

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
CITY OF ORANGE CITY, IOWA  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025**

Prepared by the  
Office of the City Administrator  
Earl Woudstra, City Administrator

**CITY OF ORANGE CITY, IOWA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025  
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\* \* \* \*



December 19, 2025

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Orange City:

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2025.

Management assumes responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has 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.

Williams & Company, Certified Public Accountants, have issued an unmodified opinion on the City of Orange City's financial statements for the year ended June 30, 2025. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Orange City was incorporated in 1884, is located in the Northwest corner of the State of Iowa and is the county seat of Sioux County. The City of Orange City is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Orange City operates under the council-administrator form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and five Council members. The Council appoints the government's administrator, who in turn appoints the heads of the various departments with council approval. Council members serve four-year terms. The mayor is elected for a two-year term. The council members are elected on a staggered basis.

The City Administrator has operating responsibilities for all City functions excluding the Hospital.

The City of Orange City provides a full range of Municipal services which includes police and fire protection; the construction and maintenance of streets and other infrastructure; recreational and cultural activities; general administration and medical care facilities. The City of Orange City also owns and operates the electric, water, sewer, and natural gas utilities. The City of Orange City also is financially accountable for a legally separate hospital board and golf course board, of which is reported separately within the City of Orange City's financial statements. Additional information on the municipal hospital and golf course can be found in the notes to the financial statements.

The Council is required to adopt a final budget by no later than April 30<sup>th</sup>. This annual budget serves as the foundation for the City of Orange City's financial planning and control. Iowa budget law requires the adoption of legal budgets for expenditures on a program basis. Although the budget document presents program expenditures by fund, the legal level of control is at the aggregated program level, not at the fund level.

### **Local Economy**

Orange City is located in Sioux County in the northwest portion of Iowa, which is noted for its excellent cropland and livestock production numbers. Industry plays a big part in Orange City's economic condition with the biggest three employers being Staples, Inc., an advertising and promotional products manufacturer, Smithfield, Inc., a pet food producer, and Diamond Vogel Paint and Wax, a full line paint manufacturer.

Fiscal year 2024-2025 was another wonderful year for the community of Orange City. Many exciting trends and projects are taking place that continue to improve the quality of life for its citizens.

The City of Orange City plays an important part in the community growth, which will continue with active participation in the planning process of our community.

### **Long-Term financial planning**

Management of the City of Orange City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The general fund falls within the policy guidelines set by the Council for budgetary and planning purposes (i.e., between 45 and 53 percent of total general fund revenues). Following its recent review of the City of Orange City's strategic plan, the Council plans on keeping the percentage the same for the following year, this will reduce the amount that will be needed to borrow to finance future construction.

**Awards and Acknowledgements**

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 Orange City for its annual comprehensive financial report (ACFR) for the year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire office staff. We wish to express our appreciation also to all our city employees for their dedication to making city services the best. Credit also must be given to the Honorable Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Orange City's finances.

Respectfully submitted,



Earl Woudstra  
City Administrator



Kent Anderson  
Finance Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Orange City  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

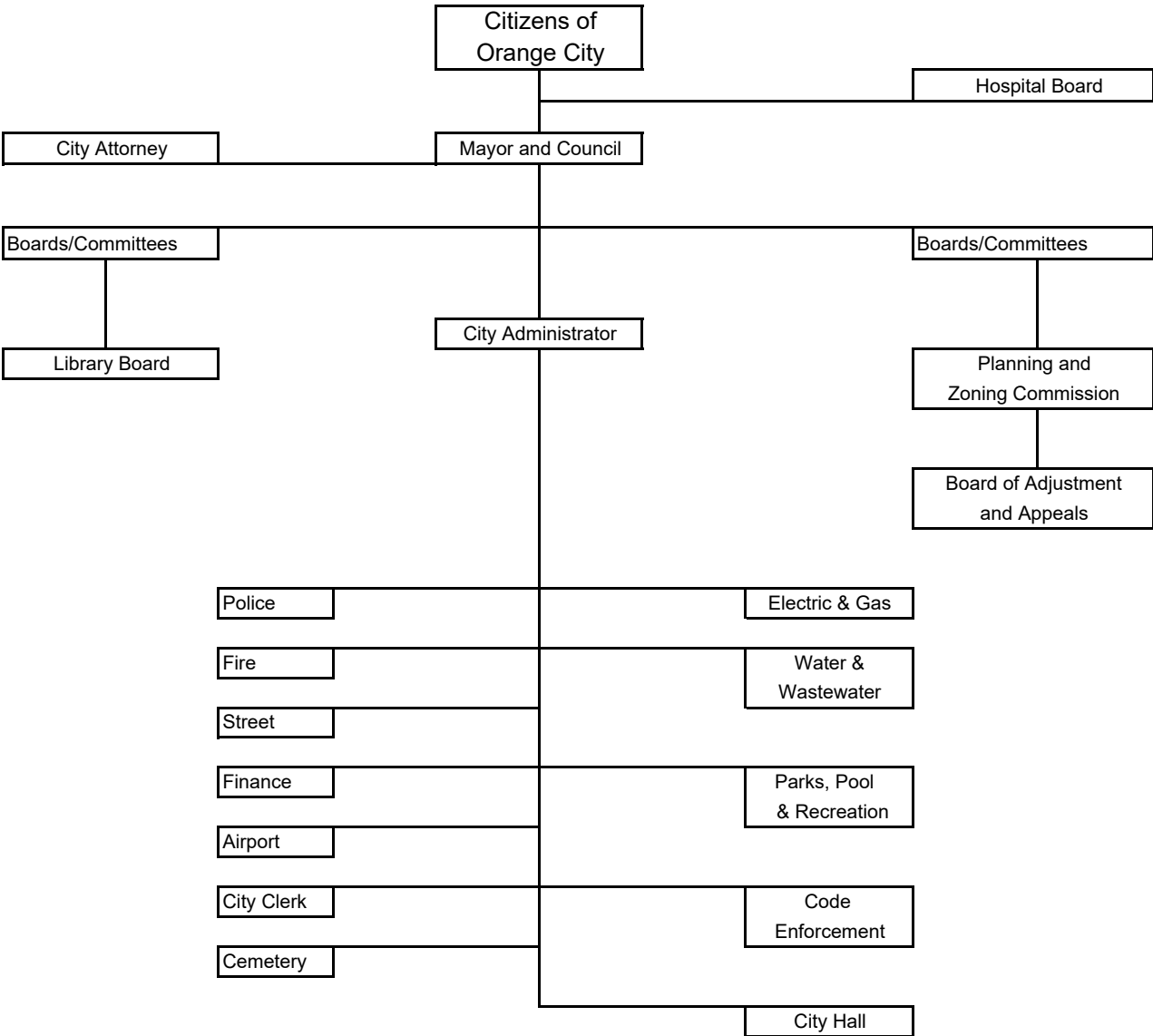
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In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report whose contents conform to program standards. Such annual comprehensive financial report must satisfy both 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 the Certificate of Achievement program requirements, and we are submitting it to GFOA.

# CITY OF ORANGE CITY, IOWA

## ORGANIZATIONAL CHART



DIRECTORY OF CITY OFFICIALS

ELECTED CITY OFFICERS

MAYOR

Deb DeHaan

COUNCIL MEMBERS

Daryl Beltman  
Olivia Chapman  
Rod DeBoer  
Daron DeJong  
Bret Wallinga

HOSPITAL TRUSTEES

Wade Hofland, Chairman  
Amy Jungers, Vice Chairman  
Dale Pluim, Secretary  
Russ Adams  
Kathy Alons  
Chris Immeker  
Tim Zeutenhorst

APPOINTED CITY OFFICERS

Earl Woudstra  
City Administrator

Brad DeJong  
City Attorney

## APPOINTED BOARDS AND COMMISSIONS

### ZONING BOARD OF APPEALS

Gary Cleveringa, Chairman  
John Kooiman , Vice-Chairman  
Pat Brenneman  
Jamie Valentine  
Ben Van Engelenhoven

### LIBRARY BOARD OF DIRECTORS

Colin Brue, President  
Autumn DeBoer, Vice-President  
Ben Langton, Secretary/Treasurer  
John Buntsma  
Makayla Davidson  
McKenzie Kuiken  
Laura Salcedo

### PLANNING AND ZONING COMMISSION

Dale Pluim, Chairman  
Terry Hofmeyer  
Rhonda Moret  
Joe Poppema  
Ashley Saras  
Kevin Van Donge  
Bruce Vander Stelt

### FIRE DEPARTMENT

Seth Bents  
Breckin Bomgaars  
Paul Brentlinger  
Austin DeKock  
Brandon DeKock  
Brian De Kock  
Michael Dekker  
Kevin Dekker  
Mike Dorr  
Aaron Dykstra  
David Dykstra  
Josh Dykstra  
Michael Dykstra  
Logan Feenstra  
Chad Hase  
Jayden Hiemstra  
John Heller  
Al Jeltema  
Riley Jeltema  
Ann Lundberg  
Noah Minnick  
Moffitt Estella  
Carl Monroe  
Andrew Roghair  
Dan Roghair  
Lee Roghair  
Kevin Rubio  
Dennis VanderWel, Chief  
Brent Van Leeuwen

### ARTS COUNCIL

Sharon Foughty, President  
Leanne Bonnecroy, Vice-President  
April Benson, Secretary  
Ryan Visser, Treasurer  
Dr. Juyeon Kang  
David Platter  
Dennis Rockhill  
Marissa Leraas  
Alisha Hauber, Interim Director

CITY PERSONNEL

ADMINISTRATION

Kent Anderson

Sarah Anderson

Janet Brown

Kurt Frederes

Madison Follett

Jess Kuehl

Shawn Lancaster

Ryan McEwen

Matt Van Schouwen

Earl Woudstra

Finance Officer  
Accounts Receivable Specialist  
City Clerk  
Code Officer  
Assistant Event Center Manger  
Event Center Manager  
Billing Clerk  
Community Development Director  
Public Works Director  
City Administrator

POLICE DEPARTMENT

Jim Pottebaum

Trey Niemyer

Daniel Crawley

Trevor Greis

Makya Hiemstra

Trey Niemyer

Shawn Randolph

Trey Schiebout

Dalton Vogel

Darren Wielenga

Chief of Police  
Investigator  
Police Officer  
Police Officer  
Police Officer  
Police Officer  
Police Officer  
Police Officer  
Police Officer  
Police Officer

STREET DEPARTMENT

Breckin Bomgaars

Luke Horkey

Wyatt Dage

Street Mechanic  
Street Foreman  
Street Crewman/Mechanic

PARKS AND RECREATION

Noah Minnick

Jackson Miller

Jaaron Paugh

Director  
Park Maintenance  
Assistant Director

UTILITIES

Mike Anema

Ed DeJong

Alan DeJong

Jonathan Van Zuden

Todd Klein

Michael Klootwyk

Josh Krammer

Kirk Maasdam

Dave Sassman

Shane Schwarz

Blake Sneider

Louis VanderVelde

Electric Line Maintenance Worker I  
Gas Utility Foreman  
Electric Department Foreman  
Electric Line Maintenance Worker II  
Water & Wastewater Operator  
Electric Journeyman Lineman  
Water & Wastewater Operator  
Water & Wastewater Foreman  
Water & Wastewater Operator  
Gas Utility Crewman  
Electric Line Maintenance Worker II  
Gas Utility Crewman

HOSPITAL

Marty W. Guthmiller

Chris Sietstra

Administrator  
Chief Financial Officer

LIBRARY

Lisa Johnson

Administrator



## INDEPENDENT AUDITORS' REPORT

The Honorable Members of the City Council  
City of Orange City, Iowa

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Orange City, Iowa, (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Orange City, Iowa, as of June 30, 2025, 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.

We did not audit the financial statements of the Orange City Area Health System, (a discretely presented component unit), which statements reflect total assets and deferred outflows of \$90,433,383 and total program revenues of \$77,031,781 as of June 30, 2025. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Orange City Area Health System, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

#### ***Correction of Error***

As described in Note 18 to the financial statements, land held for resale amounts in the General Fund were updated to reflect the correct balance. This amount has been corrected on the accompanying financial statements. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, Schedule of the City's Proportionate Share of the Net Pension Liability (Asset), Schedule of City's Contributions to Iowa Public Employees' Retirement System and the Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes on pages 13 through 25 and 76 through 85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

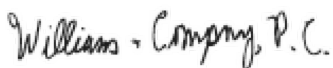
## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the City of Orange 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Orange City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Orange City's internal control over financial reporting and compliance.



Certified Public Accountants

Le Mars, Iowa  
December 19, 2025

## **Management's Discussion and Analysis**

**June 30, 2025**

This discussion and analysis of the City of Orange City financial performance provides an overview of the City's financial activities for the fiscal year ending June 30, 2025. 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, as well as the separately issued financial statements of Orange City Area Health System and Orange City's Municipal Golf Association, discretely presented component units of the City.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City of Orange City exceeded liabilities and deferred inflows of resources at June 30, 2025 by \$69,256,976. Of this amount, \$17,655,404 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$3,004,542 during the year. Of this amount, the governmental activities increased by \$1,099,203 and the net position of our business activities decreased by \$1,905,339.
- The City's governmental activities long-term debt increased \$1,290,143 during the current fiscal year.

### **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. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the Notes to the Financial Statements. This report also contains 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 the private sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is very similar to the method of accounting used by the 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 are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base 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 finances 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 Electric, Water, Sewer, and Natural Gas funds.

## 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 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.

## **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 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.

As discussed in Note 18 – Correction of Error, during fiscal year 2025, the City corrected an error related to the reporting of land held for resale that affected the financial reporting for fiscal year 2024. The amounts presented in the following schedules for fiscal year 2024 reflect the corrected balances, if applicable, and have been indicated as restated.

The following comparative chart shows the changes in net position for the years ended June 30, 2025 and 2024:

	General Governmental Activities		Business-Type Activities	
	2025	(restated) 2024	2025	2024
Current and Other Assets	\$ 15,044,108	\$ 13,631,953	\$ 14,491,252	\$ 13,927,649
Capital Assets	31,136,947	31,020,648	47,347,659	46,994,333
Total Assets	<u>46,181,055</u>	<u>44,652,601</u>	<u>61,838,911</u>	<u>60,921,982</u>
Deferred Outflows	377,057	485,173	128,950	160,003
Long-Term Liabilities Outstanding	13,245,945	12,201,605	18,523,450	19,592,085
Other Liabilities	1,300,077	1,199,667	1,121,233	1,120,560
Total Liabilities	<u>14,546,022</u>	<u>13,401,272</u>	<u>19,644,683</u>	<u>20,712,645</u>
Deferred Inflows	4,973,381	5,796,996	104,911	56,412
Net Position:				
Net Investment in Capital Assets	18,366,454	19,424,213	29,227,019	30,045,778
Restricted	2,079,002	1,952,301	1,929,097	2,016,713
Unrestricted	6,593,253	4,562,992	11,062,151	8,250,437
Total Net Position	<u>\$ 27,038,709</u>	<u>\$ 25,939,506</u>	<u>\$ 42,218,267</u>	<u>\$ 40,312,928</u>

	Totals	
	2025	(restated) 2024
Current and Other Assets	\$ 29,535,360	\$ 27,559,602
Capital Assets	78,484,606	78,014,981
Total Assets	<u>108,019,966</u>	<u>105,574,583</u>
Deferred Outflows	506,007	645,176
Long-Term Liabilities Outstanding	31,769,395	31,793,690
Other Liabilities	2,421,310	2,320,227
Total Liabilities	<u>34,190,705</u>	<u>34,113,917</u>
Deferred Inflows	5,078,292	5,853,408
Net Position:		
Net Investment in Capital Assets	47,593,473	49,469,991
Restricted	4,008,099	3,969,014
Unrestricted	17,655,404	12,813,429
Total Net Position	<u>\$ 69,256,976</u>	<u>\$ 66,252,434</u>

This summary reflects an increase of 4.24% for the governmental net position and an increase of 4.73% in the business-type net position.

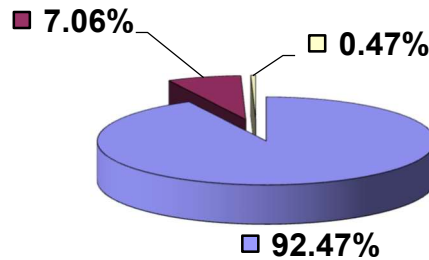
Total revenue reported in Fiscal 2025 was \$25,941,187. The following table breaks down revenues collected for Governmental Activities and Business-Type Activities for Fiscal Year 2025 and 2024:

Revenue Source	General Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
<b>Program Revenues:</b>				
Charges for Services	\$ 1,070,363	\$ 1,016,792	\$ 15,862,704	\$ 14,906,801
Operating Grants and Contributions	1,292,467	1,279,095	-	-
Capital Grants and Contributions	86,038	31,839	-	-
<b>Total Program Revenues</b>	<u>2,448,868</u>	<u>2,327,726</u>	<u>15,862,704</u>	<u>14,906,801</u>
<b>General Revenues:</b>				
Property Taxes	5,161,171	5,330,697	-	-
Local Option Sales Tax	1,569,209	1,461,511	-	-
Interest	243,814	317,835	194,057	99,592
Gain on Sales of Assets	-	3,140	12,500	-
Miscellaneous	309,958	285,821	138,906	170,545
<b>Total General Revenues</b>	<u>7,284,152</u>	<u>7,399,004</u>	<u>345,463</u>	<u>270,137</u>
<b>Total Revenues:</b>	<u>\$ 9,733,020</u>	<u>\$ 9,726,730</u>	<u>\$ 16,208,167</u>	<u>\$ 15,176,938</u>

Revenue Source	Totals	
	2025	2024
<b>Program Revenues:</b>		
Charges for Services	\$ 16,933,067	\$ 15,923,593
Operating Grants and Contributions	1,292,467	1,279,095
Capital Grants and Contributions	86,038	31,839
<b>Total Program Revenues</b>	<u>18,311,572</u>	<u>17,234,527</u>
<b>General Revenues:</b>		
Property Taxes	5,161,171	5,330,697
Local Option Sales Tax	1,569,209	1,461,511
Interest	437,871	417,427
Gain on Sales of Assets	12,500	3,140
Miscellaneous	448,864	456,366
<b>Total General Revenues</b>	<u>7,629,615</u>	<u>7,669,141</u>
<b>Total Revenues:</b>	<u>\$ 25,941,187</u>	<u>\$ 24,903,668</u>

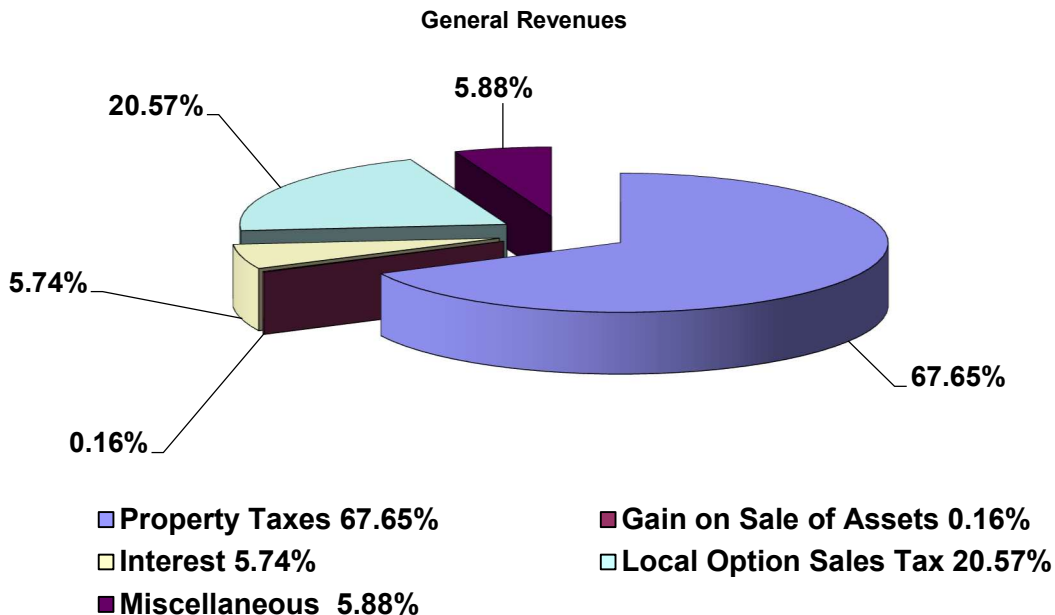
Program revenues totaled \$18,311,572 for fiscal year 2025. Governmental Activities provided \$2,448,868 and Business-Type Activities provided \$15,862,704. Revenue collected for Charges for Services during fiscal year 2025 was \$16,933,067, accounting for 92.47% of the total program revenues. The following chart breaks down program revenues by source:

## Program Revenues



- Charges for Services 92.47%
- Operating Grants and Contributions 7.06%
- Capital Grants & Contributions 0.47%

General Revenues for fiscal year 2025 totaled \$7,629,615. Governmental Activities provided \$7,284,152 and Business-Type Activities provided \$345,463. Property Tax Revenues for fiscal year 2025 totaled \$5,161,171 accounting for 67.65% of General Revenues. The following chart breaks down General Revenues by source:



Expenses for Fiscal 2025 totaled \$22,936,645. Expenses for Governmental Activities totaled \$8,287,934, accounting for 36.13% of total expenses. Business-Type Activity expenses totaled \$14,648,711, for 63.87% of the total.

The following table shows total expenses by Function/Program for Fiscal Year 2025 and 2024:

	General Governmental Activities		Business-Type Activities	
	2025	(restated) 2024	2025	2024
Public Safety	\$ 1,809,181	\$ 1,536,116	\$ -	\$ -
Public Works	2,165,515	1,856,415	-	-
Culture and Recreation	2,487,571	2,477,375	-	-
Community & Economic Development	363,752	395,865	-	-
General Government	1,119,690	1,125,593	-	-
Debt Service	342,225	319,001	-	-
Sewer System	-	-	1,433,224	1,305,622
Water System	-	-	1,932,483	1,800,867
Electric System	-	-	8,256,515	8,781,671
Natural Gas System	-	-	3,026,489	2,770,203
<b>Total Expenses</b>	<b>\$ 8,287,934</b>	<b>\$ 7,710,365</b>	<b>\$ 14,648,711</b>	<b>\$ 14,658,363</b>

	Totals	
	2025	(restated) 2024
Public Safety	\$ 1,809,181	\$ 1,536,116
Public Works	2,165,515	1,856,415
Culture and Recreation	2,487,571	2,477,375
Community & Economic Development	363,752	395,865
General Government	1,119,690	1,125,593
Debt Service	342,225	319,001
Sewer System	1,433,224	1,305,622
Water System	1,932,483	1,800,867
Electric System	8,256,515	8,781,671
Natural Gas System	3,026,489	2,770,203
<b>Total Expenses</b>	<b>\$ 22,936,645</b>	<b>\$ 22,368,728</b>

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

<u>Program Level</u>	<u>Activity</u>
Public Safety	Individual & Community Protection, Physical Health
Public Works	Roadway Construction, Airport Operations, Street Lighting, Transportation Services
Culture and Recreation	Education & Culture, Leisure Time Opportunities
Community and Economic Development	Economic Development, Community Beautification, Planning and Zoning
General Government	Administration, Support Services
Debt Service	Payment of Interest
Capital Projects	Construction of Capital Facilities
Sewer System	Operation of the Waste Water Treatment Plant/Supply Distribution System
Water System	Operation of Water Treatment Plant/Supply Distribution System
Electric System	Operation of Electric Plant/Supply Distribution System
Natural Gas System	Operation of Natural Gas Plant/Supply Distribution System

### **Governmental Statement of 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 \$1,809,181 and received \$348,415 in revenue, thus leaving a cost to the taxpayer of \$1,460,766 to be funded by various methods. The 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
Public Works	Road Use Tax, Rent, Special Assessments
Culture and Recreation	Fees, State Aid
General Government	Licenses, Permits
Capital Projects	Donations, State Grants, Federal Grants

The total cost of governmental activities this year was \$8,287,934. Of these costs, \$1,070,363 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions was \$1,378,505, leaving a Net Expense of \$5,839,066 for Governmental Activities. These expenses 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	
	2025	(restated) 2024
<b>Governmental Activities:</b>		
Public Safety	\$ (1,460,766)	\$ (1,279,579)
Public Works	(849,976)	(560,109)
Culture and Recreation	(1,896,459)	(1,915,924)
Community and Economic Development	(243,409)	(277,165)
General Government	(1,068,431)	(1,070,946)
Debt Service	(320,025)	(278,916)
Total Net (Expense) Revenue Governmental Activities	(5,839,066)	(5,382,639)
General Revenues	7,284,152	7,399,004
Excess (Deficiency) of revenues over expenditures	1,445,086	2,016,365
Interfund Transfers	(345,883)	1,385,113
<b>Change in Net Position</b>	<b>\$ 1,099,203</b>	<b>\$ 3,401,478</b>

Total resources available during the year to finance governmental operations were \$35,326,643 consisting of Net Position, as restated, at July 1, 2024 of \$25,939,506, Program Revenues of \$2,448,868 and General Revenues and Transfers of \$6,938,269. Total Governmental Activities during the year expended \$8,287,934; thus, Net Position increased by \$1,099,203 to \$27,038,709.

### Business Type Activities

Business Type Activities increased the City's net position by \$1,905,339.

The cost of all Proprietary Activities this year was \$14,648,711. As shown in the Statement of Activities, the amount paid by users of the systems was \$15,862,704 resulting in total Net Revenue for Business Type Activities of \$1,213,993. The Net (Expense) Revenue by Business Type Activity is shown in the following table:

Business-Type Activities	Net (Expense) Revenue	
	2025	2024
Electric System	\$ 246,399	\$ (574,539)
Water System	238,540	228,683
Sewer System	142,848	196,413
Natural Gas System	586,206	397,881
Total Net (Expense) Revenue Business-Type Activities	1,213,993	248,438
General Revenues	345,463	270,137
Excess (Deficiency) of revenues over expenditures	1,559,456	518,575
Interfund Transfers	345,883	(1,385,113)
<b>Change in Net Position</b>	<b>\$ 1,905,339</b>	<b>\$ (866,538)</b>

Total resources available during the year to finance Proprietary Fund activities were \$56,866,978 consisting of Net Position at July 1, 2024 of \$40,312,928, Program Revenues of \$15,862,704 and General Revenues and Transfers of \$691,346. Total Proprietary Fund Activities during the year expended \$14,648,711; thus Net Position was increased by \$1,905,339 to \$42,218,267.

### **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. Unreserved 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 \$8,606,561. The combined Governmental Funds balance increased \$2,074,232 from the prior year.

The General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the General fund by \$106,846. The major reason for the increase in fund balance is due to increased local option sales tax that was not budgeted in fiscal year 2025.

The Road Use Tax Fund is used to account for the collection and disbursement of state fuel tax dollars. During the year, revenues exceeded expenditures by \$21,010. The fund transferred \$744,627 to the general fund to help with street operations and the parking lot along city hall.

The Debt Service Fund is used to account for collection of general property taxes for the repayment of general obligation debt. During the year, revenues exceeded expenditures by \$77,512. This was a planned event during the fiscal year 2025 budget session.

The TIF Special Revenue Fund (Tax Incremental Financing) is used to account for property taxes received to be expended for various public improvement projects. The TIF Fund balance increased by \$470,355.

The TIF Capital Projects Fund is used to expend for improvement projects. The Fund balance decreased by \$130,778. This was due to construction of a new housing subdivision, which includes street, water and sewer.

## General Fund Budgetary Highlights

Comparing the fiscal year 2025 original (adopted) city wide amount of \$103,570,417 to the final budget amount of \$105,009,875 shows a net increase of \$1,439,458.

The following table shows the government wide budget variances by program structure:

Expenses	Amended Budget	Actual	Variance
Public Safety	\$ 2,169,523	\$ 2,129,798	\$ 39,725
Public Works	1,693,382	1,587,888	105,494
Culture and Recreation	2,146,304	2,269,497	(123,193)
Community and Economic Development	351,709	365,717	(14,008)
General Government	1,601,118	1,162,637	438,481
Capital Projects	6,000,000	1,407,673	4,592,327
Debt Service	2,077,671	1,853,323	224,348
Business-Type Activities	88,970,168	91,109,130	(2,138,962)
<b>Total Expenses</b>	<b>\$ 105,009,875</b>	<b>\$ 101,885,663</b>	<b>\$ 3,124,212</b>

During the year there was a \$1,439,458 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$528,000 supplemental appropriation to the police and fire departments for such costs as training/sending of new officers to the police academy as well as a new fire department aerial ladder chassis.
- \$203,458 supplemental appropriation to roadway maintenance, for such costs as a new parking lot by city hall.
- \$150,000 supplemental appropriation to our parks, and pool departments for such costs as unexpected storm that flooded one of our parks, repairs of the filters at the pool along with unexpected tree removal due to the ash bore disease.
- \$200,000 supplemental appropriation to our general government for such costs as additional costs for our city hall due to building maintenance and roof repair along with some economic development interest costs.
- \$358,000 supplemental appropriation to our debt service fund for such costs as interest costs related to the 2025A bond issue.

A part of the increase was possible because of additional revenues. Those revenues included additional interest income, local option sales tax and zoning fees. The rest of the appropriations were paid with the fund balance from the general fund.

## Capital Assets

The City's investment in capital assets, including land, buildings and improvements, equipment, streets, and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2025, was \$47,593,473 (net of accumulated depreciation and outstanding financings). The gross additions to capital assets for Fiscal 2025 and 2024 are as follows:

	General Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Land	\$ -	\$ -	\$ -	\$ 540,244
Infrastructure	4,608,455	2,233,809	-	-
Buildings	-	-	-	-
Intangible Right to Use Lease – Building	-	-	-	-
Improvements-Other than Buildings	137,458	1,296,048	-	-
Equipment	672,415	149,133	149,451	101,218
Utility Plant	-	-	694,630	1,106,514
Construction in Progress	1,367,468	2,056,389	713,813	2,201,311
<b>Total Gross Additions</b>	<b>\$ 6,785,796</b>	<b>\$ 5,735,379</b>	<b>\$ 1,557,894</b>	<b>\$ 3,949,287</b>

	Totals	
	2025	2024
Land	\$ -	\$ 540,244
Infrastructure	4,608,455	2,233,809
Buildings	-	-
Intangible Right to Use Lease – Building	-	-
Improvements-Other Buildings	137,458	1,296,048
Equipment	821,866	250,351
Utility Plant	694,630	1,106,514
Construction in Progress	2,587,028	4,257,700
Total Expenditures	<b>\$ 8,849,437</b>	<b>\$ 9,684,666</b>

Construction In Progress at June 30, 2025 for governmental activities consisted of costs associated with various street and sidewalk projects.

For Business-Type Activities, the Utility Plant addition consisted of costs associated with the water distribution system expansion.

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

## **Debt Administration**

At year-end the City had \$30,712,608 of debt outstanding. Of this amount, \$12,591,968 comprises debt backed by the full faith and credit of the government. The remainder of \$18,120,640 is debt represented by bonds secured solely by the specified revenue sources (i.e., revenue bonds).

Debt administration is on track, with over 87% of all General Obligation City debt repaid within the next 10 years. The revenue debt will be 87% repaid within the next 15 years. This rapid repayment, when combined with the use of TIF has allowed the City to maintain our good rating. This reflects well on our community.

The City continues to operate well under State debt capacity limitations. The State limits the amount of General Obligation Debt Outstanding to 5% of the assessed value of all taxable property in the community. Thus, our debt capacity is \$30,278,023. With outstanding General Obligation Debt applicable to this limit of \$11,689,436, we are utilizing 38.61% of this limit. More detailed information on debt administration is provided in Note 7 of the financial statements.

## **Economic Factors**

The City of Orange City worked hard in FY 2025 to maintain a positive approach to growth and development. Continued progressive growth in the Orange City community had a positive effect on the City's unemployment and tax base. The growth in Local Option Sales Tax demonstrates that the Orange City's economy continues to grow

The City still has street improvements high on their priority list. We did start another street project for fiscal year 2025. The project is called 7th Street Overlay, this is made up of approximately a half mile of street.

## **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 any questions about the report or need additional financial information, please contact Kent Anderson, Finance Department, at the City of Orange City, 125 Central Avenue SE, Orange City, IA 51041.

CITY OF ORANGE CITY, IOWA  
STATEMENT OF NET POSITION  
JUNE 30, 2025

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Total	Orange City Area Health System	Orange City Muni. Golf Association
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 7,430,165	\$ 8,438,355	\$ 15,868,520	\$ 25,821,596	\$ 8,433
Investments	161,650	-	161,650	6,963,560	-
Receivables (Net, where applicable, of allowance for uncollectibles)					
Accounts	65,785	1,268,272	1,334,057	6,332,918	3,174
Taxes	2,274	-	2,274	-	-
Subsequent Year Taxes	4,896,968	-	4,896,968	-	-
Accrued Interest	-	-	-	43,162	-
Estimated Unbilled Usage	-	521,830	521,830	-	-
Special Assessments	43,384	-	43,384	-	-
Notes Receivable	854,462	-	854,462	-	-
Notes Receivable - Component Unit	-	189,729	189,729	-	-
Interfund Balances	(117,824)	117,824	-	-	-
Due from Other Governmental Agencies	226,189	-	226,189	-	-
Estimated Third-Party Payor Settlements	-	-	-	139,505	-
Lease Receivable	-	105,251	105,251	-	-
Inventories	12,009	1,501,670	1,513,679	832,497	20,629
Assets Held for Resale	1,241,996	194,034	1,436,030	6,999,688	-
Prepaid Assets	227,050	135,569	362,619	341,493	-
Other	-	-	-	1,279,285	-
Restricted Assets, Cash and Investments:					
Cash and Cash Equivalents	-	-	-	649,190	-
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	-	230,500	230,500	-	-
Revenue Bond Current Debt Service Account - Investments	-	22,551	22,551	-	-
Revenue Bond Future Debt Service Account - Cash & Cash Equivalents	-	1,735,000	1,735,000	-	-
Cash Restricted for Customer Deposits	-	30,667	30,667	-	-
Land	1,223,956	7,532,617	8,756,573	2,437,442	-
Construction in Progress	1,410,466	11,123,484	12,533,950	129,600	-
Capital Assets, Net of Accumulated Depreciation/Amortization	28,502,525	28,691,558	57,194,083	34,012,350	1,758,045
<b>Total Assets</b>	<b>46,181,055</b>	<b>61,838,911</b>	<b>108,019,966</b>	<b>85,982,286</b>	<b>1,790,281</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
OPEB Related Deferred Outflows	10,022	5,474	15,496	103,580	-
Pension Related Deferred Outflows	367,035	123,476	490,511	4,347,517	-
<b>Total Deferred Outflows of Resources</b>	<b>377,057</b>	<b>128,950</b>	<b>506,007</b>	<b>4,451,097</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts Payable	1,075,149	991,017	2,066,166	1,905,952	-
Accrued Wages	70,841	36,774	107,615	3,898,582	-
Accrued Expenses	114,611	3,551	118,162	1,274,415	9,686
Customer Deposits	-	30,667	30,667	-	-
Unearned Revenue	15,000	270	15,270	-	4,954
Accrued Interest	24,476	-	24,476	204,814	-
Payables from Restricted Assets:					
Accrued Interest	-	58,954	58,954	-	-
Noncurrent Liabilities:					
Due within one year:					
Revenue Bonds	-	975,000	975,000	1,495,000	-
General Obligation Bonds	1,485,000	-	1,485,000	-	-
Notes Payable	100,000	-	100,000	187,068	-
Lease Liability	-	-	-	461,971	55,423
Notes Payable - Primary Government	-	-	-	-	51,341
Other Post Employment Benefits	1,804	986	2,790	13,955	-
Compensated Absences and Benefits	30,370	26,501	56,871	-	-
Due in more than one year:					
Revenue Bonds Payable	-	17,145,640	17,145,640	17,285,000	-
General Obligation Bonds	10,451,412	-	10,451,412	-	-
Notes Payable	555,556	-	555,556	6,505,581	-
Lease Liability	-	-	-	689,452	55,956
Notes Payable - Primary Government	-	-	-	-	137,322
Net Pension Liability	480,257	283,139	763,396	10,986,882	-
Other Post Employment Benefits	95,991	52,431	148,422	364,327	-
Compensated Absences and Benefits	45,555	39,753	85,308	-	-
<b>Total Liabilities</b>	<b>14,546,022</b>	<b>19,644,683</b>	<b>34,190,705</b>	<b>45,272,999</b>	<b>314,682</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred Revenue - Subsequent Year Taxes	4,896,968	-	4,896,968	-	-
Home Health Deferred Inflows	-	-	-	23,867	-
Other Post Employment Benefits Related Deferred Inflows	17,629	9,630	27,259	122,595	-
Pension Related Deferred Inflows	58,784	7,572	66,356	174,729	-
Lease Related Deferred Inflows	-	87,709	87,709	-	-
<b>Total Deferred Inflow of Resources</b>	<b>4,973,381</b>	<b>104,911</b>	<b>5,078,292</b>	<b>321,191</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	18,366,454	29,227,019	47,593,473	9,955,320	1,458,003
Restricted for:					
Debt Service	388,967	1,929,097	2,318,064	-	-
Permanent Funds - nonexpendable	136,614	-	136,614	-	-
Economic Development	866,695	-	866,695	-	-
Road Use Tax	686,726	-	686,726	-	-
Donor Restrictions	-	-	-	241,471	-
Unrestricted	6,593,253	11,062,151	17,655,404	34,642,402	17,596
<b>Total Net Position</b>	<b>\$ 27,038,709</b>	<b>\$ 42,218,267</b>	<b>\$ 69,256,976</b>	<b>\$ 44,839,193</b>	<b>\$ 1,475,599</b>

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
Public Safety	\$ 1,809,181	\$ 6,170	\$ 257,957	\$ 84,288
Public Works	2,165,515	426,650	888,889	-
Culture and Recreation	2,487,571	500,754	88,608	1,750
Community and Economic Development	363,752	85,530	34,813	-
General Government	1,119,690	51,259	-	-
Debt Service	342,225	-	22,200	-
Total governmental activities	<u>8,287,934</u>	<u>1,070,363</u>	<u>1,292,467</u>	<u>86,038</u>
<b>Business-Type Activities:</b>				
Electric Utility	8,256,515	8,502,914	-	-
Water Utility	1,932,483	2,171,023	-	-
Sewer Utility	1,433,224	1,576,072	-	-
Gas Utility	3,026,489	3,612,695	-	-
Total Business-Type Activities:	<u>14,648,711</u>	<u>15,862,704</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 22,936,645</u>	<u>\$ 16,933,067</u>	<u>\$ 1,292,467</u>	<u>\$ 86,038</u>
<b>Component Unit:</b>				
Orange City Area Health System	<u>\$ 76,460,419</u>	<u>\$ 76,843,223</u>	<u>\$ 188,558</u>	<u>\$ -</u>
Orange City Municipal Golf Association	<u>\$ 751,010</u>	<u>\$ 586,220</u>	<u>\$ 150,555</u>	<u>\$ 3,179</u>

General Revenues:  
Property taxes  
Local Option Sales Tax  
Interest  
Gain on Sale of Assets  
Miscellaneous  
Interfund Transfers  
Total general revenues and transfers  
Change in net position

Net Position - beginning  
Correction of Error  
Net Position - beginning, as restated  
Net Position - ending

<b>Net (Expense) Revenue and Changes in Net Position</b>				
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>	
			<b>Orange City Area Health System</b>	<b>Orange City Municipal Golf Ass'n.</b>
\$ (1,460,766)		\$ (1,460,766)		
(849,976)		(849,976)		
(1,896,459)		(1,896,459)		
(243,409)		(243,409)		
(1,068,431)		(1,068,431)		
(320,025)		(320,025)		
<u>(5,839,066)</u>		<u>(5,839,066)</u>		
	\$ 246,399	246,399		
	238,540	238,540		
	142,848	142,848		
	586,206	586,206		
	<u>1,213,993</u>	<u>1,213,993</u>		
<u>(5,839,066)</u>	<u>1,213,993</u>	<u>(4,625,073)</u>		
			\$ 571,362	\$ (11,056)
5,161,171	-	5,161,171	-	-
1,569,209	-	1,569,209	-	-
243,814	194,057	437,871	1,408,190	-
-	12,500	12,500	149,590	-
309,958	138,906	448,864	31,217	-
(345,883)	345,883	-	-	-
<u>6,938,269</u>	<u>691,346</u>	<u>7,629,615</u>	<u>1,588,997</u>	<u>-</u>
1,099,203	1,905,339	3,004,542	2,160,359	(11,056)
25,303,056	40,312,928	65,615,984	42,678,834	1,486,655
636,450	-	636,450	-	-
<u>25,939,506</u>	<u>40,312,928</u>	<u>66,252,434</u>	<u>42,678,834</u>	<u>1,486,655</u>
<u>\$ 27,038,709</u>	<u>\$ 42,218,267</u>	<u>\$ 69,256,976</u>	<u>\$ 44,839,193</u>	<u>\$ 1,475,599</u>

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**BALANCE SHEET**  
**Governmental Funds**  
**JUNE 30, 2025**

		<i>Formerly Major Fund</i>	<i>Formerly Major Fund</i>
	General	TIF Special Revenue	TIF Capital Projects
<b>Assets</b>			
Cash and Pooled Investments	\$ 3,482,346	\$ -	\$ -
Investments	161,650	-	-
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	65,785	-	-
Taxes	1,436	-	-
Subsequent Year Taxes	2,799,583	-	-
Special Assessments	43,384	-	-
Notes Receivable	-	-	-
Due from Other Funds	48,927	-	-
Due from Other Governmental Agencies	157,594	-	-
Inventories	-	-	-
Land Held for Resale	580,000	-	-
Total Assets	<u>7,340,705</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Accounts Payable	171,702	-	-
Accrued Wages	70,841	-	-
Accrued Expenses	114,611	-	-
Due to Other Funds	-	-	-
Land Deposits	-	-	-
Total Liabilities	<u>357,154</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflow of Resources</b>			
Unavailable Revenue - Special Assessments	37,928	-	-
Unavailable Revenue - Subsequent Year Taxes	2,799,583	-	-
Total Deferred Inflow of Resources	<u>2,837,511</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Permanent Fund Principal	-	-	-
Restricted for:			
Debt Service	-	-	-
Economic Development	-	-	-
Road Use Tax	-	-	-
Assigned for:			
Capital Project	-	-	-
Unassigned	4,146,040	-	-
Total Fund Balances	<u>4,146,040</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,340,705</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements

<i>Formerly Major Fund</i>			<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>18th Street RISE</b>	<b>Debt Service</b>			
\$ -	\$ 412,605	\$ 3,535,214	\$ 7,430,165	
-	-	-	161,650	
-	-	-	65,785	
-	838	-	2,274	
-	1,967,385	130,000	4,896,968	
-	-	-	43,384	
-	-	854,462	854,462	
-	-	-	48,927	
-	-	68,595	226,189	
-	-	12,009	12,009	
-	-	661,996	1,241,996	
-	<u>2,380,828</u>	<u>5,262,276</u>	<u>14,983,809</u>	
-	-	903,447	1,075,149	
-	-	-	70,841	
-	-	-	114,611	
-	-	166,751	166,751	
-	-	15,000	15,000	
-	-	<u>1,085,198</u>	<u>1,442,352</u>	
-	-	-	37,928	
-	1,967,385	130,000	4,896,968	
-	<u>1,967,385</u>	<u>130,000</u>	<u>4,934,896</u>	
-	-	12,009	12,009	
-	-	136,614	136,614	
-	413,443	-	413,443	
-	-	866,695	866,695	
-	-	674,717	674,717	
-	-	2,494,033	2,494,033	
-	-	(136,990)	4,009,050	
-	<u>413,443</u>	<u>4,047,078</u>	<u>8,606,561</u>	
\$ -	\$ <u>2,380,828</u>	\$ <u>5,262,276</u>	\$ <u>14,983,809</u>	

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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

Total Fund Balance - Governmental Funds (page 30)		\$ 8,606,561
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds		31,136,947
Deferred revenues that provide current financial resources for governmental activities		37,928
Accrued expenses from the balance sheet that require current financial resources for governmental activities		(24,476)
Accrued compensated absences, other post employment benefits, and net pension liability are not reported on the modified accrual basis		(653,977)
OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred Outflows of Resources	\$ 10,022	
Deferred Inflows of Resources	<u>(17,629)</u>	(7,607)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred Outflows of Resources	367,035	
Deferred Inflows of Resources	<u>(58,784)</u>	308,251
Prepaid expenses are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources		227,050
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds, as follows:		
General Obligation Bonds	(11,936,412)	
Notes Payable	<u>(655,556)</u>	(12,591,968)
Total Net Position - Governmental Activities (page 26)		<u><u>\$ 27,038,709</u></u>

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
**For the Year Ended June 30, 2025**

	<b>General</b>	<b>Formerly Major Fund TIF Special Revenue</b>	<b>Formerly Major Fund TIF Capital Projects</b>
<b>Revenue:</b>			
Taxes	\$ 2,738,879	\$ -	\$ -
Special Assessments	5,539	-	-
Licenses and Permits	8,355	-	-
Intergovernmental	401,363	-	-
Charges for Services	1,023,223	-	-
Fines and Forfeits	6,170	-	-
TIF Revenue	-	-	-
Local Option Sales Tax	1,569,209	-	-
Interest on Investments	219,732	-	-
Miscellaneous	352,529	-	-
Total Revenue	<u>6,324,999</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Public Safety	2,129,798	-	-
Public Works	1,464,636	-	-
Culture and Recreation	2,269,497	-	-
Community and Economic Development	244,344	-	-
General Government	1,162,637	-	-
Capital Projects	-	-	-
Debt Service:			
Principal Retirement	26,517	-	-
Interest/Bond Costs	683	-	-
Total Expenditures	<u>7,298,112</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(973,113)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>			
Issuance of Debt	-	-	-
Bond Premium	-	-	-
Transfers In	1,079,959	-	-
Transfers Out	-	-	-
Total other financing sources (uses)	<u>1,079,959</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	106,846	-	-
Fund balances - beginning of year	3,402,744	(531,033)	2,457,702
Change within financial reporting entity (nonmajor to major fund)	-	531,033	(2,457,702)
Correction of Error	636,450	-	-
Fund balances - beginning of year, as restated	4,039,194	-	-
Decrease in Reserve for Inventory	-	-	-
Fund balances - end of year	<u>\$ 4,146,040</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements

<i>Formerly Major Fund</i>				
<u>18th Street RISE</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
\$ -	\$ 1,764,689	\$ -	\$ 4,503,568	
-	-	-	5,539	
-	-	-	8,355	
-	22,200	888,889	1,312,452	
-	-	-	1,023,223	
-	-	-	6,170	
-	-	657,603	657,603	
-	-	-	1,569,209	
-	3	24,079	243,814	
-	-	54,653	407,182	
<u>-</u>	<u>1,786,892</u>	<u>1,625,224</u>	<u>9,737,115</u>	
-	-	-	2,129,798	
-	-	123,252	1,587,888	
-	-	-	2,269,497	
-	-	121,373	365,717	
-	-	-	1,162,637	
-	-	1,407,673	1,407,673	
-	1,405,000	-	1,431,517	
-	336,610	84,513	421,806	
<u>-</u>	<u>1,741,610</u>	<u>1,736,811</u>	<u>10,776,533</u>	
<u>-</u>	<u>45,282</u>	<u>(111,587)</u>	<u>(1,039,418)</u>	
-	-	2,640,000	2,640,000	
-	-	131,149	131,149	
-	32,230	42,794	1,154,983	
-	-	(812,482)	(812,482)	
<u>-</u>	<u>32,230</u>	<u>2,001,461</u>	<u>3,113,650</u>	
-	77,512	1,889,874	2,074,232	
(1,487,814)	335,931	1,715,638	5,893,168	
1,487,814	-	438,855	-	
-	-	-	636,450	
-	335,931	2,154,493	6,529,618	
-	-	2,711	2,711	
<u>\$ -</u>	<u>\$ 413,443</u>	<u>\$ 4,047,078</u>	<u>\$ 8,606,561</u>	

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds (page 33)		
Net Change in Fund Balance	\$ 2,074,232	
Decrease in Reserve for Inventory	<u>2,711</u>	\$ 2,076,943
<p>Governmental funds report capital outlays, including infrastructure, as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation/amortization expense in the current year, as follows:</p>		
Expenditures for capital assets	1,652,411	
Depreciation/amortization expense	<u>(1,536,112)</u>	116,299
Revenues reported in the funds that are not available to provide current financial resources		(4,095)
Prepaid insurance is not reported in the governmental funds as it is not available to provide current financial resources		29,519
Prepaid items are not recognized as expenditures in the governmental funds when paid. However, they are reported as assets in the Statement of Net Position. This amount represents the increase (or decrease) in prepaid items during the year.		12,200
Accrued interest expense that does not require current financial resources		3,575
Amortization of premium on long term debt		76,006
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	5,817	
Other post employment benefits	(7,923)	
Pension expense	<u>130,494</u>	128,388
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:		(2,771,149)
The repayment of the principal of 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:		1,431,517
Change in net position of governmental activities (page 28)		<u>\$ 1,099,203</u>

See Accompanying Notes to the Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**COMBINING STATEMENT OF NET POSITION**  
**Proprietary Funds**  
**JUNE 30, 2025**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 3,022,850	\$ 2,146,183	\$ 1,325,299
Receivables (Net, where applicable, of allowance for uncollectibles)			
Accounts	750,536	233,697	141,434
Estimated Unbilled Usage	347,188	81,577	51,542
Notes Receivable - Component Unit	189,729	-	-
Due from Other Funds	117,824	-	-
Current Portion of Lease Receivable	105,251	-	-
Inventories	1,326,497	111,080	-
Land Held for Resale	194,034	-	-
Prepaid Assets	50,922	37,163	30,154
<b>Total Current Assets</b>	<b>6,104,831</b>	<b>2,609,700</b>	<b>1,548,429</b>
<b>Non Current Assets</b>			
Restricted Assets:			
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	105,000	70,500	55,000
Revenue Bond Current Debt Service Account - Investments	-	-	22,551
Revenue Bond Future Debt Service Account - Cash & Cash Equivalents	112,500	1,012,500	610,000
Cash Restricted for Customer Deposits	13,467	7,400	-
Land	5,259,418	1,778,352	469,847
Construction in Progress	-	9,894,000	1,229,484
Capital Assets, Net of Accumulated Depreciation	9,458,284	5,062,070	12,786,712
<b>Total Noncurrent Assets</b>	<b>14,948,669</b>	<b>17,824,822</b>	<b>15,173,594</b>
<b>Total Assets</b>	<b>21,053,500</b>	<b>20,434,522</b>	<b>16,722,023</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB Related Deferred Outflows	2,914	1,722	-
Pension Related Deferred Outflows	55,416	42,092	-
<b>Total Deferred Outflows of Resources</b>	<b>58,330</b>	<b>43,814</b>	<b>-</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	689,026	193,781	5,037
Accrued Wages	14,254	7,632	8,554
Accrued Expenses	3,320	174	-
Customer Deposits	13,467	7,400	-
Unearned Revenue	-	-	-
Payable from Restricted Assets:			
Accrued Revenue Bond Interest	3,750	36,541	18,663
Revenue Bonds	150,000	405,000	420,000
Other Post Employment Benefits	525	310	-
Compensated Absences	10,213	8,413	2,817
<b>Total Current Liabilities</b>	<b>884,555</b>	<b>659,251</b>	<b>455,071</b>
Noncurrent Liabilities:			
Due in more than one year:			
Revenue Bonds Payable	1,016,119	10,228,731	5,900,790
Net Pension Liability	133,109	100,327	-
Other Post Employment Benefits	27,910	16,492	-
Compensated Absences and Benefits, Long-Term	15,321	12,621	4,224
<b>Total Noncurrent Liabilities</b>	<b>1,192,459</b>	<b>10,358,171</b>	<b>5,905,014</b>
<b>Total Liabilities</b>	<b>2,077,014</b>	<b>11,017,422</b>	<b>6,360,085</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB Related Deferred Inflows	5,126	3,029	-
Pension Related Deferred Inflows	5,749	1,219	-
Lease Related Deferred Inflows	87,709	-	-
<b>Total Deferred Inflows of Resources</b>	<b>98,584</b>	<b>4,248</b>	<b>-</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,551,583	6,100,691	8,165,253
Restricted for:			
Debt Service	213,750	1,046,459	668,888
Unrestricted	5,170,899	2,309,516	1,527,797
<b>Total Net Position</b>	<b>\$ 18,936,232</b>	<b>\$ 9,456,666</b>	<b>\$ 10,361,938</b>

See Accompanying Notes to Financial Statements

<b>Business Type Activities</b>	
<b>Gas</b>	
<b>Utility</b>	<b>Total</b>
\$ 1,944,023	\$ 8,438,355
142,605	1,268,272
41,523	521,830
-	189,729
-	117,824
-	105,251
64,093	1,501,670
-	194,034
17,330	135,569
<u>2,209,574</u>	<u>12,472,534</u>
-	230,500
-	22,551
-	1,735,000
9,800	30,667
25,000	7,532,617
-	11,123,484
<u>1,384,492</u>	<u>28,691,558</u>
<u>1,419,292</u>	<u>49,366,377</u>
<u>3,628,866</u>	<u>61,838,911</u>
838	5,474
<u>25,968</u>	<u>123,476</u>
<u>26,806</u>	<u>128,950</u>
103,173	991,017
6,334	36,774
57	3,551
9,800	30,667
270	270
-	58,954
-	975,000
151	986
<u>5,058</u>	<u>26,501</u>
<u>124,843</u>	<u>2,123,720</u>
-	17,145,640
49,703	283,139
8,029	52,431
<u>7,587</u>	<u>39,753</u>
<u>65,319</u>	<u>17,520,963</u>
<u>190,162</u>	<u>19,644,683</u>
1,475	9,630
604	7,572
-	87,709
<u>2,079</u>	<u>104,911</u>
1,409,492	29,227,019
-	1,929,097
<u>2,053,939</u>	<u>11,062,151</u>
<u>\$ 3,463,431</u>	<u>\$ 42,218,267</u>

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
<b>Operating Revenues:</b>			
Charges for Services	\$ 8,502,914	\$ 2,171,023	\$ 1,576,072
Total Operating Revenue	<u>8,502,914</u>	<u>2,171,023</u>	<u>1,576,072</u>
<b>Operating Expenses:</b>			
Production	5,581,458	296,779	323,330
Transmission	23,576	9,944	-
Distribution / Collection	763,064	449,622	183,143
Administrative and General	509,035	306,176	293,597
Depreciation	817,114	382,670	415,537
Total Operating Expenses	<u>7,694,247</u>	<u>1,445,191</u>	<u>1,215,607</u>
Operating Income (Loss)	808,667	725,832	360,465
<b>Non-Operating Income (Expense):</b>			
Interest Income	193,038	-	1,019
Other Non-operating Revenues	81,649	40,596	15,202
Interest Expense	(16,974)	(426,290)	(217,617)
Other Non-operating Expenses	(545,294)	(61,002)	-
Total Non-Operating Income (Expenses)	<u>(287,581)</u>	<u>(446,696)</u>	<u>(201,396)</u>
Income before Transfers	521,086	279,136	159,069
Capital Contribution	-	329,006	359,378
Gain/Loss on Sale of Fixed Assets	12,500	-	-
Transfers In	-	6,250	-
Transfers Out	<u>(305,001)</u>	<u>-</u>	<u>-</u>
Change in Net Position	228,585	614,392	518,447
Net Position - beginning	<u>18,707,647</u>	<u>8,842,274</u>	<u>9,843,491</u>
Net Position - ending	<u>\$ 18,936,232</u>	<u>\$ 9,456,666</u>	<u>\$ 10,361,938</u>

See Accompanying Notes to Financial Statements

<b>Business Type Activities</b>	
<b>Gas</b>	
<b>Utility</b>	<b>Total</b>
\$ 3,612,695	\$ 15,862,704
<u>3,612,695</u>	<u>15,862,704</u>
-	6,201,567
2,460,050	2,493,570
239,991	1,635,820
212,271	1,321,079
114,177	1,729,498
<u>3,026,489</u>	<u>13,381,534</u>
586,206	2,481,170
-	194,057
1,459	138,906
-	(660,881)
-	(606,296)
<u>1,459</u>	<u>(934,214)</u>
587,665	1,546,956
-	688,384
	12,500
6,250	12,500
<u>(50,000)</u>	<u>(355,001)</u>
543,915	1,905,339
<u>2,919,516</u>	<u>40,312,928</u>
\$ <u>3,463,431</u>	\$ <u>42,218,267</u>

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 8,505,537	\$ 2,118,408	\$ 1,572,620
Cash Paid to Suppliers for Goods and Services	(5,784,786)	(625,095)	(428,721)
Cash Paid to Employees for Services	(817,302)	(449,582)	(386,927)
Other Nonoperating Income	55,423	40,596	15,202
Other Nonoperating Expenses	(545,294)	(61,002)	-
Net Cash Provided by Operating Activities	<u>1,413,578</u>	<u>1,023,325</u>	<u>772,174</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(606,274)	(592,088)	(84,154)
Principal Paid on Notes and Bonds	(145,000)	(390,000)	(405,000)
Interest Paid on Notes and Bonds	(23,950)	(457,988)	(237,710)
Net Cash (Used) for Capital and Related Financing Activities	<u>(775,224)</u>	<u>(1,440,076)</u>	<u>(726,864)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Transfers To Other Funds	(292,501)	-	-
Due From Other Funds	35,680	24,271	256,748
Net Cash Provided (Used) for Non-Capital Financing Activities	<u>(256,821)</u>	<u>24,271</u>	<u>256,748</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from Sale of Land Held for Resale	17,708	-	-
Due from Other Governments	27,784	-	-
Interest and Dividends on Investments	193,038	-	1,000
Net Cash Provided by Investing Activities	<u>238,530</u>	<u>-</u>	<u>1,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	620,063	(392,480)	303,058
Cash and Cash Equivalents at Beginning of Year	<u>2,633,754</u>	<u>3,629,063</u>	<u>1,687,241</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,253,817</u>	<u>\$ 3,236,583</u>	<u>\$ 1,990,299</u>
Schedule of Non-Cash Investing and Financing Activities:			
Transfer of Asset	\$ (12,500)	\$ 6,250	
Contributed Capital	<u>\$ -</u>	<u>\$ 329,006</u>	<u>\$ 359,378</u>

See Accompanying Notes to Financial Statements

<b>Business Type Activities</b>		
<b>Gas</b>		
	<b>Utility</b>	<b>Total</b>
\$	3,580,086	\$ 15,776,651
	(2,570,000)	(9,408,602)
	(372,985)	(2,026,796)
	1,459	112,680
	-	(606,296)
	<u>638,560</u>	<u>3,847,637</u>
	(99,424)	(1,381,940)
	-	(940,000)
	-	(719,648)
	<u>(99,424)</u>	<u>(3,041,588)</u>
	(50,000)	(342,501)
	-	316,699
	<u>(50,000)</u>	<u>(25,802)</u>
	-	17,708
	-	27,784
	-	194,038
	<u>-</u>	<u>239,530</u>
	489,136	1,019,777
	<u>1,464,687</u>	<u>9,414,745</u>
\$	<u>1,953,823</u>	\$ <u>10,434,522</u>
\$	6,250	\$ -
\$	<u>-</u>	\$ <u>688,384</u>

Continued

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	<b>Business Type Activities</b>		
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 808,667	\$ 725,832	\$ 360,465
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	817,114	382,670	415,537
Amortization			
Other Non-Operating Income	55,423	40,596	15,202
Other Non-Operating Expenses	(545,294)	(61,002)	-
(Increase) Decrease in Assets and Deferred Outflows			
Accounts Receivable	13,158	(45,054)	(1,890)
Estimated Unbilled Usage	(7,822)	(9,561)	(1,562)
Inventories	238,703	(1,727)	-
Prepaid Expenses	2,424	741	4,942
Deferred Outflows of Resources	18,005	12,065	-
Increase (Decrease) in Liabilities and Deferred Inflows			
Accounts Payable	54,121	330	(20,631)
Accrued Wages and Compensated Absences	(4,878)	(2,676)	190
Accrued Expenses	3,320	21	(79)
Customer Deposits	(1,435)	2,000	-
Unearned Revenue	(1,278)	-	-
Net Pension Liability	(37,162)	(22,120)	-
Deferred Inflows of Resources	(1,854)	(188)	-
OPEB Liability	2,366	1,398	-
Total Adjustments	604,911	297,493	411,709
Net Cash Provided by Operating Activities	<u>\$ 1,413,578</u>	<u>\$ 1,023,325</u>	<u>\$ 772,174</u>
Cash and Cash Equivalents	3,022,850	2,146,183	1,325,299
Revenue Bond Current Debt Service Account - Cash & Cash Equivalents	105,000	70,500	55,000
Revenue Bond Future Debt Service Account - Cash & Cash Equivalents	112,500	1,012,500	610,000
Cash Restricted for Customer Deposits	13,467	7,400	-
Total Cash and Cash Equivalents	<u>\$ 3,253,817</u>	<u>\$ 3,236,583</u>	<u>\$ 1,990,299</u>

See Accompanying Notes to Financial Statements

<b>Business Type Activities</b>	
<b>Gas Utility</b>	<b>Total</b>
\$ 586,206	\$ 2,481,170
114,177	1,729,498
1,459	112,680
-	(606,296)
(27,295)	(61,081)
(7,189)	(26,134)
16,289	253,265
(3,292)	4,815
983	31,053
(35,980)	(2,160)
2,902	(4,462)
(548)	2,714
1,900	2,465
(25)	(1,303)
(11,612)	(70,894)
(96)	(2,138)
681	4,445
52,354	1,366,467
<u>\$ 638,560</u>	<u>\$ 3,847,637</u>
1,944,023	8,438,355
-	230,500
-	1,735,000
9,800	30,667
<u>\$ 1,953,823</u>	<u>\$ 10,434,522</u>

See Accompanying Notes to Financial Statements

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Orange City, Iowa is a political subdivision of the State of Iowa located in Sioux County, and was incorporated in 1884, under the laws of the State of Iowa, later amended in 1974 under the Home Rule City Act. The City operates under a Council-Manager form of government and administers the following programs as authorized by its charter: public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides electric, water, sewer and gas utilities.

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

**A. Reporting Entity**

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

These financial statements present the City of Orange City, Iowa (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Complete financial statements of the individual component units, which issued separate financial statements as noted below, can be obtained from their respective administrative office.

Discretely Presented Component Unit – The government-wide financial statements include The Orange City Area Health System (Hospital) as a component unit. The Hospital is a legally separate entity. Iowa statute provides situations where the City can impose their will on the Hospital and / or the hospital can create a potential financial benefit or burden on the City. The Hospital budget is approved by the City and the Hospital cannot issue its own debt. Complete financials are on file at the Hospital.

Discretely Presented Component Unit – The government-wide financial statements include The Orange City Municipal Golf Association (Association) as a component unit. The Association is a legally separate entity with a December 31 year end. The Association is fiscally dependent upon the City to provide financing for capital purchases and for operations and could present a financial burden to the City. The Association operations are financed through its operation with the City committed to funding all deficits. The City approves all debt of the Association. Complete financials are available at the Association.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

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

**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, capital project and permanent funds are classified as governmental activities.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The City does not allocate indirect costs.

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

**C. Fund Accounting**

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

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

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

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

- 1) General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, and culture and recreation.
- 2) Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**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 maintains several business-type activities. The major enterprise funds are listed as follows:

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

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

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

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

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

**D. Basis of Accounting**

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

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

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 90 - day availability period is used for revenue recognition for all other governmental fund revenues.

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

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

**E. Budgets**

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, expenditures exceeded the amount budgeted in the Culture and Recreation, Community and Economic Development, and Business-Type Activities.

**F. Cash And Cash Equivalents and Investments**

The City is authorized by statute to invest public funds not currently needed for operating expenses in notes, certificates, bonds, prime eligible bankers acceptances, certain high rated commercial paper, perfected repurchase agreements, or other evidences of indebtedness which

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits or savings accounts in depositories approved by the City Council.

- 1) Cash and Cash Equivalents – Includes demand deposits, cash on hand and cash investments with original maturities of three months or less.
- 2) Investments – The City and its component unit use the following methods in determining the reported amounts.

<u>City</u>	<u>Type</u>	<u>Method</u>
	Nonnegotiable Certificates of Deposit	Amortized Cost
	Iowa Public Agency Investment Trust	Amortized Cost
 <u>Component Unit</u>		
	Interest-earning investment contracts	
	Nonnegotiable certificates of deposit	Amortized Cost
 <u>Open-end mutual funds</u>		
	(governmental external investment pool registered As an investment company)	Fair Value determined by current share price
 <u>Publicly traded mutual funds</u>		
		Fair Value based on quoted market prices
 <u>Debt Securities</u>		
	Negotiable certificates of deposit and U.S. Government Agency Securities	
	Maturity of one year or less when purchased	Amortized cost
	Maturity to more than one year when purchased	Fair Value based on quoted Market prices

**G. Property Tax Receivable, Including Tax Increment Financing**

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

Property tax and tax increment financing receivables are recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Delinquent property tax and tax increment financing receivables represent taxes collected by the County but not remitted to the City at June 30, 2025 and unpaid taxes. The succeeding year property tax and tax increment financing receivables represent taxes certified by the City Council to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors (City Council) in April, 2024.

**H. Short-Term Interfund Receivables/Payables**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2025, balances of interfund amounts payable or receivable have been recorded as “due to other funds” and “due from other funds”, respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

**I. Inventories**

Inventories of governmental funds are valued at cost using FIFO while those of enterprise funds are valued using the average cost method. For fund level reporting, the cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories in the governmental funds are equally offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of net current assets. Inventory of the discretely presented component units is valued at cost using FIFO.

**J. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the purchases method, recognizing expenses immediately upon purchase.

**K. Restricted Assets**

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds. Other restricted assets include temporary cash investments for the perpetual care fund and customer deposits restricted for application to unpaid customer accounts or for refund to customers.

**L. Property and Equipment**

Assets with an initial individual cost of \$5,000 or more are considered capital assets. Bulk purchases of equipment could also be capitalized. The capitalization threshold for bulk purchases is \$50,000 or more. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at acquisition value.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost of \$25,000 or more beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings & Improvements	25 – 50 Years
Land Improvements	20 – 50 Years
Utility Plant	20 – 33 Years
Machinery & Equipment	3 – 20 Years
Vehicles	5 – 20 Years
Infrastructure	10 – 65 Years

**M. Leases**

City of Orange City is a lessor for a lease agreement. The City recognizes lease receivables and deferred inflows of resources in the government-wide, governmental fund, and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

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

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City and Health System are lessees for noncancellable lease of equipment and building spaces. The City and Health System have recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City and Health System initially measure the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City and Health System determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The City and Health System use the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City and Health System generally use their estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included the measurement of the lease liability are composed of fixed payments and a purchase option price that the City and Health System are reasonably certain to exercise.

The City and Health System monitor changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**N. Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

**O. Long-Term Obligations**

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

CITY OF ORANGE CITY, IOWA  
Notes to Financial Statements  
June 30, 2025

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

**P. Interfund Transactions**

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

**Q. Landfill Closure Costs**

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

**R. Classifying Fund Balance Amounts**

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

**S. Deferred Outflow/Inflows of Resources**

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

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

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

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

**T. Pensions**

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

**Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The City’s deposits at June 30, 2025, were entirely covered by Federal Depository Insurance collateralized or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. Chapter 12C provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, the primary government’s investments were reported at amortized cost as follows:

	<u>Credit Risk</u>	<u>Maturities</u>	<u>Amortized Cost</u>	<u>Interest Rates</u>
Certificates of Deposit	N/A	10/14/25 - 4/15/26	\$ 108,191	4.00-4.10%
Iowa Public Agency Investment Trust	Not Rated	Daily	53,459	4.50%
Totals			\$ 161,650	

As of June 30, 2025, the City’s investments consist of Certificates of Deposit which are valued at amortized cost of \$108,191, and IPAIT which is valued at an amortized cost of \$53,459. The fair value of the City position is the same as the value of the pool shares. There were no limitations or restrictions on withdrawals for the IPAIT investments. The City’s investment in IPAIT is unrated. The State of Iowa provides regulatory oversight.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS – (Continued)**

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

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

Component Unit: The Hospital's investments are insured or registered or for which the securities are held by the Hospital or its agent in the Hospital's name. The mutual fund investments are uninsured and unregistered, with securities held by the counter party or by its trust department or agent, but not in the Hospital's name. All investments listed below, except the U.S. Government agency securities, are subject to custodial credit risk. The Hospital does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates (interest rate risk).

As of June 30, 2025, the Hospital's investments are reported at a fair value based upon stated certificates of deposit values as follows:

	<u>Maturities</u>	
Negotiable certificates of deposit	8/26/25-5/25/26	\$ 6,963,560
Totals		\$ 6,963,560

The primary objectives of the Hospital's investment policy include the safety and preservation of principal in the overall investment portfolio, the maintenance of necessary liquidity to match expected liabilities, and obtaining a reasonable return. The investment policy limits the investing of operating funds to instruments that mature within three hundred ninety-seven days. Funds not identified as operating funds may be invested in investments with maturities longer than three hundred ninety-seven days, provided that the maturities shall be consistent with the needs and use of the Hospital. All investments were valued at level one inputs using quoted prices in active markets. All investments are unrated.

There were no significant changes in investments held during the fiscal year ended June 30, 2025.

**Note 3 - DUE FROM OTHER GOVERNMENTS**

At June 30, 2025, amounts due from other governments were as follows:

Due from the Iowa Department of Transportation for road use tax allocations	\$	68,595
Due from the State of Iowa for hotel/motel tax		18,088
Due from the State of Iowa for local option sales taxes		139,078
Due from other sources		428
Total Due from Other Governments	\$	226,189

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 4 - INTERFUND RECEIVABLES AND PAYABLES**

As of June 30, 2025, short-term interfund payables and receivables were as follows:

Fund Due To	Fund Due From	Amount
General Fund	Nonmajor Governmental	\$ 48,927
Electric Fund	Nonmajor Governmental	117,824
		\$ 166,751

The interfund balances represent amounts due from and due to other funds to cover deficit cash balances and to represent internally funded TIF capital projects.

**Note 5 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Primary Government**

	Balance July 1, 2024	Additions	Disposals	Re- classification	Balance June 30, 2025
<b>Governmental Activities:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 1,223,956	\$ -	\$ -	\$ -	\$ 1,223,956
Construction in Progress	4,818,575	1,367,468	4,608,455	(167,122)	1,410,466
Total Capital Assets Not Being Depreciated	6,042,531	1,367,468	4,608,455	(167,122)	2,634,422
Capital Assets Being Depreciated and Amortized:					
Buildings	12,705,483	-	-	-	12,705,483
Intangible Right to Use Lease - Building	76,246	-	76,246	-	-
Improvements	10,008,079	137,458	-	-	10,145,537
Equipment	4,576,910	672,415	-	-	5,249,325
Infrastructure	41,312,304	4,608,455	-	(357,808)	45,562,951
Total Capital Assets Being Depreciated and Amortized	68,679,022	5,418,328	76,246	(357,808)	73,663,296
Less Accumulated Depreciation and Amortization:					
Buildings	5,821,105	279,530	-	-	6,100,635
Intangible Right to Use Lease - Building	50,830	25,416	76,246	-	-
Improvements	4,187,921	465,329	-	-	4,653,250
Equipment	4,141,951	306,360	-	-	4,448,311
Infrastructure	29,499,098	459,477	-	-	29,958,575
Total Accumulated Depreciation and Amortization	43,700,905	1,536,112	76,246	-	45,160,771
Total Capital Assets Being Depreciated and Amortized, Net	24,978,117	3,882,216	-	(357,808)	28,502,525
Governmental Activities Capital Assets, Net	\$ 31,020,648	\$ 5,249,684	\$ 4,608,455	\$ (524,930)	\$ 31,136,947

Construction in progress at June 30, 2025, for the governmental activities consisted of various street and sidewalk projects.

Reclassifications were made to move utility-related asset additions to business-type activities.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 5 - CAPITAL ASSETS – (Continued)**

	Balance July 1, 2024	Additions	Disposals	Re- classifications	Balance June 30, 2025
<b>Business-Type Activities:</b>					
Capital Assets Not Being Depreciated:					
Land	\$ 7,532,617	\$ -	\$ -	\$ -	\$ 7,532,617
Construction in Progress	10,409,671	713,813	-	-	11,123,484
Total Capital Assets Not Being Depreciated	17,942,288	713,813	-	-	18,656,101
Capital Assets Being Depreciated:					
Buildings	3,474,846	-	-	-	3,474,846
Improvements	30,243	-	-	-	30,243
Equipment	5,982,193	149,451	30,000	-	6,101,644
Utility Plant	48,646,343	694,630	-	524,930	49,865,903
Total Capital Assets Being Depreciated	58,133,625	844,081	30,000	524,930	59,472,636
Less Accumulated Depreciation For:					
Buildings	2,381,433	88,751	-	-	2,470,184
Improvements	30,242	-	-	-	30,242
Equipment	4,272,553	267,212	30,000	-	4,509,765
Utility Plant	22,397,352	1,373,535	-	-	23,770,887
Total Accumulated Depreciation	29,081,580	1,729,498	30,000	-	30,781,078
Total Capital Assets Being Depreciated, Net	29,052,045	(885,417)	-	524,930	28,691,558
Business Type Activities Capital Assets, Net	\$ 46,994,333	\$ (171,604)	\$ -	\$ 524,930	\$ 47,347,659

Construction in progress is related to the water and sewer system expansion.

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

Governmental Activities:	
Public Safety	\$ 256,290
Public Works	796,783
Culture and Recreation	301,901
General Government	181,138
	<u>1,536,112</u>
Total depreciation/amortization expense – governmental activities	\$ 1,536,112
Business-Type Activities:	
Electric	\$ 817,114
Water	382,670
Sewer	415,537
Gas	114,177
	<u>1,729,498</u>
Total depreciation expense – business-type activities	\$ 1,729,498

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 5 - CAPITAL ASSETS – (Continued)**

A summary of changes in capital assets for the discretely presented component units are as follows:

<b>Orange City Area Health System</b>	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2024</b>	<b>Additions</b>	<b>Disposals</b>	<b>June 30, 2025</b>
Capital Assets Not Being Depreciated				
Land	\$ 2,437,442	\$ -	\$ -	\$ 2,437,442
Construction in Progress	9,077,807	3,564,998	12,513,205	129,600
<b>Total Capital Assets Not Being Depreciated</b>	<b>11,515,249</b>	<b>3,564,998</b>	<b>12,513,205</b>	<b>2,567,042</b>
Capital Assets Being Depreciated and Amortized				
Land Improvements	3,966,597	946,761	-	4,913,358
Buildings	22,591,815	5,913,968	-	28,505,783
Intangible Right to Use Lease - Building	90,461	279,474	-	369,935
Fixed Equipment	39,915,398	3,721,234	-	43,636,632
Major Movable Equipment	18,905,962	2,034,229	6,489	20,933,702
Intangible Right to Use Lease - Equipment	335,977	730,468	-	1,066,445
<b>Total Capital Assets Being Depreciated and Amortized</b>	<b>85,806,210</b>	<b>13,626,134</b>	<b>6,489</b>	<b>99,425,855</b>
Less: Accumulated Depreciation and Amortization	61,198,275	4,221,719	6,489	65,413,505
<b>Total Capital Assets Being Depreciated and Amortized, Net</b>	<b>24,607,935</b>	<b>9,404,415</b>	<b>-</b>	<b>34,012,350</b>
<b>Total Capital Assets, Net</b>	<b>\$ 36,123,184</b>	<b>\$ 12,969,413</b>	<b>\$ 12,513,205</b>	<b>\$ 36,579,392</b>

Construction in progress for the Health System, for the year ended June 30, 2025 consists of several miscellaneous projects expected to complete in fiscal year 2026 without significant additional cost. All projects are being financed internally.

<b>Orange City Municipal Golf Association</b>	<b>Balance</b>			<b>Balance</b>
	<b>January 1, 2024</b>	<b>Additions</b>	<b>Disposals</b>	<b>December 31, 2024</b>
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 153,586	\$ 2,738	\$ 156,324	\$ -
<b>Total Capital Assets Not Being Depreciated</b>	<b>153,586</b>	<b>2,738</b>	<b>156,324</b>	<b>-</b>
Capital Assets Being Depreciated and Amortized				
Golf Course and Trail	1,657,796	-	-	1,657,796
Buildings	990,671	156,324	1,207	1,145,788
Equipment	610,090	62,261	10,176	662,175
Intangible Right to Use Lease – Equipment	272,833	-	-	272,833
<b>Total Capital Assets Being Depreciated and Amortized</b>	<b>3,531,390</b>	<b>218,585</b>	<b>11,383</b>	<b>3,738,592</b>
Less Accumulated Depreciation and Amortization	1,827,309	155,779	2,541	1,980,547
<b>Total Capital Assets Being Depreciated and Amortized, Net</b>	<b>1,704,081</b>	<b>62,806</b>	<b>8,842</b>	<b>1,758,045</b>
<b>Capital Assets, Net</b>	<b>\$ 1,857,667</b>	<b>\$ 65,544</b>	<b>\$ 165,166</b>	<b>\$ 1,758,045</b>

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 5 - CAPITAL ASSETS – (Continued)**

**Reconciliation of Net Investment in Capital Assets:**

	Governmental Activities	Business- Type Activities	Component Unit	
			Health System	Golf Course
Land	\$ 1,223,956	\$ 7,532,617	\$ 2,437,442	\$ -
Construction in Progress	1,410,466	11,123,484	129,600	-
Capital Assets (net of accumulated depreciation/amortization)	28,502,525	28,691,558	34,012,350	1,758,045
Less: General Obligation Bonds Payable	11,936,412	-	-	-
Accounts/Retainage Payable	178,525	-	-	-
Revenue Bonds	-	18,120,640	18,780,000	-
Note Payable	655,556	-	6,692,649	188,663
Lease Payable	-	-	1,151,423	111,379
Net Investment in Capital Assets	\$ 18,366,454	\$ 29,227,019	\$ 9,955,320	\$ 1,458,003

**Note 6 - LEASE RECEIVABLES**

**Primary Government**

On March 1, 2025, the City entered into a two year lease as Lessor for use of farmland owned by the City commencing on March 1, 2025 and continuing through February 28, 2027. As of June 30, 2025, the value of the lease receivable is \$105,251. The Lessee is required to make semiannual fixed payments. The lease has an interest rate of 3.84%. The value of the deferred inflow of resources as of June 30, 2025 was \$87,709, and the City recognized lease revenue of \$17,542 and lease interest of \$1,354 during the fiscal year. A summary of the remaining lease receivable principal and interest to maturity is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 78,433	\$ 3,578	\$ 82,011
2027	26,818	519	27,337
Total	\$ 105,251	\$ 4,097	\$ 109,348

**Note 7 - LONG-TERM DEBT**

**General Obligation Bonds**

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

General obligation bonds outstanding as of June 30, 2025 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	1.15 – 5.00%	\$ 11,345,000

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 7 - LONG-TERM DEBT – (Continued)**

The General Obligation bonds are presented on the Statement of Net Position net of unamortized bond premium of \$591,412.

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

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 1,485,000	\$ 415,537	\$ 1,900,537
2027	1,295,000	362,410	1,657,410
2028	1,310,000	318,899	1,628,899
2029	1,305,000	274,329	1,579,329
2030	1,055,000	225,529	1,280,529
2031-2035	3,835,000	623,301	4,458,301
2036-2038	1,060,000	69,081	1,129,081
	<u>\$ 11,345,000</u>	<u>\$ 2,289,086</u>	<u>\$ 13,634,086</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.

**Primary Government**

Revenue bonds outstanding at June 30, 2025 are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amounts</b>
Electric Revenue Bonds	.35 – 2.00%	\$ 1,125,000
Water Revenue Bonds	4.00 – 5.00%	10,125,000
Sewer Revenue Bonds	2.00 – 4.00%	6,095,000
		<u>\$ 17,345,000</u>

The revenue bonds are presented on the statement of Net Position and the Balance Sheet net of unamortized bond premium of \$775,640.

Revenue bond debt service requirements to maturity are as follows:

**Primary Government**

<b>Year Ending June 30,</b>	<b>Business-Type Activities</b>				
	<b>Electric Principal</b>	<b>Water Principal</b>	<b>Sewer Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 150,000	\$ 405,000	\$ 420,000	\$ 683,448	\$ 1,658,448
2027	155,000	425,000	435,000	647,173	1,662,173
2028	155,000	450,000	445,000	608,673	1,658,673
2029	160,000	470,000	460,000	567,873	1,657,873
2030	165,000	495,000	475,000	527,137	1,662,137
2031-2035	340,000	2,835,000	2,645,000	1,965,287	7,785,287
2036-2040	-	3,455,000	1,215,000	845,587	5,515,587
2041-2042	-	1,590,000	-	84,787	1,674,787
	<u>\$ 1,125,000</u>	<u>\$ 10,125,000</u>	<u>\$ 6,095,000</u>	<u>\$ 5,929,965</u>	<u>\$ 23,274,965</u>

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 7 - LONG-TERM DEBT – (Continued)**

**Component Unit**

<u>Purpose</u>			<u>Interest Rates</u>	<u>Amounts</u>
Hospital/Component Unit			2.85 – 6.33%	<u>\$ 18,780,000</u>
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Health System</u>		<u>Total</u>
		<u>Interest</u>		
2026	\$ 1,495,000	\$ 745,015		\$ 2,240,015
2027	1,540,000	702,082		2,242,082
2028	1,585,000	657,878		2,242,878
2029	1,630,000	612,447		2,242,447
2030	1,685,000	565,596		2,250,596
2031-2033	10,845,000	2,603,047		13,448,047
	<u>\$ 18,780,000</u>	<u>\$ 5,886,065</u>		<u>\$ 24,666,065</u>

**Notes Payable – Direct Borrowing**

**Primary Government – Governmental Activities**

During 2021, the City entered into a noninterest term loan agreement with North West Rural Electric Cooperative. The purpose of the loan was to finance construction of infrastructure that will support the construction of a new elementary school and residential development. The \$400,000 loan, dated December 22, calls for annual payments of \$44,444 beginning June 1, 2023 and continuing until June 1, 2031. Remaining principal balance as of June 30, 2025 was \$266,668.

During 2022, the City entered into a noninterest term loan agreement with North West Rural Electric Cooperative. The purpose of the loan was to finance construction of infrastructure that will support the construction of a new elementary school and residential development. The \$500,000 loan, dated May 4, calls for annual payments of \$55,556 beginning June 1, 2024 and continuing until June 1, 2032. Remaining principal balance as of June 30, 2025 was \$388,888.

**Orange City Area Health System**

During 2016, the Hospital entered into a noninterest term loan agreement with the City Municipal Electric Utility through the United States Rural Economic Development Loan and Grant Program. The purpose of the loan was to finance the construction of a twelve-unit independent living addition at Landsmeer Ridge Retirement Community. The \$1,760,000 unsecured loan, dated February 26, 2016, calls for monthly payments of \$16,297 beginning March 1, 2017 and continuing until February of 2026. Remaining principal balance related to the Rural Economic Development Loan and Grant Program as of June 30, 2025 was \$114,074.

During 2023, the Hospital entered into an installment contract with Total Motors of Le Mars to finance the purchase of a truck for administrative use. Payments of principal and interest at 2.90% began on April 2, 2023, and continue on a monthly basis until March 2, 2028. The loan is secured by the vehicle. Remaining principal balance as of June 30, 2025 was \$35,519.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 7 - LONG-TERM DEBT – (Continued)**

During 2023, the Hospital also entered into a promissory note with North West Rural Electric Cooperative through the grant program in fiscal year 2023 to assist in financing the construction of Knaal Huis, a 36-unit condo complex for those aged 55 and older. The \$300,000 unsecured note calls for annual payments of \$60,000 in principal plus accrued interest at one-half of the prime rate of interest as published in the Wall Street Journal on the anniversary date of the first advance of funds, beginning on September 30, 2023, and continuing until September 30, 2028. Remaining principal balance as of June 30, 2025 was \$240,000.

During 2023, the Hospital entered into a construction loan with Iowa State Bank. The purpose of the loan was to finance construction of Kanaal Huis. The secured note is dated September 12, 2022 and calls for a single payment of all unpaid principal and accrued interest on March 12, 2025. Interest accrues on the unpaid principal balance at 4.75%. The Hospital has the option to make prepayments on the note in full or in part at any time. The principal balance outstanding related to the promissory note as of June 30, 2024 was \$9,303,056. The loan is secured by a mortgage on the property being constructed, as well as \$2,000,000 of restricted funds set aside by the Health System. This construction loan was paid off in fiscal year 2025, removing the need for the Health System restricted funds. See below for new debt issues to pay off the construction loan.

During 2025, the Foundation received a promissory note from Iowa State Bank in the principal amount of \$6,303,056 after the completion of the Kanaal Huis project on May 10, 2025. The purpose of this loan was to pay off the construction loan that was taken during the building phase. The note is interest-only at 6.875% for two years until the full balance is due on June 30, 2027. The note is secured by a mortgage on the related property and substantially all assets of the Foundation. Remaining principal balance as of June 30, 2025 was \$6,303,056.

During 2025, the Foundation entered into a note payable with the Health System in fiscal year 2025 in the principal amount of \$2,000,000, bearing interest at an initial rate of 4.08%, utilizing the \$2,000,000 of restricted funds set aside by the Health System on the Foundation's behalf. The interest rate will adjust annually on May 15th based on the Health System's cash interest bearing rate, plus 25 basis points. The purpose of this loan was to pay down a portion of the original construction loan from Iowa State Bank prior to refinancing. Payments of \$39,994 are to be made every three months beginning on August 15, 2025, through May 15, 2045. There is a corresponding note receivable on the books of the Health System for \$2,000,000 at June 30, 2025. This debt obligation and receivable has been eliminated in consolidating the Health System with the Foundation on the Statement of Financial Position.

**Orange City Municipal Golf Association**

During 2011, the City made an agreement with the Association to provide the funding for their capital purchases of course equipment. The purchases are to be made on a revolving schedule agreed upon by the City and the Association in order to best maximize the useful lives of the equipment, the needs of the Association, and the contributions of the City. The debt accrues interest at 3.00% and each equipment replacement is repaid over 7 years in annual installments. Principal and interest payments to the City during 2024 were \$46,652 and \$5,541, respectively. The ending balance of the equipment replacement loan from the City for the Association's year ended December 31, 2024 was \$188,663.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 7 - LONG-TERM DEBT – (Continued)**

Annual notes payable – direct borrowing service requirement to maturity are as follows:

**Primary Government**

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 100,000	\$ -	\$ 100,000
2027	100,000	-	100,000
2028	100,000	-	100,000
2029	100,000	-	100,000
2030	100,000	-	100,000
2031-2032	155,556	-	155,556
	<u>\$ 655,556</u>	<u>\$ -</u>	<u>\$ 655,556</u>

**Component Unit**

<b>Year Ending June 30,</b>	<b>Health System</b>			<b>Year Ending December 31,</b>	<b>Golf Association</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 187,068	\$ 434,365	\$ 621,433	2025	\$ 51,341	\$ 5,126	\$ 56,467
2027	6,376,414	433,988	6,810,402	2026	43,636	4,120	47,756
2028	69,167	266	69,433	2027	29,283	2,811	32,094
2029	60,000	-	60,000	2028	23,400	1,932	25,332
2030	-	-	-	2029	18,822	1,230	20,052
2031-2033	-	-	-	2030-2032	22,181	1,035	23,216
	<u>\$ 6,692,649</u>	<u>\$ 868,619</u>	<u>\$ 7,561,268</u>		<u>\$ 188,663</u>	<u>\$ 16,254</u>	<u>\$ 204,917</u>

**Lease Payables**

**Primary Government**

On July 1, 2022, the City entered into a lease agreement with the City's component unit, Orange City Area Health System, for a building space to be used for the Adult Activity Center. An initial liability of \$76,246 was recorded for this lease and requires monthly payments in the amount of \$2,267 over 36 months, with an implicit interest rate of 4.72%. The final payment was made on June 1, 2025.

During the year ended December 31, 2025, the City paid \$26,517 in principal and \$683 in interest related to the lease, respectively. This lease obligation was fully satisfied and concluded as of June 1, 2025. No future payments remain.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 7 - LONG-TERM DEBT – (Continued)**

**Orange City Area Health System**

The Health System leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements.

Office and operating space lease agreements are in place with terms running through March 2023 to June 2029. Equipment leases are in place with terms running through June 2028. Interest rates for these leases range from 2.04% to 3.15%. Total future minimum lease payments under the lease agreements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 461,971	\$ 46,036	\$ 508,007
2027	284,823	25,454	310,277
2028	269,098	11,995	281,093
2029	135,531	1,458	136,989
Total	<u>\$ 1,151,423</u>	<u>\$ 84,943</u>	<u>\$ 1,236,366</u>

**Orange City Municipal Golf Association**

The Association leases golf carts under a 6-year long-term, noncancellable lease agreement which was entered into during May of 2021. The agreement requires seasonal monthly payments from May through October of \$9,415 over 6 years, totaling 36 months of payments at an implicit interest rate of 1.37%. The final payment is due in October of 2026.

During the year ended December 31, 2024, total principal paid for this lease was \$54,724, with an outstanding liability balance of \$111,379. Total future minimum lease payments under the lease agreements are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 55,423	\$ 1,065	\$ 56,488
2026	55,956	532	56,488
Total	<u>\$ 111,379</u>	<u>\$ 1,597</u>	<u>\$ 112,976</u>

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 7 - LONG-TERM DEBT – (Continued)**

**Changes in Long-Term Liabilities**

Long-Term liability activity for the year ended June 30, 2025 and December 31, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 10,010,000	\$ 2,640,000	\$ 1,305,000	\$ 11,345,000	\$ 1,485,000
Bond Premium	536,269	131,149	76,006	591,412	-
Notes Payable - Direct Borrowing	755,556	-	100,000	655,556	100,000
Compensated Absences	81,742	-	5,817 *	75,925	30,370
Lease Liability	26,517	-	26,517	-	-
Governmental Activity					
Long-Term Liabilities	<u>\$ 11,410,084</u>	<u>\$ 2,771,149</u>	<u>\$ 1,513,340</u>	<u>\$ 12,667,893</u>	<u>\$ 1,615,370</u>
<b>Business Type Activities:</b>					
Bonds Payable:					
Revenue Bonds	\$ 18,285,000	\$ -	\$ 940,000	\$ 17,345,000	\$ 975,000
Bond Premium	831,153	-	55,513	775,640	-
Compensated Absences	72,927	-	6,673 *	66,254	26,501
Business-Type Activity					
Long-Term Liabilities	<u>\$ 19,189,080</u>	<u>\$ -</u>	<u>\$ 1,002,186</u>	<u>\$ 18,186,894</u>	<u>\$ 1,001,501</u>
<b>Component Unit:</b>					
Area Health System					
Bonds Payable:					
Revenue Bonds	\$ 20,230,000	\$ -	\$ 1,450,000	\$ 18,780,000	\$ 1,495,000
Notes Payable - Direct Borrowing	9,960,821	6,303,056	9,571,228	6,692,649	187,068
Lease Liability	349,441	1,009,942	207,960	1,151,423	461,971
	<u>\$ 30,540,262</u>	<u>\$ 7,312,998</u>	<u>\$ 11,229,188</u>	<u>\$ 26,624,072</u>	<u>\$ 2,144,039</u>
Golf Course					
Notes Payable - Direct Borrowing	\$ 184,944	\$ 50,371	\$ 46,652	\$ 188,663	\$ 51,341
Lease Liability	165,936	-	54,557	111,379	55,423
	<u>\$ 350,880</u>	<u>\$ 50,371</u>	<u>\$ 101,209</u>	<u>\$ 300,042</u>	<u>\$ 106,764</u>

\* The change in compensate absences liability is presented as a net change.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 8 - TRANSFERS**

The following is a summary of transfers between funds:

	General	Debt Service	Nonmajor Governmental	Water	Gas	Total Transfers Out
Nonmajor Governmental	\$ 737,458	\$ 32,230	\$ 42,794	\$ -	\$ -	\$ 812,482
Electric	292,501	-	-	6,250	6,250	305,001
Gas	50,000	-	-	-	-	50,000
Total Transfer In	<u>\$ 1,079,959</u>	<u>\$ 32,230</u>	<u>\$ 42,794</u>	<u>\$ 6,250</u>	<u>\$ 6,250</u>	<u>\$ 1,167,483</u>

Transfers are used to:

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

**Note 9 - PENSION PLAN**

**Plan description**

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

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

**Pension Benefits**

A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55.

The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 9 - PENSION PLAN – (Continued)**

Sheriffs and deputies and protection occupation members may retire at normal retirement age which is generally at age 55. Sheriffs and deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriffs and deputies member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of special service, plus an additional 2.5% of average salary for more than 22 years of special service but not more than 30 years of service.
- 1.5% compound cost-of-living adjustment (COLA) for members who retire on or after July 1, 2024, who are at least age 50 when they terminate employment and have at least 22 years of special service.
- The member's highest three-year average salary.

The formula used to calculate a protection occupation members' monthly IPERS benefit includes:

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

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

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

**Disability and Death Benefits**

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

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 9 - PENSION PLAN – (Continued)**

**Contributions**

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the City contributed 9.44 percent of covered payroll for a total rate of 15.73 percent. The sheriffs and deputies members and the County each contributed 8.51% of covered payroll, for a total rate of 17.02%. Protective occupation members contributed 6.21 percent of covered payroll and the City contributed 9.31 percent of covered payroll for a total rate of 15.52 percent.

The City's total contributions to IPERS for the year ended June 30, 2025 were \$310,914 and for the component unit total contributions were \$2,823,617, respectively.

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

At June 30, 2025, the City reported a net pension liability (asset) of \$763,396 and the component unit reported \$10,986,882 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the City's collective proportion was 0.020964 percent, which was a decrease of 0.002429 percent from its proportion measured as of June 30, 2023. The component unit's collective portion was 0.300935 percent, which was a decrease of 0.004596 percent measured as of June 30, 2023.

For the year ended June 30, 2025, the City and component unit recognized pension expense of \$172,356 and \$1,592,089, respectively. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

**Note 9 - PENSION PLAN – (Continued)**

	<b>City's Share</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 147,217	\$ 585
Changes of assumptions	-	20,157
Net difference between projected and actual earnings on pension plan investments	13,279	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,101	45,614
City's contributions subsequent to the measurement date	310,914	-
Total	\$ 490,511	\$ 66,356
	<b>Component Unit</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 935,315	\$ 6,903
Changes of assumptions	-	14,386
Net difference between projected and actual earnings on pension plan investments	140,046	-
Changes in proportion and differences between Hospital contributions and proportionate share of contributions	448,539	153,440
Area Health System's contributions subsequent to the measurement date	2,823,617	-
Total	\$ 4,347,517	\$ 174,729

\$310,914 and \$2,823,617 reported as deferred outflows of resources related to pensions resulting from the City and component unit contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>City</b>	<b>Component Unit</b>
2026	\$ (160,663)	\$ (1,328,137)
2027	300,929	2,879,707
2028	11,591	180,742
2029	(39,641)	(373,511)
2030	1,025	(9,630)
	\$ 113,241	\$ 1,349,171

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 9 - PENSION PLAN – (Continued)**

There were no non-employer contributing entities of IPERS.

*Actuarial assumptions* – The total pension liability (asset) in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 – 16.25 percent average, including inflation. Rates vary by membership group
Investment Rate of Return (effective June 30, 2017)	7.00 percent per annum, compounded annually, net of pension plan investment expense, and including inflation
Wage Growth (effective June 30, 2017)	3.25 percent per annum based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	21.0%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	100%	

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 9 - PENSION PLAN – (Continued)**

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

*Sensitivity of the City’s proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the City’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.0 percent) than the current rate.

	<b>1% Decrease 6.0%</b>	<b>Discount Rate 7.0%</b>	<b>1% Increase 8.0%</b>
Proportionate Share of the Net Pension Liability (Asset)			
City	\$ 2,530,247	\$ 763,396	\$ (716,672)
Component Unit	\$ 27,425,355	\$ 10,986,882	\$ (2,780,882)

*Pension plan fiduciary net position* – Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

**Payables to the Pension Plan**

At June 30, 2025, the City and component unit reported payables to the defined benefit pension plan of \$41,492 and \$683,919, respectively.

**Note 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

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

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
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**Note 10 - OTHER POSTEMPLOYMENT BENEFITS – (Continued)**

Retired participants must be age 55 or older at retirement. At January 1, 2024 for the City and June 30, 2025 for the component unit, plan membership consisted of the following:

	<b>City</b>	<b>Component Unit</b>
Inactive members currently receiving benefit	0	6
Active members	38	426
Total	38	432

Total OPEB Liability – The total OPEB liability of the City was \$151,212 and the component unit was \$378,282 measured as of January 1, 2024 and June 30, 2025, respectively, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The Total OPEB liability for the City and the component unit in the January 1, 2024 and June 30, 2025, respectively, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

	<b>City</b> (Effective January 1, 2024)	<b>Component Unit</b> (Effective June 30, 2025)
Rate of Inflation	3.00% per annum.	2.60% per annum.
Rates of salary increase	2.00% per annum, including Inflation.	Varying rates by years of service from 3.25% to 16.25%
Discount rate	3.26% compounded annually, Including inflation.	5.20% compounded actually, Including inflation
Healthcare cost trend rate	5.00% all years.	9.00% Initial rate decreasing annually To an ultimate rate of 4.04% in 2045

Discount Rate The discount rates used to measure the total OPEB liability for the City was 3.26% and for the component unit was 5.20%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates for the City are from RP-2014 total annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. Mortality rates for the component unit were based on the PubG-201 mortality improvements modeled using Scale MP-2021. Annual retirement probabilities are based on varying rates by age.

The actuarial assumptions used for the City in the January 1, 2024 and for the component unit in the June 30, 2025 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
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**Note 10 - OTHER POSTEMPLOYMENT BENEFITS – (Continued)**

Changes in the Total OPEB Liability

	<b>City</b>	<b>Component Unit</b>
Total OPEB liability beginning of year	\$ 138,629	\$ 320,737
Changes for the year:		
Service cost	10,555	25,807
Interest	4,818	15,253
Differences between expected and actual experiences	-	71,183
Changes in assumptions	-	(18,235)
Benefit payments	(2,790)	(36,463)
Net changes	12,583	57,545
Total OPEB liability end of year	\$ 151,212	\$ 378,282
Total OPEB liability due within one year	\$ 2,790	\$ 13,955

Changes of assumptions reflect no change in the discount rate for the City and a change from 3.93% in fiscal year 2024 to 5.20% in fiscal year 2025 for the component unit.

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

	1% Decrease	Discount Rate	1% Increase
City Discount Rates	(2.26%)	(3.26%)	(4.26%)
Total City OPEB Liability	\$161,176	\$151,212	\$141,575
Component Unit Discount Rates	(4.20%)	(5.20%)	(6.20%)
Total Component Unit OPEB Liability	\$414,137	\$378,282	\$345,816

Sensitivity of the City's and its Component Unit's Total OPEB liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City and its component unit, as well as what the City's and its component unit's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
City's Healthcare Cost Trend Rates	(4.00%)	(5.00%)	(6.00%)
Total City OPEB Liability	\$135,653	\$151,212	\$169,499
Component Unit Healthcare Cost Trend Rates	(8.00%)	(9.00%)	(10.00%)
Total Component Unit OPEB Liability	\$334,647	\$378,282	\$431,047

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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

OPEB Expense and Deferred Outflows/Inflows of resources Related to OPEB – For the year ended June 30, 2025, the City and component unit recognized OPEB expense of \$15,041 and \$36,366 respectively. At June 30, 2025, the City and component unit reported deferred Outflows/Inflows of resources related to OPEB from the following resources:

	Deferred Outflows		Deferred Inflows	
	City	Component Unit	City	Component Unit
Differences between expected and actual experience	\$ 7,501	\$ 72,184	\$ 18,867	\$ 74,158
Changes in assumptions	7,995	31,396	8,392	48,437
Total	\$ 15,496	\$ 103,580	\$ 27,259	\$ 122,595

The amount reported as deferred Outflows/(Inflows) of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	City	Component Unit
2026	\$ (332)	\$ (4,212)
2027	(332)	(5,935)
2028	(332)	(8,953)
2029	(795)	(8,358)
2030	(1,117)	(3,915)
Thereafter	(8,855)	12,358
	\$ (11,763)	\$ (19,015)

**Note 11 - FUND BALANCE**

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 29-30). As discussed in Note 1, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the City Administrator. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**General Fund**

The General Fund has Unassigned Fund Balance of \$4,146,040 at June 30, 2025.

**Other Major Funds**

The Debt Service Fund has a Restricted Fund Balance of \$413,443 consisting of primarily unspent funds used to pay general obligation bond principal and interest.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 11 - FUND BALANCE – (Continued)**

**Other Funds**

The following non-major fund has Restricted Fund Balances for specific purposes:

USDA IRP-Loan – Special Revenue Fund	For economic development	\$ 177,913
USDA Revolving Loan – Special Revenue Fund	For economic development	\$ 688,782
Road Use Tax – Special Revenue Fund	For road use tax	\$ 674,717

The following non-major fund has a Nonspendable Fund Balance:

Cemetery Perpetual Care:	For cemetery maintenance	\$ 136,614
Road Use Tax – Special Revenue Fund	For inventories	\$ 12,009

The following non-major fund has an Assigned Fund Balance:

MOC FV School Project	Reimbursements for Capital Project Expenditures	\$ 167,109
TIF Capital Projects	Reimbursements for Capital Project Expenditures	\$ 2,326,924

The following non-major fund has an Unassigned Fund Balance:

Capital Project – PJ 10 <sup>th</sup> Park Project	\$ (6,568)
TIF Special Revenue	\$ (60,678)
Capital Project – 7 <sup>th</sup> Street Project	\$ (69,744)

**Note 12 - DEFICIT FUND EQUITY**

The City had four funds with deficit equity balances at June 30, 2025. The City intends to finance these deficits from various resources including; road use tax funds, general funds, and capital project debt financing.

The individual fund deficits were as follows:

Special Revenue – TIF Special Revenue	\$ (60,678)
Capital Project – 7 <sup>th</sup> Street Project	\$ (69,744)
Capital Project – PJ 10 <sup>th</sup> Park Project	\$ (6,568)

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 13 - RISK FINANCING**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the 2024-2025 fiscal year the City has elected to purchase commercial insurance to cover against the risk of loss. There have been no reductions in insurance coverage from prior years, nor were there settlements in excess of insurance coverage the last three years.

**Note 14 - COMMITMENTS**

At June 30, 2025, the City had three construction contracts in process with the following approximate contracts remaining:

MOC FV School Project	\$ 50,142
St Paul Ave. Sidewalk Extension	278,450
Puddle Jumper Park Shelter House	181,752
Puddle Jumper Pickleball Courts	156,080
Delaware & 2 <sup>nd</sup> Street	540
Total commitments, end of year	<u>\$ 666,964</u>

**Note 15 - URBAN RENEWAL DEVELOPMENT AGREEMENTS**

The City has entered into various development agreements for urban renewal projects. The agreements require the City to rebate portions of the incremental property tax paid by the developer in exchange for infrastructure improvements, rehabilitation and development of commercial projects by the developer. The total to be paid by the City under the agreements is not to exceed \$1,189,594.

During the year ended June 30, 2025, the City rebated \$121,373 of incremental property tax to developers. The total cumulative principal amount rebated on the agreements is \$1,023,127. The outstanding balance on the agreements at June 30, 2025 was \$166,467.

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

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

**Note 16 - NOTES RECEIVABLE**

The City issues 5 to 10 year loans to local businesses for economic development purposes. The loans vary with interest rates between 4.5% to 6.5%. Principal and interest payments on all loans are due monthly, with the final loan payment ending in 2033.

**CITY OF ORANGE CITY, IOWA**  
**Notes to Financial Statements**  
**June 30, 2025**

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**Note 17 - TAX ABATEMENTS**

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

**City Tax Abatements**

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

For the year ended June 30, 2025, the City abated \$265,794 of property tax under the urban renewal and economic development projects.

**Note 18 - CORRECTION OF ERROR**

It was determined in the current year that the City had misstated land held for resale balances in the general fund. The effects of fund balance/net position are as follows:

	<b>General Fund</b>	<b>Governmental Activities</b>
Fund Balance/Net Position		
Beginning of Year, as previously reported	\$ 3,402,744	\$ 25,303,056
Correction of Error	636,450	636,450
Fund Balance/Net Position		
Beginning of Year, as restated	\$ 4,039,194	\$ 25,939,506

**Note 19 - CHANGE IN ACCOUNTING PRINCIPLE**

During fiscal year 2025, the City implemented GASB Statement No. 101, Compensated Absences. Statement 101 establishes a single recognition and measurement model for all forms of unused leave that (a) is attributable to services already rendered, (b) accumulates, (c) is more-likely-than-not to be used or paid. No material changes to the financial statements were deemed necessary.

**Note 20 - CHANGES WITHIN THE FINANCIAL REPORTING ENTITY**

During fiscal year 2025, the TIF Special Revenue, TIF Capital Projects, and 18<sup>th</sup> Street RISE funds changed presentation from major to nonmajor.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ORANGE CITY, IOWA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET**  
**AND ACTUAL, ALL GOVERNMENTAL AND PROPRIETARY FUNDS - GAAP BASIS**  
**For the Year Ended June 30, 2025**

	Governmental Fund Type Actual	Proprietary Funds Actual	Orange City Area Health System
<b>Revenue:</b>			
Taxes	\$ 4,503,568	\$ -	\$ -
Special Assessments	5,539	-	-
Licenses and Permits	8,355	-	-
Intergovernmental	1,312,452	-	-
Charges for Services	1,023,223	15,862,704	76,843,223
Fines and Forfeits	6,170	-	-
TIF Revenue	657,603	-	-
Local Option Sales Tax	1,569,209	-	-
Interest	243,814	194,057	1,408,190
Miscellaneous	407,182	138,906	219,775
Total Revenue	<u>9,737,115</u>	<u>16,195,667</u>	<u>78,471,188</u>
<b>Expenditures:</b>			
Public Safety	2,129,798	-	-
Public Works	1,587,888	-	-
Culture and Recreation	2,269,497	-	-
Community and Economic Development	365,717	-	-
General Government	1,162,637	-	-
Capital Projects	1,407,673	-	-
Debt Service	1,853,323	-	-
Business Type Activities	-	14,648,711	76,460,419
Total Expenditures	<u>10,776,533</u>	<u>14,648,711</u>	<u>76,460,419</u>
Excess (deficiency) of revenues over expenditures	(1,039,418)	1,546,956	2,010,769
<b>Other financing sources (uses):</b>			
Proceeds from Debt Financing	2,771,149	-	-
Gain/Loss on Sale of Fixed Assets	-	12,500	149,590
Capital Contribution	-	688,384	-
Interfund Transfers In	1,154,983	12,500	-
Interfund Transfers Out	(812,482)	(355,001)	-
Total other financing sources (uses)	<u>3,113,650</u>	<u>358,383</u>	<u>149,590</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,074,232	1,905,339	2,160,359
Fund balances/Net position-beginning of year, as restated	6,529,618	40,312,928	42,678,834
Increase in Reserve for Inventory	2,711	-	-
Fund balances/Net position- end of year	<u>\$ 8,606,561</u>	<u>\$ 42,218,267</u>	<u>\$ 44,839,193</u>

Total Actual	Budgeted Amounts		Final Budget Favorable (Unfavorable)
	Original	Final	
\$ 4,503,568	\$ 4,348,365	\$ 4,348,365	\$ 155,203
5,539	10,000	10,000	(4,461)
8,355	6,525	6,525	1,830
1,312,452	1,170,447	1,558,447	(245,995)
93,729,150	91,770,820	91,801,820	1,927,330
6,170	-	-	6,170
657,603	887,480	887,480	(229,877)
1,569,209	1,181,782	1,181,782	387,427
1,846,061	510,050	510,050	1,336,011
765,863	194,000	344,000	421,863
<u>104,403,970</u>	<u>100,079,469</u>	<u>100,648,469</u>	<u>3,755,501</u>
2,129,798	1,641,523	2,169,523	39,725
1,587,888	1,489,924	1,693,382	105,494
2,269,497	1,996,304	2,146,304	(123,193)
365,717	351,709	351,709	(14,008)
1,162,637	1,401,118	1,601,118	438,481
1,407,673	6,000,000	6,000,000	4,592,327
1,853,323	1,719,671	2,077,671	224,348
91,109,130	88,970,168	88,970,168	(2,138,962)
<u>101,885,663</u>	<u>103,570,417</u>	<u>105,009,875</u>	<u>3,124,212</u>
2,518,307	(3,490,948)	(4,361,406)	6,879,713
2,771,149	6,000,000	6,000,000	(3,228,851)
162,090	-	-	162,090
688,384	-	-	688,384
1,167,483	1,985,700	2,123,158	(955,675)
<u>(1,167,483)</u>	<u>(1,985,700)</u>	<u>(2,123,158)</u>	<u>955,675</u>
<u>3,621,623</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>(2,378,377)</u>
6,139,930	2,509,052	1,638,594	4,501,336
89,521,380	88,566,320	88,566,320	955,060
2,711	-	-	2,711
<u>\$ 95,664,021</u>	<u>\$ 91,075,372</u>	<u>\$ 90,204,914</u>	<u>\$ 5,459,107</u>

**CITY OF ORANGE CITY, IOWA**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2025**

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The City's legal compliance for budget to actual comparison is specified in Chapter 384.16 of the Code of Iowa and is for expenditures by program/function. The City budgets on a modified accrual basis. The legal level of control is at the aggregated function level, not at the fund or fund type level. Budgets are prepared on a program basis for all funds except the custodial funds.

During the fiscal year 2025, the City held public hearings and amended the operating budget once. The amendment is as follows:

<u>Program</u>	<u>Original Budget</u>	<u>5/19/25 Amendment</u>	<u>Amended Budget</u>
Public Safety	\$ 1,641,523	\$ 528,000	\$ 2,169,523
Public Works	1,489,924	203,458	1,693,382
Culture & Recreation	1,996,304	150,000	2,146,304
Community and Economic Development	351,709	-	351,709
General Government	1,401,118	200,000	1,601,118
Capital Projects	6,000,000	-	6,000,000
Debt Service	1,719,671	358,000	2,077,671
Business Type/Enterprise	88,970,168	-	88,970,168

**CITY OF ORANGE CITY, IOWA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST TEN FISCAL YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>		<b>2024</b>	
	<b>City</b>	<b>Component Unit</b>	<b>City</b>	<b>Component Unit</b>
Entity's proportion of the net pension liability (asset)	0.020964%	0.300935%	0.023393%	0.305531%
Entity's proportionate share of the net pension liability (asset)	\$ 763	\$ 10,987	\$ 1,056	\$ 14,022
Entity's covered payroll	\$ 3,060	\$ 29,693	\$ 2,751	\$ 29,086
Entity's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25%	37%	38%	48%
Plan fiduciary net pension as a percentage of the total pension liability (asset)	92%	92%	90%	90%

	<b>2023</b>		<b>2022</b>	
	<b>City</b>	<b>Component Unit</b>	<b>City</b>	<b>Component Unit</b>
Entity's proportion of the net pension liability (asset)	0.022851%	0.298090%	(0.114880%)	0.290438%
Entity's proportionate share of the net pension liability (asset)	\$ 863	\$ 11,680	\$ (397)	\$ 128
Entity's covered payroll	\$ 2,797	\$ 26,843	\$ 2,633	\$ 25,072
Entity's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	31%	44%	0.15%	0.48%
Plan fiduciary net pension as a percentage of the total pension liability (asset)	91%	91%	101%	101%

	<b>2021</b>		<b>2020</b>	
	<b>City</b>	<b>Component Unit</b>	<b>City</b>	<b>Component Unit</b>
Entity's proportion of the net pension liability (asset)	0.0265119%	0.287150%	0.0254852%	0.285034%
Entity's proportionate share of the net pension liability (asset)	\$ 1,862	\$ 20,055	\$ 1,476	\$ 16,597
Entity's covered payroll	\$ 2,458	\$ 23,948	\$ 2,420	\$ 22,563
Entity's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72%	80%	61%	69%
Plan fiduciary net pension as a percentage of the total pension liability (asset)	83%	83%	85%	85%

See accompanying independent auditors' report

**CITY OF ORANGE CITY, IOWA**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY (ASSET)**  
**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM LAST TEN FISCAL YEARS\***  
**(IN THOUSANDS)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	2019		2018	
	City	Component Unit	City	Component Unit
Entity's proportion of the net pension liability (asset)	0.0255525%	0.263534%	0.0250906%	0.258316%
Entity's proportionate share of the net pension liability (asset)	\$ 1,617	\$ 16,671	\$ 1,671	\$ 17,063
Entity's covered payroll	\$ 2,338	\$ 20,070	\$ 2,268	\$ 19,108
Entity's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	69%	74%	71%	85%
Plan fiduciary net pension as a percentage of the total pension liability (asset)	84%	84%	82%	82%
	2017		2016	
	City	Component Unit	City	Component Unit
Entity's proportion of the net pension liability (asset)	0.0259355%	0.249607%	0.0249929%	0.250019%
Entity's proportionate share of the net pension liability (asset)	\$ 1,632	\$ 15,708	\$ 1,235	\$ 12,352
Entity's covered payroll	\$ 2,254	\$ 18,605	\$ 2,187	\$ 17,815
Entity's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72%	83%	64%	66%
Plan fiduciary net pension as a percentage of the total pension liability (asset)	82%	82%	85%	85%

See accompanying independent auditors' report

**CITY OF ORANGE CITY, IOWA  
SCHEDULE OF THE CITY'S CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN YEARS (IN THOUSANDS)  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2025**

<b>City</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Statutorily required contribution	\$ 311	\$ 288	\$ 270	\$ 259	\$ 246
Contributions in relation to the statutorily required contribution	(311)	(288)	(270)	(259)	(246)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$ 3,305	\$ 3,060	\$ 2,751	\$ 2,797	\$ 2,633
Contributions as a percentage of covered payroll	9.41%	9.41%	9.81%	9.26%	9.34%
<b>City</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Statutorily required contribution	\$ 240	\$ 232	\$ 213	\$ 206	\$ 202
Contributions in relation to the statutorily required contribution	(240)	(232)	(213)	(206)	(202)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Entity's covered payroll	\$ 2,458	\$ 2,420	\$ 2,338	\$ 2,268	\$ 2,254
Contributions as a percentage of covered payroll	9.76%	9.59%	9.11%	9.07%	8.96%
<b>Component Unit</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Statutorily required contribution	\$ 2,824	\$ 2,703	\$ 2,630	\$ 2,423	\$ 2,260
Contributions in relation to the statutorily required contribution	(2,824)	(2,703)	(2,630)	(2,423)	(2,260)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Hospital's covered payroll	\$ 31,338	\$ 29,693	\$ 29,086	\$ 26,843	\$ 25,072
Contributions as a percentage of covered payroll	9.0%	9.1%	9.0%	9.0%	8.6%
<b>Component Unit</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Statutorily required contribution	\$ 2,161	\$ 2,085	\$ 1,794	\$ 1,672	\$ 1,616
Contributions in relation to the statutorily required contribution	(2,161)	(2,085)	(1,794)	(1,672)	(1,616)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Hospital's covered payroll	\$ 23,948	\$ 22,563	\$ 20,070	\$ 19,108	\$ 18,605
Contributions as a percentage of covered payroll	9.0%	9.2%	8.90%	8.75%	8.68%

**CITY OF ORANGE CITY, IOWA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
PENSION LIABILITY (ASSET)  
FOR THE YEAR ENDED JUNE 30, 2025**

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**Changes of Benefit Terms:**

There are no significant changes in benefit terms for regular and protection occupation members.

Legislation passed in 2024 modified benefit terms for current sheriffs and deputies. The benefit enhancements:

- Increased the benefit multiplier from 1.5 % to 2.5% for years of special service between 22 and 30, thereby increasing the maximum benefit from 72% to 80% of average salary.
- Granted an automatic 1.5% compound of cost-of-living adjustment (COLA) for members who retire on or after July 1, 2024, who are at least age 50 when they terminate employment and have at least 22 years of special service.

**Changes of Assumptions**

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

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

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

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

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

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

**City of Orange City, Iowa**  
**Schedule of Changes in the City's**  
**Total OPEB Liability and Related Ratios and Notes**  
**For the Last Eight Years**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2025**

	2025		2024	
	City	Component Unit	City	Component Unit
Service Cost	\$ 10,555	\$ 25,807	\$ 10,348	\$ 21,546
Interest Cost	4,818	15,253	4,398	12,123
Difference between expected and Actual experiences	-	71,183	(15,934)	(9,345)
Changes in assumptions	-	(18,235)	(9,768)	(8,029)
Benefit assumptions	(2,790)	(36,463)	(1,365)	(12,203)
Net change in total OPEB liability	12,583	57,545	(12,321)	4,092
Total OPEB liability beginning of year	138,629	320,737	150,950	316,645
Total OPEB liability end of year	\$ 151,212	\$ 378,282	\$ 138,629	\$ 320,737
Covered – employee payroll (in thousands)	\$ 2,809	\$ 28,756	\$ 2,753	\$ 23,629
Total OPEB liability as a percentage Of covered – employee payroll	5.38%	1.32%	5.03%	1.36%

	2023		2022	
	City	Component Unit	City	Component Unit
Service Cost	\$ 11,590	\$ 23,317	\$ 11,363	\$ 27,140
Interest Cost	3,087	11,041	2,841	8,353
Difference between expected and Actual experiences	-	(103,919)	10,473	-
Changes in assumptions	-	10,352	4,139	-
Benefit assumptions	(3,953)	(7,772)	(1,043)	(22,788)
Net change in total OPEB liability	10,724	(66,981)	27,773	12,705
Total OPEB liability beginning of year	140,226	383,626	112,453	370,921
Total OPEB liability end of year	\$ 150,950	\$ 316,645	\$ 140,226	\$ 383,626
Covered – employee payroll (in thousands)	\$ 2,546	\$ 25,494	\$ 2,496	\$ 21,287
Total OPEB liability as a percentage Of covered – employee payroll	5.93%	1.24%	5.62%	1.80%

**City of Orange City, Iowa**  
**Schedule of Changes in the City's**  
**Total OPEB Liability and Related Ratios and Notes**  
**For the Last Eight Years**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2025**

	2021		2020	
	City	Component	City	Component
		Unit		Unit
Service Cost	\$ 6,020	\$ 30,759	\$ 5,902	\$ 22,991
Interest Cost	3,020	8,804	2,806	12,466
Difference between expected and Actual experiences	-	(68,093)	(9,611)	-
Changes in assumptions	-	36,569	4,651	34,553
Benefit assumptions	(1,557)	(23,278)	(468)	(33,771)
Net change in total OPEB liability	7,483	(15,239)	3,280	36,239
Total OPEB liability beginning of year	104,970	386,160	101,690	349,921
Total OPEB liability end of year	\$ 112,453	\$ 370,291	\$ 104,970	\$ 386,160
Covered – employee payroll (in thousands)	\$ 2,231	\$ 22,897	\$ 2,187	\$ 18,375
Total OPEB liability as a percentage Of covered – employee payroll	5.04%	1.62%	4.80%	2.10%

	2019		2018	
	City	Component	City	Component
		Unit		Unit
Service Cost	\$ 4,547	\$ 22,561	\$ 4,457	\$ 19,853
Interest Cost	3,511	13,377	3,445	11,782
Difference between expected and Actual experiences	-	56,695	356	-
Changes in assumptions	-	(35,738)	8,601	(7,076)
Benefit assumptions	(7,793)	(35,829)	(4,316)	(9,844)
Net change in total OPEB liability	265	21,066	12,543	14,715
Total OPEB liability beginning of year	101,425	328,855	88,882	314,140
Total OPEB liability end of year	\$ 101,690	\$ 349,921	\$ 101,425	\$ 328,855
Covered – employee payroll (in thousands)	\$ 2,094	\$ 19,051	\$ 2,053	\$ 16,132
Total OPEB liability as a percentage Of covered – employee payroll	4.86%	1.84%	4.86%	1.84%

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Changes in benefit terms:*

There were no significant changes in benefit terms

*Changes in assumptions:*

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

**City of Orange City, Iowa**  
**Schedule of Changes in the City's**  
**Total OPEB Liability and Related Ratios and Notes**  
**For the Last Eight Years**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2025**

	<u>City</u>	<u>Component Unit</u>
Year ended June 30, 2025	3.26%	5.20%
Year ended June 30, 2024	3.26%	3.93%
Year ended June 30, 2023	2.06%	3.65%
Year ended June 30, 2022	2.06%	2.16%
Year ended June 30, 2021	2.66%	2.16%
Year ended June 30, 2020	3.51%	2.21%
Year ended June 30, 2019	3.58%	3.50%

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

## **SUPPLEMENTARY INFORMATION**

**CITY OF ORANGE CITY, IOWA  
COMBINING BALANCE SHEET  
Governmental Nonmajor Funds  
JUNE 30, 2025**

	Special Revenue			Capital Project	
	Road Use Tax	USDA Revolving Loan	USDA IRP-Loan	Formerly Major Fund TIF Special Revenue	MOC FV School Project
<b>Assets</b>					
Cash and Pooled Investments	\$ 1,207,960	\$ 595,584	\$ 97,135	\$ 57,146	\$ 329,593
Receivables (Net, where applicable, of allowance for uncollectibles)					
Subsequent Year Taxes	-	-	-	130,000	-
Notes Receivable	-	93,198	80,778	-	-
Due from Other Governmental Agencies	68,595	-	-	-	-
Inventories	12,009	-	-	-	-
Land Held for Sale	-	-	-	-	-
Total Assets	<u>1,288,564</u>	<u>688,782</u>	<u>177,913</u>	<u>187,146</u>	<u>329,593</u>
<b>Liabilities</b>					
Accounts Payable	601,838	-	-	-	162,484
Due to Other Funds	-	-	-	117,824	-
Land Deposit	-	-	-	-	-
Total Liabilities	<u>601,838</u>	<u>-</u>	<u>-</u>	<u>117,824</u>	<u>162,484</u>
<b>Deferred Inflow of Resources</b>					
Unavailable Revenue - Subsequent Year Taxes	-	-	-	130,000	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>-</u>
<b>Fund Balances</b>					
Nonspendable:					
Inventories	12,009	-	-	-	-
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Economic Development	-	688,782	177,913	-	-
Road Use Tax	674,717	-	-	-	-
Assigned for:					
Capital Projects	-	-	-	-	167,109
Unassigned	-	-	-	(60,678)	-
Total Fund Balances	<u>686,726</u>	<u>688,782</u>	<u>177,913</u>	<u>(60,678)</u>	<u>167,109</u>
Total Liabilities and Fund Balances	<u>\$ 1,288,564</u>	<u>\$ 688,782</u>	<u>\$ 177,913</u>	<u>\$ 187,146</u>	<u>\$ 329,593</u>

	Capital Project				Permanent	Total
	Formerly Major Fund			Formerly Major Fund		
Delaware & 2nd Street Project	18th Street RISE	PJ 10th Park Project	7th Street Project	TIF Capital Projects	Cemetery Perpetual Care Fund	Governmental Nonmajor Funds
\$ 24,504	\$ 18,868	\$ -	\$ -	\$ 1,067,810	\$ 136,614	\$ 3,535,214
-	-	-	-	-	-	130,000
-	-	-	-	680,486	-	854,462
-	-	-	-	-	-	68,595
-	-	-	-	-	-	12,009
-	-	-	-	661,996	-	661,996
<u>24,504</u>	<u>18,868</u>	<u>-</u>	<u>-</u>	<u>2,410,292</u>	<u>136,614</u>	<u>5,262,276</u>
24,504	18,868	6,568	20,817	68,368	-	903,447
-	-	-	48,927	-	-	166,751
-	-	-	-	15,000	-	15,000
<u>24,504</u>	<u>18,868</u>	<u>6,568</u>	<u>69,744</u>	<u>83,368</u>	<u>-</u>	<u>1,085,198</u>
-	-	-	-	-	-	130,000
-	-	-	-	-	-	130,000
-	-	-	-	-	-	12,009
-	-	-	-	-	136,614	136,614
-	-	-	-	-	-	866,695
-	-	-	-	-	-	674,717
-	-	-	-	2,326,924	-	2,494,033
-	-	(6,568)	(69,744)	-	-	(136,990)
-	-	(6,568)	(69,744)	2,326,924	136,614	4,047,078
<u>\$ 24,504</u>	<u>\$ 18,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,410,292</u>	<u>\$ 136,614</u>	<u>\$ 5,262,276</u>

**CITY OF ORANGE CITY, IOWA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Governmental Nonmajor Funds**  
**For the Year Ended June 30, 2025**

	Special Revenue			Capital Project	
	Road Use Tax	USDA Revolving Loan	USDA IRP-Loan	Formerly Major Fund TIF Special Revenue	MOC FV School Project
<b>Revenue:</b>					
Intergovernmental	\$ 888,889	\$ -	\$ -	\$ -	\$ -
TIF Revenue	-	-	-	657,603	-
Interest on Investments	-	17,873	6,206	-	-
Miscellaneous	-	-	-	-	-
Total Revenue	<u>888,889</u>	<u>17,873</u>	<u>6,206</u>	<u>657,603</u>	<u>-</u>
<b>Expenditures:</b>					
Public Works	123,252	-	-	-	-
Community and Economic Development	-	-	-	121,373	-
Capital Projects	-	-	-	-	-
Debt Service:					
Interest/Bond Costs	-	-	8,311	-	-
Total Expenditures	<u>123,252</u>	<u>-</u>	<u>8,311</u>	<u>121,373</u>	<u>-</u>
Excess (deficiency) of revenues over expenditur	<u>765,637</u>	<u>17,873</u>	<u>(2,105)</u>	<u>536,230</u>	<u>-</u>
Other financing sources (uses):					
Issuance of Debt	-	-	-	-	-
Bond Premium	-	-	-	-	-
Transfers In	-	-	-	-	-
Transfers Out	(744,627)	-	-	(65,875)	-
Total other financing sources (uses)	<u>(744,627)</u>	<u>-</u>	<u>-</u>	<u>(65,875)</u>	<u>-</u>
Net Change in Fund Balance	21,010	17,873	(2,105)	470,355	-
Fund balances - beginning of year	663,005	670,909	180,018	-	167,109
Change within financial reporting entity (nonmajor to major fund)	-	-	-	(531,033)	-
Fund balances - beginning of year, as restated	<u>663,005</u>	<u>670,909</u>	<u>180,018</u>	<u>(531,033)</u>	<u>167,109</u>
Decrease in Reserve for Inventory	2,711	-	-	-	-
Fund balances - end of year	<u>\$ 686,726</u>	<u>\$ 688,782</u>	<u>\$ 177,913</u>	<u>\$ (60,678)</u>	<u>\$ 167,109</u>

Delaware & 2nd Street Project	Capital Project			Formerly Major Fund TIF Capital Projects	Permanent	Total
	Formerly Major Fund 18th Street RISE	PJ 10th Park Project	7th Street Project		Cemetery Perpetual Care Fund	Nonmajor Funds
	\$ -	\$ -	\$ -		\$ -	\$ -
-	-	-	-	-	657,603	
-	-	-	-	-	24,079	
-	-	-	-	48,528	6,125	54,653
-	-	-	-	48,528	6,125	1,625,224
-	-	-	-	-	-	123,252
-	-	-	-	-	-	121,373
1,076,672	46,326	-	69,744	214,931	-	1,407,673
32,767	43,435	-	-	-	-	84,513
1,109,439	89,761	-	69,744	214,931	-	1,736,811
(1,109,439)	(89,761)	-	(69,744)	(166,403)	6,125	(111,587)
1,135,200	1,504,800	-	-	-	-	2,640,000
56,394	74,755	-	-	-	-	131,149
7,169	-	-	-	35,625	-	42,794
-	(1,980)	-	-	-	-	(812,482)
1,198,763	1,577,575	-	-	35,625	-	2,001,461
89,324	1,487,814	-	(69,744)	(130,778)	6,125	1,889,874
(89,324)	-	(6,568)	-	-	130,489	1,715,638
-	(1,487,814)	-	-	2,457,702	-	438,855
(89,324)	(1,487,814)	(6,568)	-	2,457,702	130,489	2,154,493
-	-	-	-	-	-	2,711
\$ -	\$ -	\$ (6,568)	\$ (69,744)	\$ 2,326,924	\$ 136,614	\$ 4,047,078

## STATISTICAL SECTION

This part of the City of Orange City's annual comprehensive 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	90
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	93
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	101
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.	
Operating Information	107
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.	
Demographic and Economic Information	111
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> (restated)	<u>2025</u>
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 13,760,478	\$ 15,365,666	\$ 14,234,324	\$ 15,407,790	\$ 16,241,529	\$ 14,702,790	\$ 16,375,632	\$ 16,982,960	\$ 19,424,213	\$ 18,366,454
Restricted	2,288,094	2,682,327	2,117,016	2,326,682	2,534,566	2,365,267	2,475,815	2,444,851	1,952,301	2,079,002
Unrestricted	(3,176,284)	(5,193,819)	(2,301,395)	(2,203,975)	(1,490,304)	2,474,862	1,523,373	3,110,217	4,562,992	6,593,253
<b>Total governmental activities net position</b>	<u>\$ 12,872,288</u>	<u>\$ 12,854,174</u>	<u>\$ 14,049,945</u>	<u>\$ 15,530,497</u>	<u>\$ 17,285,791</u>	<u>\$ 19,542,919</u>	<u>\$ 20,374,820</u>	<u>\$ 22,538,028</u>	<u>\$ 25,939,506</u>	<u>\$ 27,038,709</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 15,858,940	\$ 18,557,290	\$ 18,475,912	\$ 22,168,051	\$ 23,275,413	\$ 25,117,685	\$ 31,791,448	\$ 33,085,988	\$ 30,045,778	\$ 29,227,019
Restricted	1,100,341	1,064,092	1,978,634	1,931,597	1,809,786	1,693,085	1,342,029	2,107,355	2,016,713	1,929,097
Unrestricted	9,998,470	8,488,495	9,309,366	7,776,179	8,168,798	8,760,685	5,451,676	5,986,123	8,250,437	11,062,151
<b>Total business-type activities net position</b>	<u>\$ 26,957,751</u>	<u>\$ 28,109,877</u>	<u>\$ 29,763,912</u>	<u>\$ 31,875,827</u>	<u>\$ 33,253,997</u>	<u>\$ 35,571,455</u>	<u>\$ 38,585,153</u>	<u>\$ 41,179,466</u>	<u>\$ 40,312,928</u>	<u>\$ 42,218,267</u>
<b>Primary government</b>										
Net Investment in Capital Assets	\$ 29,619,418	\$ 33,922,956	\$ 32,710,236	\$ 37,575,841	\$ 39,516,942	\$ 39,820,475	\$ 48,167,080	\$ 50,068,948	\$ 49,469,991	\$ 47,593,473
Restricted	3,388,435	3,746,419	4,095,650	4,258,279	4,344,352	4,058,352	3,817,844	4,552,206	3,969,014	4,008,099
Unrestricted	6,822,186	3,294,676	7,007,971	5,572,204	6,678,494	11,235,547	6,975,049	9,096,340	12,813,429	17,655,404
<b>Total primary government net position</b>	<u>\$ 39,830,039</u>	<u>\$ 40,964,051</u>	<u>\$ 43,813,857</u>	<u>\$ 47,406,324</u>	<u>\$ 50,539,788</u>	<u>\$ 55,114,374</u>	<u>\$ 58,959,973</u>	<u>\$ 63,717,494</u>	<u>\$ 66,252,434</u>	<u>\$ 69,256,976</u>

Note: During fiscal year 2025, there was a correction of an error, originating in fiscal year 2024, referenced in Note 18 to the financial statements relating to land held for resale.

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (restated)	2025
<b>Expenses</b>										
Governmental activities:										
Public Safety	\$ 925,097	\$ 972,996	\$ 1,088,140	\$ 1,106,146	\$ 1,158,235	\$ 1,186,527	\$ 1,237,640	\$ 1,520,933	\$ 1,536,116	\$ 1,809,181
Public Works	1,663,733	1,571,805	1,907,228	1,605,411	1,736,174	1,781,024	1,796,683	1,966,242	1,856,415	2,165,515
Culture and Recreation	1,781,317	1,805,929	1,658,414	1,869,376	1,885,121	2,134,424	2,011,680	2,161,227	2,477,375	2,487,571
Community and Economic Development	371,010	697,831	558,788	302,629	447,647	471,166	330,833	301,846	395,865	363,752
General Government	742,301	712,651	820,252	962,503	902,555	1,026,101	862,087	889,834	1,125,593	1,119,690
Debt Service	357,017	319,025	331,151	404,484	447,191	260,372	277,288	356,848	319,001	342,225
Total governmental activities expenses	<u>5,840,475</u>	<u>6,080,237</u>	<u>6,363,973</u>	<u>6,250,549</u>	<u>6,576,923</u>	<u>6,859,614</u>	<u>6,516,211</u>	<u>7,196,930</u>	<u>7,710,365</u>	<u>8,287,934</u>
Business-Type Activities:										
Electric	7,206,806	7,498,724	7,425,922	7,488,064	7,529,566	7,759,588	7,707,810	7,861,675	8,781,671	8,256,515
Water	1,461,287	964,647	937,061	1,023,038	1,123,054	1,273,778	1,315,829	1,958,290	1,800,867	1,932,483
Sewer	657,992	572,314	856,862	1,159,532	1,290,271	1,339,534	1,215,362	1,213,330	1,305,622	1,433,224
Gas	1,528,581	1,768,495	2,197,738	2,019,069	1,623,746	3,058,038	2,797,769	3,228,636	2,770,203	3,026,489
Total business-type activities expenses	<u>10,854,666</u>	<u>10,804,180</u>	<u>11,417,583</u>	<u>11,689,703</u>	<u>11,566,637</u>	<u>13,430,938</u>	<u>13,036,770</u>	<u>14,261,931</u>	<u>14,658,363</u>	<u>14,648,711</u>
Total primary government expenses	<u>16,695,141</u>	<u>16,884,417</u>	<u>17,781,556</u>	<u>17,940,252</u>	<u>18,143,560</u>	<u>20,290,552</u>	<u>19,552,981</u>	<u>21,458,861</u>	<u>22,368,728</u>	<u>22,936,645</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Public Safety	39,164	19,299	17,396	12,713	14,860	18,148	11,421	11,228	9,452	6,170
Public Works	479,624	314,332	326,399	338,514	332,050	560,023	341,336	371,855	408,501	426,650
Culture and Recreation	309,631	317,778	323,621	285,554	254,332	370,354	404,834	445,802	470,927	500,754
Community & Economic Development	55,683	82,191	40,867	59,802	36,764	122,056	84,182	106,018	73,265	85,530
General Government	96,387	131,951	60,160	62,682	56,840	61,187	63,450	55,180	54,647	51,259
Operating grants and contributions	1,134,628	1,105,119	1,135,321	1,252,432	1,634,276	1,296,493	1,247,920	1,261,822	1,279,095	1,292,467
Capital grants and contributions	764,281	272,133	110,463	26,110	25,498	25,728	38,889	574,711	31,839	86,038
Total governmental activities program revenues	<u>2,879,398</u>	<u>2,242,803</u>	<u>2,014,227</u>	<u>2,037,807</u>	<u>2,354,620</u>	<u>2,453,989</u>	<u>2,192,032</u>	<u>2,826,616</u>	<u>2,327,726</u>	<u>2,448,868</u>
Business-type activities:										
Charges for services:										
Electric	7,776,001	8,362,166	8,473,321	8,572,893	8,376,741	8,327,705	8,410,334	8,743,020	8,207,132	8,502,914
Water	934,342	1,033,612	1,016,294	949,619	990,432	1,227,476	1,272,407	1,854,872	2,029,550	2,171,023
Sewer	842,497	894,726	1,233,550	1,365,898	1,347,115	1,467,434	1,449,919	1,457,045	1,502,035	1,576,072
Gas	1,595,054	1,784,999	2,412,384	2,271,617	1,801,320	3,291,050	3,005,237	3,569,684	3,168,084	3,612,695
Total business-type activities program revenues	<u>11,147,894</u>	<u>12,075,503</u>	<u>13,135,549</u>	<u>13,160,027</u>	<u>12,515,608</u>	<u>14,313,665</u>	<u>14,137,897</u>	<u>15,624,621</u>	<u>14,906,801</u>	<u>15,862,704</u>
Total primary government program revenues	<u>14,027,292</u>	<u>14,318,306</u>	<u>15,149,776</u>	<u>15,197,834</u>	<u>14,870,228</u>	<u>16,767,654</u>	<u>16,329,929</u>	<u>18,451,237</u>	<u>17,234,527</u>	<u>18,311,572</u>
Net (expense)/revenue										
Governmental activities	(2,961,077)	(3,837,434)	(4,349,746)	(4,212,742)	(4,222,303)	(4,405,625)	(4,324,179)	(4,370,314)	(5,382,639)	(5,839,066)
Business-type activities	293,228	1,271,323	1,717,966	1,470,324	948,971	882,727	1,101,127	1,362,690	248,438	1,213,993
Total primary government net expense	<u>\$ (2,667,849)</u>	<u>\$ (2,566,111)</u>	<u>\$ (2,631,780)</u>	<u>\$ (2,742,418)</u>	<u>\$ (3,273,332)</u>	<u>\$ (3,522,898)</u>	<u>\$ (3,223,052)</u>	<u>\$ (3,007,624)</u>	<u>\$ (5,134,201)</u>	<u>\$ (4,625,073)</u>

Note: During fiscal year 2025, there was a correction of an error, originating in fiscal year 2024, referenced in Note 18 to the financial statements relating to land held for resale.

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024 (restated)	2025
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 3,573,908	\$ 4,144,235	\$ 4,204,400	\$ 4,394,724	\$ 4,637,798	\$ 4,742,603	\$ 4,776,927	\$ 5,123,899	\$ 5,330,697	\$ 5,161,171
Local option sales tax	846,836	950,305	851,052	911,382	1,051,882	1,115,682	1,251,437	1,461,816	1,461,511	1,569,209
Investment Earnings	8,864	13,109	11,555	46,327	37,687	26,238	22,309	198,221	317,835	243,814
Gain on Sale of Assets	168,810	267,743	55,000	373,551	208,491	70,419	45,240	-	3,140	-
Miscellaneous	-	-	176,451	82,746	151,488	879,872	127,572	122,237	285,821	309,958
Transfers	389,219	318,303	272,189	(115,436)	(25,494)	(214,388)	(1,067,405)	339,946	1,385,113	(345,883)
Total governmental activities	<u>4,987,637</u>	<u>5,693,695</u>	<u>5,570,647</u>	<u>5,693,294</u>	<u>6,061,852</u>	<u>6,620,426</u>	<u>5,156,080</u>	<u>7,246,119</u>	<u>8,784,117</u>	<u>6,938,269</u>
Business-type activities										
Investment Earnings	15,219	41,730	43,469	136,084	136,330	53,072	23,358	33,509	99,592	194,057
Gain on Sale of Assets	-	-	-	-	-	-	-	-	-	12,500
Miscellaneous	241,645	157,376	174,431	390,071	260,223	1,167,271	821,808	815,613	170,545	138,906
Transfers	(389,219)	(318,303)	(272,189)	115,436	25,494	214,388	1,067,405	(339,946)	(1,385,113)	345,883
Total business-type activities	<u>(132,355)</u>	<u>(119,197)</u>	<u>(54,289)</u>	<u>641,591</u>	<u>422,047</u>	<u>1,434,731</u>	<u>1,912,571</u>	<u>509,176</u>	<u>(1,114,976)</u>	<u>691,346</u>
Total primary government	4,855,282	5,574,498	5,516,358	6,334,885	6,483,899	8,055,157	7,068,651	7,755,295	7,669,141	7,629,615
<b>Change in Net Position</b>										
Governmental activities	2,026,560	1,856,261	1,220,901	1,480,552	1,839,549	2,214,801	831,901	2,875,805	3,401,478	1,099,203
Business-type activities	160,873	1,152,126	1,663,677	2,111,915	1,371,018	2,317,458	3,013,698	1,871,866	(866,538)	1,905,339
Total primary government	<u>\$ 2,187,433</u>	<u>\$ 3,008,387</u>	<u>\$ 2,884,578</u>	<u>\$ 3,592,467</u>	<u>\$ 3,210,567</u>	<u>\$ 4,532,259</u>	<u>\$ 3,845,599</u>	<u>\$ 4,747,671</u>	<u>\$ 2,534,940</u>	<u>\$ 3,004,542</u>

Note: During fiscal year 2025, there was a correction of an error, originating in fiscal year 2024, referenced in Note 18 to the financial statements relating to land held for resale.

**City of Orange City**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b><u>Fiscal Year</u></b>	<b><u>Property Tax</u></b>	<b><u>Sales Tax</u></b>	<b><u>Hotel/Motel Tax</u></b>	<b><u>Total</u></b>
2016	\$ 3,573,908	\$ 732,685	\$ 114,151	\$ 4,420,744
2017	4,144,235	817,220	133,085	5,094,540
2018	4,204,400	710,777	140,275	5,055,452
2019	4,394,724	750,206	161,176	5,306,106
2020	4,637,798	927,238	124,644	5,689,680
2021	4,742,603	990,533	125,149	5,858,285
2022	4,776,927	1,128,550	122,887	6,028,364
2023	5,123,899	1,282,194	173,553	6,579,646
2024	5,330,697	1,290,073	165,197	6,785,967
2025	\$ 5,161,171	\$ 1,376,580	\$ 192,629	\$ 6,730,380

**City of Orange City**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> (restated)	<u>2025</u>
<b>General fund</b>										
Unreserved/ Unassigned	\$ 1,237,614	\$ 1,460,698	\$ 1,438,611	\$ 1,802,418	\$ 1,828,076	\$ 2,370,633	\$ 2,685,830	\$ 3,160,874	\$ 4,039,194	\$ 4,146,040
<b>Total General Fund</b>	<u>\$ 1,237,614</u>	<u>\$ 1,460,698</u>	<u>\$ 1,438,611</u>	<u>\$ 1,802,418</u>	<u>\$ 1,828,076</u>	<u>\$ 2,370,633</u>	<u>\$ 2,685,830</u>	<u>\$ 3,160,874</u>	<u>\$ 4,039,194</u>	<u>\$ 4,146,040</u>
<b>All other governmental funds</b>										
Nonspendable	\$ 115,943	\$ 114,087	\$ 123,176	\$ 129,674	\$ 128,840	\$ 128,951	\$ 135,031	\$ 139,237	\$ 139,787	\$ 148,623
Spendable - Restricted	2,172,151	2,592,476	2,023,314	2,249,897	2,436,335	2,267,048	2,334,194	2,356,070	1,840,565	1,954,855
Spendable - Assigned	162,486	167,486	112,662	476,301	13,104	6,446,868	5,809,891	3,537,751	2,624,811	2,494,033
Spendable - Unassigned	(681,288)	(3,270,466)	(393,453)	(6,179)	(740,575)	(3,199,229)	(3,816,100)	(3,489,264)	(2,114,739)	(136,990)
<b>Total all other governmental funds</b>	<u>\$ 1,769,292</u>	<u>\$ (396,417)</u>	<u>\$ 1,865,699</u>	<u>\$ 2,849,693</u>	<u>\$ 1,837,704</u>	<u>\$ 5,643,638</u>	<u>\$ 4,463,016</u>	<u>\$ 2,543,794</u>	<u>\$ 2,490,424</u>	<u>\$ 4,460,521</u>

Note: During fiscal year 2025, there was a correction of an error, originating in fiscal year 2024, referenced in Note 18 to the financial statements relating to land held for resale.

**City of Orange City**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>				
Taxes	\$ 2,678,042	\$ 3,022,560	\$ 3,118,441	\$ 3,171,229
Special Assessments	136,656	25,890	27,049	9,413
Licenses and permits	6,125	6,779	6,691	6,548
Intergovernmental	1,402,468	1,105,119	1,112,570	1,244,531
Charges for services	702,580	717,798	699,514	690,537
Fines and Forfeits	28,891	24,501	24,095	18,590
TIF Revenue	895,866	1,121,675	1,085,959	1,223,495
Local Options Sales Tax	846,836	950,305	851,052	911,382
Investment Earnings	8,864	13,109	11,555	46,327
Miscellaneous	727,463	652,369	400,813	527,908
<b>Total revenues</b>	<u>7,433,791</u>	<u>7,640,105</u>	<u>7,337,739</u>	<u>7,849,960</u>
<b>Expenditures</b>				
Public safety	978,225	946,213	985,180	1,195,629
Public works	1,324,398	1,011,665	1,204,569	1,095,815
Culture and recreation	1,648,339	1,660,106	1,775,252	1,736,660
Community and economic development	347,749	418,778	449,681	343,352
General government	614,203	586,020	710,129	794,315
Capital projects	2,654,972	3,300,232	1,188,431	2,279,074
Debt service				
Principal	3,065,000	1,820,000	1,625,000	1,590,000
Interest	348,172	338,213	299,137	398,991
<b>Total expenditures</b>	<u>10,981,058</u>	<u>10,081,227</u>	<u>8,237,379</u>	<u>9,433,836</u>
Excess of revenues over (under) expenditures	(3,547,267)	(2,441,122)	(899,640)	(1,583,876)
<b>Other financing sources (uses)</b>				
Issuance of Debt	4,145,588	-	2,718,952	2,521,729
Proceeds From Sale of Capital Assets	-	-	-	-
Proceeds From Sale of Uncapitalized Assets	-	-	-	-
Transfers In	1,658,616	1,411,831	2,254,818	1,047,401
Transfers Out	(1,269,397)	(909,453)	(1,838,579)	(640,000)
<b>Total other financing sources (uses)</b>	<u>4,534,807</u>	<u>502,378</u>	<u>3,135,191</u>	<u>2,929,130</u>
<b>Net change in fund balances</b>	<u>\$ 987,540</u>	<u>\$ (1,938,744)</u>	<u>\$ 2,235,551</u>	<u>\$ 1,345,254</u>
<b>Debt Service as a percentage of noncapital expenditures</b>	41.0%	31.8%	27.3%	25.0%

Note: During fiscal year 2025, there was a correction of an error, originating in fiscal year 2024, referenced in Note 18 to the financial statements relating to land held for resale.

**City of Orange City**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year						
<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u> (restated)	<u>2025</u>	
\$ 3,312,654	\$ 3,403,515	\$ 3,529,477	\$ 3,764,577	\$ 3,972,308	\$ 4,503,568	
8,823	166,904	13,929	8,933	6,210	5,539	
5,992	2,799	10,773	6,171	5,973	8,355	
1,627,142	1,293,711	1,240,067	1,798,384	1,271,849	1,312,452	
643,613	876,256	846,896	934,552	972,971	1,023,223	
18,749	19,409	11,961	11,228	9,452	6,170	
1,325,144	1,339,088	1,247,450	1,359,322	1,358,389	657,603	
1,051,882	1,115,682	1,251,437	1,461,816	1,461,511	1,569,209	
37,687	26,238	22,309	198,221	317,835	243,814	
206,725	937,209	207,702	185,051	351,608	407,182	
<u>8,238,411</u>	<u>9,180,811</u>	<u>8,382,001</u>	<u>9,728,255</u>	<u>9,728,106</u>	<u>9,737,115</u>	
1,338,670	1,032,741	1,141,364	1,833,283	1,364,266	2,129,798	
1,274,021	1,205,617	1,466,098	1,277,492	1,133,644	1,587,888	
1,795,578	1,993,409	1,879,024	2,097,629	2,250,948	2,269,497	
447,989	468,030	343,732	311,439	430,066	365,717	
763,270	872,983	802,446	809,535	960,700	1,162,637	
2,454,833	2,470,529	3,593,821	3,371,174	2,060,234	1,407,673	
4,580,000	4,965,000	1,340,000	1,449,444	1,675,000	1,431,517	
486,781	451,623	355,669	395,252	414,416	421,806	
<u>13,141,142</u>	<u>13,459,932</u>	<u>10,922,154</u>	<u>11,545,248</u>	<u>10,289,274</u>	<u>10,776,533</u>	
(4,902,731)	(4,279,121)	(2,540,153)	(1,816,993)	(561,168)	(1,039,418)	
3,238,959	4,787,841	900,000	3,399,202	-	2,771,149	
234,814	278,783	51,500	-	-	-	
-	-	-	4,534	5,000	-	
1,155,826	1,430,885	1,452,530	1,486,559	2,527,032	1,154,983	
<u>(751,234)</u>	<u>(1,036,207)</u>	<u>(1,046,125)</u>	<u>(1,120,132)</u>	<u>(1,141,919)</u>	<u>(812,482)</u>	
<u>3,878,365</u>	<u>5,461,302</u>	<u>1,357,905</u>	<u>3,770,163</u>	<u>1,390,113</u>	<u>3,113,650</u>	
<u>\$ (1,024,366)</u>	<u>\$ 1,182,181</u>	<u>\$ (1,182,248)</u>	<u>\$ 1,953,170</u>	<u>\$ 828,945</u>	<u>\$ 2,074,232</u>	
50.1%	47.6%	20.2%	24.4%	23.9%	20.3%	

**City of Orange City**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Real Property</b>		<b>Utilities</b>		<b>Total</b>		<b>Weighted Average Direct Property Tax Rate</b>	<b>Assessed Value as a Percentage of Estimated Actual Value</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
2016	\$214,892,352	\$337,075,899	\$1,386,135	\$1,386,135	\$ 216,278,487	\$ 338,462,034	\$ 13.9852	63.90%
2017	232,506,882	363,623,547	1,352,493	1,352,493	233,859,375	364,976,040	14.5616	64.08%
2018	231,935,310	369,037,370	1,317,393	1,317,393	233,252,703	370,354,763	14.7916	62.98%
2019	253,335,501	400,285,037	1,259,770	1,259,770	254,595,271	401,544,807	14.3286	63.40%
2020	266,403,717	412,624,407	1,201,233	1,201,233	267,604,950	413,825,640	14.4650	64.67%
2021	273,798,010	435,809,481	1,135,329	1,135,329	274,933,339	436,944,810	14.4600	62.92%
2022	281,561,346	442,652,645	1,079,175	1,079,175	282,640,521	443,731,820	14.4609	63.70%
2023	297,789,368	486,017,582	1,107,606	1,107,606	298,896,974	487,125,188	14.4643	61.36%
2024	297,817,654	497,942,350	1,120,502	1,120,502	298,938,156	499,062,852	14.6142	59.90%
2025	\$319,369,169	\$605,560,466	\$1,374,027	\$1,374,027	\$ 320,743,196	\$ 606,934,493	\$ 14.4611	52.85%

Source: Assessed Values are obtained from the Sioux County Courthouse - Assessor's Office.

**City of Orange City  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	City of Orange City			Sioux County			Overlapping Rates MOC-FV School District			Area Vocational School	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2016	\$ 7.9356	\$ 6.0496	\$ 13.9852	\$ 5.0488	\$ 0.3335	\$ 5.3822	\$ 10.2199	\$ -	\$ 10.2199	\$ 0.7335	\$ 30.3208
2017	7.7209	6.8406	14.5616	4.8769	0.3028	5.1797	10.2316	-	10.2316	0.7812	30.7541
2018	8.4969	6.2947	14.7916	4.7626	0.2843	5.0469	10.2388	-	10.2388	0.7905	30.5784
2019	8.4859	5.8427	14.3286	4.8476	0.2720	5.1196	10.1855	-	10.1855	0.7942	30.4279
2020	8.6300	5.8350	14.4650	4.5660	0.2521	4.8181	10.2260	-	10.2260	0.9938	30.5029
2021	9.1157	5.3477	14.4634	4.2843	0.1948	4.4791	10.0052	2.7000	12.7052	1.0754	32.7231
2022	8.8541	5.6068	14.4609	3.9761	0.1524	4.1285	9.9631	2.7000	12.6631	1.0430	32.2955
2023	8.9849	5.4795	14.4644	3.8495	0.1465	3.9960	9.8004	2.7000	12.5004	1.0726	32.0334
2024	8.5750	6.0392	14.6142	4.3466	0.1461	4.4926	9.8297	2.6982	12.5279	1.0869	32.7216
2025	\$ 9.1025	\$ 5.3586	\$ 14.4611	\$ 4.3539	\$ 0.1357	\$ 4.4895	\$ 9.7572	\$ 2.6972	\$ 12.4544	\$ 1.0869	\$ 32.4920

Taxes due July 1

Taxes delinquent first half - October 1; second half - April 1.

Penalties for delinquency: 1.5 percent per month.

Discount allowed: none

Uncollected taxes handled as follows: delinquent real estate tax list published in newspaper prior to May 16.

Taxes collected by Sioux County and distributed to the City of Orange City in proportion of its levy to all levies.

Tax sale date: first Monday in June.

Source: The tax rates are obtained from the Sioux County Courthouse - Auditor's Office.

**City of Orange City  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2025</u>			<u>2016</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Vogel Enterprises Inc.	\$ 26,951,350	1	4.3%	\$ 9,589,060	1	4.4%
SCC10 Orange City	12,561,960	2	2.0%	8,947,110	2	4.1%
Smithfield Premium Pet Health LLC	6,707,940	3	1.1%	4,733,080	3	2.2%
Prairie Winds Hotel Holdings	6,262,500	4	1.0%	4,204,220	4	1.9%
Orange City Area Health Foundation	4,986,130	5	0.8%	3,589,300	5	1.7%
Pizza Ranch Headquarters	4,824,350	6	0.8%	2,404,640	7	1.1%
OCDC, Inc.	4,732,080	7	0.8%	2,937,050	6	1.4%
Store Master Funding III LLC	4,234,190	8	0.7%	1,965,610	8	0.9%
Dollar Fresh/NS Retail Holdings LLC	3,369,190	9	0.5%			
Krull LTD	3,052,569	10	0.5%			
Iowa State Bank Orange City				1,770,590	9	0.8%
Revival Animal Health Inc.				1,592,410	10	0.7%
<b>Totals</b>	<u>\$ 77,682,259</u>		<u>12.4%</u>	<u>\$ 41,733,070</u>		<u>19.2%</u>

Source: Assessed Values are obtained from the Sioux County Courthouse - Assessor's Office.

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

<b>Fiscal Year Ended 6/30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Delinquent Tax Collections</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>% of Levy</b>		<b>Amount</b>	<b>% of Levy</b>
2016	\$ 2,676,223	\$ 2,674,162	99.92%	\$ 2,061	\$ 2,676,223	100.00%
2017	3,020,665	3,018,665	99.93%	2,000	3,020,665	100.00%
2018	3,113,207	3,110,985	99.93%	2,222	3,113,207	100.00%
2019	3,167,560	3,154,067	99.57%	13,493	3,167,560	100.00%
2020	3,313,269	3,279,734	98.99%	33,535	3,313,269	100.00%
2021	3,388,587	3,284,399	96.93%	104,188	3,388,587	100.00%
2022	3,526,130	3,526,001	100.00%	-	3,526,068	100.00%
2023	3,760,669	3,759,789	99.98%	-	3,759,789	99.98%
2024	3,837,197	3,837,197	100.00%	-	3,837,197	100.00%
2025	\$ 4,359,648	\$ 4,359,648	100.00%	\$ -	\$ 4,359,648	100.00%

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

**City of Orange City  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>				<b>Total Primary Government</b>	<b>% of Personal Income</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Notes Payable Direct Borrowing</b>	<b>Lease Liability</b>	<b>Electric Bonds</b>	<b>Water Bonds</b>	<b>Sewer Bonds</b>	<b>Gas Bonds</b>			
2016	\$ 13,160,000	\$ -	\$ -	\$ 3,470,000	\$ 2,330,000	\$ -	\$ 450,000	\$ 19,410,000	637.84%	\$ 3,189
2017	11,340,000	-	-	3,105,000	2,120,000	-	340,000	16,905,000	555.52%	3,233
2018	12,415,000	-	-	2,725,000	1,910,000	8,715,000	230,000	25,995,000	862.39%	2,816
2019	13,105,000	-	-	2,337,000	1,690,000	8,360,000	115,000	25,607,000	849.52%	4,330
2020	11,565,000	-	-	2,102,000	1,470,000	8,005,000	-	23,142,000	849.52%	4,265
2021	11,145,000	-	-	1,790,000	1,245,000	7,645,000	-	21,825,000	599.11%	3,854
2022	9,805,000	900,000	-	1,560,000	1,015,000	7,275,000	-	20,555,000	564.25%	3,280
2023	12,196,182	855,556	51,814	1,469,104	11,408,877	7,158,685	-	33,140,218	908.30%	5,280
2024	10,546,269	755,556	26,517	1,317,612	11,053,804	6,744,737	-	30,444,495	860.26%	4,858
2025	\$ 11,936,412	\$ 655,556	\$ -	\$ 1,166,119	\$ 10,633,731	\$ 6,320,790	\$ -	\$ 30,712,608	843.08%	\$ 4,901

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
See the Schedule of Demographic and Economic Statistics on page 108 for personal income and population data.

**City of Orange City**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2016	\$ 13,160,000	\$ 241,411	\$ 12,918,589	3.82	\$ 2,151.66
2017	11,340,000	271,967	11,068,033	3.03	1,843.44
2018	12,415,000	324,124	12,090,876	3.28	2,013.80
2019	13,105,000	114,297	12,937,814	3.22	2,154.87
2020	11,565,000	149,011	10,995,989	2.75	1,831.44
2021	11,145,000	175,388	9,629,612	2.51	1,536.56
2022	9,805,000	372,787	9,432,213	2.51	1,505.06
2023	11,585,000	419,434	11,165,566	2.29	1,781.64
2024	10,546,269	335,931	10,210,338	2.05	1,629.22
2025	\$ 11,936,412	\$ 413,443	\$ 11,522,969	1.91	\$ 1,838.67

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Population data can be found in the Schedule of Demographic and Economic Statistics. See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

**City of Orange City  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2025**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u> <sup>1</sup>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: School District	\$ 29,918,288	38.73%	\$ 11,587,353
Debt repaid with property taxes; Sioux County	3,061,000	12.14%	371,605
Subtotal, overlapping debt			<u>\$ 11,958,958</u>
City of Orange City direct debt			<u>12,591,968</u>
Total direct and overlapping debt			<u><u>\$ 24,550,926</u></u>

Sources: Debt outstanding data provided by the school and Sioux County Auditor Office.

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

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**City of Orange City  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt Limit	\$ 16,853,795	\$ 18,181,177	\$ 18,451,869	\$ 20,014,252	\$ 20,631,220	\$ 21,790,474	\$ 22,132,632	\$ 24,300,879	\$ 24,897,118	\$ 30,278,023
Total net debt applicable to limit	12,918,589	12,132,128	12,953,100	13,598,167	11,871,033	10,252,823	9,795,048	11,557,559	10,524,695	11,689,436
Legal debt margin	<u>\$ 3,935,206</u>	<u>\$ 6,049,049</u>	<u>\$ 5,498,769</u>	<u>\$ 6,416,085</u>	<u>\$ 8,760,187</u>	<u>\$ 11,537,651</u>	<u>\$ 12,337,584</u>	<u>\$ 12,743,320</u>	<u>\$ 14,372,423</u>	<u>\$ 18,588,587</u>
Total net debt applicable to the limit as a percentage of debt limit	72.87%	76.65%	66.73%	70.20%	57.54%	47.05%	44.26%	47.56%	42.27%	38.61%

**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed value	<u>\$ 605,560,466</u>
Total assessed value	605,560,466
Debt limit (5% of total assessed value)	30,278,023
Debt applicable to limit:	
General Obligation Bonds	11,936,412
Lease Liability	-
Urban Renewal Development Agreements	166,467
Less Amount in Debt Service Fund	<u>(413,443)</u>
Total net debt applicable to limit	<u>11,689,436</u>
<b>Legal debt margin</b>	<u><u>\$ 18,588,587</u></u>

Note: Under state finance law, the City of Orange City's outstanding general obligation debt should not exceed 5 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

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

**City of Orange City  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Electric Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	\$ 7,759,613	\$ 5,905,746	\$ 1,853,867	\$ 360,000	\$ 88,766	4.13
2017	8,406,522	6,355,393	2,051,129	365,000	72,455	4.69
2018	8,592,902	6,400,163	2,192,739	380,000	63,950	4.94
2019	8,936,716	6,400,015	2,536,701	388,000	58,773	5.68
2020	8,594,277	6,399,975	2,194,302	232,000	50,360	7.77
2021	9,255,809	6,403,578	2,852,231	230,000	32,956	10.85
2022	8,668,263	6,517,580	2,150,683	145,000	28,568	12.39
2023	9,088,062	6,532,908	2,555,154	145,000	26,850	14.87
2024	8,430,034	7,273,177	1,156,857	145,000	23,950	6.85
2025	8,777,601	6,877,133	1,900,468	150,000	21,000	11.11

<b>Fiscal Year</b>	<b>Water Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	1,141,088	921,581	219,507	210,000	58,723	0.82
2017	1,082,756	615,446	467,310	210,000	56,087	1.76
2018	1,080,171	632,146	448,025	210,000	52,927	1.70
2019	1,003,003	645,810	357,193	220,000	49,150	1.33
2020	1,042,812	725,819	316,993	225,000	40,130	1.20
2021	1,277,103	830,398	446,705	230,000	34,796	1.69
2022	1,789,799	827,484	962,315	240,000	28,818	3.58
2023	2,341,783	780,537	1,561,246	325,000	474,238	1.95
2024	2,057,650	899,701	1,157,949	390,000	457,988	1.37
2025	\$ 2,211,619	\$ 1,062,521	\$ 1,149,098	\$ 405,000	\$ 438,488	1.36

Note: Operating Expenses do not include depreciation expense

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

**City of Orange City  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Sewer Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	\$ 908,510	\$ 485,953	\$ 422,557	\$ -	\$ -	-
2017	1,000,275	387,940	612,335	-	-	-
2018	1,256,976	408,665	848,311	100,000	255,920	2.38
2019	1,464,073	486,307	977,766	355,000	290,131	1.52
2020	1,465,101	639,740	825,361	360,000	282,860	1.28
2021	1,705,573	700,037	1,005,536	370,000	272,060	1.57
2022	1,517,623	598,365	919,258	380,000	260,960	1.43
2023	1,464,643	604,853	859,790	395,000	249,560	1.33
2024	1,512,167	673,462	838,705	405,000	237,710	1.30
2025	1,592,293	800,070	792,223	420,000	223,960	1.23

<b>Fiscal Year</b>	<b>Gas Charges and Other</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	1,595,549	1,442,028	153,521	105,000	12,461	1.31
2017	1,785,056	1,672,856	112,200	110,000	10,832	0.93
2018	2,413,217	2,092,061	321,156	110,000	8,743	2.70
2019	2,282,390	1,954,793	327,597	115,000	6,268	2.70
2020	1,809,971	1,549,279	260,692	-	-	-
2021	3,294,523	2,494,520	800,003	-	-	-
2022	3,007,378	2,673,733	333,645	-	-	-
2023	3,579,255	3,094,786	484,469	-	-	-
2024	3,177,087	2,649,099	527,988	-	-	-
2025	\$ 3,614,154	\$ 2,912,312	\$ 701,842	\$ -	\$ -	-

Note: Operating Expenses do not include depreciation expense

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

**City of Orange City  
Principal Employers  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Population</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Population</u>
Orange City Health System	575	1	9.18%	495	2	8.24%
Staples Inc.	500	2	7.98%	515	1	8.58%
Diamond Vogel Paints	475	3	7.58%	350	3	5.83%
Sekisui Aerospace	260	4	4.15%	230	5	3.83%
Smithfield Fresh Meats LLC	230	5	3.67%	245	4	4.08%
MOC-FV School District	225	6	3.59%	180	6	3.00%
Northwestern College	140	7	2.23%	180	7	3.00%
Sioux County Courthouse	75	8	1.20%	75	8	1.25%
Civco Medical Solutions	70	9	1.12%	65	9	1.08%
Revival Animal Health	65	10	1.04%	60	10	1.00%
Total	<u>2,615</u>		<u>41.74%</u>	<u>2,395</u>		<u>39.89%</u>

Note: Source for this data was obtained from Iowa Workforce Development

**City of Orange City  
Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

<b>Function</b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
General Government	10	10	10	11	9	9	9	10	10	10
Public Safety										
Police Officers	7	7	7	7	7	7	7	8	8	10
Highways and streets	3	3	3	3	3	3	3	3	3	3
Culture and recreation	3	3	3	3	3	3	3	3	3	3
Library	2	2	2	3	2	3	3	3	3	3
Electric	5	5	5	5	5	5	5	5	5	5
Water	2	2	2	2	2	2	2	2	2	2
Sewer	1	1	1	2	2	2	2	2	2	2
Gas	2	2	2	2	2	2	2	2	3	3
<b>Total</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>38</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>38</b>	<b>39</b>	<b>41</b>

**Sources: Various city departments.**

**City of Orange City**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>General Government</b>										
Zoning Permits Issued	65	95	81	81	80	102	93	65	74	89
<b>Police</b>										
Physical Arrests	69	88	91	114	93	104	90	69	71	74
Parking Violations	258	237	210	202	216	227	237	258	256	272
Traffic Violations	403	353	510	336	228	439	410	403	347	362
<b>Fire</b>										
Emergency Responses	107	104	92	75	84	78	98	107	137	145
Fires Extinguished	6	4	5	3	6	7	9	6	4	8
<b>Refuse Collection</b>										
Refuse collected (tons per day)	9	9	9	9	9	9	9	9	9	9
Recyclables collected (tons per day)	1	1	1	1	1	1	1	1	1	1
<b>Parks &amp; Recreation</b>										
Pool Passes Issued ( Budget Pass)	54	48	35	57	46	57	57	54	89	97
Pool Passes Issued ( Individual Pass)	74	63	56	71	88	51	51	74	33	37
Pool Passes Issued ( Family Pass)	217	205	220	235	196	233	233	217	230	248
Pool Passes Issued ( Senior Pass)	13	9	6	11	9	12	12	13	9	11
<b>Library</b>										
Volumes in collection	63,905	63,905	63,905	63,905	63,905	63,905	63,905	63,905	63,905	63,905
Total volumes borrowed	226,250	226,250	226,250	226,250	226,250	226,250	226,250	226,250	226,250	226,250
<b>Water</b>										
New connections	21	-	14	6	25	27	15	21	13	17
Water main breaks	3	2	8	4	6	9	6	3	4	6
Average daily consumption (thousands of gallons)	823	825	863	856	853	856	837	823	823	823
Peak daily consumption (thousands of gallons)	1,950	1,940	1,448	1,380	1,910	1,920	1,925	1,950	1,950	1,950
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	761	748	801	809	843	846	848	761	761	761

**Sources: Various city departments.**

**City of Orange City  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	4	4	4	4	4	4	4	4	4	4
<b>Fire Station</b>	1	1	1	1	1	1	1	1	1	1
<b>Other Public Works</b>										
Streets (miles)	52	52	53	55	57	58	59	61	62	63
Streetlights	961	961	985	985	993	993	998	1,017	1,024	1,048
Traffic Signals	2	2	2	2	2	2	3	3	3	3
<b>Parks and recreation</b>										
Aceage	230	230	230	230	230	230	230	235	240	240
Playgrounds	5	5	5	5	5	5	5	5	6	6
Baseball/softball diamonds	2	2	3	3	3	3	3	3	3	3
Soccer/football fields	4	4	4	4	4	4	4	4	4	4
Community Center	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water Mains (miles)	50	50	50	52	54	55	56	58	59	60
Fire Hydrants	288	288	291	295	298	298	300	307	307	317
Storage capacity (thousands of gallons)	1,120	1,120	1,120	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Wastewater</b>										
Sanitary Sewers (miles)	44	44	47	49	51	52	53	55	56	57
Storm Sewer (miles)	23	23	28	30	33	34	35	38	39	41
Treatment capacity (thousands of gallons)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

**Sources: Various city departments**

**City of Orange City  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2016	6,004	30,143	20,768	29.0	16	1940	2.1%
2017	6,004	30,143	20,768	29.0	16	1940	1.7%
2018	6,004	30,143	20,768	29.0	16	1940	1.7%
2019	6,004	30,143	20,768	29.0	16	1940	1.7%
2020	6,004	30,143	20,768	29.0	16	1940	1.7%
2021	6,267	36,429	27,848	34.3	16	1940	1.7%
2022	6,267	36,429	27,848	34.3	16	1940	1.5%
2023	6,267	36,429	27,848	34.3	16	1940	2.5%
2024	6,267	36,429	27,848	34.3	16	1940	2.5%
2025	6,267	36,429	27,848	34.3	16	1940	2.5%

Sources: Population, median age, and educational level information provided by the United States Census Bureau. School enrollment data provided by the Orange City school districts.

Note: Personal Income is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.



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

Honorable Members of the City Council  
City of Orange City, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Orange City, Iowa, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Orange City, Iowa's basic financial statements and have issued our report thereon dated December 19, 2025. Our report includes a reference to other auditors who audited the financial statements of the Orange City Area Health System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Orange City, Iowa's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Orange City, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Orange City, Iowa's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as 2025-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

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

Comments involving statutory and other legal matters about the City’s operations for the year ended June 30, 2025 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

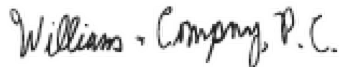
**City of Orange City, Iowa’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Orange City, Iowa’s response to the findings identified in our audit and described in the accompanying schedule of findings. City of Orange City, Iowa’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of This Report**

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City during the course of our audit. If you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.



Certified Public Accountants

Le Mars, Iowa  
December 19, 2025

**CITY OF ORANGE CITY, IOWA**  
**Schedule of Findings**  
**For the Year Ended June 30, 2025**

**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. No significant deficiencies were reported.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

**Part II: Findings Related to the Financial Statements**

**Instances of Non-Compliance:**

No matters were reported.

**Material Weakness:**

2025-001 **Financial Reporting – Material Adjusting Journal Entries**

Criteria – Management is responsible for the preparation and fair presentation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition – During the audit, we identified material and immaterial audit adjustments that were necessary for the financial statements to be presented in accordance with GAAP.

Cause – The City's existing year-end financial reporting and review procedures did not detect all material & immaterial misstatements prior to the audit.

Effect – As a result, the financial statements initially provided by management were not entirely presented in accordance with GAAP and required auditor-proposed adjustments to achieve fair presentation.

Recommendation – The City should evaluate and enhance its financial reporting process to ensure that all necessary year-end adjustments are properly identified, recorded, and reviewed in a timely manner prior to the preparation of the financial statements.

Management Response – Management acknowledges the finding and will continue to review and strengthen financial reporting procedures to improve the accuracy and completeness of the financial statements.

**Part III: Other Findings Related to Required Statutory Reporting**

III-A-25 Certified Budget – Disbursements during the year ended June 30, 2025 exceeded the amount budgeted in the culture and recreation, community and economic development, and business-type functions. Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under an annual or continuing appropriation."

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

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

**CITY OF ORANGE CITY, IOWA**  
**Schedule of Findings**  
**For the Year Ended June 30, 2025**

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

- III-B-25 - Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- III-C-25 - Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to ensure the coverage is adequate for current operations.
- III-D-25 - Council Minutes – We noted no transactions requiring approval which had not been approved by the Council.
- III-E-25 - Questionable Expenditures – We noted no questionable expenditures during our audit.
- III-F-25 - Revenue Bonds – No violations of revenue bond resolutions were noted.
- III-G-25 - Business Transactions – No business transactions between the City and city officials were noted during the course of the audit.
- III-H-25 - Cash and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- III-I-25 - Urban Renewal Annual Report – The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1.
- III-J-25 - Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- III-K-25 - Financial Condition – At June 30, 2025, the City had deficit balances in the following funds:

Fund	Amount
TIF Special Revenue	\$ (60,678)
7 <sup>th</sup> Street Project	(69,744)
PJ 10 <sup>th</sup> Park Project	(6,568)

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

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