

CITY OF OGDEN

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

JUNE 30, 2025

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CITY OF OGDEN

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mark Trueblood	Mayor	Jan. 2026
Brian Reimers	Council Member	Jan. 2026
David Ohlson	Council Member	Jan. 2026
Lori Anderson	Council Member	Jan. 2028
Margaret Liston	Council Member	Jan. 2028
Aaron Crane	Council Member	Jan. 2028
Emily Clausen	City Administrator	Indefinite
Allison Frazier	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 the latest addition 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 in the fall of 2023. The City of Ogden provides modern services too, with an attractive City Hall, a well-equipped Fire Department and First Responders Unit 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, 2025, 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, 2025, 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 (GAAS) 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.



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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 eight years ended June 30, 2024 (which are not presented here in) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The financial statements for the year ended June 30, 2016 (which is not presented herein) was audited by other auditors who expressed an unmodified opinion on those financial statements. 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, 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, 28 through 29, and 31 through 34 but does not include the basic 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 8, 2025 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 8, 2025

Basic Financial Statements

CITY OF OGDEN
Cash Basis Statement of Activities and Net Position
As of and for the year ended June 30, 2025

	Disbursements	Program Receipts		
		Charges for Service and Sales	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest
Functions / Programs:				
Governmental activities:				
Public safety	\$ 453,905	\$ 1,770	\$ 39,112	\$ 190,545
Public works	294,417	-	35,229	285,033
Health and social services	6,650	-	-	-
Culture and recreation	252,120	38,707	7,373	21,067
Community and economic development	203,157	-	-	120,000
General government	358,986	2,029	-	-
Capital projects	563,517	-	-	47,100
Total governmental activities	2,132,752	42,506	81,714	663,745
Business-type activities:				
Sewer	831,355	720,964	-	-
Storm Water	11,222	35,900	-	-
Total business-type activities	842,577	756,864	-	-
Total Primary Government	\$ 2,975,329	\$ 799,370	\$ 81,714	\$ 663,745
Discretely Presented Component Unit:				
Ogden Municipal Utilities	\$ 3,448,360	\$ 2,859,382	\$ -	\$ -
General Receipts and Transfers:				
Property tax levied for:				
General purposes				
Tax increment financing				
Employee benefits				
Mobile home tax				
Local option sales tax				
Utility franchise tax				
Unrestricted interest on investments				
Dividend				
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				
Urban renewal purposes				
Debt service				
Capital projects				
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	
\$ (222,478)	\$ -	\$ (222,478)	
25,845	-	25,845	
(6,650)	-	(6,650)	
(184,973)	-	(184,973)	
(83,157)	-	(83,157)	
(356,957)	-	(356,957)	
(516,417)	-	(516,417)	
(1,344,787)	-	(1,344,787)	
-	(110,391)	(110,391)	
-	24,678	24,678	
-	(85,713)	(85,713)	
(1,344,787)	(85,713)	(1,430,500)	
			\$ (588,978)
711,147	-	711,147	-
22,372	-	22,372	-
258,955	-	258,955	-
690	-	690	-
266,258	-	266,258	-
8,163	-	8,163	-
21,396	-	21,396	14,913
28,600	-	28,600	-
12,139	-	12,139	128,398
21,990	(21,990)	-	-
1,351,710	(21,990)	1,329,720	143,311
6,923	(107,703)	(100,780)	(445,667)
2,279,313	610,506	2,889,819	3,829,550
\$ 2,286,236	\$ 502,803	\$ 2,789,039	\$ 3,383,883
\$ 76,290	\$ -	\$ 76,290	\$ -
-	-	-	35,019
320,201	-	320,201	-
22,372	-	22,372	-
377	69,674	70,051	317,672
600,894	-	600,894	-
1,006,592	-	1,006,592	211,726
259,510	433,129	692,639	2,819,466
\$ 2,286,236	\$ 502,803	\$ 2,789,039	\$ 3,383,883

CITY OF OGDEN
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds
As of and for the year ended June 30, 2025

	Special Revenue					
		Road Use	Employee	Local	Tax	
	General	Tax	Benefits	Option	Increment	Rural
				Sales Tax	Financing	Fire
Receipts:						
Property tax	\$ 711,837	\$ -	\$ 258,955	\$ -	\$ -	\$ -
Tax increment financing collections	-	-	-	-	22,372	-
Other city tax	8,163	-	-	266,258	-	-
Licenses and permits	2,029	-	-	-	-	-
Use of money and property	49,996	-	-	-	-	-
Intergovernmental	150,417	285,033	-	-	-	188,195
Charges for services	32,637	-	-	-	-	-
Miscellaneous	93,293	-	-	-	-	-
Total receipts	1,048,372	285,033	258,955	266,258	22,372	188,195
Disbursements:						
Operating:						
Public safety	453,905	-	-	-	-	-
Public works	242,943	51,474	-	-	-	-
Health and social services	-	-	-	6,650	-	-
Culture and recreation	252,120	-	-	-	-	-
Community and economic development	182,157	-	-	21,000	-	-
General government	358,986	-	-	-	-	-
Capital projects	-	228,063	-	-	-	-
Total disbursements	1,490,111	279,537	-	27,650	-	-
Excess (deficiency) of receipts over (under) disbursements	(441,739)	5,496	258,955	238,608	22,372	188,195
Other financing sources (uses):						
Operating transfers in	310,348	-	-	-	-	-
Operating transfers out	(50,000)	-	(252,857)	(129,500)	-	(35,501)
Total other financing sources (uses)	260,348	-	(252,857)	(129,500)	-	(35,501)
Change in cash balances	(181,391)	5,496	6,098	109,108	22,372	152,694
Cash balances beginning of year	440,901	314,705	71,305	420,800	-	246,587
Cash balances end of year	\$ 259,510	\$ 320,201	\$ 77,403	\$ 529,908	\$ 22,372	\$ 399,281
Cash Basis Fund Balances						
Nonspendable - Cemetery perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:						
Urban renewal purposes	-	-	-	-	22,372	-
Debt service	-	-	-	-	-	-
Streets	-	320,201	-	-	-	-
Capital projects	-	-	-	-	-	-
Other purposes	-	-	77,403	529,908	-	399,281
Unassigned	259,510	-	-	-	-	-
Total cash basis fund balances	\$ 259,510	\$ 320,201	\$ 77,403	\$ 529,908	\$ 22,372	\$ 399,281

See notes to financial statements.

Capital Projects	Other Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 970,792
-	-	22,372
-	-	274,421
-	-	2,029
-	-	49,996
-	1,400	625,045
-	-	32,637
47,100	-	140,393
47,100	1,400	2,117,685
-	-	453,905
-	-	294,417
-	-	6,650
-	-	252,120
-	-	203,157
-	-	358,986
335,454	-	563,517
335,454	-	2,132,752
(288,354)	1,400	(15,067)
179,500	1,300	491,148
-	(1,300)	(469,158)
179,500	-	21,990
(108,854)	1,400	6,923
709,748	75,267	2,279,313
\$ 600,894	\$ 76,667	\$ 2,286,236
\$ -	\$ 76,290	\$ 76,290
-	-	22,372
-	377	377
-	-	320,201
600,894	-	600,894
-	-	1,006,592
-	-	259,510
\$ 600,894	\$ 76,667	\$ 2,286,236

CITY OF OGDEN
Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Proprietary Funds
As of and for the year ended June 30, 2025

Exhibit C

	Enterprise Funds		
	Sewer	Non-Major Storm Water	Total
Operating receipts:			
Charges for services	\$ 720,964	\$ 35,900	\$ 756,864
Total operating receipts	720,964	35,900	756,864
Operating disbursements:			
Business-type activities	395,259	11,222	406,481
Total operating disbursements	395,259	11,222	406,481
Excess (deficiency) of operating receipts over (under) operating disbursements	325,705	24,678	350,383
Non-operating (disbursements):			
Debt service	(436,096)	-	(436,096)
Excess (deficiency) of receipts over (under) disbursements	(110,391)	24,678	(85,713)
Transfers out	(21,000)	(990)	(21,990)
Change in cash balances	(131,391)	23,688	(107,703)
Cash balances beginning of year	537,164	73,342	610,506
Cash balances end of year	\$ 405,773	\$ 97,030	\$ 502,803
Cash Basis Fund Balances			
Restricted for:			
Debt service	\$ 69,674	\$ -	\$ 69,674
Unrestricted	336,099	97,030	433,129
Total cash basis fund balances	\$ 405,773	\$ 97,030	\$ 502,803

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.

These financial statements present the City of Ogden (the primary government) and its component unit. The component unit is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Discretely Presented Component Unit

The Ogden Municipal Utilities (Utility) is presented in a separate column to emphasize it is legally separate from the City but is financially accountable to the City or its relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete.

The Utility was established to operate the City's electric and water facilities. The Utility is 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 general 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 funds 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 Employee Benefits Fund is used to account for the tax levy to support City employee benefits.

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

The Tax Increment Financing Fund is used to account for tax increment financing collections and the repayment for tax increment financing indebtedness.

The Rural Fire Fund is used to account for funds received for rural fire services.

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 wastewater 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects tax asking contained in the budget certified by the City Council in April 2023.

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, 2025, disbursements exceeded the amounts budgeted in the general government function.

Note 2 – Cash and Pooled Investments

The City's and Utility's deposits in banks at June 30, 2025, 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 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.

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

CITY OF OGDEN
Notes to Financial Statements

Note 3 –Notes and Leases Payable

A summary of changes in notes and leases payable for the year ended June 30, 2025 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Primary Government:					
Business type activities:					
Sewer revenue cap loan notes	\$ 116,000	\$ -	\$ 116,000	\$ -	\$ -
Sewer revenue cap loan notes	4,990,000	-	206,000	4,784,000	210,000
	<u>\$5,106,000</u>	<u>\$ -</u>	<u>\$ 322,000</u>	<u>\$4,784,000</u>	<u>\$ 210,000</u>
Governmental activities:					
Lease agreements	\$ 1,189	\$ 11,762	\$ 2,690	\$ 10,261	\$ 2,290
Discretely presented component unit					
Revenue Notes:					
Electric Capital					
Loan Note	\$ 199,555	\$ -	\$ 109,465	\$ 90,090	\$ 90,090
Loan Note	3,489,170	-	10,830	3,478,340	27,920
	<u>\$3,688,725</u>	<u>\$ -</u>	<u>\$ 120,295</u>	<u>\$3,568,430</u>	<u>\$ 118,010</u>

Revenue Notes

The City's June 30, 2025 sewer revenue capital loan note payable is as follows:

Year Ending June 30,	Sewer Issued April 2018			
	Interest Rates	Principal	Interest	Total
2026	3.00%	\$ 210,000	\$ 95,202	\$ 305,202
2027	3.00%	214,000	91,023	305,023
2028	3.00%	218,000	86,764	304,764
2029	3.00%	222,000	82,426	304,426
2030	3.00%	227,000	78,008	305,008
2031	3.00%	231,000	73,491	304,491
2032	3.00%	236,000	68,894	304,894
2033	3.00%	241,000	64,197	305,197
2034	3.00%	246,000	59,402	305,402
2035	3.00%	250,000	54,506	304,506
2036	3.00%	255,000	49,531	304,531
2037	3.00%	260,000	44,457	304,457
2038	3.00%	266,000	39,283	305,283
2039	3.00%	271,000	33,989	304,989
2040	3.00%	276,000	28,596	304,596
2041	3.00%	282,000	23,104	305,104
2042	3.00%	287,000	17,492	304,492
2043	3.00%	293,000	11,781	304,781
2044	3.00%	299,000	5,950	304,950
Total		<u>\$4,784,000</u>	<u>\$1,008,096</u>	<u>\$5,792,096</u>

CITY OF OGDEN
Notes to Financial Statements

Note 3 –Notes and Leases Payable (continued)

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, 2025, the City paid \$116,000 of principal and \$2,030 of interest on the notes.

On April 1, 2018, the City issued \$5,728,119 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, 2025, the City paid \$206,000 of principal and \$99,301 of interest on the notes.

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$5,728,119 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 bond is \$5,792,096. For the current year, principal and interest paid and total customer net receipts were \$423,331 and \$325,705 respectively.

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.
- c. Sewer revenue charges must be established at a level which produces and maintains net receipts at a level no less than 110% of principal and interest due in the same year. The City is not in compliance with this provision.

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, 2025, the City paid principal of \$1,189 and interest of \$5.

In October of 2024, the City entered into a noncancelable lease agreement for a copier. The agreement requires monthly payments of \$206 over 60 months, with an implicit interest rate of 2.00% and a final payment in October of 2029. During the year ended June 30, 2025, the City paid principal of \$1,501 and interest of \$148. Future principal and interest payments are as follows:

Year Ending June 30,	Copier		
	Principal	Interest	Total
2026	\$ 2,290	\$ 184	\$ 2,474
2027	2,336	138	2,474
2028	2,383	91	2,474
2029	2,431	43	2,474
2030	821	3	824
Total	\$ 10,261	\$ 459	\$ 10,720

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Notes and Leases Payable (continued)

Ogden Municipal Utilities Electric Revenue Capital Loan Notes

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

Year Ending June 30,	Electric Capital Issued April 2014			Electric Capital Issue November 2022			Total		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2026	3.49%	\$ 90,090	\$ 5,462	4.75%	\$ 27,920	\$ 194,200	\$ 118,010	\$ 199,662	\$ 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		\$ 90,090	\$ 5,462		\$3,478,340	\$ 2,546,842	\$ 3,568,430	\$ 2,552,304	\$ 6,120,734

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, 2025, the Utility paid \$109,465 of principal and \$5,197 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, 2025, the Utility paid \$10,830 of principal and \$194,931 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 \$6,120,734. For the current year, principal and interest paid and total customer net receipts were \$320,423 and \$477,832, respectively.

CITY OF OGDEN
Notes to Financial Statements

Note 3 – Notes and Leases 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 2025, 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, 2025 totaled \$46,018. The Utility's contributions to IPERS for the year ended June 30, 2025 were \$44,934.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the City reported a liability of \$93,148 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 0.002558%, which was a decrease of 0.000854% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025 the City's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$21,922, \$127,746 and \$105,269 respectively.

At June 30, 2025, the Utility reported a liability of \$182,160 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the Utility's proportion was 0.005002%, which was an increase of 0.000273% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025 the Utility's pension expense, deferred outflows and deferred inflows totaled \$20,937, \$114,400 and \$97,743 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, 2024 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, 2024 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 2024 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	21.0%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	<u>5.5</u>	6.62
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)	\$ 359,677	\$ 93,148	\$ (130,136)
Utility's proportionate share of the net pension liability	\$ 447,018	\$ 182,160	\$ (39,659)

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 leave, 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 and Utility's approximate liability for the leave which is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means for the earned vacation, sick leave, and compensatory hours to employees at June 30, 2025 is as follows:

<u>Type of Benefit</u>	<u>City Amount</u>	<u>Utility Amount</u>
Vacation	\$ 19,000	\$ 11,200
Sick	30,000	-
Compensatory Time	<u>19,000</u>	<u>-</u>
	<u>\$ 68,000</u>	<u>\$ 11,200</u>

This liability has been computed based on rates of pay in effect at June 30, 2025.

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, 2025, the City paid \$2,997 to the Utility.

The City also had business transactions between the City and City officials, totaling \$26,240 during the ended June 30, 2025.

CITY OF OGDEN
Notes to Financial Statements

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.

Note 9 – Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2025, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General Fund:	Special Revenue:	
General	Employee Benefit	\$ 252,857
	Rural Fire	35,501
	Enterprise:	
	Sewer	21,000
	Storm Water	<u>990</u>
		\$ <u>310,348</u>
Capital Projects:	Special Revenue:	
Capital Projects	Local Option Sales Tax	\$ 129,500
	General Fund:	
	General	<u>50,000</u>
		\$ <u>179,500</u>
Total		\$ <u>489,848</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 – Tax Abatements

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

CITY OF OGDEN
Notes to Financial Statements

Note 11 – Tax Abatements (continued)

City Tax Abatements

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

For the year ended June 30, 2025, the City abated \$33,803 of property tax under the urban renewal and economic development projects.

Note 12 – Economic Development Agreement

The City has an active tax increment financing agreement. The City agreed to assist in urban renewal projects by rebating incremental property tax paid by the participating companies with respect to the improvements set forth in the urban renewal plan. The incremental property tax to be received by the City under Chapter 403.19 of the Code of Iowa from the participating companies will be rebated for a period of up to five years beginning with the tax year in which the property tax on the completed value of the improvements is first paid. The agreement requires the City to rebate a portion of their incremental tax paid by the company, not to exceed \$350,000.

The above agreement is not a general obligation of the City. However, the agreement is subject to the constitutional debt limitation of the City.

Note 13 – Subsequent Events

The City has evaluated all subsequent events through September 8, 2025, the date the financials were available to be issued.

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, 2025

	Governmental Funds Actual	Proprietary Funds Actual	Discretely Presented Component Unit
Receipts:			
Property tax	\$ 970,792	\$ -	\$ -
Tax increment financing collections	22,372	-	-
Other city tax	274,421	-	-
Licenses and permits	2,029	-	-
Use of money and property	49,996	-	14,913
Intergovernmental	625,045	-	-
Charges for services	32,637	756,864	2,859,382
Special Assessments	-	-	-
Miscellaneous	140,393	-	128,398
Total receipts	2,117,685	756,864	3,002,693
Disbursements:			
Public safety	453,905	-	-
Public works	294,417	-	-
Health and social services	6,650	-	-
Culture and recreation	252,120	-	-
Community and economic development	203,157	-	-
General government	358,986	-	-
Capital projects	563,517	-	-
Business-type activities	-	842,577	3,448,360
Total disbursements	2,132,752	842,577	3,448,360
Excess (deficiency) of receipts over disbursements	(15,067)	(85,713)	(445,667)
Other financing sources, net	21,990	(21,990)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	6,923	(107,703)	(445,667)
Balances beginning of year	2,279,313	610,506	3,829,550
Balances end of year	\$ 2,286,236	\$ 502,803	\$ 3,383,883

See accompanying independent auditor's report.

		Budgeted Amounts			
Total Actual		Original and Final		Final to Actual Variance	
\$	970,792	\$	938,305	\$	32,487
	22,372		22,520		(148)
	274,421		250,552		23,869
	2,029		2,800		(771)
	64,909		40,600		24,309
	625,045		982,469		(357,424)
	3,648,883		5,774,700		(2,125,817)
	-		500		(500)
	268,791		62,600		206,191
5,877,242		8,075,046		(2,197,804)	
	453,905		502,093		48,188
	294,417		547,991		253,574
	6,650		10,150		3,500
	252,120		328,281		76,161
	203,157		368,420		165,263
	358,986		284,895		(74,091)
	563,517		625,000		61,483
	4,290,937		5,938,207		1,647,270
6,423,689		8,605,037		2,181,348	
	(546,447)		(529,991)		(16,456)
	-		-		-
	(546,447)		(529,991)		(16,456)
	6,719,369		2,649,499		4,069,870
\$	6,172,922	\$	2,119,508	\$	4,053,414

CITY OF OGDEN

Notes to Other Information – Budgetary Reporting

June 30, 2025

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. There were no budget amendments for the City during the year ended June 30, 2025.

During the year ended June 30, 2025, disbursements exceeded the amounts budgeted in the general government function.

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 Ten Years*
(In Thousands)

Other Information

	2025		2024		2023		2022	
	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)	0.0025580%	0.0050020%	0.0034120%	0.0047290%	0.0028210%	0.0055670%	0.0288465%	-0.0022828%
City's proportionate share of the net pension liability (asset)	\$ 93	\$ 182	\$ 154	\$ 213	\$ 107	\$ 210	\$ (100)	\$ 8
City's covered payroll	\$ 520	\$ 487	\$ 491	\$ 475	\$ 489	\$ 431	\$ 454	\$ 457
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.88%	37.37%	31.36%	44.84%	21.88%	48.72%	-22.03%	1.75%
IPERS' net position as a percentage of the total pension liability (asset)	92.30%	92.30%	90.13%	90.13%	91.40%	91.40%	100.81%	100.81%

*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.

2021			2020			2019			2018			2017			2016																				
Discretely Presented			Discretely Presented			Discretely Presented			Discretely Presented			Discretely Presented			Discretely Presented																				
Primary	Component		Primary	Component		Primary	Component		Primary	Component		Primary	Component		Primary	Component																			
Government	Unit		Government	Unit		Government	Unit		Government	Unit		Government	Unit		Government	Unit																			
(City)	(Utility)		(City)	(Utility)		(City)	(Utility)		(City)	(Utility)		(City)	(Utility)		(City)	(Utility)																			
0.0035587%			0.0055579%			0.0031794%			0.0062318%			0.0032828%			0.0058667%			0.0035268%			0.0054291%			0.0035421%			0.0050545%			0.0030197%			0.0053801%		
\$	250	\$	390	\$	184	\$	361	\$	208	\$	371	\$	235	\$	362	\$	223	\$	318	\$	149	\$	266												
\$	425	\$	469	\$	416	\$	443	\$	391	\$	480	\$	386	\$	447	\$	437	\$	417	\$	401	\$	368												
58.82%			83.16%			44.23%			81.49%			53.20%			77.37%			60.88%			80.87%			51.03%			76.34%			37.16%			72.18%		
82.90%			82.90%			85.45%			85.45%			83.62%			83.62%			82.21%			82.21%			81.82%			81.82%			85.19%			85.19%		

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Primary Government (City)										
Statutorily required contribution	\$ 46	\$ 43	\$ 44	\$ 41	\$ 39	\$ 38	\$ 38	\$ 34	\$ 39	\$ 37
Contributions in relation to the statutorily required contribution	(46)	(43)	(44)	(41)	(39)	(38)	(38)	(34)	(39)	(37)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 520	\$ 491	\$ 489	\$ 454	\$ 425	\$ 416	\$ 391	\$ 386	\$ 437	\$ 401
Contributions as a percentage of covered payroll	8.85%	8.76%	9.00%	9.03%	9.18%	9.13%	9.72%	8.81%	8.92%	9.23%

See accompanying independent auditor's report.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Discretely Presented Component Unit (Utility)										
Statutorily required contribution	\$ 45	\$ 44	\$ 41	\$ 42	\$ 43	\$ 42	\$ 45	\$ 40	\$ 37	\$ 33
Contributions in relation to the statutorily required contribution	(45)	(44)	(41)	(42)	(43)	(42)	(45)	(40)	(37)	(33)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility's covered payroll	\$ 487	\$ 475	\$ 431	\$ 457	\$ 469	\$ 443	\$ 480	\$ 447	\$ 417	\$ 368
Contributions as a percentage of covered payroll	9.24%	9.26%	9.51%	9.19%	9.17%	9.48%	9.44%	8.93%	8.93%	8.83%

CITY OF OGDEN

Notes to Other Information – Pension Liability

Year ended June 30, 2025

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%.

Supplementary Information

CITY OF OGDEN

Schedule 1

Statement of Cash Receipts, Disbursements and Changes in Cash Balances

Nonmajor Governmental Funds

As of and for the year ended June 30, 2025

	Debt Service	Permanent Cemetery Perpetual Care	Total
	Debt Service		
Receipts:			
Intergovernmental	\$ -	\$ 1,400	\$ 1,400
Total receipts	-	1,400	1,400
Excess (deficiency) of receipts over (under) disbursements	-	1,400	1,400
Other financing sources (uses):			
Operating transfers in	-	1,300	1,300
Operating transfers out	-	(1,300)	(1,300)
Net change in cash balances	-	1,400	1,400
Cash balances beginning of year	377	74,890	75,267
Cash balances end of year	\$ 377	\$ 76,290	\$ 76,667
Cash Basis Fund Balances			
Nonexpendable:			
Cemetery perpetual care	\$ -	\$ 76,290	\$ 76,290
Restricted for:			
Debt service	377	-	377
Total cash basis fund balances	\$ 377	\$ 76,290	\$ 76,667

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Receipts:										
Property and other City tax	\$ 970,792	\$ 901,404	\$ 959,133	\$ 955,608	\$ 949,763	\$ 871,846	\$ 856,880	\$ 845,212	\$ 813,901	\$ 753,192
Tax increment financing collections	22,372	-	-	-	-	-	-	-	-	-
Other city tax	274,421	263,181	257,710	268,534	226,570	207,433	171,470	180,364	184,194	174,595
Licenses and permits	2,029	2,157	4,536	2,855	1,265	2,043	2,240	2,071	2,268	1,818
Use of money and property	49,996	48,419	43,949	32,464	28,747	39,819	41,430	67,469	51,935	49,406
Intergovernmental	625,045	680,041	906,472	536,269	330,866	286,756	286,040	383,405	350,127	352,085
Charges for services	32,637	42,595	36,052	36,379	29,337	23,357	21,922	19,475	16,499	26,913
Special assessments	-	401	157	-	-	-	408	-	-	-
Miscellaneous	140,393	76,979	122,262	390,055	521,392	320,913	285,829	239,135	276,106	221,150
Total	2,117,685	2,015,177	2,330,271	2,222,164	2,087,940	1,752,167	1,666,219	1,737,131	1,695,030	1,579,159
Disbursements:										
Operating:										
Public safety	453,905	427,995	435,592	398,314	528,230	334,746	311,025	312,737	332,847	383,951
Public works	294,417	271,486	254,653	345,088	460,413	370,748	481,463	241,557	342,762	228,744
Health and social services	6,650	6,650	7,150	7,250	7,909	10,395	11,812	6,975	9,400	11,900
Culture and recreation	252,120	250,601	240,076	227,245	218,935	166,563	171,849	205,191	240,553	182,332
Community and economic development	203,157	229,821	624,590	34,601	19,007	21,370	22,827	47,629	90,278	46,947
General government	358,986	348,614	336,532	336,634	310,004	294,681	254,912	274,386	282,545	284,999
Debt service	-	127,403	230,400	287,038	150,833	185,423	124,600	154,313	182,450	132,799
Capital projects	563,517	479,339	617,343	106,575	537,840	152,232	352,389	228,430	140,068	398,402
Total	\$ 2,132,752	\$ 2,141,909	\$ 2,746,336	\$ 1,742,745	\$ 2,233,171	\$ 1,536,158	\$ 1,730,877	\$ 1,471,218	\$ 1,620,903	\$ 1,670,074

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, 2025, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 8, 2025. 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-25 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-25 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 weaknesses 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, 2025 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 8, 2025

CITY OF OGDEN
Schedule of Findings
Year ended June 30, 2025

Part I: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

I-A-25 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-25 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, 2025

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, 2025

Part II: Other Findings Related to Statutory Reporting:

- II-A-25 Certified Budget – Disbursements during the year ended June 30, 2025 exceeded the amounts budgeted in the general government function. 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-25 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-25 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

- II-D-25 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Michael S. Frazier Spouse of Allison Frazier, City Clerk	Cemetery mowing	\$ 25,550
Emma Michalski Daughter of Emily Clausen, City Administrator	Softball umpire	\$ 450
Christian Thede Son of Chad Thede, Wastewater Superintendent	Baseball umpire	\$ 150
Everlastings Owned by Emily Clausen, City Administrator	Funeral plants	\$ 90

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with Emma Michalski, Christian Thede 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. The transactions with Michael S. Frazier do not appear to represent a conflict of interest since it was entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

- II-E-25 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.

CITY OF OGDEN
Schedule of Findings
Year ended June 30, 2025

- II-F-25 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-25 City Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.
- II-H-25 Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 384.22(2)(a) of the Code of Iowa. No exceptions were noted.
- II-I-25 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-J-25 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 acknowledge that the investment in Ogden Telephone Company is not permitted by Article VIII of the Constitution of Iowa and Chapter 12B of the Code of Iowa. However, we intend to retain the investment indefinitely due to the investment being in a local company that was donated to the City.

Conclusion – Response accepted.

- II-K-25 Revenue Notes and Bonds – The sewer revenue note resolution requires the City to establish, levy and collect rents and other charges for the products and services provided by its sewer system, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such sewer system and (B) to produce and maintain net revenues at a level not less than 110% of the amount of principal and interest on the revenue note and any other obligations secured by a pledge of the net revenues falling due in the same year. The City’s fiscal year 2025 net operating revenues of \$325,705 is less than 110% of the required debt service payment of \$423,331. To meet this requirement, net revenues need to be \$465,664.

Recommendation – The City should ensure the net revenues are not less than 110% of the amount of annual principal and interest, as required by the sewer note resolution.

Response – We have implemented an increase in sewer rates effective July 1, 2025, with plans to increase the sewer rates again on July 1, 2026. With the increases we believe we will be in compliance with the sewer revenue note resolution.

Conclusion – Response accepted.

- II-L-25 Tax Increment Financing – The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City of Ogden properly completed the Tax Increment Debt Certificate Forms to request TIF property taxes.