 | 10,000 |
| | <u>\$ 410,338</u> | <u>\$3,500,000</u> | <u>\$ 105,902</u> | <u>\$3,804,436</u> | <u>\$ 115,534</u> |

General Obligation Bonds

A summary of the City's June 30, 2023 general obligation bonds payable is as follows:

In September, 2010, the City issued \$1,315,000 of general obligation bonds with an interest rate ranging from 1.30% to 4.00% per annum. The bonds were issued for storm drain improvements. During the year ended June 30, 2023, the City made the final payment of \$100,000 of principal and \$3,200 of interest on the bonds.

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Bonds and Notes Payable (continued)

Revenue Notes

| Year | Sewer Issued June 2004 | | | Sewer Issued April 2018 | | | Total | | |
|--------------------|---------------------------|-----------|----------|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Ending June 30, | Interest Rates | Principal | Interest | Interest Rates | Principal | Interest | Principal | Interest | Total |
| 2024 | 1.75% | \$113,000 | \$ 4,008 | 3.00% | \$ 105,000 | \$ 104,475 | \$ 218,000 | \$ 108,483 | \$ 326,483 |
| 2025 | 1.75% | 116,000 | 2,030 | 3.00% | 107,000 | 102,386 | 223,000 | 104,416 | 327,416 |
| 2026 | | - | - | 3.00% | 216,000 | 100,256 | 216,000 | 100,256 | 316,256 |
| 2027 | | - | - | 3.00% | 221,000 | 95,958 | 221,000 | 95,958 | 316,958 |
| 2028 | | - | - | 3.00% | 226,000 | 91,560 | 226,000 | 91,560 | 317,560 |
| 2029 | | - | - | 3.00% | 231,000 | 87,063 | 231,000 | 87,063 | 318,063 |
| 2030 | | - | - | 3.00% | 236,000 | 82,466 | 236,000 | 82,466 | 318,466 |
| 2031 | | - | - | 3.00% | 241,000 | 77,769 | 241,000 | 77,769 | 318,769 |
| 2032 | | - | - | 3.00% | 247,000 | 72,973 | 247,000 | 72,973 | 319,973 |
| 2033 | | - | - | 3.00% | 252,000 | 68,058 | 252,000 | 68,058 | 320,058 |
| 2034 | | - | - | 3.00% | 257,000 | 63,043 | 257,000 | 63,043 | 320,043 |
| 2035 | | - | - | 3.00% | 263,000 | 57,929 | 263,000 | 57,929 | 320,929 |
| 2036 | | - | - | 3.00% | 269,000 | 52,695 | 269,000 | 52,695 | 321,695 |
| 2037 | | - | - | 3.00% | 275,000 | 47,342 | 275,000 | 47,342 | 322,342 |
| 2038 | | - | - | 3.00% | 281,000 | 41,870 | 281,000 | 41,870 | 322,870 |
| 2039 | | - | - | 3.00% | 287,000 | 36,278 | 287,000 | 36,278 | 323,278 |
| 2040 | | - | - | 3.00% | 294,000 | 30,566 | 294,000 | 30,566 | 324,566 |
| 2041 | | - | - | 3.00% | 300,000 | 24,716 | 300,000 | 24,716 | 324,716 |
| 2042 | | - | - | 3.00% | 307,000 | 18,746 | 307,000 | 18,746 | 325,746 |
| 2043 | | - | - | 3.00% | 314,000 | 12,637 | 314,000 | 12,637 | 326,637 |
| 2044 | | - | - | 3.00% | 258,529 | 6,388 | 258,529 | 6,388 | 264,917 |
| Total | | \$229,000 | \$ 6,038 | | \$5,187,529 | \$1,275,174 | \$5,416,529 | \$1,281,212 | \$6,697,741 |

Sewer Revenue Notes

On June 1, 2004, the City issued \$1,790,000 of sewer revenue capital loan notes with an interest rate of 1.75% per annum. Proceeds from the notes provided financing for the costs of improvements to the sanitary sewer. The notes are payable solely from sewer customer net receipts and are payable through June 2025. During the year ended June 30, 2023, the City paid \$110,000 of principal and \$6,780 of interest on the notes.

On April 1, 2018, the City issued \$5,723,119 of sewer revenue capital loan notes with an interest rate of 3.00% per annum. Proceeds from the notes provided financing for a new wastewater treatment plant. The notes are payable solely from sewer customer net receipts and are payable through June 2044. During the year ended June 30, 2023, the City paid \$103,000 of principal and \$105,282 of interest on the notes.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$1,790,000 in sewer revenue bonds issued in June 2004 and \$5,723,119 in sewer revenue capital loan notes issued in April 2018. The notes are payable solely from sewer customer net receipts and are payable through 2044. Annual principal and interest payments on the notes are expected to require less than 110 percent of net receipts. The total principal and interest remaining to be paid on the bonds is \$6,697,741. For the current year, principal and interest paid and total customer net receipts were \$325,062 and \$391,740 respectively.

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Bonds and Notes Payable (continued)

The resolutions providing for the issuance of the sewer revenue capital loan notes include the following provisions:

- a. The notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds.
- b. Sufficient monthly transfers shall be made to separate sewer revenue note sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.

Equipment Purchase Agreement

On February 12, 2021, the City entered into an equipment purchase agreement for a fire truck with an initial liability of \$301,391. The agreement bears interest at 1.68% per annum and is payable with annual installments of \$63,350 over 4 years, with a final payment of \$63,350 due by February 12, 2025.

| Year Ending June 30, | Other Debt | | |
|-------------------------------|----------------------|----------|------------|
| | Fire Truck Loan | | |
| | Issued February 2021 | | |
| | Principal | Interest | Total |
| 2024 | \$ 61,274 | \$ 2,076 | \$ 63,350 |
| 2025 | 62,303 | 1,047 | 63,350 |
| Total | \$123,577 | \$ 3,123 | \$ 126,700 |

Lease Agreements

In October of 2019, the City entered into a noncancelable lease agreement for two copiers. The agreement requires monthly payments of \$298 over 60 months, with an implicit interest rate of 2.00% and a final payment in October of 2024. During the year ended June 30, 2023, the City paid principal of \$3,449 and interest of \$132. Future principal and interest payments are as follows:

| Year Ending June 30, | Copiers | | |
|-------------------------------|-----------|----------|----------|
| | Principal | Interest | Total |
| 2024 | \$ 3,519 | \$ 62 | \$ 3,581 |
| 2025 | 1,189 | 5 | 1,194 |
| Total | \$ 4,708 | \$ 67 | \$ 4,775 |

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Bonds and Notes Payable (continued)

Ogden Municipal Utilities Electric Revenue Capital Loan Notes

Annual debt service requirements to maturity for the revenue note are as follows:

| Year | Electric Capital Issued April 2014 | | | Electric Capital Issue November 2022 | | | Total | | |
|--------------------|---------------------------------------|------------------|-----------------|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Interest Rates | Principal | Interest | Interest Rates | Principal | Interest | Principal | Interest | Total |
| Ending June 30, | | | | | | | | | |
| 2024 | 3.49% | \$105,534 | \$ 9,128 | 4.75% | \$ 10,000 | \$ 195,406 | \$ 115,534 | \$ 204,534 | \$ 320,068 |
| 2025 | 3.49% | 109,300 | 5,362 | 4.75% | 10,830 | 194,931 | 120,130 | 200,293 | 320,423 |
| 2026 | 3.49% | 90,432 | 5,120 | 4.75% | 27,920 | 194,200 | 118,352 | 199,320 | 317,672 |
| 2027 | - | - | - | 4.75% | 115,420 | 190,805 | 115,420 | 190,805 | 306,225 |
| 2028 | - | - | - | 4.75% | 120,410 | 185,213 | 120,410 | 185,213 | 305,623 |
| 2029 | - | - | - | 4.75% | 125,000 | 179,386 | 125,000 | 179,386 | 304,386 |
| 2030 | - | - | - | 4.75% | 125,420 | 173,448 | 125,420 | 173,448 | 298,868 |
| 2031 | - | - | - | 4.75% | 130,420 | 167,381 | 130,420 | 167,381 | 297,801 |
| 2032 | - | - | - | 5.50% | 135,410 | 160,528 | 135,410 | 160,528 | 295,938 |
| 2033 | - | - | - | 5.50% | 140,420 | 152,956 | 140,420 | 152,956 | 293,376 |
| 2034 | - | - | - | 5.50% | 145,420 | 145,106 | 145,420 | 145,106 | 290,526 |
| 2035 | - | - | - | 5.50% | 150,410 | 136,981 | 150,410 | 136,981 | 287,391 |
| 2036 | - | - | - | 5.50% | 155,420 | 128,584 | 155,420 | 128,584 | 284,004 |
| 2037 | - | - | - | 5.50% | 160,830 | 119,909 | 160,830 | 119,909 | 280,739 |
| 2038 | - | - | - | 5.50% | 170,420 | 110,812 | 170,420 | 110,812 | 281,232 |
| 2039 | - | - | - | 5.50% | 175,420 | 101,312 | 175,420 | 101,312 | 276,732 |
| 2040 | - | - | - | 6.00% | 180,410 | 91,050 | 180,410 | 91,050 | 271,460 |
| 2041 | - | - | - | 6.00% | 185,420 | 80,090 | 185,420 | 80,090 | 265,510 |
| 2042 | - | - | - | 6.00% | 190,830 | 68,826 | 190,830 | 68,826 | 259,656 |
| 2043 | - | - | - | 6.00% | 200,420 | 57,102 | 200,420 | 57,102 | 257,522 |
| 2044 | - | - | - | 6.00% | 205,420 | 44,939 | 205,420 | 44,939 | 250,359 |
| 2045 | - | - | - | 6.00% | 210,830 | 32,475 | 210,830 | 32,475 | 243,305 |
| 2046 | - | - | - | 6.00% | 220,420 | 19,551 | 220,420 | 19,551 | 239,971 |
| 2047 | - | - | - | 6.00% | 206,250 | 6,188 | 206,250 | 6,188 | 212,438 |
| Total | | <u>\$305,266</u> | <u>\$19,610</u> | | <u>\$3,499,170</u> | <u>\$2,937,179</u> | <u>\$3,804,436</u> | <u>\$2,956,789</u> | <u>\$6,761,225</u> |

On April 25, 2014, the Utility issued \$1,122,646 of electric revenue capital loan notes with an interest rate of 3.49% per annum. Proceeds from the notes provided financing for constructing improvements and extensions to the electric utility. The note is payable solely from electric customer net receipts and is payable through June 2026. During the year ended June 30, 2023, the Utility paid \$105,072 of principal and \$12,590 of interest on the note.

On November 16, 2022, the Utility issued \$3,500,000 of electric revenue capital loan notes with an interest rate ranging from 4.75% to 6.00% per annum. Proceeds from the notes provided financing for constructing improvements and extensions to the electric utility. The note is payable solely from electric customer net receipts and is payable through June 2047. During the year ended June 30, 2023, the Utility paid \$830 of principal and \$119,028 of interest on the note.

The Utility has pledged future electric customer receipts, net of specified operating disbursements, to repay \$1,122,646 of electric revenue capital loan note issued in April 2014 and \$3,500,000 of electric revenue capital loan note issued in November 2022. The notes are payable solely from electric customer net receipts and are payable through 2047. Annual principal and interest payments on the note are expected to require less than 80 percent of net receipts. The total principal and interest remaining to be paid on the notes are \$6,761,225. For the current year, principal and interest paid and total customer net receipts were \$237,520 and \$403,481, respectively.

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Bonds and Notes Payable (continued)

The resolutions providing for the issuance of the electric revenue capital loan notes include the following provisions:

- a. As part of the Electric Revenue Loan Note agreement, the Electric Revenue Fund was required to establish a Project Fund for costs of improvements for the Electric Utility, after the refunding of the Series 2001 Electric Capital Loan note. The Electric Utility utilized funds for improvements to the system.
- b. Sufficient monthly transfers shall be made to separate electric revenue note sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.
- c. User rates shall be established at a level which produce and maintain net receipts at a level not less than 110 percent of the amount of principal and interest on the notes falling due in the fiscal year.
- d. Funds can only be deposited in financial institutions which are members of the Federal Deposit Insurance Corporation (FDIC).

Note 4 – Pension Plan

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

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

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

- A multiplier based on years of service
- The member's highest five-year average salary, except 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 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 member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of service 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 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 the member receives benefits before age 65.

CITY OF OGDEN
Notes to Financial Statements

Note 4 – Pension Plan (continued)

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.

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2023 totaled \$43,517. The Utility's contributions to IPERS for the year ended June 30, 2023 were \$40,649.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$106,586 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the City's proportion was 0.002821%, which was a decrease of 0.026025% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 the City's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$(4,205), \$226,272 and \$240,672 respectively.

At June 30, 2023, the Utility reported a liability of \$210,328 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Utility's proportion of the net pension liability was based on the Utility's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the Utility's proportion was 0.005567%, which was an increase of 0.007850% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 the Utility's pension expense, deferred outflows and deferred inflows totaled \$(3,020), \$213,147, and \$229,046 respectively.

There were no non-employer contributing entities to IPERS.

CITY OF OGDEN
Notes to Financial Statements

Note 4 – Pension Plan (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

| | |
|--|---|
| Rate of inflation (effective June 30, 2017) | 2.60% per annum |
| Rates of salary increase (effective June 30, 2017) | 3.25 to 16.25%, average, including inflation. Rates vary by membership group. |
| Long-term investment rate of return (effective June 30, 2017) | 7.00%, compounded annually, net of investment expense, including inflation. |
| Wage Growth (effective June 30, 2017) | 3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation. |

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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 geometric real rates for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------|-------------------------|---|
| Domestic equity | 22.0% | 3.57% |
| International equity | 17.5 | 4.79 |
| Global smart beta equity | 6.0 | 4.16 |
| Core plus fixed income | 20.0 | 1.66 |
| Public credit | 4.0 | 3.77 |
| Cash | 1.0 | 0.77 |
| Private equity | 13.0 | 7.57 |
| Private real assets | 8.5 | 3.55 |
| Private credit | 8.0 | 3.63 |
| Total | <u>100%</u> | |

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

CITY OF OGDEN
Notes to Financial Statements

Note 4 – Pension Plan (continued)

| | 1% Decrease <u>(6.00%)</u> | Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|--|----------------------------------|------------------------------------|----------------------------------|
| City's proportionate share of the net pension liability (asset) | \$ 285,719 | \$ 106,586 | \$ (51,025) |
| Utility's proportionate share of the net pension liability | \$ 391,866 | \$ 210,328 | \$ 50,343 |

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Note 5 – Compensated Absences

City and Utility employees accumulate a limited amount of earned but unused vacation, sick and compensatory hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City and Utility until used or paid. The City's and Utility's approximate liability for earned vacation, sick and compensatory time payable to employees at June 30, 2023, primarily relating to the General Fund for the City and Electric & Water Fund for the Utility, is as follows:

| <u>Type of Benefit</u> | <u>City Amount</u> | <u>Utility Amount</u> |
|------------------------|------------------------|---------------------------|
| Vacation | \$ 16,000 | \$ 11,100 |
| Sick | 20,000 | - |
| Compensatory Time | <u>28,000</u> | <u>-</u> |
| | <u>\$ 64,000</u> | <u>\$ 11,100</u> |

This liability has been computed based on rates of pay in effect at June 30, 2023.

Note 6 – Risk Management

The City and Utility are exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance except for the possible damage to the Utility's distribution system which is currently uninsured. The City and Utility assume liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks, except for the Utility's distribution system, have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 7 – Related Party Transactions

As stated in Note 1, Ogden Municipal Utilities is a component unit of the City of Ogden, Iowa. The City pays a processing fee of \$0.8555 per customer served on a quarterly basis for the computation and collection of the sewer rentals to the Utility. For the year ended June 30, 2023, the City paid \$3,181 to the Utility.

The City also had business transactions between the City and City officials, totaling \$995 during the ended June 30, 2023.

Note 8 – Health Insurance

The City contributes money to a Health Savings Account (HSA) for each employee to pay a portion of each employee's deductible. Employees on the single plan have a \$2,000 deductible and the City contributes \$1,500 to the employee's HSA. Employees on the family plan have a deductible of \$4,000 and the City contributes \$2,500 to the employee's HSA.

CITY OF OGDEN
Notes to Financial Statements

Note 9 – Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023, is as follows:

| <u>Transfer to</u> | <u>Transfer from</u> | <u>Amount</u> |
|--------------------|------------------------|-------------------|
| General Fund: | Special Revenue: | |
| General | Employee Benefit | \$ 204,552 |
| | Rural Fire | 32,382 |
| | Local Option Sales Tax | 100,000 |
| | Enterprise: | |
| | Sewer | 19,500 |
| | Storm Water | 990 |
| | | <u>\$ 357,424</u> |
| Debt Service: | Special Revenue: | |
| | Rural Fire | \$ 84,890 |
| | Capital Projects: | <u>41,812</u> |
| | | <u>\$ 126,702</u> |
| Capital Projects: | Special Revenue: | |
| Capital Projects | Local Option Sales Tax | \$ 124,500 |
| | General Fund: | |
| | General | <u>50,000</u> |
| | | <u>\$ 174,500</u> |
| Enterprise: | Enterprise: | |
| Sewer Sinking Fund | Sewer | <u>\$ 339,689</u> |
| Total | | <u>\$ 998,315</u> |

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

Note 10 – Rural Fire Services Board

The City, in conjunction with six townships has created the Rural Fire Services Board. The Board was established for the primary purpose of providing fire protection. The Board is composed of the Township Trustees, the City Council members and the Fire Chief.

Township Trustees levy taxes to pay for their portion of the fire protection based on population, annual average number of calls, and assessed value of real estate in the area served. The Townships reimburse the City for their portion of the expenses, including half of the payments for the fire truck; therefore, the City has an ongoing financial interest.

Note 11 – Deficit Balance

At June 30, 2023 the City had a deficit balance in the following account:

| | |
|---------------|-----------|
| Debt Service: | |
| Debt Service | \$(4,794) |

The deficit in debt service is due to the additional payment of their fire truck loan. The deficit will be addressed in the subsequent year.

CITY OF OGDEN
Notes to Financial Statements

Note 12 – Development Agreement

The City has entered into a development agreement with Fareway Stores, Inc. (company) for the construction of a new grocery store, which opened in November 2022. The City paid the company \$50,000 during the fiscal year.

Other Information

CITY OF OGDEN
Budgetary Comparison Schedule
of Receipts, Disbursements, and Changes in Balances -
Budget and Actual (Cash Basis) - All Governmental Funds, Proprietary Funds,
and Discretely Presented Component Unit
Other Information
Year ended June 30, 2023

| | Governmental Funds Actual | Proprietary Funds Actual | Discretely Presented Component Unit |
|--|---------------------------------|--------------------------------|--|
| Receipts: | | | |
| Property tax | \$ 959,133 | \$ - | \$ - |
| Other city tax | 257,710 | - | - |
| Licenses and permits | 4,536 | - | - |
| Use of money and property | 43,949 | - | 2,129 |
| Intergovernmental | 906,472 | - | - |
| Charges for services | 36,052 | 729,099 | 2,683,186 |
| Special Assessments | 157 | - | - |
| Miscellaneous | 122,262 | - | 147,480 |
| Total receipts | 2,330,271 | 729,099 | 2,832,795 |
| Disbursements: | | | |
| Public safety | 435,592 | - | - |
| Public works | 254,653 | - | - |
| Health and social services | 7,150 | - | - |
| Culture and recreation | 240,076 | - | - |
| Community and economic development | 624,590 | - | - |
| General government | 336,532 | - | - |
| Debt service | 230,400 | - | - |
| Capital projects | 617,343 | - | - |
| Business-type activities | - | 688,211 | 3,148,101 |
| Total disbursements | 2,746,336 | 688,211 | 3,148,101 |
| Excess (deficiency) of receipts over disbursements | (416,065) | 40,888 | (315,306) |
| Other financing sources, net | 20,490 | (20,490) | 3,500,000 |
| Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses | (395,575) | 20,398 | 3,184,694 |
| Balances beginning of year | 2,780,230 | 724,222 | 1,140,452 |
| Balances end of year | \$ 2,384,655 | \$ 744,620 | \$ 4,325,146 |

See accompanying independent auditor's report.

| Total Actual | Budgeted Amounts | | Final to Actual Variance |
|-----------------|------------------|--------------|-----------------------------|
| | Original | Final | |
| \$ 959,133 | \$ 348,100 | \$ 948,100 | \$ 11,033 |
| 257,710 | 227,979 | 227,979 | 29,731 |
| 4,536 | 1,725 | 1,725 | 2,811 |
| 46,078 | 32,110 | 32,110 | 13,968 |
| 906,472 | 1,145,920 | 1,145,920 | (239,448) |
| 3,448,337 | 3,234,200 | 3,234,200 | 214,137 |
| 157 | 800 | 800 | (643) |
| 269,742 | 79,800 | 79,800 | 189,942 |
| 5,892,165 | 5,070,634 | 5,670,634 | 221,531 |
| 435,592 | 450,377 | 554,477 | 118,885 |
| 254,653 | 473,100 | 675,100 | 420,447 |
| 7,150 | 11,150 | 11,150 | 4,000 |
| 240,076 | 345,606 | 345,606 | 105,530 |
| 624,590 | 921,200 | 940,200 | 315,610 |
| 336,532 | 356,746 | 356,746 | 20,214 |
| 230,400 | 167,051 | 232,051 | 1,651 |
| 617,343 | 110,000 | 275,000 | (342,343) |
| 3,836,312 | 3,515,835 | 3,515,835 | (320,477) |
| 6,582,648 | 6,351,065 | 6,906,165 | 323,517 |
| (690,483) | (1,280,431) | (1,235,531) | 545,048 |
| 3,500,000 | - | - | 3,500,000 |
| 2,809,517 | (1,280,431) | (1,235,531) | 4,045,048 |
| 4,644,904 | 3,952,490 | 3,952,490 | 692,414 |
| \$ 7,454,421 | \$ 2,672,059 | \$ 2,716,959 | \$ 4,737,462 |

CITY OF OGDEN

Notes to Other Information – Budgetary Reporting

June 30, 2023

The budgetary comparison is presented 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 cash basis following required public notice and hearing for all funds except Internal Service Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, 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. During the year, one budget amendment increased budgeted disbursements by \$555,100. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the capital projects and business-type activities functions.

CITY OF OGDEN
Schedule of the City's and Discretely Presented Component Unit's
Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Nine Years*
(In Thousands)

Other Information

| | 2023 | | 2022 | | 2021 | | 2020 | |
|--|---------------------------------|---|---------------------------------|---|---------------------------------|---|---------------------------------|---|
| | Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) |
| City's proportion of the net pension liability (asset) | 0.0028210% | 0.0055670% | 0.0288465% | -0.0022828% | 0.0035587% | 0.0055579% | 0.0031794% | 0.0062318% |
| City's proportionate share of the net pension liability (asset) | \$ 107 | \$ 210 | \$ (100) | \$ 8 | \$ 250 | \$ 390 | \$ 184 | \$ 361 |
| City's covered payroll | \$ 489 | \$ 431 | \$ 454 | \$ 457 | \$ 425 | \$ 469 | \$ 416 | \$ 443 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 21.88% | 48.72% | -22.03% | 1.75% | 58.82% | 83.16% | 44.23% | 81.49% |
| IPERS' net position as a percentage of the total pension liability (asset) | 91.40% | 91.40% | 100.81% | 100.81% | 82.90% | 82.90% | 85.45% | 85.45% |

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

See accompanying independent auditor's report.

| 2019 | | 2018 | | 2017 | | 2016 | | 2015 | |
|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---|---------------------------|---|
| Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) | Primary Government (City) | Discretely Presented Component Unit (Utility) |
| 0.0032828% | 0.0058667% | 0.0035268% | 0.0054291% | 0.0035421% | 0.0050545% | 0.0030197% | 0.0053801% | 0.0025789% | 0.0053077% |
| \$ 208 | \$ 371 | \$ 235 | \$ 362 | \$ 223 | \$ 318 | \$ 149 | \$ 266 | \$ 102 | \$ 210 |
| \$ 391 | \$ 480 | \$ 386 | \$ 447 | \$ 437 | \$ 417 | \$ 401 | \$ 368 | \$ 413 | \$ 368 |
| 53.20% | 77.37% | 60.88% | 80.87% | 51.03% | 76.34% | 37.16% | 72.18% | 24.70% | 57.14% |
| 83.62% | 83.62% | 82.21% | 82.21% | 81.82% | 81.82% | 85.19% | 85.19% | 87.61% | 87.61% |

CITY OF OGDEN
Schedule of City and Discretely Presented Component Unit Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Other Information

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Primary Government (City) | | | | | | | | | | |
| Statutorily required contribution | \$ 44 | \$ 41 | \$ 39 | \$ 38 | \$ 38 | \$ 34 | \$ 39 | \$ 37 | \$ 39 | \$ 35 |
| Contributions in relation to the statutorily required contribution | (44) | (41) | (39) | (38) | (38) | (34) | (39) | (37) | (39) | (35) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's covered payroll | \$ 489 | \$ 454 | \$ 425 | \$ 416 | \$ 391 | \$ 386 | \$ 437 | \$ 401 | \$ 413 | \$ 375 |
| Contributions as a percentage of covered payroll | 9.00% | 9.03% | 9.18% | 9.13% | 9.72% | 8.81% | 8.92% | 9.23% | 9.44% | 9.33% |

See accompanying independent auditor's report.

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Discretely Presented Component Unit (Utility) | | | | | | | | | | |
| Statutorily required contribution | \$ 41 | \$ 42 | \$ 43 | \$ 42 | \$ 45 | \$ 40 | \$ 37 | \$ 33 | \$ 33 | \$ 32 |
| Contributions in relation to the statutorily required contribution | (41) | (42) | (43) | (42) | (45) | (40) | (37) | (33) | (33) | (32) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Utility's covered payroll | \$ 431 | \$ 457 | \$ 469 | \$ 443 | \$ 480 | \$ 447 | \$ 417 | \$ 368 | \$ 368 | \$ 355 |
| Contributions as a percentage of covered payroll | 9.51% | 9.19% | 9.17% | 9.48% | 9.44% | 8.93% | 8.93% | 8.83% | 8.93% | 8.93% |

CITY OF OGDEN

Notes to Other Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- 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.

Supplementary Information

CITY OF OGDEN
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the year ended June 30, 2023

Schedule 1

| | Special Revenue | | Debt Service | Permanent Cemetery Perpetual Care | Total |
|--|------------------|------------|--------------|-----------------------------------|------------|
| | Employee Benefit | Rural Fire | Debt Service | | |
| Receipts: | | | | | |
| Property tax | \$ 205,451 | \$ - | \$ 104,163 | \$ - | \$ 309,614 |
| Intergovernmental | - | 151,700 | - | - | 151,700 |
| Charges for services | - | - | - | 900 | 900 |
| Total receipts | 205,451 | 151,700 | 104,163 | 900 | 462,214 |
| Disbursements: | | | | | |
| Governmental activities: | | | | | |
| Debt service | - | - | 230,400 | - | 230,400 |
| Total disbursements | - | - | 230,400 | - | 230,400 |
| Excess (deficiency) of receipts over (under) disbursements | 205,451 | 151,700 | (126,237) | 900 | 231,814 |
| Other financing sources (uses): | | | | | |
| Operating transfers in | - | - | 126,702 | 1,050 | 127,752 |
| Operating transfers out | (204,552) | (117,272) | - | (1,050) | (322,874) |
| Total other financing sources (uses) | (204,552) | (117,272) | 126,702 | - | (195,122) |
| Net change in cash balances | 899 | 34,428 | 465 | 900 | 36,692 |
| Cash balances beginning of year | 63,540 | 148,536 | (5,261) | 73,490 | 280,305 |
| Cash balances end of year | \$ 64,439 | \$ 182,964 | \$ (4,796) | \$ 74,390 | \$ 316,997 |
| Cash Basis Fund Balances | | | | | |
| Nonexpendable: | | | | | |
| Cemetery perpetual care | \$ - | \$ - | \$ - | \$ 74,390 | \$ 74,390 |
| Restricted for: | | | | | |
| Other purposes | 64,439 | 182,964 | - | - | 247,403 |
| Unassigned | - | - | (4,796) | - | (4,796) |
| Total cash basis fund balances | \$ 64,439 | \$ 182,964 | \$ (4,796) | \$ 74,390 | \$ 316,997 |

See accompanying independent auditor's report.

CITY OF OGDEN
Schedule of Receipts By Source and
Disbursements By Function -
All Governmental Funds

Schedule 2

For the Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Receipts: | | | | | | | | | | |
| Property and other City tax | \$ 959,133 | \$ 955,608 | \$ 949,763 | \$ 871,846 | \$ 856,880 | \$ 845,212 | \$ 813,901 | \$ 753,192 | \$ 732,003 | \$ 699,000 |
| Other city tax | 257,710 | 268,534 | 226,570 | 207,433 | 171,470 | 180,364 | 184,194 | 174,595 | 175,723 | 164,512 |
| Licenses and permits | 4,536 | 2,855 | 1,265 | 2,043 | 2,240 | 2,071 | 2,268 | 1,818 | 1,874 | 1,878 |
| Use of money and property | 43,949 | 32,464 | 28,747 | 39,819 | 41,430 | 67,469 | 51,935 | 49,406 | 50,719 | 48,271 |
| Intergovernmental | 906,472 | 536,269 | 330,866 | 286,756 | 286,040 | 383,405 | 350,127 | 352,085 | 280,561 | 337,507 |
| Charges for services | 36,052 | 36,379 | 29,337 | 23,357 | 21,922 | 19,475 | 16,499 | 26,913 | 17,847 | 25,283 |
| Special assessments | 157 | - | - | - | 408 | - | - | - | - | - |
| Miscellaneous | 122,262 | 390,055 | 521,392 | 320,913 | 285,829 | 239,135 | 276,106 | 221,150 | 307,304 | 491,949 |
| Total | 2,330,271 | 2,222,164 | 2,087,940 | 1,752,167 | 1,666,219 | 1,737,131 | 1,695,030 | 1,579,159 | 1,566,031 | 1,768,400 |
| Disbursements: | | | | | | | | | | |
| Operating: | | | | | | | | | | |
| Public safety | 435,592 | 398,314 | 528,230 | 334,746 | 311,025 | 312,737 | 332,847 | 383,951 | 324,304 | 291,575 |
| Public works | 254,653 | 345,088 | 460,413 | 370,748 | 481,463 | 241,557 | 342,762 | 228,744 | 323,210 | 189,743 |
| Health and social services | 7,150 | 7,250 | 7,909 | 10,395 | 11,812 | 6,975 | 9,400 | 11,900 | 12,242 | 7,150 |
| Culture and recreation | 240,076 | 227,245 | 218,935 | 166,563 | 171,849 | 205,191 | 240,553 | 182,332 | 151,914 | 143,877 |
| Community and economic developm | 624,590 | 34,601 | 19,007 | 21,370 | 22,827 | 47,629 | 90,278 | 46,947 | 40,658 | 108,093 |
| General government | 336,532 | 336,634 | 310,004 | 294,681 | 254,912 | 274,386 | 282,545 | 284,999 | 269,397 | 251,040 |
| Debt service | 230,400 | 287,038 | 150,833 | 185,423 | 124,600 | 154,313 | 182,450 | 132,799 | 143,946 | 241,337 |
| Capital projects | 617,343 | 106,575 | 537,840 | 152,232 | 352,389 | 228,430 | 140,068 | 398,402 | 507,344 | 687,995 |
| Total | \$ 2,746,336 | \$ 1,742,745 | \$ 2,233,171 | \$ 1,536,158 | \$ 1,730,877 | \$ 1,471,218 | \$ 1,620,903 | \$ 1,670,074 | \$ 1,773,015 | \$ 1,920,810 |

See accompanying independent auditor's report.

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Independent Auditor's 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

To the Honorable Mayor and
Members of the City Council:

We have audited 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, the financial statements of the governmental activities, the business type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the City of Ogden, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 21, 2023. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Ogden'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 Ogden's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ogden'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 City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-A-23 to be a material weakness.

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. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-B-23 to be a significant deficiency.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Part I of the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weakness and significant deficiencies.



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ogden's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statement. 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 non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Ogden's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Ogden's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The City of Ogden's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 City'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 City'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 of Ogden during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Houston & Seeman, P.C.

Houston & Seeman, P.C.

September 21, 2023

CITY OF OGDEN
Schedule of Findings
Year ended June 30, 2023

Part I: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

I-A-23 Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – Duties are not able to be properly segregated. Currently one individual prepares the bank reconciliations, has the ability to make transfers, prepares and posts entries to the general ledger, prepares and distributes payroll checks, and prepares council minutes for City Council Meetings.

Cause – The limited number of office employees prevents a proper segregation of accounting duties necessary to assure optimal internal control.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – City officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

Response – The management of the City is aware of the segregation issue within the City. However, with a small department, even with careful consideration when assigning duties, these issues are unavoidable. Management believes it has built in sufficient oversight controls throughout the financial management process to effectively mitigate the risk of fraud.

Conclusion – Response accepted.

I-B-23 Disaster Recovery Plan

Criteria – A disaster recovery plan for financial continuity should include the following:

- Identification of critical applications.
- Identification of steps for recovery of any operating systems for City operations.
- Requirement to keep a copy of the disaster recovery plan off site.
- Identification of computer equipment needed for temporary processing.
- Identification of locations which could be used to process critical applications in the event of an emergency.
- A requirement for extra stock of paper supplies, such as checks and purchase orders, etc., be located off site.

Condition – The City does not have a disaster recovery plan.

Cause – Management has not required written disaster recovery policies addressing financial continuity.

Effect – Lack of a disaster recovery plan could result in the City's inability to function in the event of a disaster or continue business without interruption.

Recommendation – A written disaster recovery plan should be developed.

Response – City staff will work on a disaster recovery plan relating to the above bullet points to be implemented.

Conclusion – Response accepted.

CITY OF OGDEN
Schedule of Findings
Year ended June 30, 2023

Part I: Findings Related to the Financial Statements (continued)

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

CITY OF OGDEN
Schedule of Findings
Year ended June 30, 2023

Part II: Other Findings Related to Statutory Reporting:

- II-A-23 Certified Budget – Disbursements during the year ended June 30, 2023 exceeded the amounts budgeted in the capital projects and business-type activities functions. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

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

Response – The budget will be amended with sufficient amounts in the future, if applicable.

Conclusion – Response accepted.

- II-B-23 Questionable Disbursements – We noted no disbursements we believe may fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- II-C-23 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- II-D-23 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

| Name, Title and Business Connection | Transaction Description | Amount |
|--|----------------------------|--------|
| Sam Christensen Son of Jessica Christensen, Recreation Coordinator | Basketball referee | \$ 905 |
| Jackson Christensen Son of Jessica Christensen, Recreation Coordinator | Basketball referee | \$ 40 |
| Everlastings Owned by Emily Clausen City Administrator | Funeral plants | \$ 50 |

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with Sam Christensen, Jackson Christensen and Everlastings do not represent a conflict of interest since the transactions did not exceed the \$6,000 limit set by the Code of Iowa.

- II-E-23 Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- II-F-23 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- II-G-23 Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.

CITY OF OGDEN
Schedule of Findings
Year ended June 30, 2023

- II-H-23 Deposits and Investments – Deposits and investments were in compliance with the provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy, except for the following.

The shares owned of Ogden Telephone Company stock is not permitted by Article VIII of the Constitution of Iowa and Chapter 12B.10 of the Code of Iowa.

Recommendation – The City should comply with Article VIII of the Constitution of Iowa and Chapter 12B of the Code of Iowa.

Response – We will review the options available and determine how best to comply with Chapter 12B of the Code of Iowa.

Conclusion – Response accepted.

- II-I-23 Revenue Notes and Bonds – No instances of non-compliance with the revenue notes and bond resolutions were noted.

- II-J-23 Financial Condition – At June 30, 2023 the City had a deficit balance in the following account:

Debt Service:

| | |
|--------------|------------|
| Debt Service | \$ (4,796) |
|--------------|------------|

Recommendation – The City should evaluate the reason for the deficit and investigate alternatives to eliminate the deficit in order to return the account to a sound financial position.

Response – We will evaluate the reason for the deficit and investigate alternatives to eliminate the deficit. We will eliminate the deficit whenever feasible.

Conclusion – Response accepted.

- II-K-23 Annual Financial Report – The Annual Financial Report was completed and filed by December 1 as required by Chapter 384.22 of the Code of Iowa.

- II-L-23 Interfund Transfers – Section 545-2 of the City Finance Committee Rules requires “A fund transfer resolution must be completed for all transfers between funds and must include a clear statement of reason or purpose for the transfer, the name of the fund from which the transfer is originating, the name of the fund into which the transfer is to be received, and the dollar amount to be transferred. For transfers of utility surpluses outline in subrule 2.5(5), the calculation proving the surplus must also be shown in the resolution.”

The resolutions approving the City’s fund transfers did not include all the transfers made between funds.

Recommendation – The resolutions approving all fund transfers should include the information required by Section 545-2 of the City Finance Committee Rules.

Response – We will ensure transfer resolutions will include the appropriate calculations and information in the future.

Conclusion – Response accepted.