

LAKESIDE MUNICIPAL GOLF COURSE
INDEPENDENT AUDITOR'S REPORT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2021

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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements of Lakeside Municipal Golf Course, City of Fort Dodge, Iowa, for the year ended June 30, 2021, and the related notes to the statement of cash receipts and disbursements, as listed in the table of contents.

Management's Responsibility for the Statement of Cash Receipts and Disbursements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the statement of cash receipts and disbursements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of cash receipts and disbursements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of cash receipts and disbursements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statement of cash receipts and disbursements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements.

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

Opinion

In our opinion, the statement of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of Lakeside Municipal Golf Course, City of Fort Dodge, Iowa, as of June 30, 2021.

Emphasis of Matter

As discussed in Note 1, the statement of cash receipts and disbursements of Lakeside Municipal Golf Course, City of Fort Dodge, Iowa, is intended to present the cash receipts and disbursements of only that portion of the City of Fort Dodge that is attributable to the transactions of Lakeside Municipal Golf Course. They do not purport to, and do not present fairly the financial position of the City of Fort Dodge, Iowa as of June 30, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis of Accounting

As discussed in Note 1, the statement of cash receipts and disbursements is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Cornwell, Frideres, Maher & Associates, P.L.C.

Cornwell, Frideres, Maher & Associates, P.L.C.
Certified Public Accountants

Fort Dodge, Iowa

September 15, 2022

Lakeside Municipal Golf Course

Statement of Cash Receipts and Disbursements

Year ended June 30, 2021

Operating receipts and disbursements:

Receipts:

Season passes	\$	181,239
Green fees		105,849
Pro shop sales		83,609
Equipment rentals		134,431
Sale of concessions		83,500
Gift certificates		3,398
Sales tax collected		<u>20,778</u>
Total receipts		<u>612,804</u>

Disbursements:

Salaries		232,763
Employee benefits		77,383
Grounds maintenance and supplies		46,989
Equipment maintenance and supplies		35,614
Supplies for resale		39,138
Operating supplies		33,083
Outside services		26,644
Tile repair		22,595
Sales tax paid		19,464
Utilities		25,393
Fuel		7,214
Lease payments		12,000
Miscellaneous		<u>2,537</u>
Total disbursements		<u>580,817</u>

Excess (deficiency) of operating receipts over (under) operating disbursements 31,987

(continued)

Lakeside Municipal Golf Course

Statement of Cash Receipts and Disbursements

Year ended June 30, 2021

Operating receipts and disbursements:

Non-operating receipts and disbursements:

Interfund loan received	80,000
Equipment purchased	<u>(122,368)</u>
	<u>(42,368)</u>

Excess (deficiency) of receipts over (under) disbursements \$ (10,381)

See notes to statement of cash receipts and disbursements.

Lakeside Municipal Golf Course

Notes to Statement of Cash Receipts and Disbursements

June 30, 2021

(1) Summary of Significant Accounting Policies

Lakeside Municipal Golf Course (Golf Course) is a public golf course in Fort Dodge, Iowa that is operated by the City of Fort Dodge.

- A. Reporting Entity – The statement of cash receipts and disbursements presents only the transactions of Lakeside Municipal Golf Course, which is a department of the City of Fort Dodge. Lakeside Municipal Golf Course is financially and legally accountable to the City of Fort Dodge.
- B. Basis of Accounting – Lakeside Municipal Golf Course maintains its financial records on the basis of cash receipts and disbursements and the statement of cash receipts and disbursements of the Golf Course are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the statement of cash receipts and disbursements does not present results of operations of the Golf Course in accordance with U.S. generally accepted accounting principles.
- C. Date of Management’s Review – Subsequent events have been evaluated through September 15, 2022 which is the date the statement of cash receipts and disbursements were available to be issued.

(2) Pension Plan

Plan Description – The Iowa Public Employees’ Retirement System (IPERS) membership is mandatory for all eligible Lakeside Municipal Golf Course employees as part of the City of Fort Dodge’s pension plan. Employees of the City are provided with pensions through a cost-sharing multiple-employer defined benefit pension administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org. A summary of the plan and benefits are included in the City of Fort Dodge’s notes to financial statements.

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29 % of pay and the City contributed 9.44 % for a total rate of 15.73 %. The Golf Course’s share of contributions to IPERS for the year ended June 30, 2021 was \$14,957.

Lakeside Municipal Golf Course

Notes to Statement of Cash Receipts and Disbursements

June 30, 2021

(3) Other Postemployment Benefits (OPEB)

Plan Description- The City operates a single-employer health benefit plan which provide medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. The Golf Course's share of contributions to this plan was \$45,147. A summary of the plan and benefits are included in the City of Fort Dodge's notes to financial statements.

(4) Risk Management

Lakeside Municipal Golf Course is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Golf Course assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(5) Lease Agreements

The City of Fort Dodge has entered into a lease agreement with the Webster County Conservation Board to lease the land that the golf course is situated on. This lease is for a term of ninety-nine years commencing August 25, 1970.

This lease states in part that "For the rent of said premises the City hereby agrees to pay the said County twenty-five percent (25%) of the net profit from golf course operations or \$1.00 per year, whichever is greater. Net profit is defined as gross receipts less maintenance and operating costs and less capitalization for future replacement and/or additions or improvements to the golf course facility. Said rental is to be paid promptly without previous demand as follows: at the conclusion of the operation year after an audit has been made of the net profit from the golf course operation."

Lakeside Municipal Golf Course

Notes to Statement of Cash Receipts and Disbursements

June 30, 2021

(5) Lease Agreements (continued)

The amount paid to Webster County Conservation Board during the year ended June 30, 2021 was \$606 for the prior fiscal year net income. This lease has a supplement which states that the City of Fort Dodge will pay to the Webster County Conservation Board fifty percent (50%) of the gross cart shed rentals or \$6,000, whichever is less. The amount paid during the year ended June 30, 2021 was \$12,000 for the prior two fiscal years. The yearly payment was overlooked for fiscal year 2020 and thus two years were paid during fiscal year 2021.

(6) Interfund Loans

During the year ended June 30, 2021, the City of Fort Dodge's general fund transferred \$80,000 to Lakeside's capital account to pay for the purchase of equipment. These funds are to be paid back with the collection of fees at an interest rate of 2% with annual payments of \$16,973.

Future maturities are as follows:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>
June 30, 2022	15,373	1,600
June 30, 2023	15,680	1,293
June 30, 2024	15,994	979
June 30, 2025	16,314	657
June 30, 2026	<u>16,639</u>	<u>334</u>
	<u>\$80,000</u>	<u>4,863</u>

(7) Subsequent Events

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range in industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Lakeside Municipal Golf Course remains uncertain.