

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF SOUTH SIOUX CITY, NEBRASKA
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Prepared by
Finance Department
Nanci Ann Walsh, City Treasurer/Finance Officer

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March 9, 2016

Citizens of South Sioux City, Nebraska,

The Comprehensive Annual Financial Report of the City of South Sioux City, Nebraska for the fiscal year ended September 30, 2015 is hereby submitted. State law requires cities to issue within six months of fiscal year end a set of audited financial statements. This report fulfills this requirement for the fiscal year ended September 30, 2015. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Williams & Company, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of South Sioux City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's Single Audit Section of the City's Comprehensive Annual Financial Report.



City of South Sioux City, Nebraska
1615 First Avenue, South Sioux City, Nebraska 68776-2245
Phone: 402-494-7500 Fax: 402-494-7527 TTD: 402-494-7500 ext 339
www.southsiouxcity.org



GAAP requires management provide a narrative introduction, overview, and analysis to accompanying the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

CITY PROFILE

The City has applied criteria for its reporting entity in light of GASB Statement 14. Included in this report are all funds of the City. The report includes the operations administered by the City Council, Community Development Agency, the Library Foundation, and combined utilities. Dependence on the City was determined through evaluation of the areas of budget adoption, taxing authority, and outstanding debt secured by general obligations of the City. The City provides a full range of services. These services include police and fire protection; the construction and maintenance of streets and infrastructure; recreational activities; a public library; a system of parks; planning, zoning, health, and housing; water, sewer, electric, and sanitation utilities.

The City of South Sioux City has emerged as a progressive community from a rugged river front city of the 1800's. Originally this area was the site of several small towns: Covington, Harney, Stanton, Pacific City, platted primarily in the 1850's to the 1890's. Early history reminds readers of old west towns of lore with many stories emanating from this bustling river town. With the taming of the river and the evolution of law and order, South Sioux City transformed into a city of pride and prosperity.

<u>Year</u>	<u>Population</u>
1930	3,927
1940	4,556
1950	6,557
1960	7,200
1970	7,920
1980	9,339
1990	9,677
2000	11,925
2010	13,353
2014	13,360

The population growth from 1950 through 1980 presented some very difficult growth related challenges to the community. In the early 1960's, literally scores of paving, water and sewer improvement districts were formed by the City Council as it began moving forward with the transformation of the community and our evolving goals. The difficult decisions to implement the numerous public improvements back to back as was done in this time frame, was a statement and demonstration of the commitment the local government and citizens held for our community.

The 1970's again brought significant growth to our City. New residential subdivisions continued sprouting in the southwestern and southeastern portions of the community at a remarkable pace. The rapid growth during this era cemented many of the cooperative ventures we enjoy today. Growth patterns of this nature require positive, cooperative attitudes and commitments. Solid partnerships have been formed between our school district, our county government, and with adjoining communities both in Nebraska and Iowa.

South Sioux City has rightfully earned the reputation of a consensus builder in the region. We strongly believe that the continued efficient and economic delivery of services to our community will be enhanced by our Council's commitment to seek out partnerships and joint ventures with the private sector. These partnerships include:

- First recipient of the State of Nebraska Intergovernmental Award.
- One of the first two cities to aggregate gas in the United States for its entire community.
- The oldest joint solid waste planning agency in the state (1980).
- A charter member of one of the oldest joint planning agencies (Siouxland Interstate Metropolitan Planning Council) in the country (1965).
- First joint city economic development brochure with the Nebraska Public Power District.
- The largest, by land area, member of the Keep America Beautiful Program both in the state and in the country in 1995.
- One of a few joint City/County/Highway Patrol/Civil Defense law enforcement centers constructed in the State of Nebraska.
- Starting in 1979, the oldest joint City/County/School District meeting in the state.
- Charter member of the Nebraska Municipal Power Pool representing cities across the State of Nebraska for energy needs.
- Joint sewer system with Sioux City and Sergeant Bluff, Iowa, North Sioux City, South Dakota and South Sioux City, Nebraska.
- Joint transit system serving the Sioux City urbanized areas in three states.
- First interconnected water systems in the state providing back up water needs for the citizens both within and outside the City limits.
- Conducting the first joint comprehensive planning study with the Cities, School District and County.
- The only multi-state consortium in the United States was formed in 1994 to serve the housing needs of our areas using HOME funds.
- Other agreements include mutual aid for police and fire protection, joint planning and promotion of highway development, joint economic development committees, cooperative venture for an arboretum and tree board, and cooperative recreational programs.
- First City/School publicly owned fiber optics line.
- An agreement among the City Council, School District, and the YMCA has helped to build a \$10 million dollar recreation center.
- Joint agreement with Dakota city to share property taxes in a new industrial park.
- Joint agreement with Homer/Hubbard/Jackson and Dakota County to expand industrial development in these locations.
- Joint agreement with Dakota County and South Sioux City Community Schools for a new arterial street, Veterans Drive.

ECONOMIC CONDITION

The South Sioux City economy continues to prosper. Retail sales are shown on the following chart.

1995.....	\$ 93,218,820
1996.....	95,829,912
1997.....	95,484,415
1998.....	97,406,773
1999.....	98,380,840
2000.....	96,678,530
2001.....	103,184,298
2002.....	104,927,568
2003.....	99,702,965
2004.....	95,687,792
2005.....	94,084,552
2006.....	105,310,134
2007.....	118,358,662
2008.....	123,946,457
2009.....	127,664,459
2010.....	127,730,758
2011.....	133,056,431
2012.....	133,407,710
2013.....	134,012,764
2014.....	137,828,190

Housing and worker shortages continue to emerge as problems for our area. Housing starts are increasing both multi-family and single family units as shown on the table below.

Housing History

<u>Year</u>	<u># S.F. Homes</u>	<u>\$ In Mil</u>	<u>Ave Cost</u>	<u># M.F. Housing</u>	<u># of Units</u>	<u>Total # of Units</u>
1995	18	1.3	74,540	2	131	149
1996	36	2.8	78,555	3	6	42
1997	23	1.7	73,670	13	202	225
1998	16	1.4	90,602	1	2	18
1999	25	2.1	84,000	4	25	50
2000	32	2.7	84,461	3	16	48
2001	22	1.9	87,224	1	2	2
2002	17	1.6	96,026	0	0	17
2003	17	2.0	118,251	16	32	49
2004	11	1.4	129,517	1	2	2
2005	15	1.8	121,501	1	2	17
2006	21	2.5	120,980	1	2	23
2007	13	1.4	104,312	3	6	19
2008	19	2.4	128,412	0	0	19
2009	12	1.7	137,667	1	4	16
2010	13	1.6	120,769	33	96	109
2011	12	1.6	135,958	0	0	12
2012	9	1.3	146,222	0	0	9
2013	27	3.9	164,932	0	0	27
2014	16	2.7	167,810	0	0	16
2015	15	2.9	193,948	0	0	15

Employment levels were at 10,781 at the end of the year and the unemployment rate was 3.8%.

The City of South Sioux City has undertaken several initiatives for the benefit of the citizens;

- The City is continuing to cultivate the "All America" subdivision. The development will include a Northeast Community College and Wayne State Campus and several retail businesses.
- A cooperative venture with the private sector is leading the effort to increase the housing supply for our area.
- A joint arboretum with the school district is growing each year with new varieties of trees. This is part of our Tree City USA program.
- The City's trail system was expanded again this year, and now has approximately 18 miles of bicycle paths enabling the citizens of South Sioux City to enjoy them for work and pleasure. A joint trail with Dakota City and South Sioux City was completed in 2007.
- A 15 field soccer complex provides regional recreational opportunities. As of 2013 this complex also has a rugby field.
- Industrial development activities will be highlighted by expansions and spin off industries leading the way; BPI, Richardson, CHS, Lite-Form and Omega.
- Major work continues on protecting the public investment in infrastructure with new paving, overlays, storm sewer repair, and water extensions and replacement planned for the upcoming year.
- The community has a two-way interactive classroom for school use and community use as well as saving businesses and government time and money.
- A new neighborhood housing project with the State of Nebraska began implementation in 2012.
- A data center site was prepared for 2012.

LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balance in the general fund (40% of total general fund expenditures) is in excess of the policy guidelines set by the Council for budgetary and planning purposes. The Council's goal is to maintain at least a 120 day reserve in the general fund to cover any slow down or major funding shift. The City Council continues to work to get the reserve to a level of 180 days.

The City Council is working towards a goal to be general obligation debt free and has made progress on this goal.

In May, 2010 the voters, approved a ½ cent sales tax. This replaced the ½ cent for the Dakota County Jail and the Law Enforcement Center in August 2013. It is divided as follows: 50% to combined utility debt relief, 10% for the Local Option Municipal Economic Development Program, 15% to street repairs and/or park improvements, and 25% to public safety purposes.

FINANCIAL CONDITION

I believe that the financial condition of the City of South Sioux City at September 30, 2014 was good. Services were delivered at levels desired by citizens within the financial ability of the City. For the most part, revenue and expenditure levels were realized within the parameters established in the annual budget.

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Sioux City, Nebraska for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting to GFOA to determine its eligibility for another certificate.

AWARDS AND ACKNOWLEDGEMENTS

- The City has won the following National and State Awards:

1993-2014

Certificate of Achievement for Excellence in Financial Reporting – Government Finance Officers Association

1992-2015

Tree City USA

Year 2006

1. "Prospect Ready" Award from NPPD
2. Siouxland CARES System of the Year Governmental Agencies Award from Siouxland
3. "Expansion/Retention" Award from NPPD
4. PTI Technology Leadership Award to the Mayor from PTI
5. NE Environmental Trust Grant Award
6. Great American Clean Up Award (Keep Northeast Nebraska Beautiful)
7. Community Environmental Award (Keep Northeast Nebraska Beautiful)
8. Keep Northeast Nebraska Beautiful Gold Level Award
9. Bicycle Friendly Community Award
10. League of Cities Award – 25 years of membership
11. NCIP Award – (Class V) Special Award – "Leadership Development" Leadership Dakota County
12. NCIP Award – 1st Place – Community Notebook Advantage

Year 2007

1. "Prospect Ready" Award from NPPD
2. Expansion/Retention" Award from NPPD
3. NCIP Award – 1st Place – Community Notebook Advantage
4. Keep Nebraska Beautiful "Grow Big Red" Award – Campground – Second Place
5. Keep Nebraska Beautiful "Deanie Anderson" Award – Second Place Division I – Graffiti Abatement Program

6. Growth Award – Nebraska Statewide Arboretum

Year 2008

1. Community Enhancement Program Award
2. Nebraska Public Power District's Economic Development Awards
3. Prospect Ready Award
4. Successful Business Retention and Expansion Award.
5. Project of the Year from Nebraska Municipal Power Pool (Norm Waitt Sr. YMCA
6. NCIP Awards : 2nd place in Class III Community Development Award for overall community projects, 1st place Class III Workforce Development 21st Century Learning Program, and 1st place Class III Arts and Humanities Award for "The Wall That Heals" patriotic display
7. National League of Cities Award for Municipal Excellence – YMCA
8. Nebraska Housing Hall of Fame
9. Northeast Community College Distinguished Service Award
10. Rural Enterprise Assistance Project Friend of the Year Award
11. League of American Bicyclists - Bicycle Friendly Community – Bronze Status
12. Concrete Pavement Construction – Dakota Avenue Bonded Overlay – Urban Streets
13. NLC Award for Municipal Excellence - Siouxland Y an Extraordinary Success of Cooperation

Year 2009

1. Nebraska Concrete Paving Association's 2008 Award of Excellence
2. Star of Siouxland Award from Siouxland Chamber Beautification Committee
3. Club Corazones Alegres of Siouxland Award 2008-09
4. 2nd Sewer Crossing from American Council of Engineering Companies – Nebraska Award (ACEC)

Year 2010

1. Websites for Growth Award for "Best Website"
2. State of Nebraska's Community of the Year Award
3. Nebraska State Rehabilitation Award

Year 2011

1. Center for Rural Affairs – Bob Steffen Pioneer Award
2. Bicycle Friendly Community
3. All-American City/County Finalist
4. Nebraska Economic Development Professional of the Year
5. Friend of Youth Honorary Optimist Award
6. Growth Award – Parks Department

Year 2012

1. Healthy Communities for a Healthy Future Awards:
 - Goal I – Bronze –Recognition of having an active interagency collaboration on early care and education programs.
 - Goal II – Bronze – Recognition of at least 60% of public schools participating in School Breakfast Program.
 - Goal V – Bronze- Recognition of mapping all play spaces.
 - Goal V –Silver – Recognition of mapping all play spaces, completing a needs assessment of play spaces, developing an action plan
 - Goal V – Gold - – Recognition of mapping all play spaces, completing a needs assessment of play spaces, developing an action plan, and launching at least three proven policies, programs, or initiatives from the action plan to continue to increase access to physical activity.

- Metro Award for Economic Development for the 50,000 to 200,000 category
- 4. Center for Rural Affairs' Bob Steffen Pioneer Award
- 5. Tree City USA 20 yrs.- Parks Dept.

Year 2013

- 1. SSC Firefighter's Auxiliary Won First Place Award for 2012 for Contributions to Fireman & Community
- 2. 2012 Mayor's Day of Recognition for National Service
- 3. Let's Move Cities, Towns and Counties Awards-
- 4. Bicycle Friendly Community
- 5. Recognized by Site Selection magazine. As part of The Siouxland Initiative with the #1 Ranking for Economic Development projects for communities with populations between 50,000 and 200,000 people.

Year 2014

- 1. The Tree City USA Growth Award
- 2. Bicycle Friendly Community Award 2014
- 3. Nebraska Economic Development Certified Community 2014
- 4. Site Selection ranked the Siouxland Area #2 for Economic Development

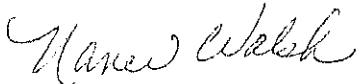
Year 2015

- 1. Tree City USA Growth Award
- 2. Bicycle Friendly Community Award
- 3. Nebraska Economic Development Certified Community
- 4. Nebraska Enterprise Zone Designation for Economic Development
- 5. Site Selection ranked the Siouxland Area #1 for Economic Development

ACKNOWLEDGEMENTS

The successful completion of this report was made possible through the dedication of the City Council and City staff. It is sincerely hoped that this report accomplishes its purpose of providing financial results of City operations to all with a need and desire to know.

Respectfully submitted,



Nanci Walsh, City Treasurer/Finance Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of South Sioux City
Nebraska**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

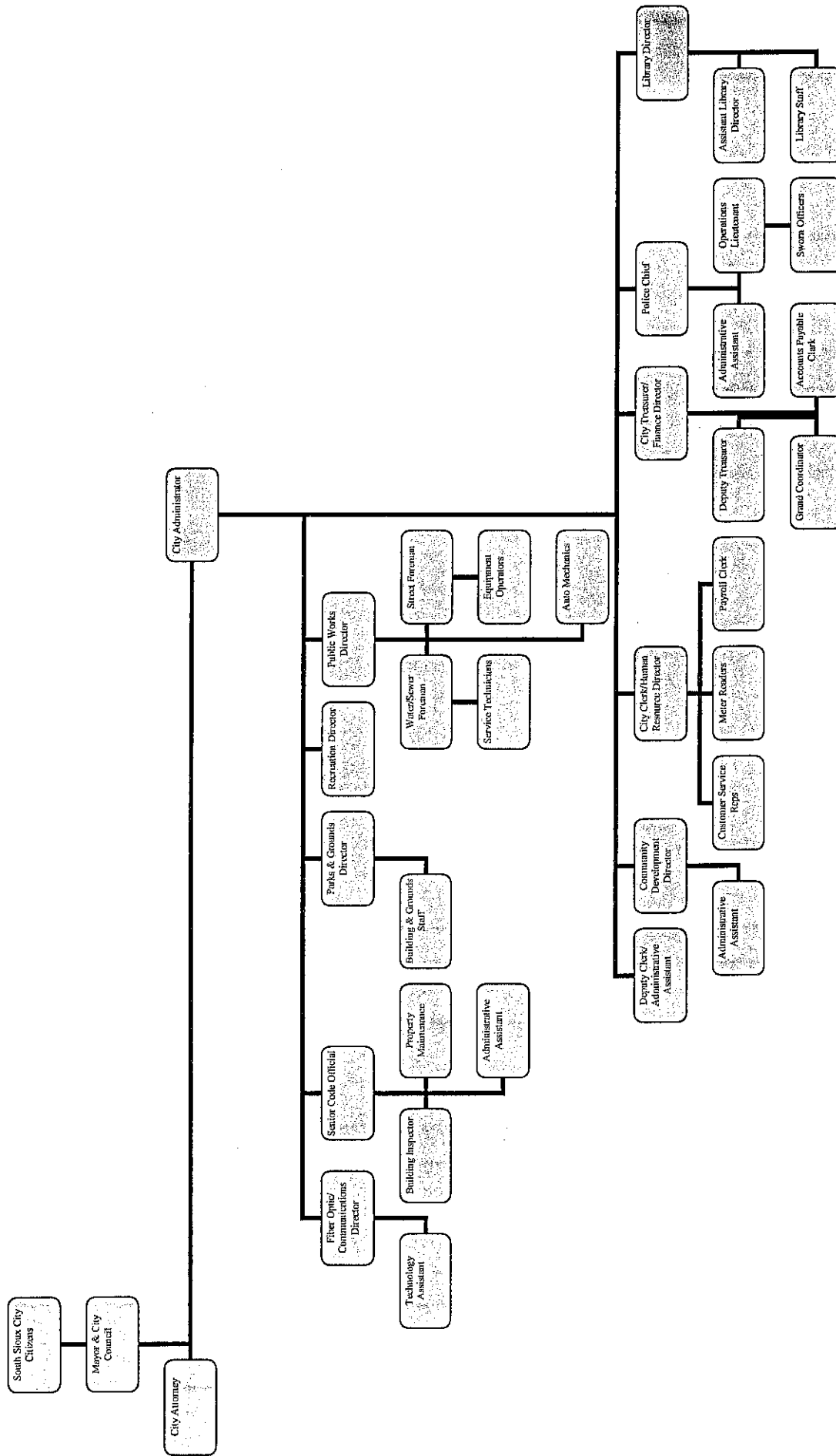
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Sioux City, Nebraska for its comprehensive annual financial report for the fiscal year ended September 30, 2014.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement requirements, and we are submitting to GFOA to determine its eligibility for another certificate.

Organizational Chart
City of South Sioux City, Nebraska



CITY OF SOUTH SIOUX CITY, NEBRASKA

Listing of Officials

September 30, 2015

ELECTED OFFICIALS

Mayor	Rod Koch
Council President	Oscar Gomez
Council Member	Dennis Nelson
Council Member	Dan Bousquet
Council Member	William McLarty
Council Member	Carol A. Schuldt
Council Member	Jason Bowman
Council Member	Bruce Davis
Council Member	John Sanders

APPOINTED OFFICIALS

City Administrator	Lance A. Hedquist
City Attorney	Wayne E. Boyd
City Clerk/Human Resources	Sue Murray-Lee
City Treasurer/Finance Officer	Nanci Walsh
Police Chief	Scot Ford
Fire Chief	Toby English
Public Works Director	Robert Livermore
Economic & Community Development	Kelly Flynn

DEPARTMENT DIRECTORS

Library Director	David Mixdorf
Park and Recreation Director	Eugene Maffit
Sr. Code Official	Kent Zimmerman



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

INDEPENDENT AUDITOR'S REPORT

The Mayor and Members of the
City Council
City of South Sioux City, Nebraska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the CITY OF SOUTH SIOUX CITY, NEBRASKA, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Sioux City, Nebraska as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 16 through 27 and 60 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, statistical section, and other supplementary information included on pages 63 through 85, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information included on pages 63 through 85 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information included on pages 63 through 85 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2016, on our consideration of the City of South Sioux City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 South Sioux City's internal control over financial reporting and compliance.

Williams & Capony, P.C.
Certified Public Accountants

Le Mars, Iowa
March 9, 2016

Management Discussion and Analysis

September 30, 2015

This discussion and analysis of the City of South Sioux City financial performance provides an overview of the City's financial activities for the fiscal year ending September 30, 2015. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page 1 and the City's financial statements that follow this report.

Financial Highlights:

- The assets of the City of South Sioux City exceeded liabilities at September 30, 2015, by \$86,222,092. Of this amount, \$11,977,758 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$5,475,991 during the year. Of this amount, the assets of our Governmental Activities increased by \$1,667,326 and the assets of our Business Activities increased \$3,808,665.
- The City's long-term debt decreased by \$2,447,257. The City issued \$8,510,000 of combined utility revenue bonds to refund the 2008A, 2008B, and 2007 revenue bonds. The City also issued \$4,465,000 of combined utility revenue bonds to retire \$4,395,000 of bond anticipation notes that matured. Outstanding General Obligation bonded debt totals \$9,150,000, general obligation bond anticipation notes total \$985,000, revenue bonds total \$27,144,983 and other outstanding long-term debt totals \$75,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. An additional part of the basic financial statements are the Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is *"Is the City of South Sioux City in a better financial position at the end of this fiscal year, compared to last year?"* The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector

companies. These two statements report the City's net position, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure, are also important in making this determination.

In the Statement of Net Position and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, such as Police, Fire, Public Works and Parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business Type Activities** – The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Electric, and Solid Waste Systems.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City Council also established funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as Sales Tax Revenues). The City has the following types of funds:

- **Governmental Funds** – Most of the City's basic services are included in Governmental Funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund Statements provide a detailed short-term view of the City's general governmental operations and 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 City programs. We describe the relationship between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds in a reconciliation following each Governmental Fund financial statement.
- **Proprietary Funds** – When the City charges customers for the service it provides, these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The major difference between the Proprietary Funds report and the Business Type Activities we report in the government-wide statements is the detail and additional information, such as cash flows, provided in the Proprietary Funds report.
- **Fiduciary Funds** – The City is the trustee, or fiduciary, for the assets that belong to others. The City's only fiduciary fund is an agency fund for the City's flex cafeteria plan for employees. The City is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The City excludes this activity from the government-wide statements because it cannot use these to finance its operations.

The required financial statements for fiduciary funds include a statement of fiduciary net position and a statement of changes in fiduciary net position.

THE CITY AS A WHOLE

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City's net position reflects its investment in capital assets (land, buildings and improvements, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from the other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SOUTH SIOUX CITY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014 (Not Restated)	2015	2014
Current and Other Assets	\$ 10,111,840	10,680,765	\$ 14,115,934	14,113,310	\$24,227,774	24,794,075
Capital Assets	55,178,189	55,229,721	51,102,815	48,611,428	106,281,004	103,841,149
Total Assets	65,290,029	65,910,486	65,218,749	62,724,738	130,508,778	128,635,224
Deferred Outflows	-	-	54,683	-	54,683	-
Long-Term Liabilities	10,107,132	11,381,262	25,015,665	24,437,051	35,122,797	35,818,313
Other Liabilities	2,340,026	3,353,679	6,878,546	8,717,131	9,218,572	12,070,810
Total Liabilities	12,447,158	14,734,941	31,894,211	33,154,182	44,341,369	47,889,123
Net Position:						
Net Investment in Capital Assets	44,120,192	44,949,843	22,167,832	18,789,751	66,288,024	63,739,594
Restricted	6,169,263	3,870,447	1,720,568	1,498,908	7,889,831	5,369,355
Unrestricted	2,553,416	2,355,255	9,490,821	9,281,897	12,044,237	11,637,152
Total Net Position	\$ 52,842,871	\$ 51,175,545	\$ 33,379,221	\$ 29,570,556	\$86,222,092	\$80,746,101

A portion of South Sioux City's net position (9.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$12,044,237 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the City has positive balances in all three categories of net position, both for the City as a whole as well as for the separate Business-Type Activities. The same situation held true for the prior fiscal year.

The following comparative chart shows the changes in net assets for the years ended September 30, 2014 and 2015:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Beginning Net Position	\$ 51,175,545	\$ 46,241,270	\$ 29,570,556	\$ 29,544,825	\$ 80,746,101	\$ 75,786,095
Prior Period Adjustments	-	129,033	-	(129,033)	-	-
Beginning Net Position, Restated	51,175,545	46,370,303	29,570,556	29,415,792	80,746,101	75,786,095
Increase in Net Position	1,667,326	4,805,242	3,808,665	154,764	5,475,991	4,960,006
Ending Net Position	<u>\$ 52,842,871</u>	<u>\$ 51,175,545</u>	<u>\$ 33,379,221</u>	<u>\$ 29,570,556</u>	<u>\$ 86,222,092</u>	<u>\$ 80,746,101</u>

This summary reflects an increase of 3.26% for the Governmental Activities and an increase of 12.88% in the Business-Type Activities. Total net position of the city increased by 6.79%.

Total revenue reported in Fiscal 2015 was \$42,427,078. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities:

Revenues:	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for Services	\$ 2,294,352	\$ 1,909,523	\$ 26,186,935	\$ 25,172,659	\$ 28,481,287	\$ 27,082,182
Operating Grants and Contributions	2,890,942	2,505,853	-	-	2,890,942	2,505,853
Capital Grants and Contributions	2,028,791	3,044,740	-	104,335	2,028,791	3,149,075
Total Program Revenues	7,214,085	7,460,116	26,186,935	25,276,994	33,401,020	32,737,110
General Revenues:						
Property Taxes	3,089,213	2,927,524	-	-	3,089,213	2,927,524
Franchise Taxes	1,398,201	1,347,767	-	-	1,398,201	1,347,767
Occupation Taxes	27,239	46,557	-	-	27,239	46,557
Local Option Sales Tax	2,701,550	2,669,265	570,370	472,593	3,271,920	3,141,858
Interest	23,546	11,857	-	324	23,546	12,181
Finance Charges	-	-	53,184	62,031	53,184	62,031
Unrestricted Intergovernmental Revenues	795,284	626,630	-	-	795,284	626,630
Unrestricted Lottery Revenue	78,260	69,039	-	-	78,260	69,039
Contributed Capital Revenue	-	-	69,840	-	69,840	-
Gain on Sale of Land Held for Resale	-	4,430	-	-	-	4,430
Reimbursements	-	92,983	-	-	-	92,983
Miscellaneous	74,579	133,184	144,792	112,684	219,371	245,868
Total General Revenues	8,187,872	7,929,236	838,186	647,632	9,026,058	8,576,868
Total Revenues	\$15,401,957	\$ 15,389,352	\$ 27,025,121	\$ 25,924,626	\$ 42,427,078	\$ 41,313,978

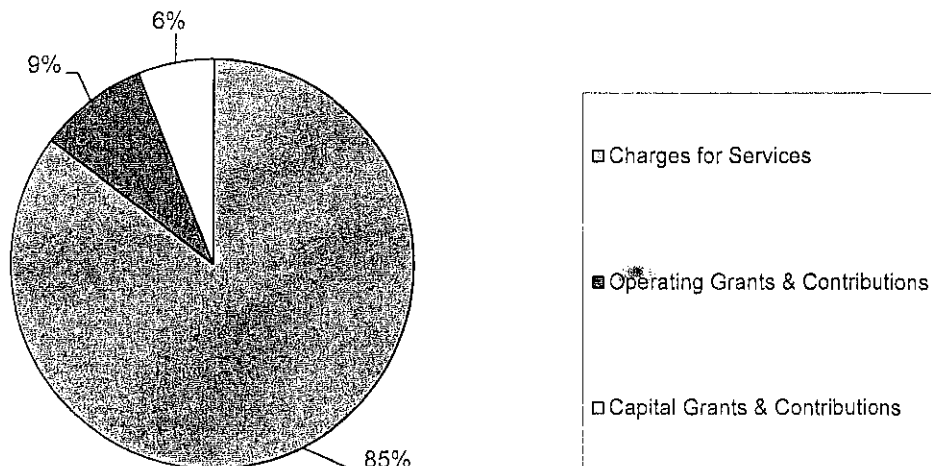
Charges for services in governmental activities increased by \$384,829. Part of this is the result of changing from EMTs to paramedics for fire/rescue calls, allowing our department to handle more of the local calls versus the calls being handled by a contractor for paramedic calls. The largest part of the increase in charges for services is campground rental. The city has upgraded some sites to allow year round camping versus our previous camping season of April 1st to October 30. The city has also seen growth in longer term campers with all the construction in the metropolitan area.

Charges for services in the business-type activities increased by \$1,014,276. Most of this is electric. Electric usage was up during the summer months due to warmer weather than the past few summers.

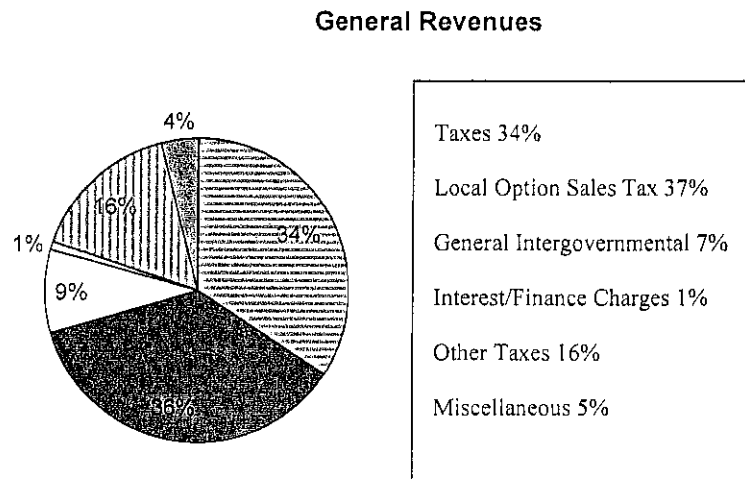
Local option sales tax for governmental activities increased by \$130,062 or 4.1%. This increase is due to positive sales growth in our community.

Program revenues totaled \$33,401,020 for fiscal year 2015. Governmental Activities provided \$7,214,085 and Business-Type Activities provided \$26,186,935. Revenue collected for Charges for Services during fiscal year 2015 was \$28,431,287 accounting for 85% of the total program revenues. The following chart breaks down program revenues by source:

Program Revenues



General Revenues for fiscal year 2015 totaled \$9,026,058. Property Tax Revenues for fiscal year 2015 totaled \$3,089,213 accounting for 34% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for Fiscal 2015 totaled \$36,951,087. Expenses for General Governmental Activities totaled \$11,546,770 accounting for 31% of total expenses. Business-Type Activity expenses totaled \$25,404,317 for 69% of the total.

Program Level	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Public Safety	\$ 4,833,129	\$ 4,712,983	\$ -	-	\$4,833,129	\$ 4,712,983
Public Works	3,416,128	3,027,764	-	-	3,416,128	3,027,764
Culture and Recreation	1,011,111	1,001,065	-	-	1,011,111	1,001,065
Community Development	901,548	858,526	-	-	901,548	858,526
General Government	1,051,286	1,283,575	-	-	1,051,286	1,283,575
Debt Service	333,568	369,476	-	-	333,568	369,476
Utility Administration	-	-	3,183,195	3,195,608	3,183,195	3,195,608
Electric	-	-	17,120,714	15,629,694	17,120,714	15,629,694
Sewer	-	-	2,839,222	4,026,362	2,839,222	4,026,362
Water	-	-	1,556,701	1,493,998	1,556,701	1,493,998
Sanitation	-	-	704,485	754,921	704,485	754,921
Total Expenses	\$11,546,770	\$11,253,389	\$25,404,317	\$25,100,583	\$36,951,087	\$36,353,972
Increase in Net Position Before Transfers	3,855,187	4,135,963	1,620,804	824,043	5,475,991	4,960,006
Transfers	(2,187,861)	669,279	2,187,861	(669,279)	-	-
Increase in Net Position	1,667,326	4,805,242	3,808,665	154,764	5,475,991	4,960,006
Net Position-Beginning	51,175,545	46,241,270	29,570,556	29,544,825	80,746,101	75,786,095
Prior Period Adjustment	-	129,033	-	(129,033)	-	-
Net Position - Beginning, as Restated	51,175,545	46,370,303	29,570,556	29,415,792	80,746,101	75,786,095
Net Position - Ending	\$52,842,871	\$51,175,545	\$33,379,221	\$29,570,556	\$86,222,092	\$80,746,101

General government expenses increased slightly for 2015.

The decrease in sewer expenses in business type activities is due to the design of a waste water treatment plant that was expensed in 2014. At this time, the city does not need to build a waste water treatment plant because of changes in the waste water treatment plant in Sioux City where the city currently has waste water treated and the coming of a business to South Sioux City who will be utilizing some of the waste water therefore, decreasing the need for additional waste water treatment capacity.

Electric expenses increased during the year are related to heat of the summer. The city purchase of electricity was up for the year, this was offset by increased revenue.

The following table shows the activities included within each program level:

<u>Program Level</u>	<u>Activity</u>
Public Safety	Individual & Community Protection
Public Works	Roadway Construction, Street Lighting, Transportation Services
Culture and Recreation	Education & Culture, Leisure Time Opportunities
Community Development	Economic Development, Community Beautification, Planning & Zoning
General Government	Administration, Support Services
Debt Service	Payment of Interest
Capital Projects	Construction of Capital Facilities
Electric System	Operation of the Electric Distribution System
Water System	Operation of Water Treatment Plant/Supply Distribution System
Solid Waste	Operation of Garbage Collection And Disposal
Sewer System	Operation of the Waste Water Distribution System
Utility Administration	Utility Administration, utility billing, and customer service

Governmental Activities

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers.

For example, for Public Safety, the City spent \$4,833,129 and received \$1,167,996 in revenue, thus leaving a cost to the taxpayer of \$3,665,133 to be funded by various methods. This format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, Fees, State and Federal Grants
Public Works	State Allocations and Grants
Culture and Recreation	Fees, State and Federal Grants
General Government	Licenses, Permits
Capital Projects	State Grants and Federal Grants, Donations

The total cost of governmental activities this year was \$11,546,770. Of these costs, \$2,294,352 were paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions were \$4,919,733 leaving a Net Expense of \$4,332,685 for Governmental Activities. These expenses of \$4,332,685 were covered with tax revenues, interest and other general revenues. The Statement of Activities in the financial statements provides further detail. The Net (Expense) Revenue by Governmental Activity is shown in the following table:

Functions/Programs	Net (Expense) Revenue	
	2015	2014
Governmental Activities		
Public Safety	\$ (3,665,133)	\$ (3,356,123)
Public Works	125,099	1,242,228
Culture and Recreation	(146,703)	(187,805)
Community and Economic Development	534,402	(35,638)
General Government	(846,782)	(1,086,459)
Debt Service	(333,568)	(369,476)
Total Net (Expense) Revenue		
Governmental Activities	(4,332,685)	(3,793,273)
General Revenues	8,187,872	7,929,236
Excess(deficiency) before Transfers	3,855,187	4,135,963
Interfund Transfers	(2,187,861)	669,279
Change in Net Position	\$ 1,667,326	\$ 4,805,242

Total resources available during the year to finance governmental operations were \$66,577,502, consisting of Net Position at October 1, 2014 of \$51,175,545, Program Revenues of \$7,214,085 and General Revenues of \$8,187,872. Total Governmental Activities during the year expended \$11,546,770 and transfers out of \$2,187,861, thus, Net Position increased by \$1,667,326, to \$52,842,871.

Business Type Activities

The cost of all Proprietary Activities this year was \$25,404,317. As shown in the Statement of Activities, the amount paid by users of the systems was \$26,186,935, general revenues totaled \$838,186 and a transfer in of \$2,187,861 resulting in total Net Revenue for Business Type Activities of \$3,808,665. The Net (Expense) Revenue by Business Type Activity is shown in the following table:

Business-Type Activities	Net (Expense) Revenue 2014	Net (Expense) Revenue 2014
Electric Distribution	\$ 3,091,300	\$ 3,674,938
Sewer System	462,391	(870,386)
Water System	318,936	319,089
Sanitation	1,743	(73,516)
Utility Administration	(3,091,752)	(2,873,714)
Total Net (Expense) Revenue Business-Type Activities	782,618	176,411
General Revenues	838,186	647,632
Interfund Transfers	2,187,861	(669,279)
Change in Net Position	\$ 3,808,665	\$ 154,764

Total resources available during the year to finance Proprietary Fund activities were \$58,783,538 consisting of Net Position at October 1, 2014 of \$29,570,556, Program Revenues of \$26,186,935 General Revenues of \$838,186 and a transfer in of 2,187,861. Total Proprietary Fund Activities during the year expended \$25,404,317; thus Net Position increased by \$3,808,665 to \$33,379,221.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. The governmental fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's Governmental Funds reported combined ending fund balances of \$8,483,913. The combined Governmental Funds balance decreased by \$335,335 from the prior year.

The General Fund is the primary operating fund of the City. During the year, General Fund revenue and transfers in exceeded expenditures and transfers out by \$456,226. The fund balance of \$3,421,589 is 47% of expenditures which is considered a sufficient cushion.

The most significant change in fund balances were decreases in the fund balances in the Disaster Recovery Fund and the Street Projects Fund. In the Disaster Recovery fund the balance decrease is the result of paying off \$750,000 in Bond Anticipation notes from the recovery projects. In the Street Projects the city is near completion on two large projects on Dakota Avenue, the main street through the city. This was a part of the \$2,113,254 that was spent on capital projects in the street fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2015 original (adopted) General Fund budget amount was \$8,492,151. There were no current year budget amendments.

The following table shows the General Fund budget variances by program structure:

Expenditures	Budget	Actual	Variance
Public Safety	\$ 3,870,382	\$ 3,647,126	\$ 223,256
Public Works	1,101,358	1,309,830	(208,472)
Culture and Recreation	703,337	591,389	111,948
General Government	1,234,174	1,174,782	59,392
Community Development	1,582,900	1,010,273	572,627
Debt Service	-	10,118	(10,118)
Total Expenditures	\$ 8,492,151	\$ 7,743,518	\$ 748,633

The above chart shows a breakdown of the General Fund Budget. For budgetary purposes, the City's grant expenses are accounted for under the General Government category which would not necessarily compare to the actual function the expenses are recorded.

The general government category expenditures were less than the final adopted budget. This is due in part to the budgeting for grant projects which may happen during the budget year, however, if the grants are not received, the expenditures are not made. Also, in planning the budget, the City Council and Staff allow for some contingencies.

Budgeted revenues were relatively consistent with actual results with the exception of the intergovernmental revenues. The actual was less due to budgeting for grants. The city routinely applies and receives grants for various projects and activities. Some budget authority is planned each year to accommodate the receipt of grants.

CAPITAL ASSETS

The City's investment in capital assets, including land, buildings and improvements, equipment, streets, sewer systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The net investment in capital assets as of September 30, 2015, was \$106,281,004 (net of accumulated depreciation). The gross additions to capital assets for Fiscal 2015 are as follows:

	Governmental Activities	Business- Type Activities	Total
Land	\$ -	\$ -	\$ -
Infrastructure	1,007,271	-	1,007,271
Buildings	16,659	-	16,659
Utility Plant/Distribution System	-	1,171,516	1,171,516
Equipment	289,443	2,371,001	2,660,444
Construction in Progress	<u>2,254,789</u>	<u>2,178,651</u>	<u>4,433,440</u>
Total Gross Additions	<u>\$ 3,568,162</u>	<u>\$ 5,721,168</u>	<u>\$ 9,289,330</u>

Construction in Progress for governmental activities consisted of costs associated with the Fire Station project, Missing Link Trail project, Scenic Park project, and miscellaneous street projects including a major project on Dakota Avenue, the main street of the city.

For Business-Type Activities, the construction in progress consisted of costs associated with distribution system improvements and expansion.

See Note 5 in the financial statements for more information on the City's capital assets.

DEBT ADMINISTRATION

At year-end the City had \$40,493,059 of debt outstanding. This is an increase of \$2,447,257 from the prior year.

Debt administration is on track, with over 74% of all City debt repaid within the next 10 years. This rapid repayment, when combined with the use of TIF and Local Option Sales Tax Revenue, has allowed the City to maintain our good rating. This reflects well on our community.

In May, 2010, the citizens of South Sioux City voted to renew the ½ cent sales tax that will expire when the jail project is paid or 10 years whichever comes sooner. The jail sales tax expired early at the end of July 2013 for the City of South Sioux City. The renewal of the ½ cent is divided amongst several things. Fifty percent of the half cent will be used to pay combined utility debt. This is projected to raise approximately \$400,000 for debt service each year.

More detailed information on debt administration is provided in Note 6 of the financial statements.

ECONOMIC FACTORS

Siouxland's three state area was again crowned national champion for economic growth of cities under 200,000. Site Selection Magazine of national notoriety made this announcement in March 2016; for the outstanding growth in jobs and investments in the South Dakota, Nebraska, and Iowa areas around Sioux City. Projects that provided this honor include BPI, Tyson, K and B Transportation, CHS, and Richardson.

South Sioux City, an All America City, certainly embodies a city with a great future.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at 402-494-7594.

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities	Business-Type Activities	Total	Component Unit Community Development Agency
ASSETS				
Cash and Cash Equivalents	\$ 1,843,924	\$ 1,286,738	\$ 3,130,662	\$ 147,299
Investments	5,956,707	5,813,266	11,769,973	2,000,000
Receivables (net, where applicable, of allowance for uncollectibles)				
Taxes	465,670	-	465,670	-
Accounts	53,987	1,781,444	1,835,431	55,331
Estimated Unbilled Usage	-	1,550,446	1,550,446	-
Accrued Interest	9,071	-	9,071	415
Special Assessments	27,563	-	27,563	-
Notes Receivable	790,938	-	790,938	261,666
Interfund Balances	(589,320)	589,320	-	-
Due from Other Governmental Agencies	1,186,138	108,143	1,294,281	-
Land Held for Resale, At Cost	1,148,808	-	1,148,808	3,918,507
Prepaid Expense	18,354	-	18,354	-
Inventories	-	236,577	236,577	-
Advances to Other Funds	(800,000)	800,000	-	-
Restricted Assets:				
Cash and Cash Equivalents	-	1,950,000	1,950,000	-
Land	2,226,891	381,280	2,608,171	2,205
Construction in Progress	8,008,123	2,396,884	10,405,007	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	44,943,175	48,324,851	93,268,026	52,241
Total Assets	65,290,029	65,218,749	130,508,778	6,437,664
Deferred Outflows of Resources				
Deferred Charges on Refunding	-	54,683	54,683	-
LIABILITIES				
Accounts Payable	432,334	2,073,026	2,505,360	
Other Accrued Liabilities	27,871	124,624	152,495	
Accrued Wages	37,166	16,880	54,046	
Accrued Interest Payable	66,479	-	66,479	
Customer Deposits	9,975	258,728	268,703	
Accrued Claims	94,571	-	94,571	
Unearned Revenue	31,331	-	31,331	
Due to Other Governments	90,000	-	90,000	
Payables from Restricted Assets:				
Accrued Revenue Bond Interest	-	229,432	229,432	
Revenue Bonds - Current	-	1,426,287	1,426,287	
Noncurrent Liabilities:				
Due within one year:				
Capital Lease	12,997	-	12,997	
Revenue Bonds Payable	155,000	-	155,000	
Revenue Bond Anticipation Notes	-	2,625,000	2,625,000	
General Obligation Bonds	1,120,000	-	1,120,000	
Notes Payable	25,000	-	25,000	2,108,174
Compensated Absences	237,302	124,569	361,871	
Due in more than one year:				
Revenue Bonds Payable	680,000	24,883,696	25,563,696	
General Obligation Bonds	8,030,000	-	8,030,000	
General Obligation Bond Anticipation Notes	985,000	-	985,000	
Notes Payable	50,000	-	50,000	252,110
Compensated Absences	362,132	131,969	494,101	
Total Liabilities	12,447,158	31,894,211	44,341,369	2,360,284
NET POSITION				
Net Investment in Capital Assets	44,120,192	22,167,832	66,288,024	54,446
Restricted for:				
Debt Service	650,715	1,720,568	2,371,283	-
Capital Improvements	1,862,934	-	1,862,934	-
Tax Increment Financing	233,938	-	233,938	-
Specific Tax Levy Purposes	1,907,991	-	1,907,991	-
Wireless 911 Purposes	73,829	-	73,829	-
Jail & LEC Purposes	571,620	-	571,620	-
Economic Development	215,823	-	215,823	-
Public Safety	456,859	-	456,859	-
Revolving Loan	195,554	-	195,554	-
Unrestricted	2,553,416	9,490,821	12,044,237	4,022,934
Total Net Position	\$ 52,842,871	\$ 33,379,221	\$ 86,222,092	\$ 4,077,380

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,051,286	\$ 201,999	\$ 2,505	\$ -
Public Safety	4,833,129	777,862	390,134	-
Public Works	3,416,128	335,160	1,177,276	2,028,791
Culture and Recreation	1,011,111	596,580	267,828	-
Community Development	901,548	382,751	1,053,199	-
Debt Service	333,568	-	-	-
Total Governmental Activities	<u>11,546,770</u>	<u>2,294,352</u>	<u>2,890,942</u>	<u>2,028,791</u>
Business-Type Activities:				
Electric	17,120,714	20,212,014	-	-
Water	1,556,701	1,875,637	-	-
Sewer	2,839,222	3,301,613	-	-
Sanitation	704,485	706,228	-	-
Utility Administration	3,183,195	91,443	-	-
Total Business-Type Activities:	<u>25,404,317</u>	<u>26,186,935</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 36,951,087</u>	<u>\$ 28,481,287</u>	<u>\$ 2,890,942</u>	<u>\$ 2,028,791</u>
Component Units:				
Community Development Agency	<u>\$ 253,845</u>	<u>\$ 105,075</u>		

General Revenues:

- Property taxes
- Franchise taxes
- Local Option Sales Taxes
- Occupation taxes
- Interest
- Finance Charges
- Unrestricted Intergovernmental Revenue
- Unrestricted Lottery Revenue
- Gain on Sale of Land Held for Resale
- Gain on Sale of Equipment
- Miscellaneous

Transfers

Total general revenues

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit Community Development
\$ (846,782)		\$ (846,782)	
(3,665,133)		(3,665,133)	
125,099		125,099	
(146,703)		(146,703)	
534,402		534,402	
(333,568)		(333,568)	
(4,332,685)		(4,332,685)	
	\$ 3,091,300	3,091,300	
	318,936	318,936	
	462,391	462,391	
	1,743	1,743	
	(3,091,752)	(3,091,752)	
	782,618	782,618	
(4,332,685)	782,618	(3,550,067)	
			\$ (148,770)
3,089,213	-	3,089,213	-
1,398,201	-	1,398,201	-
2,701,550	570,370	3,271,920	-
27,239	-	27,239	-
23,546	-	23,546	205,225
-	53,184	53,184	-
795,284	-	795,284	-
78,260	-	78,260	-
-	-	-	145,290
-	69,840	69,840	-
74,579	144,792	219,371	-
(2,187,861)	2,187,861	-	-
6,000,011	3,026,047	9,026,058	350,515
1,667,326	3,808,665	5,475,991	201,745
51,175,545	29,570,556	80,746,101	3,875,635
\$ 52,842,871	\$ 33,379,221	\$ 86,222,092	\$ 4,077,380

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
BALANCE SHEET
Governmental Funds
SEPTEMBER 30, 2015

SEPTEMBER 30, 2019

		Capital Projects	
	General	Disaster Recovery	Street Projects
Assets			
Cash and Cash Equivalents	\$ 391,696	\$ 139,040	\$ -
Investments	1,830,925	-	29
Receivables (net, where applicable, of allowance for uncollectibles)			
Taxes	316,823	-	-
Accounts	33,312	-	-
Accrued Interest	-	-	-
Special Assessments	-	-	22,123
Notes Receivable	208,433	-	158,057
Due from Other Funds	200,000	-	219,813
Due from Other Governmental Agencies	448,550	-	275,520
Land Held for Resale, At Cost	326,039	-	-
Total Assets	3,755,778	139,040	675,542
Liabilities			
Accounts Payable	207,400	-	51,396
Other Accrued Liabilities	27,622	-	-
Accrued Wages	32,489	-	-
Customer Deposits	8,800	-	-
Unearned Revenue	-	-	-
Due to Other Governments	-	-	-
Due to Other Funds	11,182	-	939,591
Advances from Other Funds	-	-	800,000
Total Liabilities	287,493	-	1,790,987
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	46,696	-	-
Unavailable Revenue - Accrued Interest Payable	-	-	-
Unavailable Revenue - Special Assessments	-	-	17,125
Total Deferred Inflows of Resources	46,696	-	17,125
Fund Balances:			
Nonspendable:			
Land Held for Resale	326,039	-	-
Long-Term Notes Receivable	208,433	-	158,057
Restricted for:			
Capital Improvements	-	-	-
Debt Service	-	-	-
Specific Tax Levy Purposes	-	-	-
LEC Purposes	-	-	-
Tax Increment Financing Purposes	-	-	-
Wireless 911	-	-	-
Economic Development	-	-	-
Public Safety Purposes	-	-	-
Revolving Loan	-	-	-
Assigned for:			
Capital Improvements	-	139,040	-
Fire Department	63,630	-	-
Unassigned	2,823,487	-	(1,290,627)
Total Fund Balances	3,421,589	139,040	(1,132,570)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,755,778	\$ 139,040	\$ 675,542

See Accompanying Notes to Financial Statements

Capital Projects		Other	Total
Misc		Governmental	Governmental
Projects		Funds	Funds
\$ 242,619	\$ 1,038,594	\$ 1,811,949	
-	3,275,197	5,106,151	
-	148,847	465,670	
-	20,675	53,987	
7,652	1,419	9,071	
-	5,440	27,563	
-	424,448	790,938	
-	265,309	685,122	
189,750	272,318	1,186,138	
381,014	441,755	1,148,808	
821,035	5,894,002	11,285,397	
134,792	38,746	432,334	
-	249	27,871	
-	4,677	37,166	
-	1,175	9,975	
-	31,331	31,331	
-	90,000	90,000	
-	323,669	1,274,442	
-	-	800,000	
134,792	489,847	2,703,119	
-	26,892	73,588	
7,652	-	7,652	
-	-	17,125	
7,652	26,892	98,365	
381,014	441,755	1,148,808	
-	-	366,490	
297,577	1,184,343	1,481,920	
-	717,194	717,194	
-	1,097,429	1,097,429	
-	571,620	571,620	
-	602,745	602,745	
-	73,829	73,829	
-	215,823	215,823	
-	456,859	456,859	
-	195,554	195,554	
-	-	139,040	
-	-	63,630	
-	(179,888)	1,352,972	
678,591	5,377,263	8,483,913	
\$ 821,035	\$ 5,894,002	\$ 11,285,397	

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

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

Total Fund Balance - Governmental Funds (page 32)		\$ 8,483,913
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		55,178,189
Internal service funds are used by management to fund and maintain the City's health, dental, and vision insurance provided to user departments and are included in the statement of net position.		787,960
Unearned revenues that provide current financial resources for governmental activities.		98,365
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		(66,479)
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.		18,354
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(599,434)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	\$ (9,150,000)	
General Obligation Bond Anticipation Notes	(985,000)	
Revenue Bonds	(835,000)	
Capital Lease	(12,997)	
Notes Payable	(75,000)	(11,057,997)
Total Net Position- Governmental Activities (page 28)		<u>\$52,842,871</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended September 30, 2015

		Capital Projects	
	General	Disaster Recovery	Street Projects
Revenue:			
Property Taxes	\$ 1,825,181	\$ -	\$ -
Franchise Taxes	894,590	-	-
Local Option Sales Taxes	-	-	1,334,989
Occupation Taxes	27,239	-	-
Special Assessments	-	-	2,854
Licenses and Permits	2,261	-	-
Intergovernmental	3,774,210	98,797	139,748
Charges for Services	692,182	-	-
Fines and Forfeits	1,693	-	-
Lottery Revenue	78,260	-	-
Interest	-	-	-
Rental Income	204,890	-	-
Contributions	5,625	-	-
Miscellaneous	63,056	802	10,876
Total Revenue	7,569,187	99,599	1,488,467
Expenditures:			
Current:			
General Government	932,024	-	-
Public Safety	3,684,677	-	-
Public Works	1,260,494	-	-
Culture and Recreation	593,578	-	-
Community Development	777,100	-	-
Capital Projects	-	4,073	2,113,254
Debt Service	10,118	766,397	293,911
Total Expenditures	7,257,991	770,470	2,407,165
Excess (deficiency) of revenues over expenditures	311,196	(670,871)	(918,698)
Other financing sources (uses):			
Issuance of Capital Lease	-	-	-
Transfers In	169,430	-	-
Transfers Out	(24,400)	-	-
Total other financing sources (uses)	145,030	-	-
Net Change in Fund Balance	456,226	(670,871)	(918,698)
Fund balances - beginning of year	2,965,363	809,911	(213,872)
Fund balances - end of year	\$ 3,421,589	\$ 139,040	\$ (1,132,570)

See Accompanying Notes to Financial Statements

Capital Projects		Other	Total
Misc		Governmental	Governmental
Projects		Funds	Funds
\$ -	\$ 1,162,041	\$ 2,987,222	
-	500,000	1,394,590	
-	1,366,561	2,701,550	
-	-	27,239	
-	-	2,854	
-	-	2,261	
236,363	312,291	4,561,409	
-	163,720	855,902	
-	5,170	6,863	
-	-	78,260	
21,853	3,349	25,202	
-	399,572	604,462	
-	27,514	33,139	
-	15,670	90,404	
258,216	3,955,888	13,371,357	
-	22,811	954,835	
-	970,166	4,654,843	
-	-	1,260,494	
-	587,814	1,181,392	
-	124,448	901,548	
404,347	-	2,521,674	
413,762	883,936	2,368,124	
818,109	2,589,175	13,842,910	
(559,893)	1,366,713	(471,553)	
-	20,150	20,150	
349,103	93,039	611,572	
-	(471,104)	(495,504)	
349,103	(357,915)	136,218	
(210,790)	1,008,798	(335,335)	
889,381	4,368,465	8,819,248	
\$ 678,591	\$ 5,377,263	\$ 8,483,913	

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

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

Net change in fund balances - total governmental funds (page 35)	\$ (335,335)
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Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation expense exceeded capital outlay in the current year as follows:

Expenditures for capital assets	\$ 2,564,558	
Depreciation Expense	<u>(2,616,090)</u>	(51,532)

Internal service funds are used by management to fund and maintain the City's health, dental, and vision insurance provided to user departments and are included in the statement of net position. The net revenue of the internal service fund is reported with governmental activities.	82,084
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	1,809
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Accrued interest expense that does not require current financial resources.	7,521
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Compensated absences that do not require current financial resources.	(42,547)
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Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources.	(1,559)
--	---------

The issuance of indebtedness provides current financial resources to the governmental funds without affecting net position. The statement of activities does not reflect the proceeds from the issuance of long-term debt. The proceeds from the issuance of long-term debt for the year was:

Capital Lease	(20,150)
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The repayment of the principal on long-term debt consumes the current financial resources of governmental funds without affecting the net position. The statement of activities does not reflect the payment of principal on long-term debt. The principal paid on long-term debt during the current year was as follows:

General Obligation Bonds	1,085,000	
Long Term Bond Anticipation Notes	750,000	
Revenue Bonds	150,000	
Capital Lease	17,035	
Notes Payable	<u>25,000</u>	2,027,035

Change in net position of governmental activities (page 30)	<u>\$ 1,667,326</u>
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CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF NET POSITION
Proprietary Funds
SEPTEMBER 30, 2015

	Business-Type Activities Combined Utilities	Governmental Activities Internal Service
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,286,738	\$ 31,975
Investments	5,813,266	850,556
Receivables:		
Accounts	1,781,444	-
Estimated Unbilled Usage	1,550,446	-
Due from Other Funds	589,320	-
Due from Other Governmental Agencies	108,143	-
Inventories	236,577	-
Advances to Other Funds	800,000	-
Restricted Assets:		
Cash and Cash Equivalents	1,950,000	-
Total Current Assets	14,115,934	882,531
Noncurrent Assets:		
Land	381,280	-
Construction in Progress	2,396,884	-
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	48,324,651	-
Total Noncurrent Assets	51,102,815	-
Total Assets	65,218,749	882,531
Deferred Outflows of Resources		
Deferred Charges on Refunding	54,683	
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,073,026	-
Other Accrued Liabilities	124,624	-
Accrued Wages	16,880	-
Customer Deposits	258,728	-
Accrued Claims	-	94,571
Revenue Bond Anticipation Notes	2,625,000	-
Payables from Restricted Assets:		
Accrued Revenue Bond Interest	229,432	-
Revenue Bonds - Current	1,426,287	-
Compensated Absences	124,569	-
Total Current Liabilities	6,878,546	94,571
Noncurrent Liabilities:		
Revenue Bonds Payable	24,883,696	-
Revenue Bond Anticipation Notes	-	-
Compensated Absences	131,969	-
Total Noncurrent Liabilities	25,015,665	-
Total Liabilities	31,894,211	94,571
NET POSITION		
Net Investment in Capital Assets	22,167,832	-
Restricted for:		
Debt Service	1,720,568	-
Unrestricted	9,490,821	787,960
Total Net Position	\$ 33,379,221	\$ 787,960

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds
For the Year Ended September 30, 2015

	Business-Type Activities Combined Utilities	Governmental Activities Internal Service
Operating Revenues:		
Charges for services	\$ 26,178,613	\$ 1,022,654
Reimbursement from employees/insurance		54,294
Total Operating Revenues	<u>26,178,613</u>	<u>1,076,948</u>
Operating Expenses:		
Production	16,637,043	-
Operation and Maintenance	2,424,769	-
General and Administration	3,286,117	994,949
Depreciation and Amortization	<u>2,067,221</u>	<u>-</u>
Total Operating Expenses	<u>24,415,150</u>	<u>994,949</u>
Operating Income	<u>1,763,463</u>	<u>81,999</u>
Non-Operating Income (Expense):		
Interest Income	-	85
Finance Charge	53,184	-
Gain on Disposal of Equipment	69,840	-
Intergovernmental Revenue	570,370	-
Rental Income	8,322	-
Miscellaneous Revenue	144,792	-
Interest Expense	<u>(989,167)</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(142,659)</u>	<u>85</u>
Income before contributions and transfers	<u>1,620,804</u>	<u>82,084</u>
Contributed Capital Revenue	2,303,929	-
Transfer In	98,185	-
Transfer Out	<u>(214,253)</u>	<u>-</u>
Change in Net Position	<u>3,808,665</u>	<u>82,084</u>
Net Position - Beginning	<u>29,570,556</u>	<u>705,876</u>
Net Position - Ending	<u><u>\$ 33,379,221</u></u>	<u><u>\$ 787,960</u></u>

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Year Ended September 30, 2015

	Business-Type Activities Combined Utilities	Governmental Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 26,394,797	\$ 1,076,948
Cash Paid to Suppliers for Goods and Services	(20,577,315)	(1,031,686)
Cash Paid to Employees for Services	(1,816,043)	
Other Nonoperating Revenues	206,298	
Net Cash Provided (Used) from Operating Activities	<u>4,207,737</u>	<u>45,262</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(2,290,400)	-
Proceeds from Bond Sales	12,975,000	
Principal Paid on Notes and Bonds	(13,925,333)	
Proceeds from Sale of Capital Assets	69,840	
Interest Paid on Notes and Bonds	(1,050,827)	
Receipts from Other Governments	543,143	-
Net Cash Provided from Capital and Related Financing Activities	<u>(3,678,577)</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Due From Other Funds	168,846	-
Due To Other Funds	-	(34,411)
Transfers Out	(116,068)	-
Net Cash Provided from Non-Capital Financing Activities	<u>52,778</u>	<u>(34,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	-	85
Investment in NPAIT	-	(85)
Purchase of Investments	(439,163)	
Net Cash (Used) from Investing Activities	<u>(439,163)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	142,775	10,851
Cash and Cash Equivalents at Beginning of Year	<u>3,093,963</u>	<u>21,124</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,236,738</u>	<u>\$ 31,975</u>

(Continued)

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
For the Year Ended September 30, 2015

	Business-Type Activities Combined Utilities	Governmental Activities Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 1,763,463	\$ 81,999
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) from Operating Activities:		
Depreciation	2,058,265	
Amortization	8,956	
Other Non-Operating Income	206,298	
(Increase) Decrease in Assets:		
Accounts Receivable	372,343	
Estimated Unbilled Usage	71,116	
Inventories	(5,764)	
Increase (Decrease) in Liabilities:		
Accounts Payable	(76,979)	
Accrued Wages	4,253	
Accrued Compensated Absences	11,518	
Accrued Expenses	21,543	(36,737)
Customer Deposits	(2,375)	
Due to Other Governments	(224,900)	-
Total Adjustments	2,444,274	(36,737)
Net Cash Provided (Used) from Operating Activities	\$ 4,207,737	\$ 45,262

**Supplemental Schedule of Noncash Capital and Related
Financing Activities:**

Capital Contributions	\$ 2,303,929	\$ -
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and Cash Equivalents	\$ 1,286,738	\$ 31,975
Restricted Cash and Cash Equivalents	1,950,000	-
	\$ 3,236,738	\$ 31,975

See Accompanying Notes to Financial Statements

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF NET POSITION
Agency Funds
SEPTEMBER 30, 2015

	<u>2015</u>
Assets:	
Cash and Cash Equivalents	\$ 432,705
Investments	73,703
Pledges Receivable	<u>17,500</u>
Total Assets	<u>523,908</u>
Liabilities:	
Accounts Payable	9,225
Other Payables	<u>514,683</u>
Total Liabilities	<u>523,908</u>
Net Position	<u>\$ -</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Sioux City, Nebraska is a political subdivision of the state of Nebraska located in Dakota County. The City operates under the mayor-council form of government with the mayor and council members elected on a nonpartisan basis. The City administers the following programs as authorized by its charter: General Government, Public Works, Public Safety, Culture and Recreation, and Community Development. It also provides municipal utility services including: electric, water, sewer and solid waste.

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

A. Reporting Entity

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

Discretely Presented Component Unit – Community Development Agency (CDA)

The CDA was created by the Mayor and City Council in September 1982 to provide for redevelopment of various blighted areas within the City. Members of the CDA consist of various appointed city council members and local business leaders. The CDA is legally separate from the City but functions for all practical purposes as a department of the City. The CDA's sole purpose is to carry out the economic development function of the City. The City is financially accountable for the CDA because the City levies taxes (if necessary) and must approve any debt issuances. The financial activity of the CDA is included in the financial statements of the City as a component unit for the year ended September 30, 2015. The CDA does not issue separate financial statements.

B. Basic Financial Statements-Government-Wide Statements

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

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

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (CONTINUED)

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (public safety, public works, culture and recreation, community development, general government, etc.) and business-type activities. The functions are also supported by general government expenses (including depreciation) by related program revenue, operating grants, and capital grants. Program revenue must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through an internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and other charges between the government's combined utilities function and various other functions of the government.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year activities.

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds. The City can electively add funds, as major funds, which may have a specific community focus. The non-major funds are combined into a single column in the fund financial statements.

The City reports the following major governmental funds:

Governmental Fund Types – The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- 1) General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, state allocations, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, and culture and recreation.

- 2) Capital Project Funds

Disaster Recovery – to account for financial resources to be used for the construction and repair of capital assets damaged by the flood.

Street Projects – to account for financial resources to be used for the construction of various City street projects.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Misc Projects – to account for financial resources to be used for the construction of various City capital projects.

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

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

Electric Utility – The electric utility accounts for the operation of a municipally owned electric system which distributes electrical power to the residents of the City.

Water Utility – The water utility accounts for the operation of a municipally owned water system which provides services to the residents of the City.

Sewer Utility – The sewer utility accounts for the operation of a municipally owned sewage collection, which provides services to the residents of the City.

Sanitation – The sanitation utility accounts for the operation of a municipally owned solid waste disposal system which provides services to the residents of the City.

Utility Administration – Includes the costs of customer accounts and general utility management for the combined utility system.

- 2) Internal Service Funds – Internal Service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principle users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the governmental-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

A description of the City's internal service funds is as follows:

Group Insurance Fund – The Group Insurance Fund is used to account for the accumulation of resources used to fund claims under the City's partial self-insured health, dental, and vision plans.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

The City also reports fiduciary funds which focuses on net position and changes in net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The Agency Funds are custodial in nature, assets equal liabilities, and does not involve measurement of results of operations. The City's agency funds are as follows:

The Flex Fund is used to account for assets held by the City as an agent for individuals.

The Community Foundation Fund is used to account for assets held by the City as an agent for this private organization.

The Freedom Park Fund is used to account for assets held by the City as an agent for this separate nonprofit organization.

D. Basis of Accounting

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

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

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances. It is the government's policy to use the most restricted net position then use unrestricted net position.

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

E. Budgets

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

F. Assets, Liabilities and Fund Equity

1. Cash and Cash Equivalents - Includes cash and investments with original maturities of three months or less.
2. Temporary Cash Investments - Investments consist of certificates of deposit with original maturities of more than three months. The City uses the following methods in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates on Deposit	Cost
Nebraska Public Agency Investment Trust	Amortized Cost

The Certificates of Deposits have redemption terms that do not consider market rates and therefore are reported at cost.

3. Short-Term Interfund Receivables/Payables – During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, 2015, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.
4. Advances to Other Funds – Noncurrent portions of long-term interfund loan receivables are reported as advances.
5. Land Held for Resale - During the course of activities incidental to its operations, the City acquires land to develop for economic development purposes. The City then offers the land for resale. The land is carried at cost including any improvements made to the land.
6. Inventories - Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental and proprietary fund-type inventories are recorded as expenditures when consumed rather than when purchased. The amounts in the governmental funds are not material and therefore not recorded on the Statement of Net Position.
7. Restricted Assets - Proceeds from debt and funds set aside for payment of enterprise fund revenue bonds are also classified as restricted assets since their use is limited by applicable bond indentures.

The City's restricted cash and investments and the nature of the restriction is as follows:

<u>Fund</u>	<u>Restricted By</u>	<u>Amount</u>
Combined Utilities	Bond Covenants	\$1,950,000

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

8. Property and Equipment – Assets with an initial individual cost of \$1,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings	39 – 50 Years
Utility Plan	20 – 33 Years
Machinery & Equipment	3 – 20 Years
Infrastructure	15 – 70 Years

Interest costs for capital asset construction within enterprise funds are capitalized. However, all other interest costs are expensed in the debt service fund. There were no interest costs capitalized during the year.

9. Accrued Compensated Absences - These amounts represent the unpaid vacation costs and related employee benefits as of the end of the period. All compensated amounts for governmental and proprietary funds are accrued as liabilities on the government-wide statements for governmental funds and applicable enterprise funds respectively and are not recorded as expenditures of the current reporting period for governmental funds because they do not represent amounts that are expected to be liquidated with expendable available financial resources. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at September 30, 2015. The compensated absence liability attributable to the governmental activities will be paid primarily by the General Fund.
10. Long-Term Obligations – Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in the combined utility fund.
11. Fund Equity – In the fund financial statements, fund balances are classified as follows:

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

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

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

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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

Unassigned – All amounts not included in other spendable classifications. Only the general fund will report a positive unassigned fund balance.

12. Net Position Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.
13. Fund Balance Flow Assumptions - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.
14. Deferred Outflows / Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to advance charges on refunding bonds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports unavailable revenue as a deferred inflow on the governmental fund financial statements.
15. Property Taxes – Real estate taxes are levied on October 15 of each year and may be paid in two equal installments. These taxes are due December 31. The first and second half of the taxes become delinquent on the following May 1 and September 1, respectively. Real estate taxes collected within 60 days after year-end are recognized as revenues in accordance with the revenue recognition policy described in Note 1.D. Real estate taxes become a lien against the property on the levy date.
16. Interfund Transactions – Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

G. Landfill Closure Costs

The City is not currently responsible for any landfill closure or post-closure care costs.

The City's deposits at September 30, 2015 were covered by Federal depository insurance or by a letter of credit held by the depository in the City's name in accordance with the *Revised Statutes of Nebraska*. At September 30, the City had approximately \$1,150,000 of deposits in excess of the collateral assigned at two financial institutions.

The City is authorized to invest public funds not currently needed for operations in securities which are obligations of or guaranteed by the United States of America or any of its agencies, bonds of another governmental unit of the State of Nebraska, or in federally insured or collateralized time deposits held in joint custody in the City's name at third party banks acting as the City's agent or savings accounts in depositories approved by the City Council.

The City has investments in the Nebraska Public Agency Investment Trust (NPAIT) which are valued at an amortized cost of \$11,389,383. NPAIT is a separate legal and administrative entity organized and existing pursuant to the Interlocal Cooperation Act and other Nebraska law.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2015, the City was exposed to custodial credit risk at two financial institutions as all cash and certificates of deposit were not properly collateralized through FDIC insurance and securities pledged by the financial institution.

Credit Risk – Investments: The investment in the Nebraska Public Agency Investment Trust is unrated. NPAIT invests in only U.S. Government and U.S. Agency securities and investments collateralized by those securities.

Interest Rate Risk – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. The City does not have a formal investment policy. The City's investments consist of a certificate of deposit totaling \$80,590 that has an original maturity of less than 365 days. Interest rate on this investment is 0.3%. The City's investments also include \$11,389,383 in NPAIT, that is not subject to interest rate risk.

NOTE 3 - INTERFUND BALANCES

As of September 30, 2015, short-term interfund borrowings were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>	
Proprietary Fund – Combined Utility	Nonmajor Governmental Funds	\$ 89,320	*
Proprietary Fund – Combined Utility	Capital Projects – Street Projects	500,000	**
General Fund	Capital Projects – Street Projects	200,000	**
Capital Projects – Street Projects	Nonmajor Governmental Funds	219,813	*
Nonmajor Governmental Funds	Capital Projects – Street Projects	239,591	**
Nonmajor Governmental Funds	Nonmajor Governmental Funds	25,718	*

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 3 - INTERFUND BALANCES (Continued)

* These balances were the result of expenditures paid out of an incorrect fund. The interfund receivable and payable was set up to correct the error.

** The purpose of these interfund balances is to finance short-term cash flow shortages of various funds.

As of September 30, 2015, long-term advances were as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	
Proprietary Fund – Combined Utilities	Capital Projects - Streets	\$ 800,000

These balances were a result of the internal financing of certain capital and economic development projects.

NOTE 4 RECEIVABLES

Receivables at September 30, 2015 are net of allowance for uncollectibles. The allowance for uncollectibles in the Special Revenue – Fire fund was \$23,957 at September 30, 2015.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,226,891	\$ -	\$ -	\$ 2,226,891
Construction in Progress	6,726,780	2,254,789	973,446	8,008,123
Total capital assets not being depreciated	8,953,671	2,254,789	973,446	10,235,014
Capital assets being depreciated:				
Buildings	14,374,728	16,659	66,939	14,324,448
Equipment	8,733,747	289,443	104,409	8,918,781
Infrastructure	80,033,086	1,007,271	-	81,040,357
Total capital assets being depreciated	103,141,561	1,313,373	171,348	104,283,586
Less: Accumulated Depreciation for:				
Buildings	4,100,222	355,448	37,468	4,418,202
Equipment	6,703,508	373,941	103,720	6,973,729
Infrastructure	46,061,779	1,886,701	-	47,948,480
Total Accumulated Depreciation	56,865,509	2,616,090	141,188	59,340,411
Total capital assets being depreciated, net	46,276,052	(1,302,717)	30,160	44,943,175
Governmental activities capital assets, net	\$ 55,229,723	\$ 952,072	\$ 1,003,606	\$ 55,178,189

Construction in progress at September 30, 2015, for the governmental activities consisted of costs associated with various park improvements and street projects.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 381,280	\$ -	\$ -	\$ 381,280
Construction in Progress	1,389,749	2,178,651	1,171,516	2,396,884
Total capital assets not being depreciated	1,771,029	2,178,651	1,171,516	2,778,164
Capital assets being depreciated:				
Buildings	3,175,006	-	-	3,175,006
Equipment	4,320,849	2,371,001	-	6,691,850
Utility Plant/Distribution System	68,341,026	1,171,516	-	69,512,542
Total capital assets being depreciated	75,836,881	3,542,517	-	79,379,398
Less: Accumulated Depreciation for:				
Buildings	1,368,306	73,390	-	1,441,696
Equipment	3,484,758	175,944	-	3,660,702
Utility Plant/Distribution System	24,143,418	1,808,931	-	25,952,349
Total Accumulated Depreciation	28,996,482	2,058,265	-	31,054,747
Total capital assets being depreciated, net	46,840,399	1,484,252	-	48,324,651
Business-type activities capital assets, net	\$ 48,611,428	\$ 3,662,903	\$ 1,171,516	\$ 51,102,815

Construction in progress at September 30, 2015 consisted of costs associated with various system improvements.

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

Governmental Activities:

General Government	\$ 168,686
Public Safety	1,932,800
Public Works	277,807
Culture and Recreation	236,797
Total depreciation expense – governmental activities	<u>\$ 2,616,090</u>

Business-Type Activities:

Electric	\$ 1,156,593
Water	325,579
Sewer	326,759
Utility Administration	249,334
Total depreciation expense – business-type activities	<u>\$ 2,058,265</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 5 - CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets for the discretely presented component unit is as follows:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
Community Development Agency:				
Capital Assets not being depreciated:				
Land	\$ 2,205	\$ -	\$ -	\$ 2,205
Total capital assets not being depreciated	2,205	-	-	2,205
Capital Assets being depreciated:				
Buildings	66,548	-	-	66,548
Less: Accumulated Depreciation	12,311	1,996	-	14,307
Total capital assets being depreciated, net	54,237	(1,996)	-	52,241
Component unit capital assets, net	\$ 56,442	\$ (1,996)	\$ -	\$ 54,446

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities	Business-Type Activities	Component Unit Community Development Agency
Land	\$ 2,226,891	\$ 381,280	\$ 2,205
Construction in Progress	8,008,123	2,396,884	-
Capital Assets (net of accumulated depreciation)	44,943,175	48,324,651	52,241
Less: General Obligation Bonds Payable	9,150,000	-	-
Revenue Bonds	835,000	26,309,983	-
Revenue Bond Anticipation Notes	985,000	2,625,000	-
Notes Payable	75,000	-	-
Capital Lease	12,997	-	-
Add: Project Costs Not Capitalized	-	-	-
Unspent Bond Proceeds	-	-	-
Net Investment in Capital Assets	\$ 44,120,192	\$ 22,167,832	\$ 54,446

NOTE 6 - LONG-TERM DEBT

Notes Payable

Details of Notes Payable outstanding at September 30, 2015 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Originally Issued	Outstanding September 30, 2015	Due Within One Year
Nelson Enterprises	6/2008	4%	6/30/18	\$ 25,000	\$ 250,000	\$ 75,000	\$ 25,000
						\$ 75,000	\$ 25,000

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Details of Notes Payable outstanding at September 30, 2015 for the Community Development Agency Component Unit are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Originally Issued	Outstanding September 30, 2015	Due Within One Year
Siouxland National Bank	08/08/00	10%	On Demand	On Demand	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000 *
L&L Book	01/22/15	4.5%	02/02/18	50,617	151,851	151,851	50,617
City of South Sioux City	12/20/12	2%	03/20/19	61,200	360,911	208,213	57,557
						<u>\$ 2,360,064</u>	<u>\$ 2,108,174</u>

- * Siouxland National Bank loaned the Community Development Agency \$2,000,000 for economic development purposes. The note is payable on demand and is secured with a certificate of deposit at Siouxland National Bank for the same amount, same interest and same repayment terms.

Annual debt service requirements to maturity are as follows:

Year Ending September 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 25,000	\$ 3,000
2017	25,000	2,000
2018	25,000	1,000
Total	<u>\$ 75,000</u>	<u>\$ 6,000</u>

The annual debt service requirements for the Community Development Agency Component Unit are as follows:

Year Ending September 30,	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,108,174	\$ 10,476
2017	109,336	7,037
2018	110,521	3,574
2019	32,253	196
Total	<u>\$ 2,360,284</u>	<u>\$ 21,283</u>

General Obligation Bond Anticipation Notes

Bond anticipation notes are used by the City as interim financing.

On September 27, 2011, the City issued \$750,000 general obligation flood control bond anticipation notes with a maturity of September 15, 2015 and an interest rate of 0.95%. The bond anticipation note was to pay for costs in connection with the construction of flood control improvements in the City. The Bond anticipation note was retired in fiscal year 2015.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 6 - LONG-TERM DEBT (CONTINUED)

On February 15, 2012, the City issued \$985,000 general obligation flood control bond anticipation notes with a maturity of February 15, 2017 and an interest rate of 1.25%. The bond was to pay for costs in connection with the construction of flood control improvements in the City.

General Obligation Bonds

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

General obligation bonds outstanding as of September 30, 2015 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	.4 – 4.75%	\$ 8,670,000
Governmental Activities – Refunding	4.05 – 4.1%	480,000
		<u>\$ 9,150,000</u>

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,120,000	\$ 244,900
2017	1,180,000	211,776
2018	1,050,000	180,098
2019	875,000	148,461
2020	910,000	125,280
2021-2025	2,425,000	389,644
2026-2029	1,590,000	90,703
Total	<u>\$ 9,150,000</u>	<u>\$ 1,390,862</u>

Revenue Bonds

The City also has issued revenue bonds where the City pledges income derived from the acquired or constructed asset to pay debt service. The City has pledged future combined utility revenues, net of specified operating expenses, to repay outstanding combined utility revenue bonds. The bonds are payable solely from the combined utilities net revenues and are payable through 2036. The total principal and interest remaining to be paid on the bonds is \$33,676,449. Principal and interest paid for the current year and total combined utilities net revenues were \$2,544,506 and \$3,688,025, respectively. For the year ended September 30, 2015 the annual principal and interest payments required approximately 68.9 percent of net revenues.

The City has also pledged a portion of future property tax revenues to repay \$835,000 in tax increment revenue bonds issued in January 2006 to finance infrastructure improvements in the All American TIF area. The bonds are payable solely from the tax increment property taxes generated by increased valuations in the TIF district. Total principal and interest remaining on the bonds is \$929,553, payable through 2020. For the current year, principal and interest paid and total incremental property tax revenues were \$189,468 and \$386,628 respectively. For the year ended September 30, 2015 the annual principal and interest payments required are approximately 49.0 percent of the total property tax revenues.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 6 - LONG-TERM DEBT - (CONTINUED)

On June 5, 2014, the City issued \$2,625,000 combined utility revenue bond anticipation notes with a maturity of June 1, 2016 and an interest rate of 0.60%. This bond anticipation note was issued to pay for improvements to existing electric and water systems.

On July 8, 2014, the City issued \$1,444,535 in combined utility revenue bonds through the State Revolving Fund. These revenue bonds mature on December 15, 2032 and an interest rate of 2.50%. These bonds were to pay for engineering costs to construct a wastewater treatment plant to serve the Roth Industrial Park.

In October 2014, the City issued \$8,510,000 of combined utility revenue bonds to refund the 2008A, 2008B, and 2007 revenue bonds. The difference between the cash flows required to service the old debt and the new debt is \$1,258,370 and the City has an economic gain of \$1,053,577.

In September 2015, the City issued \$4,465,000 of combined utility revenue bonds to retire \$4,395,000 of bond anticipation notes that matured in fiscal year 2015.

Revenue bonds outstanding at September 30, 2015 are as follows:

Business-Type Activities:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Combined Utility SRF	3.0%	\$ 60,368
Combined Utility, Series 2004	4.45-4.65%	345,000
Combined Utility, Series 2005	3.85-4.6%	1,390,000
Combined Utility SRF	2.79%	407,984
Combined Utility (NPPD Building)	3.90-4.15%	280,000
Combined Utility SRF	3.65%	2,402,228
Combined Utility SRF	1.317%	1,378,842
Combined Utility, Series 2001A	1.2-4.9%	6,145,000
Combined Utility Refunding Bond	0.45-3.40%	8,095,000
Combined Utility Bonds	0.60-4.00%	4,465,000
Combined Utility Bond Anticipation Note	0.60%	2,625,000
Combined Utility SRF	2.50%	1,340,561
		<u>\$ 26,309,983</u>

Governmental Activities:

Tax Increment Refunding	4.05-4.45%	<u>\$ 835,000</u>
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Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending September 30,</u>	<u>Business-Type Activities</u>		<u>Governmental Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,426,287	\$ 782,543	\$ 155,000	\$ 33,061	\$ 1,581,287	\$ 815,604
2017	1,517,572	760,715	160,000	26,328	1,677,572	787,043
2018	1,604,198	722,805	165,000	19,299	1,769,198	742,104
2019	1,583,245	688,010	175,000	11,860	1,758,245	699,870
2020	1,650,773	651,002	180,000	4,005	1,830,773	655,007
2021-2025	9,272,170	2,536,937	-	-	9,272,170	2,536,937
2026-2030	7,483,857	1,026,935	-	-	7,483,857	1,026,935
2031-2035	1,671,881	192,619	-	-	1,671,881	192,619
2036-2040	100,000	4,900	-	-	100,000	4,900
Total	<u>\$26,309,983</u>	<u>\$7,366,466</u>	<u>\$ 835,000</u>	<u>\$ 94,553</u>	<u>\$ 27,144,983</u>	<u>\$ 7,461,019</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 6 - LONG-TERM DEBT - (CONTINUED)

Capital Lease

In fiscal year 2015, the City entered into a two year lease agreement as lessee for financing the acquisition of an electric car. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, it has been recorded at the present value of its minimum lease payments as of inception date. The cost of the electric car was \$29,439 which had accumulated depreciation of \$817 as of September 30, 2015. This asset will continue to be depreciated over its useful life of three years.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of minimum payments as of September 30, 2015.

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 12,997	\$ -	\$ 12,997
Minimum Lease Payments			12,997
Less: Amount Representing Interest			-
Present Value of Minimum Lease Payment			<u>\$ 12,997</u>

Long-Term liability activity for the year ended September 30, 2015, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Primary Government:					
Governmental Activities:					
Bonds Payable:					
General Obligation	\$ 10,235,000	\$ -	\$ 1,085,000	\$ 9,150,000	\$ 1,120,000
Revenue Bonds	985,000	-	150,000	835,000	155,000
Bond Anticipation Notes	1,735,000	-	750,000	985,000	-
Notes Payable	100,000	-	25,000	75,000	25,000
Capital Lease	9,882	20,150	17,305	12,997	12,997
Compensated Absences	556,887	263,172	220,625	599,434	237,302
Governmental Activity Long-Term Liabilities	<u>13,621,769</u>	<u>283,322</u>	<u>2,247,660</u>	<u>11,657,431</u>	<u>1,550,299</u>
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	22,865,316	12,975,000	9,530,333	26,309,983	1,426,287
Bond Anticipation Notes	7,020,000	-	4,395,000	2,625,000	2,625,000
Capital Leases	44,677	-	44,677	-	-
Compensated Absences	245,020	130,831	119,313	256,538	124,569
Business-Type Activity Long-Term Liabilities	<u>\$ 30,175,013</u>	<u>\$ 13,105,831</u>	<u>\$ 14,089,323</u>	<u>\$ 29,191,521</u>	<u>\$ 4,175,856</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 7 - TRANSFERS

The following is a summary of transfers between funds:

	General	Proprietary Fund – Combined Utilities	Nonmajor Governmental	Total Transfers In
General	\$ -	\$ 150	\$ 169,280	\$ 169,430
Capital Projects – Misc Projects	-	214,103	135,000	349,103
Proprietary Fund – Combined Utilities	-	-	98,185	98,185
Nonmajor Governmental	24,400	-	68,639	93,039
Total Transfers Out	\$ 24,400	\$ 214,253	\$ 471,104	\$ 709,757

Transfers are used to:

1. Move revenue from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them.

NOTE 8 - PENSION AND RETIREMENT FUND COMMITMENTS

For police officers hired on or before January 1, 1984, the City provides pension benefits through a qualified retirement plan which has characteristics of both a defined contribution plan and a defined benefit plan. The plan provides for guaranteed minimum payments calculated to be the greater of defined contributions or 50% of the average wages for the five years preceding retirement. There are five police officers who will benefit from this plan. Based on the latest actuarial valuation report, it is anticipated that the unallocated account is sufficient to provide the minimum defined benefits for the remaining pre-84 hires. The estimated present value of this excess is \$111,001.

Police officers hired after January 1, 1984 are covered only by the defined contribution portion of the plan and are not guaranteed any minimum benefits. This plan is the City of South Sioux City 401 Qualified Plan and is administered by ICMA Retirement Corporation. This plan also includes fire employees.

State legislation requires that each police officer and the City contribute an amount equal to 6% of the police officer's total salary each month. The City's contributions for each police officer (and interest thereon) are 40% vested after four years of service and increase 10% for each additional year of service.

The City has no fiduciary responsibility for the pension funds, therefore, no pension trust fund is reported. Funds collected by the City including property taxes are reported in a special revenue fund.

The City maintains an additional defined contribution plan for substantially all other employees. This plan is optional for the employees. If the employee wished to participate, the employee could contribute 3% to receive a City contribution of 3%, 4% to receive a City contribution of 3.5%, or 5% to receive a City contribution of 4%. Under this plan, the City's contributions for each participant (and interest thereon) are 20% vested after one year of service and increase 20% for each additional year of service with 100% vesting after five years of service. The City's portion is invested with New York Life Insurance and Annuity Corporation (Administrator) in the City of South Sioux City Nebraska Money Purchase Plan. The employee has the option of investing his portion with ICMA Retirement Corporation (Administrator) in the City of South Sioux City 457 Deferred Compensation Plan or New York Life Insurance and Annuity Corporation (Administrator) in the City of South Sioux City Nebraska Money Purchase Plan.

The Police and Fire Pension and City Employee Pension plans are established or may be amended by State Law and/or the City of South Sioux City as applicable.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 8 - PENSION AND RETIREMENT FUND COMMITMENTS – (CONTINUED)

The City's total payroll for the year ended September 30, 2015, was \$5,322,851. Contributions were made as follows:

	<u>Eligible Wages</u>	<u>City Contributions</u>	<u>Employee Contributions</u>
Policemen Total Salaries	\$ 1,826,934	\$ 118,750	\$ 127,027
Fire Total Salaries	202,895	13,188	13,188
Active Participants' Base Wages	2,116,114	85,076	104,398
	<u>\$ 4,145,943</u>	<u>\$ 217,014</u>	<u>\$ 244,613</u>
Active Participants' Overtime and Employees Not Participating	1,176,908		
	<u>\$ 5,322,851</u>		

In addition, the City made direct payments of retirement benefits under the police pension plan of \$7,200.

NOTE 9 - RISK FINANCING

Beginning in February of 2005, the City began a self-funded plan for health, dental, and vision employee benefits. The City purchased a stop loss policy for medical claims in excess of \$35,000 per covered employee and a \$35,000 aggregate spec with an aggregate stop loss policy for claims in excess of \$1,090,498 for the entire group. A premium is charged to each fund that has employees and is calculated by taking the fixed costs, consisting of the specific stop loss premium, the aggregate stop loss premium, administrative costs, and the maximum risk level that the City is exposed. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payments and other economic and social factors. Changes in the balances of claims liabilities follow:

	<u>2014</u>	<u>2015</u>
Unpaid claims, beginning of fiscal year	\$ 38,966	\$ 131,308
Incurred claims (including IBNR's)	1,126,055	958,212
Claim payments	1,033,713	994,949
Unpaid claims, end of fiscal year	<u>\$ 131,308</u>	<u>\$ 94,571</u>

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the 2014-2015 fiscal period the City has elected to purchase commercial insurance to cover against the risk of loss. There have been no significant reductions in insurance coverage from prior years, nor were there settlements in excess of insurance coverage the last three years.

NOTE 10 - NOTES RECEIVABLE

The City has entered into various notes with businesses and organizations in the community for economic development purposes. The notes have various interest rates and maturity dates. The balances of the notes and the funds that advanced these loans are as follows:

General Fund	\$ 208,433
Street Project	158,057
Riverfront TIF	113,000
Revolving Loan	278,520
West 25 th to 29 th TIF	32,928
	<u>\$ 790,938</u>
Component Unit	<u>\$ 261,666</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Financial Statements
September 30, 2015

NOTE 11 - DEFICIT FUND BALANCES

The City has three funds with deficit fund balances at September 30, 2015. The City intends to finance these deficits from various resources including; property taxes, general funds, charges to various departments, and capital project debt financing.

The individual fund deficits are as follows:

W 25 th - W 29 th TIF.....	\$	45,880
Westside TIF.....	\$	134,008
Capital Projects – Street Projects.....	\$	1,132,570

NOTE 12 - COMMITMENTS

As of September 30, 2015, the City had entered into several construction and engineering contracts totaling approximately \$7,350,000 of which approximately \$6,580,000 has been expended to date. The remaining balance will be paid as work progresses. The City also entered into an agreement in fiscal 2006 with the Siouxland YMCA to provide \$250,000 to the YMCA over a five year period. On October 12, 2009, this agreement was modified and the City agreed to fund an additional \$250,000 with annual payments of \$50,000 commencing in fiscal 2012. As of September 30, 2015, nine payments have been made totaling \$500,000.

NOTE 13 - CONTINGENCY

The City receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of September 2015, the City estimates that no material liabilities will result from such audits.

NOTE 14 - CONDUIT DEBT OBLIGATIONS

The City has issued Industrial Revenue Bonds to provide financial assistance to a private-sector entity for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and payable solely from the private-sector entity. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2015, Industrial Revenue Bonds outstanding had an original issue amount of \$30,175,000. The outstanding balance at September 30, 2015 was \$27,376,726.

NOTE 15 - MAJOR CUSTOMER

During the year ended September 30, 2015, charges for services provided by the combined utilities of the City to BPI, Inc. was \$5,764,646. This represents approximately 22% of total combined utilities (water, sewer, and electric) charges for services.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH SIOUX CITY, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, GENERAL FUND - BUDGETARY BASIS
For the Year Ended September 30, 2015

	General Fund		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 1,897,272	\$ 1,887,395	\$ (9,877)
Other Taxes	944,368	936,791	(7,577)
Special Assessments			-
Licenses and Permits	3,500	2,261	(1,239)
Intergovernmental	4,234,052	3,837,553	(396,499)
Charges for Services	681,180	702,160	20,980
Fines and Forfeits	2,700	1,693	(1,007)
Lottery Revenue	75,000	76,796	1,796
Proceeds from Sale of Land			-
Interest on Investments	5,000		(5,000)
Rental Income	197,400	204,890	7,490
Contributions		5,625	5,625
Reimbursements			-
Miscellaneous	498,772	486,574	(12,198)
Total Revenue	8,539,244	8,141,738	(397,506)
Expenditures:			
General Government	1,254,175	1,174,782	79,393
Public Safety	3,923,423	3,647,126	276,297
Public Works	1,101,358	1,309,830	(208,472)
Culture and Recreation	703,337	591,389	111,948
Community Development	1,582,900	1,010,273	572,627
Debt Service		10,118	(10,118)
Total Expenditures	8,565,193	7,743,518	821,675
Excess of revenues over expenditures	(25,949)	398,220	424,169
Other financing sources (uses):			
Proceeds from Issuance of Capital Lease	-	-	-
Proceeds from sale of capital assets	-	-	-
Bond refunding payments	-	-	-
Transfers In	-	169,430	169,430
Transfers Out	(25,325)	(24,400)	925
Total other financing sources (uses)	(25,325)	145,030	170,355
Excess of revenues and other financing sources over expenditures and other financing uses	\$ (51,274)	543,250	\$ 594,524
Fund balances - beginning of year		1,868,189	
Fund balances - end of year		\$ 2,411,439	

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Required Supplementary Information – Budgetary Reporting
September 30, 2015

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or around May 1, the City's department and division heads prepare and submit budget requests for the following fiscal year to the City Administrator who then reviews the requests with the department and division heads.
2. After this review process has been completed, the City Administrator presents these budget requests to the Mayor and City Council along with his recommendations as to what changes, if any, should be made. These budget requests and recommendations are reviewed by the Finance Committee of the City Council at meetings open to the public.
3. A public hearing on the budget is then conducted at a City Council meeting to obtain citizen comments.
4. Prior to October 1, the City legally enacts the ensuing fiscal year's budget for all funds, except the Library Foundation Special Revenue Fund through the passage of an ordinance, which establishes the legal level of control (the level on which expenditures may not legally exceed appropriations) at the total governmental fund level.

Proposed expenditures, which are expected to exceed the fund's total appropriation, require amendment by the City Council. The legal level of budgetary control is at the total governmental fund level. Expenditures in excess of the amount budgeted within individual funds do not require amendment by the City Council.

5. Formal budgetary integration is employed as a management control device during the year for all Governmental and Proprietary Funds, except for the Library Foundation Special Revenue Fund and the Internal Service Fund.
6. The budgets adopted are stated on a cash basis. Budgetary comparisons are presented in the financial statements for the governmental funds and are on this budgetary basis, which is not in accordance with accounting principles generally accepted in the United States.

There were no budget amendments during the year that changed the original total expenditures.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Notes to Required Supplementary Information – Budgetary Reporting
September 30, 2015

BUDGETARY CONTROL

The annual appropriated budget adopted by the City is prepared on a cash basis and, therefore, the budgetary basis differs from that used to present the financial statements in accordance with accounting principles generally accepted in the United States (GAAP). Such differences and their effect on the respective funds reported operations are summarized as follows:

	<u>General</u>
Excess of revenues and other financial sources over expenditures and other financial uses, on a budgetary basis	\$ 543,250
Basis differences:	
To adjust revenues from recognition on a cash basis	(572,551)
To adjust total expenditures from recognition on a cash basis	<u>485,527</u>
Excess of revenues and other financial sources over expenditures and other financial uses, on a GAAP basis (page 34)	<u>\$ 456,226</u>

	<u>Total Governmental Funds</u>
Expenditures and other financing uses, on a budgetary basis	\$ (15,109,084)
Basis Differences:	
To adjust total expenditures from recognition on a cash basis	<u>770,670</u>
Expenditures and other financing uses, on a GAAP basis	<u>\$ (14,338,414)</u>

The following schedule demonstrates the City's legal compliance to the budget:

Fund	Budget	Actual	Variance Over (Under) Budget
Governmental Funds Expenditures	<u>\$19,531,359</u>	<u>\$15,109,084</u>	<u>\$ (4,422,275)</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF SOUTH SIOUX CITY, NEBRASKA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 SEPTEMBER 30, 2015

	Debt Service	Special Revenue		
		Capital Improvement Sales Tax	Library	Fire
Assets				
Cash and Cash Equivalents	\$ 86,385	\$ 134,367	\$ 54,452	\$ 116,037
Investments	625,369	600,427	-	350,184
Receivables (net, where applicable, of allowance for uncollectibles)				
Taxes	-	-	67,509	31,784
Accounts	-	-	-	20,675
Accrued Interest	-	-	-	-
Special Assessments	5,440	-	-	-
Notes Receivable	-	-	-	-
Due from Other Funds	-	239,591	-	-
Due from Other Governmental Agencies	-	181,769	1,368	-
Land Held for Resale, At Cost	-	-	-	-
Total Assets	717,194	1,156,154	123,329	518,680
Liabilities				
Accounts Payable	-	1,834	12,493	19,945
Other Accrued Liabilities	-	-	-	249
Accrued Wages	-	-	2,190	2,487
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	1,834	14,683	22,681
Deferred Inflows of Resources				
Unavailable Revenue - Property Tax	-	-	14,410	6,784
Total Deferred Inflows of Resources	-	-	14,410	6,784
Fund Balances:				
Nonspendable:				
Land Held for Resale	-	-	-	-
Restricted for:				
Capital Improvements	-	1,154,320	-	-
Debt Service	717,194	-	-	-
Specific Tax Levy Purposes	-	-	94,236	489,215
LEC Purposes	-	-	-	-
Tax Increment Financing Purposes	-	-	-	-
Wireless 911	-	-	-	-
Economic Development	-	-	-	-
Public Safety Purposes	-	-	-	-
Revolving Loan	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	717,194	1,154,320	94,236	489,215
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 717,194	\$ 1,156,154	\$ 123,329	\$ 518,680

Special Revenue				
All America City TIF	County/LEC Sales Tax	Revolving Loan	Riverfront TIF	Westside TIF
\$ 134,340	\$ 47,646	\$ 6,533	\$ 37,303	\$ -
200,002	523,974	-	-	-
22,665	-	-	-	-
-	-	-	-	-
-	-	501	-	-
-	-	-	-	-
-	-	278,520	113,000	-
25,718	-	-	-	-
-	-	-	-	-
427,837	-	-	13,918	-
810,562	571,620	285,554	164,221	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	31,331
-	-	90,000	-	-
-	-	-	-	102,677
-	-	90,000	-	134,008
-	-	-	-	-
-	-	-	-	-
427,837	-	-	13,918	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	571,620	-	-	-
382,725	-	-	150,303	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	195,554	-	-
-	-	-	-	(134,008)
810,562	571,620	195,554	164,221	(134,008)
\$ 810,562	\$ 571,620	\$ 285,554	\$ 164,221	\$ -

CITY OF SOUTH SIOUX CITY, NEBRASKA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds - (Continued)
 SEPTEMBER 30, 2015

	Special Revenue			
	Downtown BID TIF	W 25th-29th TIF	Police Pension	Wireless 911 Fund
Assets				
Cash and Cash Equivalents	\$ 70,892	\$ 39,893	\$ 47,280	\$ -
Investments	-	100,000	450,175	75,008
Receivables (net, where applicable, of allowance for uncollectibles)				
Taxes	-	194	26,695	-
Accounts	-	-	-	-
Accrued Interest	-	918	-	-
Special Assessments	-	-	-	-
Notes Receivable	-	32,928	-	-
Due from Other Funds	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
Land Held for Resale, At Cost	-	-	-	-
Total Assets	70,892	173,933	524,150	75,008
Liabilities				
Accounts Payable	-	-	4,474	-
Other Accrued Liabilities	-	-	-	-
Accrued Wages	-	-	-	-
Customer Deposits	1,175	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	219,813	-	1,179
Total Liabilities	1,175	219,813	4,474	1,179
Deferred Inflows of Resources				
Unavailable Revenue - Property Tax	-	-	5,698	-
Total Deferred Inflows of Resources	-	-	5,698	-
Fund Balances:				
Nonspendable:				
Land Held for Resale	-	-	-	-
Restricted for:				
Capital Improvements	-	-	-	-
Debt Service	-	-	-	-
Specific Tax Levy Purposes	-	-	513,978	-
LEC Purposes	-	-	-	-
Tax Increment Financing Purposes	69,717	-	-	-
Wireless 911	-	-	-	73,829
Economic Development	-	-	-	-
Public Safety Purposes	-	-	-	-
Revolving Loan	-	-	-	-
Unassigned	-	(45,880)	-	-
Total Fund Balances	69,717	(45,880)	513,978	73,829
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 70,892	\$ 173,933	\$ 524,150	\$ 75,008

Special Revenue		Total	
Economic Development Sales Tax	Public Safety Sales Tax	Capital Projects Park Projects	Governmental Nonmajor Funds
\$ 98,904	\$ 164,562	\$ -	\$ 1,038,594
100,010	250,025	23	3,275,197
-	-	-	148,847
-	-	-	20,675
-	-	-	1,419
-	-	-	5,440
-	-	-	424,448
-	-	-	265,309
16,909	42,272	30,000	272,318
-	-	-	441,755
215,823	456,859	30,023	5,894,002
-	-	-	38,746
-	-	-	249
-	-	-	4,677
-	-	-	1,175
-	-	-	31,331
-	-	-	90,000
-	-	-	323,669
-	-	-	489,847
-	-	-	26,892
-	-	-	26,892
-	-	-	441,755
-	-	30,023	1,184,343
-	-	-	717,194
-	-	-	1,097,429
-	-	-	571,620
-	-	-	602,745
-	-	-	73,829
215,823	-	-	215,823
-	456,859	-	456,859
-	-	-	195,554
-	-	-	(179,888)
215,823	456,859	30,023	5,377,263
\$ 215,823	\$ 456,859	\$ 30,023	\$ 5,894,002

CITY OF SOUTH SIOUX CITY, NEBRASKA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Governmental Nonmajor Funds
 For the Year Ended September 30, 2015

	Debt Service	Special Revenue		
		Capital Improvement Sales Tax	Library	Fire
Revenue:				
Taxes	\$ 116	\$ -	\$ 364,429	\$ 172,424
Franchise Taxes	350,000	-	-	150,000
Local Option Sales Taxes	-	1,030,914	-	-
Intergovernmental	-	2,505	43,643	170,889
Charges for Services	-	-	-	163,720
Fines and Forfeits	-	-	5,170	-
Interest on Investments	60	61	-	35
Rental Income	-	-	16,821	-
Contributions	-	-	3,114	-
Miscellaneous	-	-	11,509	3,697
Total Revenue	350,176	1,033,480	444,686	660,765
Expenditures:				
Current:				
General Government	-	22,811	-	-
Public Safety	-	91,041	-	733,367
Culture and Recreation	-	140,334	447,480	-
Community Development	-	50,000	-	-
Debt Service	264,387	288,983	-	-
Total Expenditures	264,387	593,169	447,480	733,367
Excess (deficiency) of revenues over expenditures	85,789	440,311	(2,794)	(72,602)
Other financing sources (uses):				
Issuance of Capital Lease	-	20,150	-	-
Interfund Transfers In	-	-	-	50,000
Interfund Transfers Out	(135,000)	(118,639)	-	-
Total other financing sources (uses)	(135,000)	(98,489)	-	50,000
Net Change in Fund Balance	(49,211)	341,822	(2,794)	(22,602)
Fund balances (deficits) - beginning of year	766,405	812,498	97,030	511,817
Fund balances (deficits) - end of year	\$ 717,194	\$ 1,154,320	\$ 94,236	\$ 489,215

Special Revenue				
All America City TIF	County/LEC Sales Tax	Revolving Loan	Riverfront TIF	Westside TIF
\$ 386,628	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
110	52	1,769	15	34
-	-	-	-	375,971
-	24,400	-	-	-
-	-	-	-	360
386,738	24,452	1,769	15	376,365
-	-	-	-	-
-	12,000	-	-	-
-	-	-	-	-
-	-	-	23,532	47,744
189,918	-	-	-	140,648
189,918	12,000	-	23,532	188,392
196,820	12,452	1,769	(23,517)	187,973
-	-	-	-	-
-	24,400	-	-	-
-	-	-	-	(98,185)
-	24,400	-	-	(98,185)
196,820	36,852	1,769	(23,517)	89,788
613,742	534,768	193,785	187,738	(223,796)
\$ 810,562	\$ 571,620	\$ 195,554	\$ 164,221	\$ (134,008)

CITY OF SOUTH SIOUX CITY, NEBRASKA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Governmental Nonmajor Funds - (Continued)
 For the Year Ended September 30, 2015

	Special Revenue			
	Downtown BID TIF	W 25th-29th TIF	Police Pension	Wireless 911 Fund
Revenue:				
Taxes	\$ -	\$ 94,378	\$ 144,066	\$ -
Franchise Taxes	-	-	-	-
Local Option Sales Taxes	-	-	-	-
Intergovernmental	-	-	2,230	63,025
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest on Investments	66	1,060	43	9
Rental Income	6,780	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenue	6,846	95,438	146,339	63,034
Expenditures:				
Current:				
General Government	-	-	-	-
Public Safety	-	-	128,170	-
Culture and Recreation	-	-	-	-
Community Development	2,952	220	-	-
Debt Service	-	-	-	-
Total Expenditures	2,952	220	128,170	-
Excess (deficiency) of revenues over expenditures	3,894	95,218	18,169	63,034
Other financing sources (uses):				
Issuance of Capital Lease	-	-	-	-
Interfund Transfers In	-	-	-	-
Interfund Transfers Out	-	-	-	(69,280)
Total other financing sources (uses)	-	-	-	(69,280)
Net Change in Fund Balance	3,894	95,218	18,169	(6,246)
Fund balances (deficits) - beginning of year	65,823	(141,098)	495,809	80,075
Fund balances (deficits) - end of year	\$ 69,717	\$ (45,880)	\$ 513,978	\$ 73,829

Special Revenue			Total
Economic Development Sales Tax	Public Safety Sales tax	Capital Projects Park Projects	Governmental Nonmajor Funds
\$ -	\$ -	\$ -	\$ 1,162,041
-	-	-	500,000
95,899	239,748	-	1,366,561
-	-	29,999	312,291
-	-	-	163,720
-	-	-	5,170
10	25	-	3,349
-	-	-	399,572
-	-	-	27,514
-	104	-	15,670
95,909	239,877	29,999	3,955,888
-	-	-	22,811
-	5,588	-	970,166
-	-	-	587,814
-	-	-	124,448
-	-	-	883,936
-	5,588	-	2,589,175
95,909	234,289	29,999	1,366,713
-	-	-	20,150
-	-	-	74,400
-	(50,000)	18,639	(452,465)
-	(50,000)	18,639	(357,915)
95,909	184,289	48,638	1,008,798
119,914	272,570	(18,615)	4,368,465
\$ 215,823	\$ 456,859	\$ 30,023	\$ 5,377,263

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
Agency Funds
For the Year Ended September 30, 2015

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<u>FLEX</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 24,874	\$ 43,545	\$ 46,549	\$ 21,870
Total Assets	24,874	43,545	46,549	21,870
<u>Liabilities</u>				
Other Payables	24,874	43,545	46,549	21,870
Total Liabilities	24,874	43,545	46,549	21,870
<u>COMMUNITY FOUNDATION</u>				
<u>Assets</u>				
Cash and Cash Equivalents	153,234	233,180	281,282	105,132
Investments	73,422	281		73,703
Total Assets	226,656	233,461	281,282	178,835
<u>Liabilities</u>				
Other Payables	226,656	233,461	281,282	178,835
Total Liabilities	226,656	233,461	281,282	178,835
<u>FREEDOM PARK</u>				
<u>Assets</u>				
Cash and Cash Equivalents	323,355	62,308	79,960	305,703
Pledges Receivable	20,000		2,500	17,500
Total Assets	343,355	62,308	82,460	323,203
<u>Liabilities</u>				
Accounts Payable	9,225		-	9,225
Other Payables	334,130	62,308	82,460	313,978
Total Liabilities	343,355	62,308	82,460	323,203
<u>TOTALS</u>				
<u>Assets</u>				
Cash and Cash Equivalents	501,463	339,033	407,791	432,705
Investments	73,422	281	-	73,703
Pledges Receivable	20,000	-	2,500	17,500
Total Assets	594,885	339,314	410,291	523,908
<u>Liabilities</u>				
Accounts Payable	9,225	-	-	9,225
Other Payables	585,660	339,314	410,291	514,683
Total Liabilities	\$ 594,885	\$ 339,314	\$ 410,291	\$ 523,908

CITY OF SOUTH SIOUX CITY, NEBRASKA
Combining Departmental Schedule of Revenues, Expenses and Changes in Net Position
Combined Utilities
For the Year Ended September 30, 2015
With Comparative Totals for the Year Ended September 30, 2014

	Electric	Water
Revenues:		
Charges for Services	\$ 20,212,014	\$ 1,875,637
Expenses:		
Production:		
Purchased Power and Services	14,495,901	24,124
Operation and Maintenance:		
Operating Supplies	137,309	427,994
Franchise Fees	800,193	74,256
Repairs and Maintenance	47,664	219,241
	985,166	721,491
General Expenses:		
Personnel Services	200,600	388,918
Professional and Schooling	159,838	3,764
Contract Services	30,896	29,880
Engineering Services	-	3,569
Communications	2,648	2,547
Advertising and Publications	1,150	1,109
Public Relations	-	-
Postage & Freight	70	1,565
Dues & Subscriptions	100	820
Insurance	36,548	39,561
Utilities	-	825
Transportation and Fuel	2,401	8,771
Miscellaneous	47,609	3,578
Office Supplies	1,194	600
Bad Debt Expense	-	-
Equipment Rental	-	-
	483,054	485,507
Total Operating Expense Before Depreciation	15,964,121	1,231,122
Operating Income (Loss) Before Depreciation and Amortization	4,247,893	644,515
Less: Depreciation	1,156,593	325,579
Amortization	-	-
Operating Income (Loss)	\$ 3,091,300	\$ 318,936

Sewer	Sanitation	General and Administrative Expenses	Totals 2015	2014
\$ 3,301,613	\$ 706,228	\$ 83,121	\$ 26,178,613	\$ 25,005,889
1,620,702	496,316		16,637,043	15,436,644
223,832	38,148	51,538	878,821	670,864
130,711	27,960	3,291	1,036,411	981,139
90,938	89,008	62,686	509,537	555,452
445,481	155,116	117,515	2,424,769	2,207,455
295,903	-	946,393	1,831,814	1,890,524
1,626	-	121,569	286,797	150,104
95,722	-	379,742	536,240	420,223
2,309	-	650	6,528	1,277,366
2,033	-	16,745	23,973	24,809
258	-	67,587	70,104	47,173
-	-	5,168	5,168	3,350
47	-	50,649	52,331	51,953
-	-	35,010	35,930	40,122
24,578	26,847	38,339	165,873	163,955
1,907	-	1,477	4,209	9,447
8,834	26,206	2,582	48,794	61,787
12,987	-	59,778	123,952	201,204
76	-	12,038	13,908	17,482
-	-	78,789	78,789	81,522
-	-	1,707	1,707	3,096
446,280	53,053	1,818,223	3,286,117	4,444,117
2,512,463	704,485	1,935,738	22,347,929	22,088,216
789,150	1,743	(1,852,617)	3,830,684	2,917,673
326,759	-	249,334	2,058,265	1,980,398
-	-	8,956	8,956	9,926
\$ 462,391	\$ 1,743	\$ (2,110,907)	\$ 1,763,463	\$ 927,349

(Continued)

CITY OF SOUTH SIOUX CITY, NEBRASKA

Combining Departmental Schedule of Revenues, Expenses and Changes in Net Position

Combined Utilities

For the Year Ended September 30, 2015

With Comparative Totals for the Year Ended September 30, 2014

(Continued)

	Totals	
	2015	2014
Nonoperating Revenues (Expense):		
Interest Income	\$ -	\$ 324
Finance Charge	53,184	62,031
Bad Debt Recovery	-	-
Gain on Disposal of Equipment	69,840	-
Intergovernmental Revenue	570,370	476,998
Rental Income	8,322	166,770
Miscellaneous Revenue	144,792	112,684
Interest Expense	(989,167)	(1,022,043)
Total Nonoperating (Expense)	(142,659)	(203,236)
Income before contributions and transfers	1,620,804	724,113
Capital Contributions	2,303,929	99,930
Transfers In (Out)	(116,068)	(669,279)
Change in Net Position	3,808,665	154,764
Net Position at Beginning of Year	29,570,556	29,544,825
Prior Period Adjustment	-	(129,033)
Net Position at Beginning of Year - Restated	29,570,556	29,415,792
Net Position at End of Year	\$ 33,379,221	\$ 29,570,556

CITY OF SOUTH SIOUX CITY, NEBRASKA
BALANCE SHEET - Discretely Presented Component Unit
Community Development Agency
SEPTEMBER 30, 2015

	CDA
Assets	
Cash and Cash Equivalents	\$ 147,299
Investments	2,000,000
Receivables (net, where applicable, of allowance for uncollectibles)	
Accounts	55,331
Accrued Interest	415
Notes Receivable	261,666
Land Held for Resale, At Cost	3,918,507
Total Assets	<u>6,383,218</u>
Liabilities	
Notes Payable	2,000,000
Total Liabilities	<u>2,000,000</u>
Fund Balances:	
Nonspendable:	
Land Held for Resale	3,918,507
Long-Term Notes Receivable	261,666
Unassigned	203,045
Total Fund Balances	<u>4,383,218</u>
 Total Liabilities and Fund Balance	 <u>\$ 6,383,218</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Discretely Presented Component Unit
Community Development Agency
For the Year Ended September 30, 2015

	CDA
Revenue:	
Gain on Sale of Land	\$ 145,290
Interest	205,225
Miscellaneous	105,075
Total Revenue	<u>455,590</u>
Expenditures:	
Current:	
Community Development	46,919
Debt Service	300,796
Total Expenditures	<u>347,715</u>
Excess (deficiency) of revenues over expenditures	<u>107,875</u>
Other financing sources (uses):	
Issuance of Long-Term Debt	151,851
Total other financing sources (uses)	<u>151,851</u>
Net Change in Fund Balance	259,726
Fund balances - beginning of year	<u>4,123,492</u>
Fund balances - end of year	<u>\$ 4,383,218</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS**

For the Year Ended September 30, 2015

	Capital Improvement Sales Tax			Library		
	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
Revenue:						
Taxes			\$ -	\$ 367,340	\$ 379,187	\$ 11,847
Other Taxes	907,000	1,020,589	113,589			-
Intergovernmental	144,620	2,505	(142,115)	20,000	45,011	25,011
Charges for Services			-			-
Fines and Forfeits			-		5,170	5,170
Interest on Investments		60	60			-
Rental Income			-		16,821	16,821
Contributions			-	70,650	3,114	(67,536)
Miscellaneous	1,600		(1,600)		11,509	11,509
Total Revenue	<u>1,053,220</u>	<u>1,023,154</u>	<u>(30,066)</u>	<u>457,990</u>	<u>460,812</u>	<u>2,822</u>
Expenditures:						
General Government	18,639	22,811	(4,172)			-
Public Safety		91,041	(91,041)			-
Culture and Recreation	302,830	142,874	159,956	457,909	441,670	16,239
Community Development		50,000	(50,000)			-
Capital Projects	724,620		724,620			-
Debt Service	28,000	288,983	(260,983)			-
Total Expenditures	<u>1,074,089</u>	<u>595,709</u>	<u>478,380</u>	<u>457,909</u>	<u>441,670</u>	<u>16,239</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(20,869)</u>	<u>427,445</u>	<u>448,314</u>	<u>81</u>	<u>19,142</u>	<u>19,061</u>
Other financing sources (uses):						
Issuance of Debt	-	20,150	(20,150)	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out		(118,639)	118,639		-	-
Total other financing sources (uses)	<u>-</u>	<u>(98,489)</u>	<u>98,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (20,869)</u>	<u>328,956</u>	<u>\$ 546,803</u>	<u>\$ 81</u>	<u>19,142</u>	<u>\$ 19,061</u>
Fund balances - beginning of year		<u>645,429</u>			<u>35,310</u>	
Fund balances - end of year		<u>\$ 974,385</u>			<u>\$ 54,452</u>	

Fire			All America City TIF			County/LEC Sales Tax		
Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
\$ 173,143	\$ 181,064	\$ 7,921	\$ 357,825	\$ 366,883	\$ 9,058			\$ -
150,000	150,000	-			-			-
286,568	170,889	(115,679)			-			-
145,356	178,822	33,466			-			-
		-			-			-
	35	35		110	110		52	52
		-			-			-
	3,697	3,697			-	24,400	24,400	-
		-	1,500		(1,500)			-
755,067	684,507	(70,560)	359,325	366,993	7,668	24,400	24,452	52
		-			-			-
1,055,059	720,041	335,018			-			-
		-			-			-
		-	215,450		215,450			-
		-			-	500,000	12,000	488,000
		-	189,918	189,918	-			-
1,055,059	720,041	335,018	405,368	189,918	215,450	500,000	12,000	488,000
		-			-			-
(299,992)	(35,534)	264,458	(46,043)	177,075	223,118	(475,600)	12,452	488,052
		-			-			-
50,000	50,000	-			-	24,400	24,400	-
		-			-			-
50,000	50,000	-			-	24,400	24,400	-
		-			-			-
<u>\$ (249,992)</u>	14,466	<u>\$ 264,458</u>	<u>\$ (46,043)</u>	177,075	<u>\$ 223,118</u>	<u>\$(451,200)</u>	36,852	<u>\$ 488,052</u>
	<u>451,755</u>			<u>182,985</u>			<u>534,768</u>	
	<u>\$ 466,221</u>			<u>\$ 360,060</u>			<u>\$ 571,620</u>	

CITY OF SOUTH SIOUX CITY, NEBRASKA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS - (Continued)

For the Year Ended September 30, 2015

	Revolving Loan			Riverfront TIF		
	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
Revenue:						
Taxes			\$ -			\$ -
Intergovernmental	250,000		(250,000)			-
Interest on Investments		1,543	1,543		15	15
Rental Income			-			-
Miscellaneous		87,999	87,999	8,000	22,932	14,932
Total Revenue	250,000	89,542	(160,458)	8,000	22,947	14,947
Expenditures:						
Community Development	250,000	210,000	40,000	16,000	2,065	13,935
Debt Service	-	-	-			-
Total Expenditures	250,000	210,000	40,000	16,000	2,065	13,935
Excess (deficiency) of revenues over expenditures	-	(120,458)	(120,458)	(8,000)	20,882	28,882
Other financing sources (uses):						
Transfers Out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	(120,458)	\$ (120,458)	\$ (8,000)	20,882	\$ 28,882
Fund balances (deficits) - beginning of year		126,991			16,421	
Fund balances (deficits) - end of year		\$ 6,533			\$ 37,303	

Westside TIF			Downtown BID TIF			W 25th - W 29th TIF		
Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
		\$ -			\$ -	\$ 102,181	\$ 95,487	\$ (6,694)
		-			-			-
	41	41		66	66		1,161	1,161
378,710	375,971	(2,739)	3,085	6,780	3,695			-
	3,343	3,343			-	4,700	3,589	(1,111)
378,710	379,355	645	3,085	6,846	3,761	106,881	100,237	(6,644)
310,832	47,744	263,088	56,500	2,952	53,548	128,000	44,276	83,724
	140,648	(140,648)			-			-
310,832	188,392	122,440	56,500	2,952	53,548	128,000	44,276	83,724
67,878	190,963	123,085	(53,415)	3,894	57,309	(21,119)	55,961	77,080
-	(98,185)	(98,185)			-		-	-
-	(98,185)	(98,185)	-	-	-	-	-	-
<u>\$ 67,878</u>	<u>92,778</u>	<u>\$ 24,900</u>	<u>\$ (53,415)</u>	<u>3,894</u>	<u>\$ 57,309</u>	<u>\$ (21,119)</u>	<u>55,961</u>	<u>\$ 77,080</u>
	(195,455)			66,998			83,932	
	<u>\$ (102,677)</u>			<u>\$ 70,892</u>			<u>\$ 139,893</u>	

CITY OF SOUTH SIOUX CITY, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, NONMAJOR SPECIAL REVENUE FUNDS - BUDGETARY BASIS - (Continued)
For the Year Ended September 30, 2015

	Police Pension			Wireless 911 Fund		
	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
Revenue:						
Taxes	\$ 145,500	\$ 150,096	\$ 4,596	\$ -	\$ -	\$ -
Intergovernmental	3,500	95,213	91,713	89,108	63,025	(26,083)
Interest on Investments		43	43	-	9	9
Miscellaneous	500	-	(500)	-	-	-
Total Revenue	149,500	245,352	95,852	89,108	63,034	(26,074)
Expenditures:						
Public Safety	517,100	128,050	389,050	169,280	-	169,280
Community Development	-	-	-	-	-	-
Total Expenditures	517,100	128,050	389,050	169,280	-	169,280
Excess (deficiency) of revenues over expenditures	(367,600)	117,302	484,902	(80,172)	63,034	143,206
Other financing sources (uses):						
Issuance of Debt	-	-	-	-	-	-
Transfers Out	-	-	-	-	(69,280)	69,280
Total other financing sources (uses)	-	-	-	-	(69,280)	69,280
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (367,600)</u>	117,302	<u>\$ 484,902</u>	<u>\$ (80,172)</u>	(6,246)	<u>\$ 212,486</u>
Fund balances - beginning of year		<u>380,153</u>			<u>80,075</u>	
Fund balances - end of year		<u>\$ 497,455</u>			<u>\$ 73,829</u>	

Economic Development Sales Tax			Public Safety Sales Tax		
Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
\$ 85,000	\$ 94,938	\$ 9,938	\$ 212,500	\$ 237,347	\$ 24,847
-	-	-	-	-	-
-	10	10	-	25	25
-	-	-	-	104	104
85,000	94,948	9,948	212,500	237,476	24,976
-	-	-	1,375,000	5,588	1,369,412
170,000	-	170,000	-	-	-
170,000	-	170,000	1,375,000	5,588	1,369,412
(85,000)	94,948	179,948	(1,162,500)	231,888	1,394,388
-	-	-	1,000,000	-	1,000,000
-	-	-	-	(50,000)	50,000
-	-	-	1,000,000	(50,000)	1,050,000
<u>\$ (85,000)</u>	<u>94,948</u>	<u>\$ 179,948</u>	<u>\$ (162,500)</u>	<u>181,888</u>	<u>\$2,444,388</u>
	<u>103,966</u>			<u>232,699</u>	
	<u>\$ 198,914</u>			<u>\$ 414,587</u>	

CITY OF SOUTH SIOUX CITY, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, DEBT SERVICE FUND - BUDGETARY BASIS
For the Year Ended September 30, 2015

	Debt Service		
	Budgeted Original & Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:			
Taxes	\$ 100	\$ 116	\$ 16
Other Taxes	350,000	350,000	-
Interest on Investments		60	60
Total Revenue	<u>350,100</u>	<u>350,176</u>	<u>76</u>
Expenditures:			
Debt Service	<u>310,346</u>	<u>264,387</u>	<u>45,959</u>
Total Expenditures	<u>310,346</u>	<u>264,387</u>	<u>45,959</u>
Excess (deficiency) of revenues over expenditures	<u>39,754</u>	<u>85,789</u>	<u>(46,035)</u>
Other financing sources (uses):			
Transfers Out	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ (95,246)</u>	<u>(49,211)</u>	<u>\$ 46,035</u>
Fund balances - beginning of year		<u>760,965</u>	
Fund balances - end of year		<u>\$ 711,754</u>	

CITY OF SOUTH SIOUX CITY, NEBRASKA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL, CAPITAL PROJECT FUNDS - BUDGETARY BASIS
For the Year Ended September 30, 2015

	Street Projects			Park Projects		
	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)	Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
Revenue:						
Other Taxes	\$ 1,003,620	\$ 1,334,989	\$ 331,369	\$ -	\$ -	\$ -
Special Assessments	10,000	3,150	(6,850)	-	-	-
Intergovernmental	134,000	343,758	209,758	30,000	54,481	24,481
Interest on Investments			-			-
Miscellaneous	31,612	42,488	10,876	500,000		(500,000)
Total Revenue	<u>1,179,232</u>	<u>1,724,385</u>	<u>545,153</u>	<u>530,000</u>	<u>54,481</u>	<u>(475,519)</u>
Expenditures:						
Capital Projects	1,229,000	2,292,835	(1,063,835)	500,000	24,481	475,519
Debt Service	293,911	293,911	-			-
Total Expenditures	<u>1,522,911</u>	<u>2,586,746</u>	<u>(1,063,835)</u>	<u>500,000</u>	<u>24,481</u>	<u>475,519</u>
Excess (deficiency) of revenues over expenditures	<u>(343,679)</u>	<u>(862,361)</u>	<u>(518,682)</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Other financing sources (uses):						
Issuance of Debt	-	-	-	-	-	-
Transfers In	-	-	-	18,638	18,638	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,638</u>	<u>18,638</u>	<u>-</u>
Excess (deficiency) of revenues and and other financing sources over expenditures and other financing uses	<u>\$ (343,679)</u>	<u>(862,361)</u>	<u>\$ (518,682)</u>	<u>\$ 48,638</u>	<u>48,638</u>	<u>\$ -</u>
Fund balances (deficits) - beginning of year		<u>(77,201)</u>			<u>(48,615)</u>	
Fund balances (deficits) - end of year		<u>\$ (939,562)</u>			<u>\$ 23</u>	

Miscellaneous Projects		
Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -
150,000	173,874	23,874
24,320	21,853	21,853
174,320	195,727	(24,320)
		21,407
622,000	269,555	352,445
366,989	413,762	(46,773)
988,989	683,317	305,672
(814,669)	(487,590)	327,079
472,000		472,000
349,103	349,103	-
821,103	349,103	472,000
<u>\$ 6,434</u>	<u>(138,487)</u>	<u>\$ 799,079</u>

381,106

\$ 242,619

Disaster Recovery		
Budgeted Original & Final	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -
2,491,973	1,337,819	(1,154,154)
	802	802
2,491,973	1,338,621	(1,153,352)
	4,074	(4,074)
770,000	766,396	3,604
770,000	770,470	(470)
1,721,973	568,151	(1,153,822)
-	-	-
-	-	-
-	-	-
<u>\$1,721,973</u>	<u>568,151</u>	<u>\$ (1,153,822)</u>

(429,111)

\$ 139,040

CITY OF SOUTH SIOUX CITY STATISTICAL SECTION

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

Contents:	Pages
Financial Trends	86 – 95
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	96 – 101
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	102 – 106
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	107 – 108
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	109 – 111
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

CITY OF SOUTH SIOUX CITY, NEBRASKA
Government-Wide Net Position by Component (1)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year (2)			
	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 39,104,618	\$ 37,834,491	\$ 40,357,802	\$ 41,941,598
Restricted	773,941	756,387	691,489	690,695
Unrestricted	4,757,697	3,805,322	4,067,506	4,491,397
Total Governmental Activities				
Net Position	<u>\$ 44,636,256</u>	<u>\$ 42,396,200</u>	<u>\$ 45,116,797</u>	<u>\$ 47,123,690</u>
Business-type Activities				
Net Investment in Capital Assets	\$ 19,870,528	\$ 20,479,413	\$ 21,222,615	\$ 21,501,716
Restricted	347,768	558,925	1,907,857	1,817,360
Unrestricted	1,008,358	2,560,592	1,479,063	1,304,437
Total Business-type Activities				
Net Position	<u>\$ 21,226,654</u>	<u>\$ 23,598,930</u>	<u>\$ 24,609,535</u>	<u>\$ 24,623,513</u>
Primary Government				
Net Investment in Capital Assets	\$ 58,975,146	\$ 58,313,904	\$ 61,580,417	\$ 63,443,314
Restricted	1,121,709	1,315,312	2,599,346	2,508,055
Unrestricted	5,766,055	6,365,914	5,546,569	5,795,834
Total Primary Government				
Net Position	<u>\$ 65,862,910</u>	<u>\$ 65,995,130</u>	<u>\$ 69,726,332</u>	<u>\$ 71,747,203</u>

Notes:

(1) - Accounting standards require that Net Position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net Position are considered restricted only when (1) an external party, such as the State of Nebraska or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

(2) - For years prior to 2007 the Community Development Agency (the CDA) was reported as a special revenue fund and part of the primary government. Beginning in 2007, the CDA was reported as a discretely presented component unit.

Table 1

Fiscal Year (2)					
2010	2011	2012	2013	2014	2015
\$ 41,438,515	\$ 41,456,701	\$ 42,575,671	\$ 44,163,559	\$ 44,949,843	\$ 44,120,192
720,076	3,668,635	3,086,769	3,789,008	4,313,080	6,235,742
5,089,416	4,861,508	1,810,420	(1,711,297)	1,912,622	2,486,937
<u>\$ 47,248,007</u>	<u>\$ 49,986,844</u>	<u>\$ 47,472,860</u>	<u>\$ 46,241,270</u>	<u>\$ 51,175,545</u>	<u>\$ 52,842,871</u>
\$ 21,010,547	\$ 21,585,294	\$ 22,690,352	\$ 22,881,209	\$ 22,814,409	\$ 22,167,832
1,958,461	1,518,641	1,493,462	1,502,478	1,498,908	1,720,568
3,584,974	4,007,096	4,262,977	5,161,138	5,257,239	9,490,821
<u>\$ 26,553,982</u>	<u>\$ 27,111,031</u>	<u>\$ 28,446,791</u>	<u>\$ 29,544,825</u>	<u>\$ 29,570,556</u>	<u>\$ 33,379,221</u>
\$ 62,449,062	\$ 63,041,995	\$ 65,266,023	\$ 67,044,768	\$ 67,764,252	\$ 66,288,024
2,678,537	5,187,276	4,580,231	5,291,486	5,811,988	7,956,310
8,674,390	8,868,604	6,073,397	3,449,841	7,169,861	11,977,758
<u>\$ 73,801,989</u>	<u>\$ 77,097,875</u>	<u>\$ 75,919,651</u>	<u>\$ 75,786,095</u>	<u>\$ 80,746,101</u>	<u>\$ 86,222,092</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Table 2

Expenses	Fiscal Year (2)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government	\$ 764,964	\$ 711,128	\$ 705,519	\$ 923,899	\$ 932,337	\$ 727,856	\$ 876,351	\$ 952,910	\$ 1,283,575	\$ 1,051,286
Public Safety	4,447,470	4,422,095	4,545,329	4,872,895	4,951,301	5,133,935	5,102,092	5,187,227	4,712,983	4,833,129
Public Works	2,444,564	2,642,243	2,478,317	2,855,989	2,965,546	3,975,351	6,587,235	6,809,425	3,027,764	3,416,128
Culture and Recreation	1,032,728	1,947,826	852,935	872,533	910,584	908,473	1,014,881	1,129,815	1,001,065	1,286,249
Community Development	1,385,141	353,854	434,973	699,304	193,115	502,237	3,114,698	269,039	858,526	901,548
Debt Service	587,498	374,480	321,740	317,070	261,427	348,268	332,187	401,559	369,476	333,568
Total Governmental Activities Expenses	10,662,365	10,451,626	9,338,813	10,541,690	10,214,310	11,596,120	17,027,444	14,749,975	11,253,389	11,821,908
Business-Type Activities										
Electric	10,028,639	10,877,656	12,294,696	13,720,664	14,542,110	15,759,427	15,564,895	15,743,218	15,629,694	17,120,714
Water	1,151,975	1,101,195	1,321,286	1,518,302	1,385,667	1,307,995	1,456,586	1,408,012	1,493,998	1,556,701
Sewer	1,467,755	1,479,678	1,669,176	1,852,695	2,080,755	2,536,757	2,426,233	2,805,745	4,026,362	2,839,222
Sanitation	511,084	504,152	527,865	579,119	577,579	590,772	569,847	739,951	754,921	704,485
Utility Administration	2,236,379	2,502,936	2,666,069	2,984,647	3,140,839	3,219,286	3,099,146	3,014,275	3,195,608	3,183,195
Total Business-Type Activities	15,395,832	16,465,617	18,479,092	20,655,427	21,726,950	23,414,237	23,116,707	23,711,201	25,100,583	25,404,317
Total Primary Government Expenses	\$ 26,058,197	\$ 26,917,243	\$ 27,817,905	\$ 31,197,117	\$ 31,941,260	\$ 35,010,357	\$ 40,144,151	\$ 38,461,176	\$ 36,353,972	\$ 37,226,225
Program Revenues (See Table 3)										
Governmental Activities:										
Charges for Services										
General Government	\$ 62,318	\$ 69,144	\$ 230,636	\$ 141,078	\$ 140,665	\$ 158,271	\$ 147,203	\$ 158,299	\$ 195,655	\$ 201,999
Public Safety	377,779	395,539	756,306	753,742	757,967	712,432	745,351	785,384	867,923	777,862
Public Works	15,930	-	-	-	-	-	97,478	124,504	2,854	335,160
Culture and Recreation	259,506	293,725	308,720	261,183	269,796	117,806	211,804	297,599	463,127	596,580
Community Development	252,880	271,480	248,880	400,371	387,357	338,462	360,764	389,494	379,964	382,751
Operating Grants & Contributions	1,994,789	1,698,799	1,436,765	2,551,298	1,647,771	3,571,744	4,369,300	2,970,960	2,505,853	2,890,942
Capital Grants & Contributions	2,095,134	274,634	1,795,019	1,293,036	487,052	2,449,875	1,608,781	1,249,942	3,044,740	-
Total Governmental Activities Program Revenues	5,058,336	3,003,321	4,776,326	5,400,708	3,690,608	7,348,590	7,540,681	5,976,182	7,460,116	5,185,294
Business-Type Activities:										
Charges for Services:										
Electric	12,157,303	13,520,781	14,626,198	15,452,390	16,541,380	17,702,209	18,047,853	18,597,162	19,304,632	20,212,014
Water	1,286,078	1,364,646	1,464,886	1,481,604	1,544,196	1,574,491	1,768,567	1,819,944	1,813,087	1,875,637
Sewer	1,679,453	2,009,301	2,273,769	2,616,106	2,727,681	2,995,693	3,231,468	3,282,236	3,151,623	3,301,613
Sanitation	501,295	567,773	565,929	582,524	585,872	607,487	617,193	653,644	681,405	706,228
Utility Administration	77,677	77,768	62,628	140,388	86,145	79,762	58,339	63,592	221,912	91,443
Operating Grants & Contributions	93,855	25,000	-	-	-	-	133,922	-	-	-
Capital Grants & Contributions	157,210	1,138,545	1,212,522	133,247	1,493,520	345,797	262,735	269,026	104,335	-
Total Business-Type Activities Program Revenues	15,952,871	18,703,814	20,205,932	20,406,259	22,978,794	23,305,439	24,120,077	24,685,604	25,276,994	26,186,935
Total Primary Government Program Revenues	\$ 21,011,207	\$ 21,707,135	\$ 24,982,258	\$ 25,806,967	\$ 26,669,402	\$ 30,654,029	\$ 31,660,758	\$ 30,661,786	\$ 32,737,110	\$ 31,372,229

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue (1)										
Governmental Activities	\$ (5,604,029)	\$ (7,448,305)	\$ (4,562,487)	\$ (5,140,982)	\$ (6,523,702)	\$ (4,247,530)	\$ (9,486,763)	\$ (8,773,793)	\$ (3,793,273)	\$ (6,636,614)
Business-Type Activities	557,039	2,238,197	1,726,840	(249,168)	1,251,844	(108,798)	1,003,370	974,403	176,411	782,618
Total Primary Government										
Net Expense	<u>\$ (5,046,990)</u>	<u>\$ (5,210,108)</u>	<u>\$ (2,835,647)</u>	<u>\$ (5,390,150)</u>	<u>\$ (5,271,858)</u>	<u>\$ (4,356,328)</u>	<u>\$ (8,483,393)</u>	<u>\$ (7,799,390)</u>	<u>\$ (3,616,862)</u>	<u>\$ (5,853,996)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Tax	\$ 2,487,916	\$ 2,300,212	\$ 2,635,368	\$ 2,681,577	\$ 2,729,448	\$ 2,808,284	\$ 2,867,892	\$ 3,059,981	\$ 2,927,524	\$ 3,089,213
Franchise Tax	-	-	-	-	-	-	-	1,295,700	1,347,767	1,398,201
Sales Tax	2,155,403	2,384,408	2,269,049	2,636,373	2,399,746	2,509,541	2,218,953	2,621,213	2,669,265	2,701,550
Occupation Tax	-	-	-	-	-	-	-	48,238	46,557	27,239
Other Taxes	923,220	1,036,955	1,147,114	1,225,876	1,239,407	1,382,146	1,330,663	-	-	-
Interest	374,994	206,095	147,382	37,522	31,712	19,754	7,007	11,879	11,857	23,546
Unrestricted Intergovernmental	260,984	328,551	358,084	431,952	417,070	457,375	536,486	579,342	626,630	795,284
Unrestricted Lottery Revenue	60,971	79,099	69,424	89,354	62,553	50,068	55,905	56,386	69,039	78,260
Gain on Sale of Assets	461,379	78,568	8,240	-	83,375	670	-	1,000	4,430	-
Miscellaneous	165,423	82,135	74,619	160,811	136,994	65,220	53,519	184,300	226,167	74,579
Transfers	14,335	-	804,830	(115,590)	(452,286)	(306,691)	(97,646)	(161,371)	669,279	116,068
Total Governmental Activities	<u>\$ 6,904,625</u>	<u>\$ 6,496,023</u>	<u>\$ 7,514,110</u>	<u>\$ 7,147,875</u>	<u>\$ 6,648,019</u>	<u>\$ 6,986,367</u>	<u>\$ 6,972,779</u>	<u>\$ 7,696,668</u>	<u>\$ 8,598,515</u>	<u>\$ 8,303,940</u>
Business Type of Activities:										
Taxes:										
Sales Tax	-	-	-	-	-	-	-	\$ 126,976	\$ 472,593	\$ 570,370
Interest	17,615	5,683	35,250	8,081	902	-	254	1,530	324	-
Finance Charges	36,659	39,067	41,406	40,813	56,938	59,054	55,157	59,136	62,031	53,184
Gain on Sale of Assets	-	-	-	-	-	6,185	-	3,500	-	69,840
Contributed Capital Revenue	-	-	-	-	-	-	-	-	-	2,303,929
Miscellaneous	91,544	89,329	103,634	98,662	168,499	293,917	179,333	86,217	112,684	144,792
Transfers	(14,335)	-	(804,830)	115,590	452,286	306,691	97,646	161,371	(669,279)	(116,068)
Total Business-Type Activities	<u>131,483</u>	<u>134,079</u>	<u>(624,540)</u>	<u>263,146</u>	<u>678,625</u>	<u>665,847</u>	<u>332,390</u>	<u>438,730</u>	<u>(21,647)</u>	<u>3,026,047</u>
Total Primary Government	<u>\$ 7,036,108</u>	<u>\$ 6,630,102</u>	<u>\$ 6,889,570</u>	<u>\$ 7,411,021</u>	<u>\$ 7,326,644</u>	<u>\$ 7,652,214</u>	<u>\$ 7,305,169</u>	<u>\$ 8,135,398</u>	<u>\$ 8,576,868</u>	<u>\$ 11,329,987</u>
Change in Net Position										
Governmental Activities	\$ 1,300,596	\$ (952,282)	\$ 2,951,623	\$ 2,006,893	\$ 124,317	\$ 2,738,837	\$ (2,513,984)	\$ (1,077,125)	\$ 4,805,242	\$ 1,667,326
Business-Type Activities	688,522	2,372,276	1,102,300	13,978	1,930,469	557,049	1,335,760	1,413,133	154,764	3,808,665
Total Primary Government	<u>\$ 1,989,118</u>	<u>\$ 1,419,994</u>	<u>\$ 4,053,923</u>	<u>\$ 2,020,871</u>	<u>\$ 2,054,786</u>	<u>\$ 3,295,886</u>	<u>\$ (1,178,224)</u>	<u>\$ 336,008</u>	<u>\$ 4,960,006</u>	<u>\$ 5,475,991</u>

Notes:

(1) - Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues.

(2) - For years prior to 2007 the Community Development Agency (the CDA) was reported as a special revenue fund and part of the primary government. Beginning in 2007, the CDA was reported as a discretely presented component unit.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Program Revenues by Function
Last Ten Fiscal Years
(accrual basis of accounting)

Function	Program Revenues (1)			
	2006	2007	2008	2009
Governmental Activities:				
General Government	\$ 146,707	\$ 235,023	\$ 248,586	\$ 166,510
Public Safety	1,433,664	993,039	1,069,359	1,417,210
Public Works	2,226,067	1,002,408	2,730,998	2,063,737
Culture and Recreation	440,069	468,880	409,230	483,083
Community Development	811,829	303,971	318,153	1,270,168
Subtotal Governmental Activities	5,058,336	3,003,321	4,776,326	5,400,708
Business-type Activities				
Electric	12,157,303	13,896,173	14,991,995	15,514,757
Water	1,458,538	2,029,495	1,501,808	1,543,074
Sewer	1,758,058	2,132,605	3,083,572	2,616,106
Sanitation	501,295	567,773	565,929	582,524
Utility Administration	77,677	77,768	62,628	149,798
Subtotal Business-type Activities	15,952,871	18,703,814	20,205,932	20,406,259
Total Primary Government	<u>\$ 21,011,207</u>	<u>\$ 21,707,135</u>	<u>\$ 24,982,258</u>	<u>\$ 25,806,967</u>

Notes:

(1) - For years prior to 2007 the Community Development Agency (the CDA) was reported as a special revenue fund and part of the primary government. Beginning in 2007, the CDA was reported as a discretely presented component unit.

Table 3

2010	2011	Program Revenues (1)		2014	2015
		2012	2013		
\$ 162,090	\$ 180,346	\$ 167,203	\$ 178,299	\$ 197,116	\$ 204,504
1,207,182	1,191,562	1,244,574	1,322,378	1,356,860	1,167,996
1,420,127	5,366,625	5,267,865	3,159,552	4,269,992	1,512,436
458,852	261,595	301,180	815,206	813,260	864,408
442,357	348,462	559,859	500,747	822,888	1,435,950
3,690,608	7,348,590	7,540,681	5,976,182	7,460,116	5,185,294
16,541,380	17,702,209	18,047,853	18,597,162	19,304,632	20,212,014
1,544,196	1,574,491	1,902,489	1,819,944	1,813,087	1,875,637
4,221,201	3,341,490	3,494,203	3,321,618	3,155,976	3,301,613
585,872	607,487	617,193	653,644	681,405	706,228
86,145	79,762	58,339	293,236	321,894	91,443
22,978,794	23,305,439	24,120,077	24,685,604	25,276,994	26,186,935
<u>\$ 26,669,402</u>	<u>\$ 30,654,029</u>	<u>\$ 31,660,758</u>	<u>\$ 30,661,786</u>	<u>\$ 32,737,110</u>	<u>\$ 31,372,229</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year (1)			
	2006	2007	2008	2009
General Fund				
Reserved	\$ -	\$ 9,500	\$ 145,461	\$ 145,461
Unreserved	1,464,806	1,536,434	1,787,431	2,268,807
Nonspendable (2)	-	-	-	-
Assigned (2)	-	-	-	-
Unassigned (2)	-	-	-	-
Total General Fund	<u>\$ 1,464,806</u>	<u>\$ 1,545,934</u>	<u>\$ 1,932,892</u>	<u>\$ 2,414,268</u>
All Other Governmental Funds				
Reserved	\$ 2,088,181	\$ 1,840,476	\$ 2,346,908	\$ 2,270,758
Unreserved, Reported in:				
Special Revenue Funds	2,946,059	2,358,153	2,219,885	2,109,223
Capital Project Funds	(944,222)	(1,048,200)	(1,595,089)	(1,580,325)
Nonspendable (2)	-	-	-	-
Restricted (2)	-	-	-	-
Committed (2)	-	-	-	-
Assigned (2)	-	-	-	-
Unassigned (2)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 4,090,018</u>	<u>\$ 3,150,429</u>	<u>\$ 2,971,704</u>	<u>\$ 2,799,656</u>

(1) - For years prior to 2007 the Community Development Agency (the CDA) was reported as a special revenue fund and part of the primary government. Beginning in 2007, the CDA was reported as a discretely presented component unit.

(2) - The City implemented GASB 54 in fiscal 2011, which changed fund balance classifications for periods beginning after June 15, 2010.

Table 4

Fiscal Year (1)					
2010	2011	2012	2013	2014	2015
\$ 245,091	\$ -	\$ -	\$ -	\$ -	\$ -
1,830,242	-	-	-	-	-
-	190,617	160,617	364,011	442,572	534,472
-	13,184	63,630	63,630	63,630	63,630
-	2,032,728	1,883,997	1,986,775	2,459,161	2,823,487
<u>\$ 2,075,333</u>	<u>\$ 2,236,529</u>	<u>\$ 2,108,244</u>	<u>\$ 2,414,416</u>	<u>\$ 2,965,363</u>	<u>\$ 3,421,589</u>
\$ 2,602,046	\$ -	\$ -	\$ -	\$ -	\$ -
1,694,262	-	-	-	-	-
(765,719)	-	-	-	-	-
-	3,619,000	930,380	888,908	1,048,837	980,826
-	2,763,773	2,536,073	3,603,078	4,486,054	5,412,973
-	292,250	8,132	-	-	-
-	741,163	752,048	2,158,141	1,318,278	139,040
-	(1,495,617)	(1,880,514)	(1,138,551)	(999,284)	(1,470,515)
<u>\$ 3,530,589</u>	<u>\$ 5,920,569</u>	<u>\$ 2,346,119</u>	<u>\$ 5,511,576</u>	<u>\$ 5,853,885</u>	<u>\$ 5,062,324</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal year (1)				
	2006	2007	2008	2009	2010
Revenues					
Taxes	\$ 2,474,911	\$ 2,297,702	\$ 2,632,159	\$ 2,702,233	\$ 2,654,475
Franchise Taxes	-	-	-	-	-
Local Option Sales Taxes	-	-	-	-	-
Occupation Taxes	-	-	-	-	-
Other Taxes	3,112,042	3,421,363	3,416,183	3,862,249	3,639,153
Special Assessments	19,320	12,980	16,900	9,457	11,508
Licenses & Permits	1,835	1,599	4,206	3,555	1,897
Intergovernmental Revenue	3,477,215	2,627,877	3,293,363	4,686,314	2,903,260
Charges for Services	240,867	265,075	583,662	518,088	541,178
Fines and Forfeits	8,447	10,273	10,880	8,214	7,397
Sale of Land	461,379	34,784	-	-	83,375
Lottery Revenue	60,971	79,099	69,424	89,354	62,553
Interest	374,994	198,330	136,133	34,859	30,549
Rental Income	337,781	369,907	421,452	564,543	546,810
Contributions	173,977	27,141	26,608	45,299	44,755
Reimbursements	-	-	609,673	110,625	65,437
Miscellaneous	132,004	82,135	56,423	67,236	71,556
Total Revenue	10,875,743	9,428,265	11,277,046	12,702,026	10,663,903
Expenditures					
General Government	761,034	903,935	1,186,583	870,832	872,040
Public Safety	5,118,206	4,144,987	4,216,226	4,959,838	4,725,947
Public Works	533,703	845,088	856,016	689,803	1,213,055
Culture and Recreation	1,204,010	1,547,853	954,430	1,079,716	851,120
Community Development	3,700,775	719,002	1,260,382	755,832	281,440
Capital Projects	1,047,789	1,194,452	2,633,326	4,094,399	3,131,076
Debt Service: (2)	2,256,703				
Principal		667,350	708,983	812,983	1,160,083
Interest		373,331	307,697	313,705	289,039
Total Expenditure	14,622,220	10,395,998	12,123,643	13,577,108	12,523,800
Excess (Deficiency) of Revenues over expenditures	<u>(3,746,477)</u>	<u>(967,733)</u>	<u>(846,597)</u>	<u>(875,082)</u>	<u>(1,859,897)</u>
Other Financing Sources (Uses)					
Proceeds from Debt Financing	1,700,000	1,835,000	250,000	1,300,000	2,500,000
Proceeds from Capital Lease	-	-	-	-	-
Sale of Capital Assets	-	70,000	-	-	-
Bond Refunding Payments	-	(1,555,000)	-	-	-
Transfers In	856,877	137,234	945,439	-	274,806
Transfers Out	(856,877)	(137,234)	(140,609)	(115,590)	(522,911)
Total Other Financing Sources (Uses)	1,700,000	350,000	1,054,830	1,184,410	2,251,895
Net Change in Fund Balances	\$ (2,046,477)	\$ (617,733)	\$ 208,233	\$ 309,328	\$ 391,998
 Debt Service as a Percentage of Noncapital Expenditures	 16.62%	 12.61%	 13.29%	 13.24%	 16.30%

(1) - For years prior to 2007 the Community Development Agency (the CDA) was reported as a special revenue fund and part of the primary government. Beginning in 2007, the CDA was reported as a discretely presented component unit.

(2) - The breakdown between principal and interest for years prior to 2007 was not available.

Table 5

Fiscal year (1)				
2011	2012	2013	2014	2015
\$ 2,861,320	\$ 2,883,519	\$ 3,069,598	\$ 2,941,741	\$ 2,987,222
-	-	1,295,700	1,347,757	1,394,590
-	-	2,621,213	2,669,255	2,701,550
-	-	48,238	46,557	27,239
3,891,687	3,549,616	-	-	-
163	-	85,945	2,854	2,854
9,945	-	3,949	10,173	2,261
6,908,118	6,966,472	5,115,048	4,561,409	4,561,409
340,285	459,304	568,423	746,047	855,902
9,492	11,720	9,270	7,643	6,863
670	-	1,000	4,430	-
50,068	55,905	56,386	69,039	78,260
18,395	6,787	11,735	11,857	25,202
504,863	532,500	558,620	589,907	604,462
8,265	13,589	10,467	46,187	33,139
19,415	131,052	75,317	92,983	-
45,805	16,049	263,158	132,461	90,404
14,668,491	14,626,513	13,794,067	13,280,320	13,371,357
713,942	926,332	905,160	872,528	954,835
4,903,398	4,883,831	5,049,087	4,542,773	4,654,843
961,805	864,934	961,145	859,335	1,260,494
811,579	790,575	1,074,636	928,448	1,181,392
544,246	3,200,861	257,281	858,526	901,548
3,961,423	6,076,766	7,300,484	3,491,894	2,521,674
1,197,083	1,332,084	1,293,750	1,245,000	2,010,000
349,160	324,895	391,200	386,872	358,124
13,442,636	18,400,278	17,232,743	13,185,376	13,842,910
1,225,855	(3,773,765)	(3,438,676)	94,944	(471,553)
1,400,000	-	5,350,000	-	-
-	-	29,649	-	20,150
-	-	(11,758)	-	-
-	-	-	-	-
505,900	733,691	601,614	1,442,046	611,572
(786,340)	(831,337)	(762,985)	(772,767)	(495,504)
1,119,560	(97,646)	5,206,520	669,279	136,218
\$ 2,345,415	\$ (3,871,411)	\$ 1,767,844	\$ 764,223	\$ (335,335)
15.09%	10.63%	12.45%	21.56%	28.78%

CITY OF SOUTH SIOUX CITY
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Local Option Sales Tax</u>	<u>Franchise Taxes</u>	<u>Total Taxes</u>
2006	2,474,911	2,155,403	956,639	5,586,953
2007	2,297,702	2,384,408	1,036,955	5,719,065
2008	2,632,159	2,269,049	1,147,114	6,048,322
2009	2,702,233	2,636,373	1,225,876	6,564,482
2010	2,654,475	2,399,746	1,239,407	6,293,628
2011	2,861,320	2,509,542	1,382,145	6,753,007
2012	2,883,519	2,218,953	1,330,663	6,433,135
2013	3,069,598	2,621,213	1,295,700	6,986,511
2014	2,941,941	2,669,265	1,347,767	6,958,973
2015	2,987,222	2,701,550	1,394,590	7,083,362
Percentage Change In Dollars Over 10 Years	20.70%	25.34%	45.78%	26.78%

CITY OF SOUTH SIOUX CITY, NEBRASKA

Table 7

**Assessed Value and Estimated Actual Value of Taxable Property (1)
Last Ten Fiscal Years**

FISCAL YEAR (2)	REAL PROPERTY		PERSONAL PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT TAX RATE
	RESIDENTIAL	COMMERCIAL			
2006	420,684,246 *	N/A *	65,379,434	486,063,680	0.381162
2007	261,742,500	180,316,613	57,963,564	500,022,677	0.388785
2008	271,828,750	186,048,939	47,523,153	505,400,842	0.392706
2009	275,807,985	192,709,048	47,613,547	516,130,580	0.395877
2010	275,437,165	198,940,836	74,191,064	548,569,065	0.389493
2011	288,403,640	202,844,257	49,032,818	540,280,715	0.399119
2012	289,719,805	209,345,230	52,164,993	551,230,028	0.399118
2013	290,116,900	214,868,738	50,203,052	555,188,690	0.404321
2014	290,113,900	225,552,624	43,724,636	559,391,160	0.404262
2015	294,654,785	226,598,123	53,332,314	574,585,222	0.404265

(1) - Taxable property is assessed at 100% of its estimated actual value.

(2) - The assessed valuations are effective on September 1 of each year.

* Breakdown between residential and commercial real property is not available for years prior to 2007.

N/A - Not Available

Source: Dakota County Assessor's Office

CITY OF SOUTH SIOUX CITY, NEBRASKA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

	Fiscal Year			
	2006	2007	2008	2009
CITY OF SOUTH SIOUX CITY				
GENERAL FUND	\$ 0.27309	\$ 0.28035	\$ 0.27905	\$ 0.27538
DEBT SERVICE	0.00416	0.00505	0.00500	0.00489
POLICE RETIREMENT	0.02182	0.02121	0.02498	0.02641
FIRE	0.02950	0.02950	0.03000	0.03092
LIBRARY	0.05260	0.05268	0.05368	0.05828
TOTAL CITY OF SOUTH SIOUX CITY	<u>0.38116</u>	<u>0.38879</u>	<u>0.39271</u>	<u>0.39588</u>
OVERLAPPING RATES (2)				
DAKOTA COUNTY	0.48118	0.48781	0.45010	0.42746
SCHOOL DISTRICT NO 11	1.27816	1.28295	1.27492	1.26996
NORTHEAST TECH COMMUNITY COLLEGE	0.08962	0.09042	0.08230	0.09000
PAPIO MISSOURI NRD	0.03909	0.03844	0.03485	0.03375
AGRICULTURAL SOCIETY	0.01140	0.01073	0.01040	0.01005
EDUCATIONAL SERVICES UNIT #1	0.01765	0.01680	0.01609	0.01600
HISTORICAL SOCIETY	0.00203	0.00196	0.00194	0.00190
TOTAL OVERLAPPING RATES	<u>1.91913</u>	<u>1.92911</u>	<u>1.87060</u>	<u>1.84911</u>
TOTAL PROPERTY TAXES	\$ 2.30029	\$ 2.31790	\$ 2.26331	\$ 2.24499

(1) Tax rates are per \$100 of assessed valuation, and effective on September 1 of each year.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City of South Sioux City.

Table 8

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 0.27358	\$ 0.27963	\$ 0.27632	\$ 0.28892	\$ 0.28344	\$ 0.28535
0.00456	0.00463	0.00454	-	-	-
0.02506	0.02544	0.02541	0.02533	0.02536	0.02520
0.03092	0.03210	0.03500	0.03200	0.03150	0.03000
0.05538	0.05732	0.05786	0.05807	0.06397	0.06372
<u>0.38949</u>	<u>0.39912</u>	<u>0.39912</u>	<u>0.40432</u>	<u>0.40426</u>	<u>0.40427</u>
0.44342	0.44563	0.44974	0.44906	0.42291	0.36659
1.26673	1.26555	1.26376	1.20766	1.20359	1.20493
0.09354	0.09850	0.09525	0.09825	0.09930	0.09900
0.03276	0.03275	0.03275	0.03275	0.03275	0.03275
0.00953	0.00859	0.00826	0.00770	0.00693	0.00632
0.01500	0.01500	0.01500	0.01500	0.01500	0.01500
0.00183	0.00184	0.00182	0.00165	0.00157	0.00162
<u>1.86281</u>	<u>1.86785</u>	<u>1.86658</u>	<u>1.81207</u>	<u>1.78205</u>	<u>1.72621</u>
\$ 2.25231	\$ 2.26697	\$ 2.26570	\$ 2.21639	\$ 2.18631	\$ 2.13048

CITY OF SOUTH SIOUX CITY, NEBRASKA
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 9

TAXPAYERS	2015			2006		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL CITY TAXABLE ASSESSED VALUE
BEEF PRODUCTS INC	\$ 24,856,575	1	4.22%	\$ 32,512,899	1	6.69%
RICHARDSON MILLING (AKA 21c)	21,929,522	2	3.72%	\$ -		
CHS Inc (was Norfolk Building)	17,400,294	3	2.95%	-		
WAL-MART REALTY CO STORE 1332	9,074,775	4	1.54%	5,540,502	8	1.14%
GREAT WEST CASUALTY CO	7,428,120	5	1.26%	7,873,080	5	1.62%
IRET PROPERTIES	6,690,535	6	1.14%	7,049,476	6	1.45%
MONTEBELLO INCORPORATED	6,660,340	7	1.13%	7,876,448	4	1.62%
LONG LINES SIOUXLAND LLC	6,259,421	8	1.06%	-		
VBC OF NEBRASKA, INC.	5,504,185	9	0.93%	5,552,910	7	1.14%
MFP MID-AMERICA SHOPPING CENTERS	4,900,000	10	0.83%	-		
Dakota Cold Storage	-			13,688,993	2	2.82%
Conagra (21C) (now Richardson)				12,088,626	3	2.49%
PERKINS DELAWARE LLC				5,481,211	9	1.13%
GERKIN WINDOWS AND DOORS	-			4,834,839	10	0.99%
	-					
Total	<u>\$ 110,703,767</u>		<u>19.27%</u>	<u>\$ 102,498,984</u>		<u>21.09%</u>

Source: Dakota County Assessor's Office.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Table 10

Fiscal Year Ended Sep 30	Taxes Levied for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2006	1,852,690	1,716,532	92.65%	111,164	1,827,568	98.64%
2007	1,944,014	1,805,968	92.90%	116,268	1,922,236	98.88%
2008	1,984,740	1,850,932	93.26%	110,604	1,961,536	98.83%
2009	2,043,245	1,919,183	93.93%	102,089	2,021,272	98.92%
2010	2,136,637	1,912,062	89.49%	167,728	2,079,790	97.34%
2011	2,156,363	1,981,728	91.90%	108,805	2,090,533	96.95%
2012	2,200,061	1,882,131	85.55%	118,974	2,001,105	90.96%
2013	2,244,745	2,105,066	93.78%	157,994	2,263,060	100.82%
2014	2,271,209	2,175,578	95.79%	-	2,175,578	95.79%
2015	2,326,439	2,412,252	103.69%	-	2,412,252	103.69%

Source: Dakota County Treasurer, Dakota County, Nebraska

Notes:

(1) - GAAP Basis

(2) - Taxes levied & collected includes only real and personal property taxes received. Amounts exclude TIF and motor vehicle taxes received.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Notes Payable	Tax Increment Revenue Bonds	Bond Anticipation Notes	Capital Leases
2006	6,695,000	2,262,317	1,700,000	-	-
2007	6,120,000	449,967	1,700,000	-	-
2008	5,470,000	640,983	1,700,000	-	-
2009	6,140,000	558,000	1,600,000	-	-
2010	7,715,000	422,917	1,500,000	-	-
2011	8,165,000	295,834	1,380,000	750,000	-
2012	7,085,000	168,750	1,255,000	1,735,000	-
2013	11,315,000	125,000	1,125,000	1,735,000	19,531
2014	10,235,000	100,000	985,000	1,735,000	9,882
2015	9,150,000	75,000	835,000	985,000	-

Notes:

(1) - See Schedule 15 for personal income and population data.

(2) - Personal income information is not available for 2012 through 2015

Table 11

Business-Type Activities						
Revenue Bonds	State Revolving Loan	Bond Anticipation Notes	Capital Leases	Total Primary Government	Net Bonded Debt per Capita (1)	Percentage of Personal Income (1)
12,071,021	1,504,458	-	-	24,232,796	2,004.86	8.14%
14,642,771	1,401,806	-	-	24,314,544	2,003.34	7.84%
19,239,521	3,783,832	-	-	30,834,336	2,569.31	9.10%
19,131,576	4,299,806	-	-	31,729,382	2,658.29	9.48%
18,222,215	5,080,087	3,590,000	-	36,530,219	2,735.73	9.60%
19,238,881	5,536,990	2,895,000	-	38,261,705	2,865.40	9.77%
18,235,816	5,227,041	2,895,000	-	36,601,607	2,741.08	(2)
17,556,435	4,910,136	4,395,000	-	41,181,102	3,084.03	(2)
16,816,361	5,985,316	7,020,000	44,677	42,931,236	3,215.10	(2)
20,720,000	5,589,983	2,625,000	12,997	39,992,980	2,995.06	(2)

CITY OF SOUTH SIOUX CITY, NEBRASKA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	General Obligation Bonds	Tax Increment Revenue Bonds	Bond Anticipation Notes	Note Payable	Capital Leases	Net General Bonded Debt	Net Bonded Debt per Capita (1)	Ratio of Net Debt To Estimated Valuation of Taxable Property (2)
2006	6,695,000	1,700,000	-	2,262,317	-	10,657,317	881.72	2.19%
2007	6,120,000	1,700,000	-	449,967	-	8,269,967	681.38	1.65%
2008	5,470,000	1,700,000	-	640,983	-	7,810,983	650.86	1.55%
2009	6,140,000	1,600,000	-	558,000	-	8,298,000	695.21	1.61%
2010	7,715,000	1,500,000	-	422,917	-	9,637,917	721.78	1.76%
2011	8,165,000	1,380,000	750,000	295,834	-	10,590,834	793.14	1.96%
2012	7,085,000	1,255,000	1,735,000	168,750	-	10,243,750	767.15	1.86%
2013	11,315,000	1,125,000	1,735,000	125,000	19,531	14,319,531	1,072.38	2.58%
2014	10,235,000	985,000	1,735,000	100,000	9,882	13,064,882	978.42	2.34%
2015	9,150,000	835,000	985,000	75,000	-	11,045,000	827.15	1.92%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) - Population data can be found in Table 15.

(2) - See Table 7 for property value data.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Computation of Direct and Overlapping Debt
As of September 30, 2015

Table 13

<u>GOVERNMENTAL UNITS</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable (4)</u>	<u>Direct and Overlapping Debt to the City</u>
DIRECT:			
City of South Sioux City (3)	<u>\$ 11,045,000</u>	100.00%	<u>\$ 11,045,000</u>
OVERLAPPING:			
Dakota County (1)	3,995,188	33.90%	1,354,369
South Sioux City Community School (2)	<u>10,280,000</u>	65.93%	<u>6,777,604</u>
Total Overlapping	<u>14,275,188</u>		<u>8,131,973</u>
Total Direct and Overlapping Debt	<u>\$ 25,320,188</u>		<u>\$ 19,176,973</u>

Sources:

(1) - County Auditor, Dakota County

(2) - South Sioux City Community School District

(3) - Includes governmental General Obligation Bonds and Notes only.

(4) - For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 14

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Available Revenue	Debt Service Requirements			
				Principal (3)	Interest	Total	Coverage
2006	16,098,689	13,552,680	2,546,009	793,433	530,622	1,324,055	1.92
2007	18,339,197	14,510,595	3,828,602	782,652	607,899	1,390,551	2.75
2008	20,284,615	16,333,304	3,951,311	830,568	805,409	1,635,977	2.42
2009	20,553,815	17,821,311	2,732,504	968,567	994,509	1,963,076	1.39
2010	23,205,133	18,895,297	4,309,836	1,133,744	1,033,086	2,166,830	1.99
2011	23,318,798	20,538,841	2,779,957	1,196,825	1,034,976	2,231,801	1.25
2012	23,958,164	20,157,347	3,800,817	1,329,949	1,018,525	2,348,474	1.62
2013	24,566,961	20,799,787	3,767,174	1,006,905	1,002,362	2,009,267	1.87
2014	25,824,696	22,088,216	3,736,480	1,119,355	1,022,043	2,141,398	1.74
2015	27,025,120	22,347,929	4,677,191	1,155,332	1,050,827	2,206,159	2.12

Notes:

- (1) - Total revenue including non-operating revenues
- (2) - Operating expenses exclusive of depreciation and amortization
- (3) - Exclusive of bonds refunded

CITY OF SOUTH SIOUX CITY, NEBRASKA
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 15

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
2006	12,087	297,763,245	24,635	3,462	4.10%
2007	12,137	310,330,953	25,569	3,495	4.20%
2008	12,001	338,800,231	28,231	3,493	4.00%
2009	11,936	334,637,696	28,036	3,581	5.50%
2010	13,353	380,547,147	28,499	3,658	7.90%
2011	13,353	391,509,960	29,320	3,628	5.00%
2012	13,353	n/a	n/a	3,577	6.00%
2013	13,353	n/a	n/a	3,616	6.00%
2014	13,353	n/a	n/a	3,660	5.80%
2015	13,360	n/a	n/a	3,925	3.80%

Sources: (1) The Nebraska Databook provided by the NE Department of Economic Development for years prior to 2010
2010 and forward obtained from the U.S. Census Bureau
(2) The Nebraska Databook provided by the NE Department of Economic Development
Per capita personal income numbers are for Dakota County
Per capita personal income numbers for 2012 through 2015 were unavailable
(3) Computation of per capita personal income multiplied by population
(4) South Sioux City Community Schools
(5) The Nebraska Department of Labor

n/a Information is not available.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Principal Employers
Current Year (1)

Table 16

<u>EMPLOYER</u>	<u>2015</u>		<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
	<u>EMPLOYEES</u>	<u>RANK</u>	
Tyson	4,000	1	40.0%
South Sioux City Community Schools	530	2	5.3%
Great West Casualty	510	3	5.1%
BPI	350	4	3.5%
Walmart	235	5	2.4%
Gerkin Windows & Doors	195	6	2.0%
Marina Inn	140	7	1.4%
Hy-Vee	127	8	1.3%
F L Smidth	125	9	1.3%
Sioux City Foundry	100	10	1.0%
City of South Sioux City	106	11	1.1%
Bimbo Bakeries USA	<u>70</u>	12	0.7%
Total Principal Employers	6,488		

Source: South Sioux City Chamber of Commerce

Notes:

(1) - Comparative data for nine years ago not currently available.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Full-time Equivalent City Government Employees by Function
Current Year (1)

Table 17

	2006	2007	2008	2009	Fiscal Year 2010	2011	2012	2013	2014	2015
General Government										
General Administration	2	3	3	3	3	3	3	3	3	4
Buildings and Grounds	2	3	3	5	5	5	5	5	4	4
Public Safety										
Police	27	33	32	35	32	32	32	33	31	30
LEC	8	12	10	14	14	14	14	13	13	11
Emergency Medical Services	0	0	2	2	3	3	3	5	3	4
Public Works										
Streets	5	6	6	7	7	8	8	8	8	9
Auto Maintenance	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Parks and Recreation	1	2	1	1	1	1	1	2	3	4
Campground	0	0	0	1	1	1	1	1	1	2
Library	5	5	5	7	7	7	7	7	8	7
Community Development	1	1	1	1	1	1	1	1	1	1
Business-Type Activities										
Combined Utilities	10	11	11	12	13	13	14	14	12	11
Building Inspections	4	4	4	4	4	4	4	4	4	4
Water	6	7	6	8	7	6	6	6	7	7
Sewer	3	3	3	3	4	5	5	5	4	4
Fiber Optics	3	3	3	3	3	3	3	3	3	3
Total	78	94	91	107	106	107	108	111	106	106

Source: City of South Sioux City Finance

Note: A full-time employee is scheduled to work 261 days per year (365 minus two days off per week). At eight hours per day, 2,088 hours are scheduled per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,088.

(1) - The information for years prior to 2006 is not readily available.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Operating Indicators by Function
Current Year (1)

Table 18

FUNCTION	2006	2007	2008	2009	Fiscal Year 2010	2011	2012	2013	2014	2015
General Government										
Building Permits Issued	109	111	92	90	78	70	78	85	80	78
Public Safety										
Police:										
Criminal Arrests	449	725	621	755	597	712	659	789	399	598
Traffic Tickets	1,937	2,319	1,676	1,667	1,649	1,502	1,827	944	989	1725
All Other Tickets	698	1,094	1,395	1,096	506	1,187	460	1,001	667	559
Drug/Alcohol Arrests	450	454	474	338	296	207	361	249	229	271
Fire:										
Rescue Calls	530	501	481	502	536	573	673	630	714	887
Fire Calls	99	77	81	95	105	102	101	69	101	107
Culture and Recreation										
Library										
Total Circulation	37,763	32,899	36,728	22,531	38,788	43,486	47,790	53,119	56,139	52,503
Library Patrons	73,914	72,967	76,409	78,822	80,112	81,614	91,303	98,045	100,131	112,603
Material Checked Out	35,158	32,255	35,088	22,531	38,788	43,486	47,790	53,119	56,139	52,503
Water:										
New connections	109	32	10	10	10	31	16	48	16	17
Average Daily Consumption (millions of gallons)	2.54	2.54	1.54	2.02	2.14	2.47	3.10	3.40	2.40	2.80
Peak Daily Consumption (millions of gallons)	3.43	4.00	4.00	3.80	3.80	4.21	3.80	4.00	3.80	4.00
Water Main Breaks	25	32	30	61	20	14	44	37	17	18
Sewer:										
Water Pollution Control										
Average Daily Sewage Treatment (millions of gallons)	1.60	1.70	1.64	1.55	1.70	2.27	1.92	2.10	2.2	2.4
Sewer Maintenance										
Sewer Inspections	20,000 LF per month	16,800 LF per month	20,000 LF per month	55,000 LF per month	25,000 LF per month	50,000 LF per month	67,000 LF per month	65,000 LF per month	37000 LF per month	40000 LF per month

Sources: Various City Departments

(1) - The information for years prior to 2006 is not readily available.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Capital Asset Statistics by Function
Current Year (1)

Table 19

	2006	2007	2008	2009	Fiscal Year 2010	2011	2012	2013	2014	2015
FUNCTION										
Public Safety										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	14	19	20	20	22	18	20	16	18	20
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Engines	10	10	10	11	11	11	12	12	12	8
Public Works										
Streets										
Streets (Miles)	67.9	69.0	67.9	67.9	67.9	67.9	68.4	70.3	71	71
Streetlights (City Owned)	2,100	2,100	2,100	2,100	2,100	2,100	2,099	1435	1271	1508
Culture and Recreation										
Parks Acres	223.6	223.6	223.6	278.6	278.6	331	331	331	317	317
Parks	11	11	11	12	11	11	11	11	11	10
Swimming Pools	2	1	2	1	1	1	1	1	1	1
Tennis Courts	5	5	5	5	5	5	5	5	2	2
Baseball/Softball Diamonds	11	11	11	11	11	11	11	11	7	7
Soccer Fields	17	17	17	17	17	17	17	17	17	17
Trails (Miles)	14	14	16	17	18	19	19	19	19	19
Libraries	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	65	78.5	78.5	78.5	79	79	79.5	80	79.5	80
Fire Hydrants (City maintained)	453	527	527	527	531	602	17	602	648	646
Treatment plants	2	2	2	2	2	2	2	2	2	2
Sewer										
Sanitary sewer (miles)	40	43	47	47	47	48	48.5	49	49.5	51.5
Lift Stations	14	15	13	16	15	17	17	17	17	17

Sources: Various City Departments

(1) - The information for years prior to 2006 is not readily available.

SINGLE AUDIT SECTION

CITY OF SOUTH SIOUX CITY, NEBRASKA
Schedule of Expenditures of Federal Awards (Cash Basis)
For the Year Ended September 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Disbursements
Direct:			
U.S. Department of Commerce: Economic Adjustment Assistance	11.307	05-69-05484	\$ 9,458
U.S. Department of Commerce Public Works and Economic Adjustment Assistance Programs	11.300	05-01-05591	189,750
Executive Office of the President: High Intensity Drug Trafficking Areas Program	95.001		18,838
Indirect:			
U.S. Department of Agriculture Passed through the Nebraska Department of Agriculture Specialty Crop Grant	10.170	18-13-209	17,264
U.S. Department of Housing and Urban Development: Passed through the Nebraska Department of Economic Development:			
Community Development Block Grant	14.228	13-PW-004	174,629
Community Development Block Grant	14.228	13-HO-5068	208,394
Community Development Block Grant	14.228	12-PW-007	23,479
			<u>406,502</u>
Passed through the City of Sioux City, Iowa HOME Investment Partnerships Program	14.239		18,423
U.S. Department of the Interior: Passed through the Nebraska Game and Parks Commission Outdoor Recreation Acquisition, Development & Planning	15.916	31-01019	59,794
U.S. Department of Justice: Passed through the Nebraska Commission on Law Enforcement: Crime Victim Assistance	16.575	13-VA-2006	53,041
Passed through the Nebraska Department of Highway Safety:			
Highway Planning and Construction	20.205		3,698
Highway Planning and Construction	20.205		3,850
Highway Planning and Construction	20.205		3,099
Highway Planning and Construction	20.205		2,303
			<u>12,950</u>
Executive Office of the President: Passed through the Nebraska State Patrol:			
High Intensity Drug Trafficking Areas Program	95.001	13HD08	12,970
High Intensity Drug Trafficking Areas Program	95.001	14HD08	135
High Intensity Drug Trafficking Areas Program	95.001	15HD08	91,433
			<u>\$ 104,538</u>
			Continued

CITY OF SOUTH SIOUX CITY, NEBRASKA
Schedule of Expenditures of Federal Awards (Cash Basis) - Continued
For the Year Ended September 30, 2015

Grantor/Program	CFDA Number	Agency or Pass-Through Number	Program Disbursements
Indirect:			
U.S. Department of Homeland Security:			
Passed through the Nebraska Emergency Management Agency			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		105,800
Total			<u>\$ 996,358</u>

CITY OF SOUTH SIOUX CITY, NEBRASKA
Schedule Of Expenditures of Federal Awards (Cash Basis) – (Continued)
For the Year Ended September 30, 2015

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of South Sioux City and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

Part I: Summary of the Independent Auditors' Results

- (a) An unmodified opinion was issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) Material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were as follows:
 - 11.300 – Public Works and Economic Adjustment Assistance Program
 - 14.228 – Community Development Block Grant
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of South Sioux City did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

Instances of Non-Compliance:

No matters were noted.

There were no prior year audit findings.

Material Weakness:

2015-001 - Financial Reporting

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

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

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

Recommendation – We recommend that the City train additional business office staff on U.S. GAAP and government accounting standards to help reduce the amount of adjusting journal entries and increase their knowledge of the required reporting standards.

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

Part III: Findings Related to Federal Awards

Instances of Non-Compliance:

No matters were noted.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015

Part III: Findings Related to Federal Awards (Continued)

Material Weaknesses:

2015-002 - Grant/SEFA Administration

Condition and Criteria – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the City to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Effects – Because of insufficient review or supervision, financial reporting is susceptible to an increased risk of errors or omission and fraud and/or misappropriations.

Cause – With a limited number of personnel and current workload, time constraints and staff expertise do not allow review.

Recommendation – The City should implement procedures to ensure all federal grants are identified and included in the City's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Views of Responsible Officials – The City understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

CITY OF SOUTH SIOUX CITY, NEBRASKA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended September 30, 2015

Material Weaknesses:

2014-001 Financial Reporting

Observation - During the audit, we identified material amounts of receivables, payables and capital asset additions not recorded in the City's financial statements. Cash reclassifications were also identified. Adjustments were subsequently made by the City to properly include these amounts in the financial statements.

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

Response - We will double check these in the future to avoid any missing receivables, payables, capital asset or cash reclassification transactions.

Status - No issues related to Federal Awards noted in 2015.

2014-002 Grant Administration/Schedule of Expenditures Awards

Condition and Criteria - During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the City to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Effect - Because of insufficient review or supervision, financial reporting is susceptible to an increased risk of errors or omission and fraud and/or misappropriations.

Cause - With a limited number of personnel and current workload, time constraints and staff expertise do not allow review.

Recommendation - The City should implement procedures to ensure all federal grants are identified and included in the City's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Views of Responsible Officials - The City understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

Current Status - This finding still exists.



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Honorable Mayor, Members of the City Council
City of South Sioux City, Nebraska

Report on Compliance for Each Major Federal Program

We have audited the City of South Sioux City, Nebraska's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015. The City of South Sioux City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of South Sioux City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of South Sioux City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

The management of the City of South Sioux City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of South Sioux City's internal control over

compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of South Sioux City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-002 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed above, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

William & Leary P.C.
Certified Public Accountants

Le Mars, Iowa
March 9, 2016



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543
www.williamscpas.com

**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**

Honorable Mayor, Members of the City Council
City of South Sioux City, Nebraska

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of South Sioux City, Nebraska as of and for the year ended September 30, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 9, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of South Sioux City's internal control over financial reporting (internal control) to determine the 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 South Sioux City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of South Sioux City's internal control.

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 the accompanying schedule of findings and questioned costs we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-001 to be a material weakness.

Compliance and Other Matters

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

City of South Sioux City's Response to Findings

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

Purpose of this Report

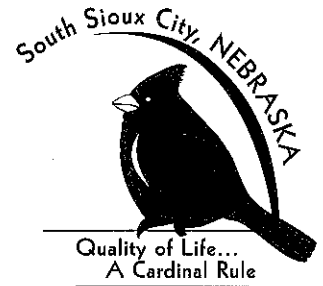
This purpose of this is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance 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 during the course of our audit.

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


Certified Public Accountants

Le Mars, Iowa
March 9, 2016



Schedule of Findings and Questioned Costs
Corrective Action Plan
September 30, 2015

Department of Commerce

The City of South Sioux City, Nebraska, respectfully submits the following corrective action plan for the year ended September 30, 2015.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended September 30, 2015.

The findings from the September 30, 2015 Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

MATERIAL WEAKNESSES:

2015-002 Grant Administration/Schedule of Expenditures of Federal Awards

Condition and Criteria – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the City to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Effects – Because of insufficient review or supervision, financial reporting is susceptible to an increased risk of errors or omission and fraud and/or misappropriations.

Cause – With a limited number of personnel and current workload, time constraints and staff expertise do not allow review.

Recommendation – The City should implement procedures to ensure all federal grants are identified and included in the City's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Views of Responsible Officials – The City understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

If the Department of Commerce has questions regarding this plan, please call Nancy Walsch at 402-494-7594.

Sincerely yours,

CITY OF SOUTH SIOUX CITY, NEBRASKA

Nanci Ann Walsh, City Treasurer/Finance Officer

