

CITY OF FORT DODGE, IOWA

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

YEAR ENDED JUNE 30, 2023

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

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**City of Fort Dodge, Iowa
Officials**

(Before January 2022)

Matt Bemrich	Mayor	Dec 2021
Dave Flattery	Mayor Pro-Team	Dec 2021
Lydia Schuur	Council Member	Dec 2021
Jeffrey Halter	Council Member	Dec 2021
Kim Alstott	Council Member	Dec 2021
Andy Fritz	Council Member	Dec 2021
Terry Moehnke	Council Member	Dec 2021
Neven Conrad	Council Member	Dec 2023
Jeff Nemmers	Finance Director	Indefinite
Dawn Siebken	Deputy City Clerk	Indefinite
Mark Crimmins	City Attorney	Indefinite

(After January 2022)

Matt Bemrich	Mayor	Dec 2025
Dave Flattery	Mayor Pro-Team	Dec 2023
Lydia Schuur	Council Member	Dec 2025
Quennel McCaleb	Council Member	Dec 2025
Kim Alstott	Council Member	Dec 2023
Cameron Nelson	Council Member	Dec 2023
Terry Moehnke	Council Member	Dec 2023
Neven Conrad	Council Member (Resigned)	Oct 2022
Jeff Nemmers	Finance Director	Indefinite
Dawn Siebken	Deputy City Clerk	Indefinite
Mark Crimmins	City Attorney	Indefinite

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

Certified Public Accountants

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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Dodge as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

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 Fort

Dodge'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Fort Dodge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Fort Dodge'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, the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of City Contributions and the Schedule of Changes in the City's Total OPEB Liability, Related Ratios and Notes on pages 5 through 16 and 87 through 106 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 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 of Fort Dodge's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 10 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 11, 2024 on our consideration of the City of Fort Dodge'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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Fort Dodge's internal control over financial reporting and compliance.

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

June 11, 2024

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Fort Dodge's Annual Financial Report offers a narrative overview and analysis of the financial activities of the City of Fort Dodge for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets of the City of Fort Dodge exceeded its liabilities by \$157,380,594 on June 30, 2023.

The City continued working on numerous construction projects that were either completed during the fiscal year, were continued in the fiscal year, or were just getting started as the fiscal year ended. Completed infrastructure projects included the 15th Ave S drainage project, the consumer sewer initiative phase 2 project, the northwest water main project, the downtown drainage project, and the 1st northwest storm sewer project. Completed improvement projects include municipal building phase 6, Oleson park shelter, artificial turf at Harlan Rogers baseball complex, airport projects of taxiway B and a building roof. Numerous other projects were still in process. They include: Veteran's bridge project, 2023 Street repair project, North 21st street and 2nd and 1/2 avenue North reconstruction project, 2023 PCC patch projects, Dam enhancement project, Central River District project, Georgia Pacific water main project, 1st street reconstruction project, Waste Water Lab & Odor project, Kenyon Road and Ave C intersection project, and multiple other projects.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other required supplementary information as follows:

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

Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the City as a whole and represent an overall view of the City's finances.

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

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

Required Supplementary Information, other than MD & A, provides information about the required budgetary comparison information and other post employee benefits.

Other Supplementary Information provides detailed information about the non-major governmental funds. In addition, the Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards, provide details of various federal and state programs benefiting the City.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide financial statements are designed to provide readers with a broad overview of the City of Fort Dodge's finances, in a manner like a private-sector business. The Statement of Net Position presents information on all the City's assets and liabilities. The Statement of Activities accounts for all the current year's revenues and expenses regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private sector companies. These two statements report the City's net position, which are 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 assets 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 the 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 three kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, such as public safety, public works, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax, grants, and local option sales tax finance most of these activities.
- **Business Type Activities** – This activity includes the water system, the sanitary sewer system, the City's solid waste department, Storm water, parking system, and the Central Garage facility. These activities are financed primarily by user charges.
- **Component Units** – This includes operations that are legally separate from the City but for which the City is financially accountable. The City's discretely presented component units are the Fort Dodge Regional Airport and two non-profit foundations.

**Statement of Net Position
City of Fort Dodge
June 30, 2023**

Governmental Activities

	FY2023	FY2022	Increase (Decrease)
Current Assets	38,218,721	46,004,791	(7,786,070)
Restricted Assets	-	-	-
Capital Assets	<u>106,704,332</u>	<u>98,640,289</u>	<u>8,064,043</u>
Total Assets	144,923,053	144,645,080	277,973
Deferred Outflows of Resources	<u>10,368,047</u>	<u>4,933,586</u>	<u>5,434,461</u>
Current Liabilities	5,090,754	3,888,001	1,202,753
Long Term Liabilities	<u>46,696,890</u>	<u>43,306,937</u>	<u>3,389,953</u>
Total Liabilities	51,787,644	47,194,938	4,592,706
Deferred Inflows of Resources	<u>27,474,430</u>	<u>29,918,615</u>	<u>(2,444,185)</u>
Net Position			
Invested in Capital Assets			
Net of related debt	75,434,332	63,350,289	12,084,043
Restricted	14,970,975	14,303,966	667,009
Unrestricted	<u>(14,376,281)</u>	<u>(5,189,142)</u>	<u>(9,187,139)</u>
Total Net Position	<u><u>76,029,026</u></u>	<u><u>72,465,113</u></u>	<u><u>3,563,913</u></u>

**City of Fort Dodge
June 30, 2023**

Business Type Activities

Current Assets	28,370,328	28,538,879	(168,551)
Restricted Assets	899,769	904,558	(4,789)
Capital Assets	<u>196,472,415</u>	<u>183,385,643</u>	<u>13,086,772</u>
Total Assets	225,742,512	212,829,080	12,913,432
Deferred Outflows of Resources	<u>1,663,506</u>	<u>707,904</u>	<u>955,602</u>
Current Liabilities	4,298,917	1,799,909	2,499,008
Long Term Liabilities	<u>140,372,865</u>	<u>129,156,047</u>	<u>11,216,818</u>
Total Liabilities	144,671,782	130,955,956	13,715,826
Deferred Inflows of Resources	<u>1,382,668</u>	<u>1,837,291</u>	<u>(454,623)</u>
Net Position			
Invested in Capital Assets			
Net of related debt	58,228,633	55,108,644	3,119,989
Restricted	525,709	522,236	3,473
Unrestricted	<u>22,597,226</u>	<u>25,112,857</u>	<u>(2,515,631)</u>
Total Net Position	<u>81,351,568</u>	<u>80,743,737</u>	<u>607,831</u>

**City of Fort Dodge
June 30, 2023**

Net Assets

Current Assets	66,589,049	74,543,670	(7,954,621)
Restricted Assets	899,769	904,558	(4,789)
Capital Assets	<u>303,176,747</u>	<u>282,025,932</u>	<u>21,150,815</u>
Total Assets	370,665,565	357,474,160	13,191,405
Deferred Outflows of Resources	<u>12,031,553</u>	<u>5,641,490</u>	<u>6,390,063</u>
Current Liabilities	9,389,671	5,687,910	3,701,761
Long Term Liabilities	<u>187,069,755</u>	<u>172,462,984</u>	<u>14,606,771</u>
Total Liabilities	196,459,426	178,150,894	18,308,532
Deferred Inflows of Resources	<u>28,857,098</u>	<u>31,755,906</u>	<u>(2,898,808)</u>
Net Assets			
Invested in Capital Assets			
Net of related debt	133,662,965	118,458,933	15,204,032
Restricted	15,496,684	14,826,202	670,482
Unrestricted	<u>8,220,945</u>	<u>19,923,715</u>	<u>(11,702,770)</u>
Total Net Position	<u>157,380,594</u>	<u>153,208,850</u>	<u>4,171,744</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Fort Dodge, assets exceeded liabilities by \$157,380,594 at the close of the most recent fiscal year.

The largest portion of the City's net position is in capital assets (i.e.: land, buildings, machinery, equipment, and infrastructure) less depreciation and related debt of \$133,662,965. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Prior year comparison shows \$118,458,933, an increase of \$15,204,032.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or legislation on how they can be used. The City has restricted net assets of \$15,496,684, a increase of \$670,482 from the prior year.

The remaining balance, unrestricted net position of \$8,220,945, may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants, legislation, or other legal requirements. Prior year comparison shows \$19,924,017, a decrease of \$11,703,072. This is primarily due to increased investment in infrastructure and equipment. The following is a more detailed review of the years' operation.

**Statement of Activities
City of Fort Dodge
June 30, 2023**

Governmental Activities

	FY2023	FY2022	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for service	4,105,369	3,538,521	566,848
Operating grants, contributions	6,551,834	2,202,568	4,349,266
Capital grants, contributions	1,531,769	1,356,486	175,283
General Revenues:			
Property tax	16,886,767	19,751,539	(2,864,772)
Other taxes	8,262,482	7,787,860	474,622
Interfund Transfers	1,492,448	1,469,603	22,845
Other	<u>2,919,220</u>	<u>3,227,528</u>	<u>(308,308)</u>
Total Revenues	41,749,889	39,334,105	2,415,784
Program Expenses:			
Public Safety	11,151,844	11,224,539	(72,695)
Public Works	9,088,175	9,021,228	66,947
Health and Social Services	175,160	168,005	7,155
Culture and Recreation	5,561,461	5,320,351	241,110
Comm & Econ Development	2,346,286	6,754,362	(4,408,076)
General Government	1,112,659	1,737,357	(624,698)
Debt Service	1,329,874	1,003,232	326,642
Capital Projects	<u>7,420,517</u>	<u>789,396</u>	<u>6,631,121</u>
Total Expenses	38,185,976	36,018,470	2,167,506
Increase (decrease) in net position	3,563,913	3,315,635	248,278
Net position at beginning of year	72,465,113	69,149,478	3,315,635
Net position at end of year	76,029,026	72,465,113	3,563,913

Revenues for governmental funds were \$2,415,784 more than in the prior year due to increases in program revenues, operating grants and contributions, and capital grants and contributions. Property tax, and other taxes, decreased.

**Statement of Activities
City of Fort Dodge
June 30, 2023**

Business Type Activities

	FY2023	FY2022	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for service	28,365,058	26,001,675	2,363,383
Operating grants, contributions	-	-	-
Capital grants, contributions	-	-	-
General Revenues:			
Interfund Transfers	(1,491,348)	(1,468,503)	(22,845)
Other	<u>1,307,836</u>	<u>1,935,443</u>	<u>(627,607)</u>
Total Revenues	28,181,546	26,468,615	1,712,931
Program Expenses:			
Water	10,364,423	8,895,481	1,468,942
Sewer	13,278,122	13,155,385	122,737
Broadband	1,257,252	-	1,257,252
Other non-major business type activities	<u>2,673,918</u>	<u>4,101,341</u>	<u>(1,427,423)</u>
Total Expenses	27,573,715	26,152,207	1,421,508
Increase in net position	607,831	316,408	291,423
Net position at beginning of year	80,744,039	80,427,631	316,408
Net position at end of year	81,351,870	80,744,039	607,831

Revenues for business type activities increased by \$1,712,931 or 6.47% more than the previous fiscal year due to increased charges for services. Sewer rates increased 6% in January 2023 while water rates increased 8% in January 2023.

Expenses increased \$1,421,508 from the prior year primarily because of increased operational expenses in water and sewer plant operations as well as in sanitation and storm water operations. A newly established Broadband utility had operational expense in FY23.

**Statement of Activities
City of Fort Dodge
June 30, 2022**

Total Government and Business Type Activities

	FY2023	FY2022	Increase Increase (Decrease)
Revenues:			
Program Revenues			
Charges for service	32,470,427	29,539,894	2,930,533
Operating grants, contributions	6,551,834	2,202,568	4,349,266
Capital grants, contributions	1,531,769	1,356,486	175,283
General Revenues:			
Property tax	16,886,767	19,751,539	(2,864,772)
Other taxes	8,262,482	7,787,860	474,622
Interfund Transfers	1,100	1,100	-
Other	4,227,056	5,162,971	(935,915)
Total Revenues	<u>69,931,435</u>	<u>65,802,418</u>	<u>4,129,017</u>
Program Expenses:			
Public Safety	11,151,844	11,224,538	(72,694)
Public Works	9,088,175	9,021,228	66,947
Health and Social Services	175,160	168,005	7,155
Culture and Recreation	5,561,461	5,320,351	241,110
Comm & Econ Development	2,346,286	6,754,362	(4,408,076)
General Government	1,112,659	1,737,357	(624,698)
Debt Service	1,329,874	1,003,232	326,642
Capital Projects	7,420,517	789,396	6,631,121
Water	10,364,423	8,895,481	1,468,942
Sewer	13,278,122	13,155,385	122,737
Broadband	1,257,252		1,257,252
Other non-major business type activities	2,673,918	4,101,341	(1,427,423)
Total Expenses	<u>65,759,691</u>	<u>62,170,677</u>	<u>3,589,014</u>
Increase in net position	4,171,744	3,631,741	540,003
Net position at beginning of year	153,208,850	149,577,109	3,631,741
Net position at end of year	157,380,594	153,208,850	4,171,744

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

The financial reporting focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$14,122,722, a decrease of \$9,409,409 from the prior year. Of this total amount there is an unreserved fund balance of (\$9,252,349). This is primarily due to a general fund positive balance with negative balances in the TIF special revenue fund and the capital projects and construction fund. There is also \$5,247,894 assigned for street projects.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unreserved fund balance of the general fund was \$6,081,862, an increase of \$198,828. This increase was primarily due to managing to a balanced budget. The total general fund balance was \$6,853,846. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 45.9% of total general fund expenditures (\$13,260,618), while total fund balance represents 51.7% of that same amount.

The Tax Increment Financing Fund maintained their negative balance. This deficit will be eliminated upon receipt of property taxes in future years. The decreased deficit balance was due to repayment of internal and external loans for various economic development and community improvements.

The Debt Service Fund ended the year with a fund balance of \$203,248, a decrease of \$99,696 from the prior year. The decrease was due to a difference in the levy amount received to debt fees.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

The Water fund, which accounts for the operation and maintenance of the City's water system, ended the current fiscal year with an increase in net assets of \$42,027 compared to an increase of \$441,352 from the previous fiscal year. Water rates increased approximately 8% in January 2023. Expenses increased from the prior year because of increased costs in water plant operations, particularly chemicals and electricity.

The Sewer fund, which accounts for the operation and maintenance of the City's wastewater system, ended the current year with an increase in net assets of \$1,777,398 compared to an increase of \$1,214,139 in the previous fiscal year. A 6% rate increase was enacted in January 2023. Operational expenses in sewer plant operations remained stable from the prior year.

The new established Broadband fund began start-up operations with continuing construction of the infrastructure to all parts of the City.

BUDGETARY HIGHLIGHTS

During the current fiscal year, the City of Fort Dodge amended the budget once to account for increased expenditures in operating, grant programs, capital equipment, and construction projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, including land, buildings and improvements, equipment and infrastructure represent the value of resources used to provide services to citizens. At fiscal year end, the City's investment in capital assets for governmental and business type activities (net of depreciation) totaled \$106,704,332 and \$196,472,415 respectively, for a combined total of \$303,176,747. See Note 3 to the financial statements for additional information regarding the City's capital assets.

Long-term Debt

As of June 30, 2023, the City of Fort Dodge had \$35,410,000 of long-term debt outstanding in its governmental activities, compared to \$39,730,000 on June 30, 2022. The decrease of \$4,320,000 is attributable to the repayment of debt. The City maintained its rating Aa3 from Moody's Investor Services. The City's statutory debt limit, which is limited to 5% of the assessed valuation, was \$69,789,423 for FY23 of which the City has utilized 50.1%.

Total long-term debt for business type activities was \$119,347,284 an increase of \$119,457 from the previous fiscal year which is attributable to both the issuance and repayment of debt.

ECONOMIC FACTORS

For the upcoming fiscal year ending June 30, 2024, the City's taxable property valuation decreased by \$30,135,974 or 3.80%. Lawmakers in 2013 passed property tax legislation that gradually lowered property taxes on multifamily residential property to where they would be taxed at the same rate as all residential property by 2022. In 2021 a law was passed including multi-residential properties in the residential property class beginning in the 2022 assessment year for taxes due fiscal 2023-2024. The law eliminated multi-residential as a property tax classification. The State discovered it had erroneously included multi-residential properties with other residential properties when calculating what's known as the "rollback rate" - an adjustment the state makes to limit the annual growth of property assessments. The rate is set annually by the department and is designed to cap the total taxable value for homes and farms from increasing more than 3 percent. If aggregate property values for homes and farms increase more than 3 percent, their taxable values are "rolled back" so that the total increase statewide is 3 percent. The correction of the coupling of the residential and multifamily residential calculations resulted in a decrease in taxable value for Iowa taxing bodies including Fort Dodge.

The Iowa Legislature made changes to the current property tax system in Iowa in 2013 that included cuts to certain property taxes based on property tax classification including Business Property Tax Credit legislation. Business Property Tax Credit (BPTC) is a credit issued against Commercial/Industrial property similar to the Homestead credit applied to residential property which reduces taxable property valuations. Alongside these cuts was a state appropriation to provide partial “backfill” payments to the local governments whose revenue would be impacted by these reductions. In this way, the State would defray the significant revenue reductions to local governments. In Fiscal Year 2021, the Iowa Legislature decided to phase-out these “backfill” funds over five to eight years. In Fiscal Year 2030, backfill will be gone entirely. Cities whose average property tax valuation growth rate increased by more than 34.14% for Fiscal Year 2021 compared to Fiscal Year 2014 will receive a 5-year phase-out of the backfill. Those cities with a rate lower than 34.14% will receive an 8-year phase-out of the backfill. These phase-out schedules will add a one-fifth or one-eighth decrease in backfill per year until zero. The City of Fort Dodge’s “backfill will be phased out over 8 years.

The City's tax levy rate increased in FY24 to \$20.74 from \$20.10 in FY23 due to decreased taxable valuation. Elected officials and City management prefer to keep a consistent tax levy rate in future years but recognize that many City costs are mandatorily imposed that are outside their control.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

These financial statements are designed to provide a general overview of the City’s finances and operating activities for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to: City Manager or Finance Director, City of Fort Dodge, 819 1st Avenue South, Fort Dodge, IA 50501, or call (515) 576-4551.

Basic Financial Statements

City of Fort Dodge, Iowa
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 18,652,466	20,866,327	39,518,793
Receivables:			
Property tax:			
Delinquent	130,333	-	130,333
Succeeding year	15,941,098	-	15,941,098
Tax increment financing:			
Delinquent	37,385	-	37,385
Succeeding year	3,161,102	-	3,161,102
Customer accounts	-	5,445,049	5,445,049
Accounts	924,231	-	924,231
Leases	56,190	-	56,190
Due from other governments	1,008,407	16,300	1,024,707
Due from other funds	(1,931,400)	1,931,400	-
Inventories	28,336	8,796	37,132
Prepaid expenses	210,573	102,456	313,029
Restricted assets:			
Cash and pooled investments	-	899,769	899,769
Capital assets (net of accumulated depreciation)	106,704,332	196,472,415	303,176,747
Total assets	<u>144,923,053</u>	<u>225,742,512</u>	<u>370,665,565</u>
Deferred Outflows of Resources			
OPEB related deferred outflows	(12,153)	-	(12,153)
Pension related deferred outflows	10,380,200	1,663,506	12,043,706
	<u>10,368,047</u>	<u>1,663,506</u>	<u>12,031,553</u>
Liabilities			
Cash and cash equivalents (deficit)	-	-	-
Accounts payable	2,800,476	3,832,078	6,632,554
Salaries and benefits payable	317,310	91,661	408,971
Interest payable	61,080	165,130	226,210
Liabilities payable from restricted assets:			
Customer deposits	-	208,930	208,930
Unearned revenue	261,033	1,118	262,151
Advances from grantors	1,614,980	-	1,614,980
Lease liability	35,875	-	35,875

Exhibit A

Component Units		
<u>Airport Authority</u>	<u>Other (Modified Cash)</u>	<u>Total</u>
-	5,470,366	5,470,366
2,631	-	2,631
309,949	-	309,949
-	-	-
-	-	-
5,185	-	5,185
-	-	-
393,842	-	393,842
-	-	-
-	-	-
300	-	300
-	-	-
<u>17,799,737</u>	<u>-</u>	<u>17,799,737</u>
<u>18,511,644</u>	<u>5,470,366</u>	<u>23,982,010</u>
-	-	-
<u>198,580</u>	<u>-</u>	<u>198,580</u>
<u>198,580</u>	<u>-</u>	<u>198,580</u>
72,450	253,311	325,761
60,828	-	60,828
5,385	-	5,385
-	-	-
-	-	-
-	-	-
-	-	-

City of Fort Dodge, Iowa
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
Liabilities (continued)			
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds/notes	3,745,000	310,000	4,055,000
Revenue bonds/notes payable	-	6,572,974	6,572,974
Compensated absences	1,483,493	39,687	1,523,180
Portion due or payable after one year:			
General obligation bonds/notes	27,525,000	3,830,000	31,355,000
Revenue bonds/notes payable	-	127,530,808	127,530,808
Bond premium	2,162,584	-	2,162,584
Compensated absences	451,872	637,381	1,089,253
Net pension liability	10,595,305	1,373,619	11,968,924
Net OPEB liability	733,636	78,396	812,032
Total liabilities	<u>51,787,644</u>	<u>144,671,782</u>	<u>196,459,426</u>
Deferred Inflows of Resources			
Unavailable revenues:			
Deferred inflows	8,372,230	1,382,668	9,754,898
Succeeding year property tax	15,941,098	-	15,941,098
Tax increment financing	3,161,102	-	3,161,102
Total deferred inflows of resources	<u>27,474,430</u>	<u>1,382,668</u>	<u>28,857,098</u>
Net Position			
Invested in capital assets, net of related debt	75,434,332	58,228,633	133,662,965
Restricted for:			
Nonexpendable:			
Parks Trust	25,000	-	25,000
Expendable:			
Debt service	203,248	-	203,248
Street improvements and repairs	5,247,894	-	5,247,894
Urban renewal	3,346,406	-	3,346,406
Revenue note retirement	-	525,709	525,709
Other purposes	6,148,427	-	6,148,427
Unrestricted	(14,376,281)	22,597,226	8,220,945
Total net position	<u>\$ 76,029,026</u>	<u>81,351,568</u>	<u>157,380,594</u>

See notes to financial statements.

(continued)
Exhibit A

Component Units		
Airport Authority	Other (Modified Cash)	Total
-	-	-
-	-	-
13,291	-	13,291
-	-	-
-	-	-
-	-	-
48,390	-	48,390
167,920	-	167,920
9,503	-	9,503
<u>377,767</u>	<u>253,311</u>	<u>631,078</u>
164,406	-	164,406
309,949	-	309,949
-	-	-
<u>474,355</u>	<u>-</u>	<u>474,355</u>
17,799,737	-	17,799,737
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
58,365	5,217,055	5,275,420
<u>17,858,102</u>	<u>5,217,055</u>	<u>23,075,157</u>

City of Fort Dodge, Iowa
Statement of Activities
Year ended June 30, 2023

Functions/Programs:	Program Revenues			
Expenses	Charges for	Operating	Capital	
Primary Government:	Service	Grants, Contributions and Restricted Interest	Grants, Contributions and Restricted Interest	
Governmental activities:				
Public safety	\$ 11,151,844	2,714,295	358,094	-
Public works	9,088,175	-	4,884,637	-
Health and social services	175,160	-	156,725	-
Culture and recreation	5,561,461	1,180,690	250,628	-
Community and economic development	2,346,292	78,975	766,550	-
General government	1,112,659	131,409	6,684	-
Interest on long-term debt	1,329,874	-	30,000	-
Capital projects	7,420,517	-	98,516	1,531,769
Total governmental activities	38,185,982	4,105,369	6,551,834	1,531,769
Business type activities:				
Water	10,364,423	11,116,312	-	-
Sewer	13,278,122	14,710,606	-	-
Broadband	1,257,252	196	-	-
Other non-major	2,673,918	2,537,944	-	-
Total business type activities	27,573,715	28,365,058	-	-
Total primary government	\$ 65,759,697	32,470,427	6,551,834	1,531,769
Component Units:				
Airport Authority	\$ 2,218,282	147,103	251,553	1,872,029
Other (modified cash)	349,386	16,343	143,959	-
Total component units	\$ 2,567,668	163,446	395,512	1,872,029
General Revenues:				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Unrestricted investment earnings, operating grants				
Miscellaneous				
Commercial/industrial tax replacement				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position beginning of year				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component
Governmental	Business Type		Units
<u>Activities</u>	<u>Activities</u>	<u>Total</u>	
(8,079,455)	-	(8,079,455)	-
(4,203,538)	-	(4,203,538)	-
(18,435)	-	(18,435)	-
(4,130,143)	-	(4,130,143)	-
(1,500,767)	-	(1,500,767)	-
(974,566)	-	(974,566)	-
(1,299,874)	-	(1,299,874)	-
(5,790,232)	-	(5,790,232)	-
<u>(25,997,010)</u>	<u>-</u>	<u>(25,997,010)</u>	<u>-</u>
-	751,889	751,889	-
-	1,432,484	1,432,484	-
-	(1,257,056)	(1,257,056)	-
<u>-</u>	<u>(135,974)</u>	<u>(135,974)</u>	<u>-</u>
-	791,343	791,343	-
<u>(25,997,010)</u>	<u>791,343</u>	<u>(25,205,667)</u>	<u>-</u>
-	-	-	52,403
-	-	-	(189,084)
-	-	-	<u>(136,681)</u>
13,171,073	-	13,171,073	321,319
3,715,694	-	3,715,694	-
3,215,275	-	3,215,275	-
5,047,207	-	5,047,207	-
1,020,704	425,916	1,446,620	530,632
1,453,102	881,926	2,335,028	246,961
445,414	-	445,414	-
1,492,454	(1,491,354)	1,100	(1,100)
<u>29,560,923</u>	<u>(183,512)</u>	<u>29,377,411</u>	<u>1,097,812</u>
3,563,913	607,831	4,171,744	961,131
<u>72,465,113</u>	<u>80,743,737</u>	<u>153,208,850</u>	<u>22,114,026</u>
<u>\$ 76,029,026</u>	<u>81,351,568</u>	<u>157,380,594</u>	<u>23,075,157</u>

City of Fort Dodge, Iowa
Balance Sheet
Governmental Funds
June 30, 2023

Assets	General	Special Revenue	
		Local Option Sales Tax	Tax Increment Financing
Cash, cash equivalents and pooled investments	\$ 6,058,421	1,535,376	688,865
Receivables:			
Property tax:			
Delinquent	59,451	-	-
Succeeding year	6,947,108	-	-
Tax increment financing:			
Delinquent	-	-	37,385
Succeeding year	-	-	3,161,102
Accounts	807,646	246	71
Due from other funds	198,947	-	-
Due from other governments	181,857	345,784	-
Inventories	28,336	-	-
Prepaid expenses	104,791	-	-
	Total assets	1,881,406	3,887,423
	\$ 14,386,557	1,881,406	3,887,423
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 325,133	610,454	-
Salaries payable and benefits payable	187,064	-	-
Unearned revenue	73,406	-	-
Due to other funds	-	-	5,460,341
Advances from grantors	-	-	-
Total liabilities	585,603	610,454	5,460,341
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	6,947,108	-	-
Tax increment financing	-	-	3,161,102
Total deferred inflows of resources	6,947,108	-	3,161,102
Fund balances:			
Nonspendable:			
Prepaid expenditures	104,791	-	-
Inventories	28,336	-	-
Parks Trust	-	-	-
Restricted for:			
Debt service	-	-	-
Street improvement and repairs	-	1,270,952	-
Urban renewal	-	-	-
Employee benefits	-	-	-
Capital improvements	-	-	-
Other purposes	701,857	-	-
Assigned	-	-	-
Unassigned	6,018,862	-	(4,734,020)
Total fund balances	6,853,846	1,270,952	(4,734,020)
Total liabilities, deferred inflows of resources and fund balances	\$ 14,386,557	\$ 1,881,406	3,887,423

See notes to financial statements.

Exhibit C

Debt Service	Capital Projects		Other Nonmajor Governmental Funds	Total
	Capital Improvement	Construction Fund		
174,137	(610,570)	(2,435,875)	13,242,112	18,652,466
28,876	-	-	42,006	130,333
3,801,224	-	-	5,192,766	15,941,098
-	-	-	-	37,385
-	-	-	-	3,161,102
235	46,118	-	69,915	924,231
-	-	-	7,592,780	7,791,727
-	15,112	60,000	405,654	1,008,407
-	-	-	-	28,336
-	8,553	-	97,229	210,573
<u>4,004,472</u>	<u>(540,787)</u>	<u>(2,375,875)</u>	<u>26,642,462</u>	<u>47,885,658</u>
-	490,296	1,108,785	265,808	2,800,476
-	3,692	-	126,554	317,310
-	131,437	-	-	204,843
-	48,947	4,213,839	-	9,723,127
-	-	1,614,980	-	1,614,980
-	674,372	6,937,604	392,362	14,660,736
3,801,224	-	-	5,192,766	15,941,098
-	-	-	-	3,161,102
<u>3,801,224</u>	<u>-</u>	<u>-</u>	<u>5,192,766</u>	<u>19,102,200</u>
-	8,553	-	97,229	210,573
-	-	-	-	28,336
-	-	-	25,000	25,000
203,248	-	-	-	203,248
-	-	-	3,976,942	5,247,894
-	-	-	3,346,406	3,346,406
-	-	-	2,885,558	2,885,558
-	-	-	-	-
-	-	-	2,561,012	3,262,869
-	-	-	8,165,187	8,165,187
-	(1,223,712)	(9,313,479)	-	(9,252,349)
<u>203,248</u>	<u>(1,215,159)</u>	<u>(9,313,479)</u>	<u>21,057,334</u>	<u>14,122,722</u>
<u>4,004,472</u>	<u>(540,787)</u>	<u>(2,375,875)</u>	<u>26,642,462</u>	<u>47,885,658</u>

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2023

Total governmental fund balances (page 24) \$ 14,122,722

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$184,364,959 and the accumulated depreciation is \$85,771,829.

106,704,332

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	10,368,047	
Deferred inflows of resources	<u>(8,372,230)</u>	1,995,817

Long-term liabilities, accrued interest and compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds:

General obligation bonds payable	(33,468,459)
Compensated absences	(1,935,365)
Accrued interest payable	(61,080)
Net pension liability	(10,595,305)
Net OPEB liability	<u>(733,636)</u>

Net Position of Governmental Activities (Page 19) \$ 76,029,026

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Governmental Funds
Year ended June 30, 2023

		Special Revenue	
	General	Local Option Sales Tax	Tax Increment Financing
Revenues:			
Property tax	\$ 7,171,513	-	-
Tax increment financing	-	-	3,215,275
Other city tax	770,372	5,047,207	-
Licenses and permits	592,860	-	-
Use of money and property	226,550	76,634	16,176
Intergovernmental	488,284	-	5,761
Charges for service	2,641,381	-	-
Miscellaneous	1,055,314	129,777	129,027
Total revenues	12,946,274	5,253,618	3,366,239
Expenditures:			
Operating:			
Public safety	8,401,424	-	-
Public works	26,509	-	-
Health and social services	125	-	-
Culture and recreation	3,161,669	-	-
Community and economic development	635,585	-	702,159
General government	1,035,306	-	18,257
Debt service	-	151,782	-
Capital projects	-	2,017,538	-
Total expenditures	13,260,618	2,169,320	720,416
Excess (deficiency) of revenues over (under) expenditures	(314,344)	3,084,298	2,645,823
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	1,673,072	-	-
Operating transfers out	(1,159,900)	(3,677,781)	(1,417,287)
Total other financing sources (uses)	513,172	(3,677,781)	(1,417,287)
Change in fund balances	198,828	(593,483)	1,228,536
Fund balances (deficit) beginning of year	6,655,018	1,864,435	(5,962,556)
Fund balances (deficit) end of year	\$ 6,853,846	1,270,952	(4,734,020)

See notes to financial statements.

Exhibit E

Debt Service	Capital Projects		Other Nonmajor	Total
	Capital Improvement	Construction Fund	Governmental Funds	
3,730,109	-	-	5,067,754	15,969,376
-	-	-	-	3,215,275
-	-	-	3,438,866	9,256,445
-	-	-	-	592,860
65,825	204	9,219	339,355	733,963
103,083	100,030	1,442,615	1,884,556	4,024,329
-	743,520	-	-	3,384,901
421,415	486,278	-	858,481	3,080,292
<u>4,320,432</u>	<u>1,330,032</u>	<u>1,451,834</u>	<u>11,589,012</u>	<u>40,257,441</u>
-	-	-	3,286,125	11,687,549
-	-	-	5,979,903	6,006,412
-	-	-	181,673	181,798
-	-	-	738,219	3,899,888
-	-	-	895,311	2,233,055
-	-	-	96,457	1,150,020
6,149,785	-	-	-	6,301,567
-	6,892,008	11,384,469	-	20,294,015
<u>6,149,785</u>	<u>6,892,008</u>	<u>11,384,469</u>	<u>11,177,688</u>	<u>51,754,304</u>
(1,829,353)	(5,561,976)	(9,932,635)	411,324	(11,496,863)
-	595,000	-	-	595,000
1,729,657	745,718	3,722,821	839,351	8,710,619
-	(732,278)	-	(230,919)	(7,218,165)
<u>1,729,657</u>	<u>608,440</u>	<u>3,722,821</u>	<u>608,432</u>	<u>2,087,454</u>
(99,696)	(4,953,536)	(6,209,814)	1,019,756	(9,409,409)
<u>302,944</u>	<u>3,738,377</u>	<u>(3,103,665)</u>	<u>20,037,578</u>	<u>23,532,131</u>
<u>203,248</u>	<u>(1,215,159)</u>	<u>(9,313,479)</u>	<u>21,057,334</u>	<u>\$ 14,122,722</u>

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficit) - Governmental Funds to the Statement of Activities

Year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (9,409,409)
(Page 27)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlays exceeded depreciation expense in the current year, as follows:

Capital outlay	\$ 15,196,840	
Net amortization of right to use asset	(372)	
Depreciation expense	<u>(7,120,368)</u>	8,076,100

Proceeds from issuing long-term debt liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In addition, interest is accrued on outstanding debt in the Statement of Activities, whereas in the governmental funds interest expenditures are reported only when due. Current year issues exceeded repayments as follows:

Long-term debt issued	(595,000)	
Long-term debt principal repaid	4,615,000	
Accrued interest	<u>9,125</u>	4,029,125

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances (Deficit) - Governmental Funds to the Statement of Activities

Year ended June 30, 2023

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:

Net amortization of premiums	349,450	
Compensated absences	(269,367)	
Other postemployment benefits	(46,910)	
Pension expense	<u>834,924</u>	
		<u>868,097</u>

Change in Net Position of Governmental Activities (Page 22) \$ 3,563,913

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit G

	Enterprise Funds				Totals
	Water Utility	Sewer Utility	Broadband	Other Nonmajor Proprietary Funds	
Assets					
Current assets:					
Cash and cash equivalents	\$ 4,827,766	13,501,329	(37,562)	2,574,794	20,866,327
Accounts receivable	2,044,407	2,820,628	23	579,991	5,445,049
Due from other governments	-	16,300	-	-	16,300
Inventories	-	-	-	8,796	8,796
Prepaid expenses	35,066	24,917	9,043	33,430	102,456
Due from other funds	711,568	1,219,832	-	-	1,931,400
Total current assets	<u>7,618,807</u>	<u>17,583,006</u>	<u>(28,496)</u>	<u>3,197,011</u>	<u>28,370,328</u>
Noncurrent assets:					
Restricted cash and cash equivalents	362,615	328,224	-	208,930	899,769
Capital assets (net of accumulated depreciation)	<u>62,144,550</u>	<u>107,994,961</u>	<u>13,557,025</u>	<u>12,775,879</u>	<u>196,472,415</u>
Total noncurrent assets	<u>62,507,165</u>	<u>108,323,185</u>	<u>13,557,025</u>	<u>12,984,809</u>	<u>197,372,184</u>
Total assets	<u>70,125,972</u>	<u>125,906,191</u>	<u>13,528,529</u>	<u>16,181,820</u>	<u>225,742,512</u>
Deferred Outflows of Resources					
Pension related deferred outflows	<u>802,641</u>	<u>527,927</u>	<u>69,310</u>	<u>263,628</u>	<u>1,663,506</u>
Liabilities					
Current liabilities:					
Accounts payable	924,208	944,981	1,885,342	77,547	3,832,078
Salaries and benefits payable	33,049	29,308	17,332	11,972	91,661
Compensated absences	16,744	18,880	1,332	2,731	39,687
Unearned revenue	-	-	-	1,118	1,118
Payable from restricted net assets:					
Bonds, notes and loans payable	2,208,974	4,364,000	-	-	6,572,974
Consumer deposits	-	-	-	208,930	208,930
Interest payable	<u>54,474</u>	<u>110,656</u>	<u>-</u>	<u>-</u>	<u>165,130</u>
Total current liabilities	<u>3,237,449</u>	<u>5,467,825</u>	<u>1,904,006</u>	<u>302,298</u>	<u>10,911,578</u>
Noncurrent liabilities:					
Bonds, notes and loans payable	36,115,036	76,925,377	14,490,395	4,140,000	131,670,808
Compensated absences	285,603	231,132	32,061	88,585	637,381
Net pension liability	823,420	227,984	31,260	290,955	1,373,619
Net OPEB liability	<u>48,966</u>	<u>12,999</u>	<u>-</u>	<u>16,431</u>	<u>78,396</u>
Total noncurrent liabilities	<u>37,273,025</u>	<u>77,397,492</u>	<u>14,553,716</u>	<u>4,535,971</u>	<u>133,760,204</u>
Total liabilities	<u>40,510,474</u>	<u>82,865,317</u>	<u>16,457,722</u>	<u>4,838,269</u>	<u>144,671,782</u>
Deferred Inflows of Resources					
Unavailable revenues:					
Pension related deferred inflows	<u>687,584</u>	<u>465,515</u>	<u>13,259</u>	<u>216,310</u>	<u>1,382,668</u>
Total deferred inflows of resources	<u>687,584</u>	<u>465,515</u>	<u>13,259</u>	<u>216,310</u>	<u>1,382,668</u>
Net position					
Invested in capital assets, net of related debt	23,820,540	26,705,584	(933,370)	8,635,879	58,228,633
Restricted for:					
Revenue note retirement	308,141	217,568	-	-	525,709
Unrestricted	<u>5,601,874</u>	<u>16,180,134</u>	<u>(1,939,772)</u>	<u>2,754,990</u>	<u>22,597,226</u>
Total net position	<u>\$ 29,730,555</u>	<u>43,103,286</u>	<u>(2,873,142)</u>	<u>11,390,869</u>	<u>81,351,568</u>

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year ended June 30, 2023

Exhibit H

	Enterprise Funds			Other Nonmajor Proprietary Funds	Totals
	Water Utility	Sewer Utility	Broadband		
Operating revenues:					
Charges for services	\$ 11,116,312	14,710,606	196	2,537,944	28,365,058
Miscellaneous	97,399	550,579	11,206	222,742	881,926
Total operating revenues	<u>11,213,711</u>	<u>15,261,185</u>	<u>11,402</u>	<u>2,760,686</u>	<u>29,246,984</u>
Operating expenses:					
Business type activities:					
Cost of sales and services	8,334,485	6,845,984	1,192,363	1,691,890	18,064,722
Depreciation	1,345,966	4,651,494	10,481	860,613	6,868,554
Total operating expenses	<u>9,680,451</u>	<u>11,497,478</u>	<u>1,202,844</u>	<u>2,552,503</u>	<u>24,933,276</u>
Operating income	<u>1,533,260</u>	<u>3,763,707</u>	<u>(1,191,442)</u>	<u>208,183</u>	<u>4,313,708</u>
Non-operating revenues (expenses):					
Interest and investment revenue	107,259	290,002	-	28,655	425,916
Interest expense	(683,972)	(1,780,644)	(54,408)	(121,415)	(2,640,439)
Sale of equipment	-	-	-	-	-
Total non-operating revenue (expenses)	<u>(576,713)</u>	<u>(1,490,642)</u>	<u>(54,408)</u>	<u>(92,760)</u>	<u>(2,214,523)</u>
Net income before transfers	956,547	2,273,065	(1,245,850)	115,423	2,099,185
Operating transfers in	-	-	-	100,000	100,000
Operating transfers out	<u>(914,520)</u>	<u>(495,667)</u>	<u>-</u>	<u>(181,167)</u>	<u>(1,591,354)</u>
Change in net position	42,027	1,777,398	(1,245,850)	34,256	607,831
Net position beginning of year	<u>29,688,528</u>	<u>41,325,888</u>	<u>(1,627,292)</u>	<u>11,356,613</u>	<u>80,743,737</u>
Net position end of year	<u>\$ 29,730,555</u>	<u>43,103,286</u>	<u>(2,873,142)</u>	<u>11,390,869</u>	<u>81,351,568</u>

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2023

Exhibit I

	Enterprise Funds				Total
	Water Utility	Sewer Utility	Broad Band	Other Nonmajor Proprietary Funds	
Cash Flows From Operating Activities					
Receipts from customers	\$ 10,720,791	14,811,069	173	2,651,346	28,183,379
Payments to suppliers and employees	(7,881,585)	(6,519,636)	440,387	(1,842,527)	(15,803,361)
Other receipts	97,399	550,579	11,206	142,982	802,166
Net cash provided (used) by operating activities	<u>2,936,605</u>	<u>8,842,012</u>	<u>451,766</u>	<u>951,801</u>	<u>13,182,184</u>
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(914,520)	(495,667)	-	(181,167)	(1,591,354)
Transfers from other funds	-	-	-	100,000	100,000
Net cash provided (used) in noncapital financing activities	<u>(914,520)</u>	<u>(495,667)</u>	<u>-</u>	<u>(81,167)</u>	<u>(1,491,354)</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from capital debt	1,817,049	4,562,588	10,289,182	-	16,668,819
Purchase of capital assets	(1,277,140)	(7,154,002)	(10,731,367)	(792,815)	(19,955,324)
Proceeds from sale of equipment	-	-	-	-	-
Principal paid on capital debt	(2,179,000)	(4,223,036)	-	(300,000)	(6,702,036)
Interest paid on capital debt	(681,427)	(1,786,662)	(54,408)	(121,415)	(2,643,912)
Principal received from interfund loans	57,329	384,212	-	-	441,541
Net cash (used) by capital and related financing activities	<u>(2,263,189)</u>	<u>(8,216,900)</u>	<u>(496,593)</u>	<u>(1,214,230)</u>	<u>(12,190,912)</u>
Cash Flows From Investing Activities					
Interest and dividends	107,257	290,002	-	28,655	425,914
Net cash provided by investing activities	<u>107,257</u>	<u>290,002</u>	<u>-</u>	<u>28,655</u>	<u>425,914</u>
Net increase (decrease) in cash and cash equivalents	(133,847)	419,447	(44,827)	(314,941)	(74,168)
Cash and cash equivalents beginning of year	<u>5,324,228</u>	<u>13,410,106</u>	<u>7,265</u>	<u>3,098,665</u>	<u>21,840,264</u>
Cash and cash equivalents end of year	<u>\$ 5,190,381</u>	<u>13,829,553</u>	<u>(37,562)</u>	<u>2,783,724</u>	<u>21,766,096</u>

(continued)

City of Fort Dodge, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2023

Exhibit I

	Enterprise Funds				<u>Total</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Broadband</u>	<u>Other Nonmajor Proprietary Funds</u>	
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income	\$ 1,533,260	3,763,707	(1,191,442)	208,183	4,313,708
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	1,345,966	4,651,494	10,481	860,613	6,868,554
Change in assets and liabilities:					
Receivables, net	(395,521)	100,463	(23)	32,205	(262,876)
Prepaid expenses	(25,685)	(15,540)	(8,403)	(29,771)	(79,399)
Net pension liability	524,475	420,275	31,260	166,720	1,142,730
Deferred outflows of resources	(418,619)	(339,952)	(62,795)	(134,236)	(955,602)
Deferred inflows of resources	(220,978)	(176,928)	13,259	(69,976)	(454,623)
Consumer deposits	-	-	-	(714)	(714)
Accounts and other payables	562,154	373,711	1,631,309	(102,421)	2,464,753
Salaries and benefits payable	12,754	13,065	12,387	3,165	41,371
Compensated absences	18,849	51,762	15,733	21,795	108,139
Other postemployment benefits	(50)	(45)	-	(25)	(120)
Deferred revenue	-	-	-	1,052	1,052
Net cash provided (used) by operating activities	<u>\$ 2,936,605</u>	<u>8,842,012</u>	<u>451,766</u>	<u>956,590</u>	<u>13,186,973</u>
Reconciliation of cash and cash equivalents at year end to specific assets included in the statement of net position:					
Current assets:					
Cash and pooled investments	\$ 4,827,766	13,501,329	(37,562)	2,574,794	20,866,327
Noncurrent assets:					
Cash and pooled investments	<u>362,615</u>	<u>328,224</u>	<u>-</u>	<u>208,930</u>	<u>899,769</u>
Cash and cash equivalents at year end	<u>\$ 5,190,381</u>	<u>13,829,553</u>	<u>(37,562)</u>	<u>2,783,724</u>	<u>21,766,096</u>

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Fiduciary Net Position and Liabilities
Fiduciary Funds
June 30, 2023

Exhibit J

	<u>Trust Funds</u> Coleman <u>Water & Sewer</u>
<u>Assets</u>	
Cash	\$ 1,308
Receivables:	
Accounts	<u>1,302</u>
Total assets	<u>\$ 2,610</u>
 <u>Liabilities</u>	
Accounts payable	<u>\$ 2,610</u>
 <u>Net Position</u>	
Held in trust	<u>-</u>
Total liabilities and net position	<u>\$ 2,610</u>

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year ended June 30, 2023

Exhibit K

	<u>Trust Funds</u> Coleman <u>Water & Sewer</u>
Additions:	
Fees collected	\$ <u>4,240</u>
Deductions:	
Fees remitted	<u>4,240</u>
Change in net position	-
Net position - Beginning of year	<u>-</u>
Net position - End of year	<u><u>\$ -</u></u>

See notes to financial statements.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

The City of Fort Dodge is a political subdivision of the State of Iowa located in Webster County. It operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council-Manager form of government with the Mayor and Council Members elected on a non-partisan basis. The City of Fort Dodge provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. It also operates the airport and provides water, sewer and sanitation utilities.

The financial statements of the City of Fort Dodge have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, the City of Fort Dodge 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 Fort Dodge (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 its operational or financial relationship with the City.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Discretely Presented Component Units

The Fort Dodge Municipal Airport Authority (Authority) was established pursuant to Chapter 330A of the Code of Iowa to operate the City's airport facility. The Authority is governed by a five member board appointed by the Fort Dodge City Council who serve at the pleasure of the City Council. The City annually provides significant operating subsidies to the Authority. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Authority meets the definition of a component unit which should be discretely presented.

In addition, there are two legally, tax-exempt foundations that are component units of the City of Fort Dodge. These foundations act primarily as fund-raising organizations to supplement the resources that are available to the City in support of its programs. Although the City does not control the timing or amount of receipts from these foundations, the majority of resources, or income thereon, that these foundations hold and invest are restricted to the activities of the City by the donors. Because the restricted resources held by these foundations can only be used by, or for the benefit of, the City, these foundations are considered component units of the City of Fort Dodge and are discretely presented in the City's financial statements.

Both of these tax-exempt foundations' records are prepared on the modified cash basis of accounting. Under that basis, assets recognized are cash and marketable securities, and no liabilities are recognized. The only non-cash transactions recognized are gifts of stock and the subsequent increase or decrease in market value. The modified cash basis differs from accounting principles generally accepted in the United States of America primarily because promises to give, accrued investment income and accounts payable are not included in these financial statements. No modifications have been made to the foundations' financial information in the City's reporting entity for these differences.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Details of these component units are as follows:

	W.H. Johnston Foundation	Blanden Charitable Foundation	Total
Cash and pooled investments	\$ 2,574,736	2,895,630	5,470,366
Other liabilities	(253,074)	(237)	(253,311)
Net assets	\$ <u>2,321,662</u>	<u>2,895,393</u>	<u>5,217,055</u>
Operating grants, contributions	2,677	157,625	160,302
Investment earnings	296,966	230,684	527,650
Program expenses	(191,143)	(158,243)	(349,386)
Net change	108,500	230,066	338,566
Beginning net assets	<u>2,213,162</u>	<u>2,665,327</u>	<u>4,878,489</u>
Ending net assets	\$ <u>2,321,662</u>	<u>2,895,393</u>	<u>5,217,055</u>

Complete financial statements for these foundations can be obtained from their respective administrative offices in Fort Dodge, Iowa.

Jointly Governed Organizations

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

Related Organizations

Financial statements for the Municipal Housing Agency of the City of Fort Dodge, Iowa are not included in this report as it is not a component unit of the City. The Municipal Housing Agency is governed by its own Board of Trustees who are appointed by the Council and is subject to an independent audit.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Position presents the City’s nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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

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

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as other nonmajor funds.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The City reports the following major governmental funds:

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

Special Revenue:

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for capital improvements, equipment and community programs and services.

The Tax Increment Financing Fund is used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal projects.

The Debt Service Fund is used to account for property tax and other revenues to be used for the payment of interest and principal on the City's general long-term debt.

Capital Projects:

The Construction and Capital Improvement Funds are used to account for the resources used in the acquisition and construction of capital facilities and other capital assets related to the governmental funds.

The City reports the following major proprietary funds:

Enterprise:

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

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

The Broadband Utility Fund is used to account for the operation and maintenance of the City's broadband utility.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The City also reports fiduciary funds which focus on net position and changes in net position. The Trust Funds are utilized to account for income collected by the City's Utilities for a rural area outside of the city limits.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end.

Property tax, local option sales tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgements and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

Cash, Cash Equivalents and Pooled Investments - The cash balances of most City funds are pooled and invested. Interest earned on investments is allocated to the funds on a systematic basis, or as provided by law. Investments are stated at fair value and non-negotiable certificates of deposit are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than twelve months.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

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 the tax asking is certified by the City to the County Board of Supervisors. Current year property tax and tax increment financing receivables represents taxes collected by the County but not remitted to the City at June 30, 2023 and unpaid taxes. The succeeding year property tax and tax increment financing receivables represent taxes certified by the City 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 in March 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 deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects tax asking contained in the budget certified to the County Board of Supervisors in March 2022.

Customer Accounts and Unbilled Usage – Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Due from and Due to Other Funds – During the course of its operations, the City has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Due From Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Governmental fund inventories of materials and supplies are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Restricted Assets – Funds set aside for payment of Enterprise Fund revenue bonds/notes are classified as restricted assets since their use is restricted by applicable bond/note indentures. Other restricted assets include donations restricted for specific purposes and customer deposits restricted for application to unpaid customer accounts or for refund to customers.

Capital Assets – Capital assets, which include property, equipment and vehicles, works of art, and infrastructure assets are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position and in the Proprietary Funds Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land, buildings, improvements	\$ 25,000
Works of art	20,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000
Infrastructure	50,000

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Land, works of art and construction in progress are not depreciated. The other tangible property, plant, equipment, the right-to-use leased equipment and infrastructure are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	39 years
Improvements other than buildings	15-20 years
Vehicles	3-20 years
Equipment	6-10 years
Infrastructure	15-50 years
Right-to-use leased assets	4-5 years

Leases – City as Lessee: The City of Fort Dodge is the lessee for noncancellable pieces of equipment. The City has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes leases with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the City initially measures 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 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 judgements related to leases include how the City of Fort Dodge determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The City of Fort Dodge uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

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

The City monitors 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.

City as Lessor: The City of Fort Dodge is a lessor for two noncancellable leases for space for cellular antennas on City water towers. The City has recognized a lease receivable and a deferred inflow of resources in the business type activities and business type fund financial statements.

At the commencement of the 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 judgements related to leases include how the City of Fort Dodge determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease payments.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The City of Fort Dodge uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable 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 liability.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which 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 and OPEB expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

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 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, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activities column in the Statement of Net Position and the proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Pensions – For purposes of measuring the net pension liability, 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 Employees' 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. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Total OPEB Liability – For purposes of measuring the total OPEB liability deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City of Fort Dodge's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which 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 in the fund financial statements consist of unspent grant proceeds and the succeeding year property tax receivable and tax increments financing receivables that will not be recognized until the year for which they are levied.

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 and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

Estimates and Assumptions – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – Subsequent events have been evaluated through June 11, 2024 which is the date the financial statements were available to be issued.

E. Budgets and Budgetary Accounting

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

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(2) Cash, Cash Equivalents and Pooled Investments

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

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

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

A reconciliation of cash, cash equivalents and investments as shown on the financial statements of the City is as follows:

Depository accounts	\$ 17,851,520
Certificate of deposit	25,000
IPAIT	<u>22,543,350</u>
	\$ <u>40,419,870</u>
Cash, cash equivalents and investments	\$ 39,518,793
Trust and agency fund cash	1,308
Restricted cash, cash equivalents and pooled investments	<u>899,769</u>
	\$ <u>40,419,870</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Deposits and investments for the discretely presented units is as follows:

Depository accounts	\$ 136,499
Mutual funds	5,168,876
Alternative investments	<u>92,541</u>
	\$ <u>5,397,916</u>

Included in the statement of net position captions as follows:

Cash, cash equivalents and pooled investments	\$ 5,470,366
Cash and cash equivalents (deficit)	<u>(72,450)</u>
	\$ <u>5,397,916</u>

The component units' categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The component units' mutual funds and alternative investments of \$5,261,417 are valued at significant observable inputs (Level 2 inputs).

The City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$22,543,350 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Credit risk- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk- The City's investment policy seeks diversification to reduce overall portfolio risk while maintaining market rates of return to enable the City to meet its anticipated cash requirements. The City does not have a policy specific to concentration of credit risk. At June 30, 2023, the City had no investments subject to concentration of credit risk.

Custodial credit risk- For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned. For an investment, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of the investments or collateral securities that are in the possession of the outside party. The City's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(3) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

Primary Government	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,492,753	-	-	2,492,753
Construction in progress	12,561,609	13,091,851	(4,299,083)	21,354,377
Works of art	<u>98,509</u>	<u>-</u>	<u>-</u>	<u>98,509</u>
Total capital assets not being depreciated	<u>15,152,871</u>	<u>13,091,851</u>	<u>(4,299,083)</u>	<u>23,945,639</u>
Capital assets being depreciated:				
Buildings	15,918,658	-	-	15,918,658
Improvements other than buildings	21,054,093	4,155,504	-	25,209,597
Machinery, equipment and vehicles	15,096,644	2,248,628	(428,808)	16,916,464
Right-to-use leased equipment	70,860	-	-	70,860
Infrastructure	<u>117,142,693</u>	<u>-</u>	<u>-</u>	<u>117,142,693</u>
Total capital assets being depreciated/amortized	<u>169,282,948</u>	<u>6,404,132</u>	<u>(428,808)</u>	<u>175,258,272</u>
Less accumulated depreciation for:				
Buildings	10,694,584	232,192	-	10,926,776
Improvements other than buildings	6,922,943	1,055,012	-	7,977,955
Machinery, equipment and vehicles	11,411,228	1,051,674	(428,808)	12,034,094
Right-to-use leased equipment	23,701	12,489	-	36,190
Infrastructure	<u>56,743,074</u>	<u>4,781,490</u>	<u>-</u>	<u>61,524,564</u>
Total accumulated depreciation/amortization	<u>85,795,530</u>	<u>7,132,857</u>	<u>(428,808)</u>	<u>92,499,579</u>
Total capital assets being depreciated/amortized, net	<u>83,487,418</u>	<u>(728,725)</u>	<u>-</u>	<u>82,758,693</u>
Governmental activities capital assets, net	<u>\$ 98,640,289</u>	<u>12,363,126</u>	<u>(4,299,083)</u>	<u>106,704,332</u>

City of Fort Dodge, Iowa
Notes to Financial Statements

June 30, 2023

Capital assets activity for the year ended June 30, 2023 was as follows:

<u>Business type activities</u>	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 266,855	-	-	266,855
Construction in progress	<u>51,347,808</u>	<u>19,222,606</u>	<u>(25,373,404)</u>	<u>45,197,010</u>
Total capital assets not being depreciated	<u>51,614,663</u>	<u>19,222,606</u>	<u>(25,373,404)</u>	<u>45,463,865</u>
Capital assets being depreciated:				
Buildings	23,926,645	-	-	23,926,645
Machinery, equipment, vehicles	9,960,824	958,884	(385,100)	10,534,608
Infrastructure	<u>157,452,625</u>	<u>25,246,117</u>	<u>-</u>	<u>182,698,742</u>
Total capital assets being depreciated	<u>191,340,094</u>	<u>26,205,001</u>	<u>(385,100)</u>	<u>217,159,995</u>
Less accumulated depreciation for:				
Buildings	14,367,985	1,006,338	-	15,374,323
Machinery, equipment, vehicles	5,235,431	738,587	(338,943)	5,635,075
Infrastructure	<u>40,018,418</u>	<u>5,123,629</u>	<u>-</u>	<u>45,142,047</u>
Total accumulated depreciation	<u>59,621,834</u>	<u>6,868,554</u>	<u>(338,943)</u>	<u>66,151,445</u>
Total capital assets being depreciated, net	<u>131,718,260</u>	<u>19,336,447</u>	<u>(46,157)</u>	<u>151,008,550</u>
Business type activities capital assets, net	<u>\$ 183,332,923</u>	<u>38,559,053</u>	<u>(25,419,561)</u>	<u>196,472,415</u>

City of Fort Dodge, Iowa
Notes to Financial Statements
June 30, 2023

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

Governmental activities:	
Public safety	\$ 620,054
Public works, which includes the depreciation of general infrastructure assets	4,070,751
Culture and recreation	1,742,981
Community and economic development	428,329
General government	<u>270,742</u>
Total depreciation expense – governmental activities	<u>\$ 7,132,857</u>
Business type activities:	
Water	\$ 1,345,966
Sewer	4,651,494
Broadband	10,481
Non-major business type activities	<u>860,613</u>
Total depreciation expense – business type activities	<u>\$ 6,868,554</u>

City of Fort Dodge, Iowa
Notes to Financial Statements

June 30, 2023

<u>Discretely presented component units</u>	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 2,120,388	-	-	2,120,388
Construction in progress	280,571	2,071,403	(2,154,993)	196,981
Works of art	<u>115,922</u>	<u>-</u>	<u>-</u>	<u>115,922</u>
Total capital assets not being depreciated	<u>2,516,881</u>	<u>2,071,403</u>	<u>(2,154,993)</u>	<u>2,433,291</u>
Capital assets being depreciated:				
Buildings	1,417,244	-	-	1,417,244
Machinery, equipment, vehicles	2,431,148	51,122	-	2,482,270
Infrastructure	<u>21,502,714</u>	<u>2,206,283</u>	<u>-</u>	<u>23,708,997</u>
Total capital assets being depreciated	<u>25,351,106</u>	<u>2,257,405</u>	<u>-</u>	<u>27,608,511</u>
Less accumulated depreciation for:				
Buildings	340,817	43,412	-	384,229
Machinery, equipment, vehicles	1,788,824	162,620	-	1,951,444
Infrastructure	<u>8,772,782</u>	<u>1,133,610</u>	<u>-</u>	<u>9,906,392</u>
Total accumulated depreciation	<u>10,902,423</u>	<u>1,339,642</u>	<u>-</u>	<u>12,242,065</u>
Total capital assets being depreciated, net	<u>14,448,683</u>	<u>917,763</u>	<u>-</u>	<u>15,366,446</u>
Business type activities capital assets, net	<u>\$ 16,965,564</u>	<u>2,989,166</u>	<u>(2,154,993)</u>	<u>17,799,737</u>
Total depreciation expense -- airport authority				1,339,642

City of Fort Dodge, Iowa
Notes to Financial Statements

June 30, 2023

(4) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance Beginning <u>of Year</u>	<u>Increases</u>	<u>Decreases</u>	Balance End <u>of Year</u>	Due Within <u>One Year</u>
Governmental activities:					
General obligation bonds/notes:					
General and corporate purpose	\$ 35,290,000	-	4,020,000	31,270,000	3,745,000
Compensated absences	1,665,935	1,671,397	1,401,967	1,935,365	1,483,493
Net pension liability	3,132,445	7,462,860		10,595,305	-
 Net OPEB liability	<u>706,523</u>	<u>27,113</u>	<u>-</u>	<u>733,636</u>	<u>-</u>
 Total	<u>\$ 40,794,903</u>	<u>9,161,370</u>	<u>5,421,967</u>	<u>44,534,306</u>	<u>5,228,493</u>

	Balance Beginning <u>of Year</u>	<u>Increases</u>	<u>Decreases</u>	Balance End <u>of Year</u>	Due Within <u>One Year</u>
Business type activities:					
Revenue bonds/notes:					
Water	\$ 38,685,961	1,817,049	2,179,000	38,324,010	2,218,388
Sewer	80,949,826	4,977,946	4,638,395	81,289,377	4,364,000
Broadband	4,201,213	10,289,182	-	14,490,395	-
General obligation bonds/notes:	4,440,000	-	300,000	4,140,000	310,000
Compensated absences	569,643	566,742	459,317	677,068	39,687
Net pension liability	230,889	1,142,730	-	1,373,619	-
Net OPEB liability	<u>78,516</u>	<u>-</u>	<u>120</u>	<u>78,396</u>	<u>-</u>
 Total	<u>\$ 129,156,048</u>	<u>18,793,649</u>	<u>7,576,832</u>	<u>140,372,865</u>	<u>6,932,075</u>

The water and sewer revenue/notes ending balance noted above includes interim financing of \$237,452 and \$28,650 respectively.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Component Unit – Airport					
Net pension liability	22,040	145,880	-	167,920	-
Compensated absences	56,576	17,707	12,602	61,681	13,291
Net OPEB liability	<u>9,518</u>	<u>-</u>	<u>15</u>	<u>9,503</u>	<u>-</u>
Total	<u>88,134</u>	<u>163,587</u>	<u>12,617</u>	<u>239,104</u>	<u>13,291</u>

General obligation bonds/notes

Nine issues of unmatured general obligation bonds/notes, totaling \$35,410,000, are outstanding at June 30, 2023. General obligation bonds/notes bear interest rates ranging from .45 percent to 5.00 percent per annum and mature in varying annual amounts, ranging from \$110,000 to \$1,295,000, with the final maturities due in the year ending June 30, 2040. These bond proceeds were utilized for various capital projects, economic development projects and refinancing.

Details of general obligation bonds/notes payable at June 30, 2023 are as follows:

Governmental activities:	Date of <u>Issue</u>	Interest <u>Rates</u>	Final <u>Due Date</u>	Annual <u>Payments</u>	Originally <u>Issued</u>	Outstanding <u>June 30, 2023</u>
General obligation bonds/notes:						
Corporate purpose	May 15, 2014	2.00%	Jun 30, 2024	310,000-675,000	4,430,000	370,000
Corporate purpose refund	June 01, 2016	2.00-5.00%	Jun 30, 2026	235,000-1,260,000	6,245,000	700,000
Refunding bond	June 20, 2016	2.00%	Jun 30, 2026	655,000-735,000	4,855,000	735,000
Corporate purpose	June 26, 2018	3.00-4.00%	Jun 30, 2029	315,000-570,000	4,880,000	3,165,000
Corporate purpose	June 26, 2018	3.00-4.20%	Jun 30, 2038	165,000-620,000	4,370,000	3,680,000
Urban renewal	Dec. 2, 2019	3.00-4.00%	Jun 30, 2033	115,000-375,000	3,570,000	3,255,000
Corporate purpose	June 27, 2019	3.00-5.00%	Jun 30, 2030	120,000-1,295,000	11,255,000	8,085,000
Corporate purpose	Feb 16, 2021	1.00-4.00%	Jun 30, 2040	175,000-1,005,000	8,210,000	7,045,000
Urban renewal	Feb 16, 2021	.45-2.25%	Jun 30, 2040	100,000-640,000	8,375,000	<u>8,375,000</u>
Total Government activities						<u>\$ 35,410,000</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

A summary of the annual general obligation bond/note principal and interest requirements to maturity by year is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>General Obligation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	4,055,000	1,082,827	5,137,827
2025	3,320,000	946,039	4,266,039
2026	3,685,000	824,998	4,509,998
2027	3,670,000	688,686	4,358,686
2028	3,240,000	549,088	3,789,088
2029-2033	10,505,000	1,465,203	11,970,203
2034-2038	5,285,000	581,968	5,866,968
2039-2040	<u>1,650,000</u>	<u>51,800</u>	<u>1,701,800</u>
	<u>\$ 35,410,000</u>	<u>6,190,609</u>	<u>41,600,609</u>

As of June 30, 2023, the general obligation debt issued by the City did not exceed its legal debt margin computed as follows:

Actual valuation	<u>\$ 1,395,788,460</u>
Debt limit – 5% of total actual valuation	69,789,423
Debt applicable to debt limit:	
General obligation, tax increment financing and revenue bonded debt outstanding	<u>(35,410,000)</u>
Legal debt margin	<u>\$ 34,379,423</u>

Revenue bonds/notes

Fourteen issues of unmatured revenue bonds/notes totaling \$119,347,284 are outstanding at June 30, 2023. These bond/notes bear interest at rates of .75 – 2.36% and mature in varying amounts from \$31,000 to 1,785,000 with the final maturities due in the year ending June 30, 2051.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The resolutions providing for the issuance of the revenue bonds/notes include the following provisions:

- (a) The bonds/notes will only be redeemed from the future earnings of the enterprise activity and the bond/note holders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to separate hotel and motel tax revenue, sewer and water bond sinking accounts for the purpose of making the bond/note principal and interest payments when due.
- (c) User rates shall be established at a level which produces and maintains net revenues at a level not less than 110% of the amount of principal and interest on the bonds/notes falling due in the same year.

During the year ended June 30, 2023, the City was in compliance with the revenue bond/note provisions.

The City has pledged future wastewater customer revenues, net of specified operating expenses, to repay \$106,460,619 in sewer revenue notes with various issue dates. Proceeds from the notes provided financing for wastewater net revenue and are payable through 2051. Annual principal and interest on the notes are expected to require less than 90 percent of net revenues. The total principal and interest remaining to be paid on the notes is \$101,368,417. For the current year, principle and interest paid and total customer net revenues (operating revenues plus depreciation expense) were \$ 2,260,442 and \$ 2,986,485 respectively.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$55,355,685 in water revenue notes with various issue dates. Proceeds from the notes provided financing for water improvement projects. The notes are payable solely from water net revenue and are payable through 2041. Annual interest and principle on the notes are expected to require less than 90 percent of net revenues. The total principle and interest remaining to be paid on the notes is \$43,781,970. For the current year, principle and interest paid and total customer net revenues (operating revenues plus depreciation expense) were \$ 6,731,560 and \$ 8,705,197, respectively.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Details of revenue notes payable at June 30, 2023 are as follows:

Business type activities:	Date of <u>Issue</u>	Interest <u>Rates</u>	Final <u>Due Date</u>	Annual <u>Payments</u>	Originally <u>Issued</u>	Outstanding <u>June 30, 2023</u>
Revenue bonds/notes:						
Sewer revenue C0585RT	Feb 28,2014	3.00%	Jun 30, 2033	355,000-1,652,000	22,467,000	17,867,000
Sewer revenue C0604RT	Jun 6, 2014	1.60%	Jun 1, 2035	351,000-918,604	5,639,479	5,303,000
Water revenue DW030224R	Dec 12, 2003	1.75%	Dec 1, 2024	130,000-229,000	3,500,000	451,000
Water revenue MD12R	Jun 1, 2004	1.75%	Dec 1, 2024	133,000-318,000	5,133,000	627,000
Water revenue D0254R	Nov 16, 2012	1.75%	Jun 1, 2033	128,685-977,000	14,372,685	8,348,000
Sewer revenue C0495R	Feb 19,2016	.75%	Jun 30, 2033	1,259,000-1,463,000	25,575,000	14,115,000
Sewer revenue C0720RT	Feb 16,2016	2.36%	Jun 30, 2032	401,000-916,323	19,900,000	16,654,000
Sewer revenue C0845RT	July 28, 2017	2.18%	June 30, 2048	148,895-357,000	10,059,140	9,547,000
Water revenue DF0420R	Oct 13,2017	1.75%	June 30, 2028	215,100-251,000	3,413,000	2,016,739
Water revenue DO485RT	Jun 10, 2019	1.75%	June 30, 2040	435,000-1,105,000	25,286,000	23,717,000
Sewer revenue C1138RT	Jun 1, 2021	2.75%	June 30, 2049	326,000-768,000	15,500,000	14,834,000
Water revenue D0567RT	Apr 4, 2021	1.75%	June 30, 2024	113,000-165,000	2,746,000	<u>2,301,586</u>
Water revenue D0619R	Sep 9, 2022	1.75%	June 30, 2041	35,000-42,000	905,000	<u>625,232</u>
Sewer revenue C139R	May 19, 2023	1.75%	June 30, 2043	300,000-440,000	7,320,000	<u>2,940,727</u>
Total business type activities						<u>119,347,284</u>

A summary of the annual revenue note principal and interest requirements to maturity is as follows:

Year Ending <u>June 30,</u>	<u>Revenue</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	6,572,974	2,445,398	9,018,373
2025	6,714,000	2,324,135	9,038,135
2026	6,851,000	2,194,188	9,045,188
2027	6,992,000	2,064,554	9,056,554
2028	7,140,000	1,931,765	9,071,765
2029-2033	38,422,466	7,494,457	45,916,922
2034-2038	22,905,000	4,225,711	27,130,711
2039-2043	13,151,844	2,128,985	15,280,829
2044-2048	8,365,000	869,994	9,234,994
2049-2051	<u>2,233,000</u>	<u>123,916</u>	<u>2,356,916</u>
	<u>\$ 119,347,284</u>	<u>25,803,103</u>	<u>145,150,387</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

5) Interim Financing

The City received a \$328,000 planning and design loan for the sewer utility to design a sewer improvement project. This loan has zero percent interest for up to three years and the balance will be added to the project loan when construction is started. The balance at June 30, 2023 was \$28,650.

The City also received two planning and design loans for the water utility totaling \$1,640,000 to design water main replacements. These loans have zero percent interest for up to three years and the balance will be added to the project loan when construction is started. The balance at June 30, 2023 was \$237,452.

The City has also approved issuing revenue bonds to finance a municipal broadband utility. There are 2 revenue bonds issued. Series 2021A was issued for \$33,355,000, with payments to begin after the project is completed. The interest rate is 4.25%. As of June 30, 2023, the balance is \$12,800,646 and \$ 330,419 of interest was capitalized. Series 2021B for operating expenses was issued for \$3,480,000 with payments to begin after the project is completed. As of June 30, 2023, the balance is \$1,689,749 and \$48,877 of interest paid on this loan.

6) Lease Agreements

The City has lease agreements for four copiers. The agreements require monthly payments from \$310-\$560 over 5 years with an implicit interest rate of 4.0%. and final payment due December 2026. During the year ended June 30, 2023, principal and interest paid were \$12,118 and \$1,682, respectively. Payments are scheduled as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	4.0 %	10,700	1,240	11,940
2025	4.0	11,136	804	11,940
2026	4.0	10,718	352	11,070
2027	1.4	<u>3,321</u>	<u>39</u>	<u>3,360</u>
Total		<u>35,875</u>	<u>2,435</u>	<u>38,310</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

7) City Cellular Tower Lease Receivable

The City owns two water towers which the City rents to cellular radio-telephone communication companies. Effective June 22nd, 2019 and January 1,2020, the city entered into two five-year leases. The City is to receive monthly payments of \$ 2,243 and \$1,650, respectively with an incremental lending rate of 4%. During the year ended June 30, 2023, the City earned principal of \$ 44,049 and interest of \$3,207 on the agreements.

A summary of the remaining lease receivable principal and interest to maturity is as follows:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	4.0%	46,404	1,404	47,808
2025	4.0	9,786	134	9,920
Total		<u>56,190</u>	<u>1,538</u>	<u>57,728</u>

8) Interfund Transfers

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

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General	Special Revenue:	
	Road Use	6,500
	Capital Projects:	
	Capital Improvements	656,905
	Enterprise:	
	Water	441,000
	Sewer	420,000
	Solid Waste	75,000
	Storm Water	<u>73,667</u>
		<u>1,673,072</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Special Revenue:		
	Capital Projects:	
City Grants	Capital Improvements	50,000
	Special Revenue:	
	Urban Renewal	10,000
	TIF	<u>3,750</u>
		<u>63,750</u>
Hotel/Motel Tax	General	141,199
	Special Revenue:	
	CVB	<u>7,000</u>
		<u>148,199</u>
Harlan Rogers Sinking Fund	General	282,300
	Special Revenue: CVB	<u>42,500</u>
		<u>324,800</u>
CVB	General	<u>302,602</u>
Debt Service:	General	21,600
	Special Revenue:	
	TIF	1,188,537
	Harlan Rogers Sinking	102,000
	Enterprise:	
	Water	<u>417,520</u>
		<u>1,729,657</u>
Capital Projects:		
Capital Improvements	General	412,199
	Special Revenue:	
	City Grants	15,219
	TIF	225,000
	Road Use	22,700
	Enterprise:	
	Water	31,000
	Sewer	31,000
	Solid Waste	7,500
	Component unit – Airport	<u>1,100</u>
		<u>745,718</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Construction Fund	Special Revenue:	
	LOST	3,677,781
	Capital Projects:	
	Capital Improvements	25,373
	Enterprise:	
	Sewer	<u>19,667</u>
		<u>3,722,821</u>
Central Garage:	Special Revenue:	
	Road Use	25,000
	Enterprise:	
	Water	25,000
	Sewer	25,000
	Solid Waste	<u>25,000</u>
		<u>100,000</u>
Total		\$ <u>8,810,619</u>

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

City of Fort Dodge, Iowa
Notes to Financial Statements
June 30, 2023

(9) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue: TIF	150,000
	Capital Projects: Capital Improvements	48,947
Special Revenue: Urban Renewal	Special Revenue: TIF	1,421,139
Enterprise: Sewer	Special Revenue: TIF	1,219,829
Water	TIF	711,569
Capital Projects: Jurisdictional Transfer	Capital Projects: Construction Fund	4,213,839
	Special Revenue: TIF	<u>1,957,799</u>
		<u>\$ 9,723,122</u>

These balances result from interfund loans to finance projects. Repayments will be made from future revenues.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(10) Pension Plan

Iowa Public Employees Retirement System (IPERS)

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.

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 information purposes only. Refer to the plan documents for more information.

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

- A multiplier based on years of service.
- The member’s highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of the date if it is greater than the highest five-year average salary.

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

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

- 60% 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.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

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 percent for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012 the reduction is 0.50 percent 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.

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

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

The City's contributions to IPERS for the year ended June 30, 2023, were \$827,322.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$3,249,817 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability(asset) was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the City’s collective proportion was 0.086016 %, which was an increase of 0.021268% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension benefit of \$55,491. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of resources</u>	<u>Deferred Inflows of resources</u>
Differences between expected and actual experience	\$ 191,113	\$ 46,411
Changes of assumptions	2,871	25,834
Net difference between projected and actual earnings on pension plan investments	3,489,869	3,878,206
Changes in proportion and difference between City contributions and proportionate share of contributions	122,271	101,848
City contributions subsequent to the measurement date	<u>827,322</u>	<u>-</u>
Total	<u>\$ 4,633,446</u>	<u>\$ 4,052,299</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

\$827,322 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ (308,045)
2025	(261,164)
2026	(476,778)
2027	792,845
2028	6,967
Total	<u>\$ (246,175)</u>

There were no non-employer contributing entities at IPERS.

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

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

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

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed 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, 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.

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

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.0%)</u>
City’s proportionate share of net pension liability	\$ 6,342,817	\$ 3,249,817	\$ 525,145

IPERS’ Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org. The City has no reported payables to the pension plan.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Plan description – MFPRSI membership is mandatory for firefighters and police officers covered by the provisions of Chapter 411 of the Code of Iowa. Employees of the City of are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by MFPRSI. MFPRSI issues a stand-alone financial report which is available to the public by at 7155 Lake Drive, Suite 201, West Des Moines, IA, 50266 or at www.mfprsi.org.

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa 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 – Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full-service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contributions only, with interest, for the period of employment.

Benefits are calculated based upon the member's highest 3 years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66% of the member's average final compensation. Members who perform more than 22 years of service receive an additional 2% of the member's average final compensation for each additional year of service, up to a maximum of 8 years. Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50% surviving spouse benefit.

Active members at least 55 years of age with 22 or more years of service have the option to participate in the Deferred Retirement Option Program (DROP). The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. When electing to participate in DROP, the member signs a contract stating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Disability and Death Benefits – Disability benefits may be either accidental or ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60% of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50% of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 % of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50% of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40% of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50% of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased annually in accordance with Chapter 411.6 of the Code of Iowa which provides a standard formula for the increases.

The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Contributions – Member contributions rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2023.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of perspective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa, the City's contributions rate cannot be less than 17% percent of earnable compensation. The contribution rate was 23.9 % for the year ended June 30, 2023.

The City's contributions to MFPRSI for the year ended June 30, 2023, totaled \$1,322,583

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

If approved by the State Legislature, state appropriation may further reduce the City’s contribution rate, but not below the minimum statutory contribution rate of 17% of earnable compensation. The State of Iowa, therefore, is considered to be a non-employer contributing entity in accordance with the provisions of GASB Statement No. 67 – Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the fiscal year ended June 30, 2023.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$8,887,027 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2022, the City’s proportion was 1.58%, which was a decrease of 0.03% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$ 840,185. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of resources</u>	<u>Deferred Inflows of resources</u>
Differences between expected and actual experience	\$ 551,864	\$ 29,188
Changes of assumptions	24,929	-
Net difference between projected and actual earnings on pension plan investments	5,533,057	5,638,353
Changes in proportion and difference between City contributions and proportionate share of contributions	176,407	154,992
City contributions subsequent to the measurement date	<u>1,322,583</u>	-
Total	<u>\$ 7,608,840</u>	<u>\$ 5,822,533</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

\$1,322,583 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ 92,701
2025	(150,547)
2026	(651,696)
2027	1,179,619
2028	(6,353)
Total	<u>\$ 463,724</u>

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

Rate of inflation	3.00%
Salary increases	3.75 to 15.11%, including inflation
Investment rate of return	7.50% net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2020.

Mortality rates were based on the RP-2014 Blue Collar Combined Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50 percent of Scale BB beginning in 2017.

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

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Asset Class	Long-Term Expected Real Rate of Return
Broad fixed income	3.5%
Broad U.S. equity	6.7
Global equity	6.8
Broad non-US equity	7.0
Managed futures	5.1
Emerging market	7.2
Real estate - core	6.4
Opportunistic real estate	11.0
Global infrastructure	6.8
Private credit	8.6
Private equity	12.0

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.4% of covered payroll and the City’s contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on MFPRSI’s investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.5%) or 1% higher (8.5%) than the current rate.

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
City’s proportionate share of net pension liability	\$ 16,083,862	\$ 8,887,027	\$ 2,92,351

MFPRSI’s Fiduciary Net Position – Detailed information about MFPRSI’s fiduciary net position is available in the separately issued MFPRSI financial report which is available on MFPRSI’s website at www.mfprsi.org.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(11) Risk Management

The City is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local governmental risk-sharing pool whose 794 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2023 were \$647,340.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The Pool's intergovernmental contract with its members provides that in the event of casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protections provided by the City's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The City does not disclose a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2023, no liability has been disclosed in the City's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The City also carries commercial insurance purchased from other insurers for coverage associated with workers compensation, in the amount of \$1,000,000. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Deficit Balances

As of June 30, 2023, funds with deficit balances were as follows:

Special Revenue, Tax Increment Financing	\$ (4,734,020)
Capital Projects, Construction Fund	(9,313,479)
Capital Projects, Capital Improvements	(1,215,159)
Enterprise Fund, Broadband Fund	(2,873,142)

The deficit balances are a result of costs exceeding the revenues. The deficit in the Capital Project accounts will be eliminated upon receipt of grant funds, reimbursements from other funds and issuance of debt. The deficit in the Tax Increment Financing Fund will be eliminated upon receipt of property taxes. The deficit in the Broadband Fund will be eliminated upon collection of user charges.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(13) Related Parties

The City had business transactions between the City and City officials totaling \$35,273 during the year ended June 30, 2021.

(14) Subsequent Events

After the end of the fiscal year through the audit report date, June 11, 2024 the City accepted bids for various construction projects for approximately \$7M to be paid from funds on hand and issuance on bonds. The City has approved issuance of \$13.1M GO bonds and \$10.5 GO urban renewal bonds.

(15) Commitments and Contingencies

As of June 30, 2023, the City had the following estimated commitments with respect to unfinished capital projects:

	<u>Remaining Construction Commitments</u>
1st St Reconstruction	\$ 470,000
2022 Street Repair	85,000
2023 PCC Patch Projects	666,000
2023 Street Repair	1,198,000
Anaerobic Digester	67,000
Central River District	252,000
CSI 2 – 10 th Ave N	162,000
East Region Phase 4 Storm Sewer	84,000
Georgia Pacific Water Main	346,000
Misc Trail Projects	5,000
Highland Park Bridge	33,000
Kenyon Rd & Ave C	157,000
Little Dam Enhancements	409,000
Manson Water Connection	96,000
N 21 st St & 21.2 Ave N Recon	658,000
NW River District	206,000
SRF Clean Water Projects	151,000
Veterans Bridge	2,218,000
Wastewater Treatment Odor Control & Lab	5,983,000
Water Softening	61,000

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(16) Other Postemployment Benefits (OPEB)

Iowa Public Employees Eligible Participants

Plan Description – The City of Fort Dodge administers a single-employer benefit plan which provides medical, prescription drug and dental 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 of Fort Dodge 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, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	103
Total	<u>109</u>

Total OPEB Liability – The City's total OPEB liability of \$333,962 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 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.

Rate of inflation (effective June 30, 2021)	3.00% per annum.
Rate of salary increase (effective June 30, 2021)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2021)	2.37% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2021)	6.00% per annum.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Discount Rate – The discount rate used to measure the total OPEB liability was 2.37% 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 are from the SOA RPH -2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ <u>334,482</u>
Changes for the year:	
Service cost	24,646
Interest	8,436
Recognition of deferred inflows/outflows	(27,706)
Benefit payments	<u>(5,896)</u>
Net changes	<u>(520)</u>
Total OPEB liability end of year	\$ <u>333,962</u>

There were no change of assumptions from 2022 to 2023.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.37%) or 1% higher (3.37%) than the current discount rate.

	<u>1% Decrease (1.37%)</u>	<u>Discount Rate (2.37%)</u>	<u>1% Increase (3.37%)</u>
Total OPEB liability	\$ 364,391	333,962	306,391

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	<u>1%</u> <u>Decrease</u> <u>(5.00%)</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u> <u>(6.00%)</u>	<u>1%</u> <u>Increase</u> <u>(7.00%)</u>
Total OPEB liability	\$ 384,280	333,962	385,103

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB expense of \$20,594. At June 30, the City reported deferred inflows of \$68,510 due to demographic/economic changes.

The amount reported as deferred inflows of resources related to OPEB will be recognized as a decrease in OPEB expense as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Amount</u>
2024	(12,489)
2025	(12,488)
2026	(11,802)
2027	(8,819)
2028	(8,403)
Thereafter	<u>(14,509)</u>
	<u>(68,510)</u>

Municipal Fire and Police Eligible Participants

Plan Description - The City of Fort Dodge administers a single-employer benefit plan which provides medical, prescription drug and dental 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.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

OPEB Benefits - Individuals who are employed by the City of Fort Dodge 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, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>75</u>
Total	<u>79</u>

Total OPEB Liability - The City's total OPEB liability of \$487,572 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 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.

Rate of inflation (effective June 30, 2021)	3.00% per annum.
Rate of salary increase (effective June 30, 2021)	3.00% per annum. including inflation.
Discount rate (effective June 30, 2021)	2.37% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2021)	6.00% per annum.

Discount Rate - The discount rate used to measure the total OPEB liability was 2.37% 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 are from the SOA RPH -2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ <u>460,075</u>
Changes for the year:	
Service cost	30,820
Interest	11,533
Assumption/demographic changes	-
Recognition of deferred outflows	(5,655)
Benefit payments	<u>(9,201)</u>
Net changes	<u>27,497</u>
Total OPEB liability end of year	\$ <u>487,572</u>

There was no significant changes from 2022 to 2023.

Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.37%) or 1% higher (3.27%) than the current discount rate.

	<u>1% Decrease (1.37%)</u>	<u>Discount Rate (2.37%)</u>	<u>1% Increase (3.37%)</u>
Total OPEB liability	\$ 554,277	487,572	429,518

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.0%) or 1% higher (7.0%) than the current healthcare cost trend rates.

	<u>1% Decrease (5.00%)</u>	<u>Healthcare Cost Trend Rate (6.0%)</u>	<u>1% Increase (7.0%)</u>
Total OPEB liability	\$ 405,659	487,572	589,398

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB expense of \$45,266. At June 30, the City reported deferred outflows of \$38,404 due to demographic/economic changes

The amount reported as deferred outflows of resources related to OPEB will be recognized as an increase in OPEB expense as follows:

Year ending <u>June 30,</u>	<u>Amount</u>
2024	2,995
2025	2,832
2026	2,933
2027	2,894
2028	2,913
Thereafter	<u>23,837</u>
	<u>38,404</u>

(18) 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 one or more governments promise to forego tax revenues to which they are otherwise entitled and 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 the 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, 2023, the City abated \$ 86,256 of property tax under the urban renewal and economic development projects.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2023

(19) Prospective Accounting Changes

The Governmental Accounting Standards Board has issued Statement No. 100, Accounting Changes and Error Corrections – Amendment of GASB No. 62. This statement will be implemented for the fiscal year ending June 30, 2024. This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

The Governmental Accounting Standards Board has issued Statement No. 101, Compensated Absences. This statement will be implemented for the fiscal year ending June 30, 2025. This statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

The City's management has not yet determined the effect these pronouncements will have on the City's financial statements.

Required Supplementary Information

City of Fort Dodge, Iowa
 Budgetary Comparison Schedule of
 Receipts, Disbursements and Changes in Balances
 Budget and Actual (Modified Accrual Basis)
 All Governmental Funds, Proprietary Funds, and the Airport Authority
 Required Supplementary Information
 Year ended June 30, 2023

	Governmental Fund Types	Proprietary Fund Type - Enterprise	Component Unit - Airport Authority	Total
Receipts:				
Property tax	\$ 15,969,376	-	321,319	16,290,695
Tax increment financing	3,215,275	-	-	3,215,275
Other city tax	9,256,445	-	-	9,256,445
Licenses and permits	592,860	-	-	592,860
Use of money and property	733,963	425,917	2,982	1,162,862
Intergovernmental	4,024,329	-	2,123,582	6,147,911
Charges for service	3,384,901	28,341,059	147,103	31,873,063
Special assessments	-	-	-	-
Miscellaneous	3,080,292	796,923	246,961	4,124,176
Total receipts	<u>40,257,441</u>	<u>29,563,899</u>	<u>2,841,947</u>	<u>72,663,287</u>
Disbursements:				
Public safety	11,687,549	-	-	11,687,549
Public works	6,006,412	-	720,385	6,726,797
Health and social services	181,798	-	-	181,798
Culture and recreation	3,899,888	-	-	3,899,888
Community and economic development	2,233,055	-	-	2,233,055
General government	1,150,020	-	-	1,150,020
Debt service	6,301,567	-	-	6,301,567
Capital projects	20,294,015	-	2,332,080	22,626,095
Business type activities	-	28,486,190	-	28,486,190
Total disbursements	<u>51,754,304</u>	<u>28,486,190</u>	<u>3,052,465</u>	<u>83,292,959</u>
Excess (deficiency) of receipts over (under) disbursements	(11,496,863)	1,077,709	(210,518)	(10,629,672)
Other financing sources, net	<u>2,087,454</u>	<u>(2,235,062)</u>	<u>(1,100)</u>	<u>(148,708)</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(9,409,409)	(1,157,353)	(211,618)	(10,778,380)
Balances beginning of year	<u>23,532,131</u>	<u>80,743,946</u>	<u>264,985</u>	<u>104,541,062</u>
Balances end of year	<u>\$ 14,122,722</u>	<u>79,586,593</u>	<u>53,367</u>	<u>93,762,682</u>

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>		Final to
<u>Original</u>	<u>Final</u>	Actual
		<u>Variance</u>
15,416,645	15,416,645	874,050
2,653,427	2,853,427	361,848
6,389,409	6,489,409	2,767,036
434,675	509,675	83,185
363,396	775,096	387,766
8,496,478	11,681,148	(5,533,237)
31,211,161	31,608,491	264,572
-	14,500	(14,500)
<u>2,802,581</u>	<u>4,024,381</u>	<u>99,795</u>
<u>67,767,772</u>	<u>73,372,772</u>	<u>(709,485)</u>
12,326,762	12,859,762	1,172,213
6,624,984	7,634,984	908,187
346,235	404,235	222,437
3,864,189	4,304,189	404,301
2,997,827	3,533,867	1,300,812
1,382,802	1,745,760	595,740
6,280,669	6,480,669	179,102
24,040,091	26,645,091	4,018,996
<u>58,181,125</u>	<u>62,151,125</u>	<u>33,664,935</u>
<u>116,044,684</u>	<u>125,759,682</u>	<u>42,466,723</u>
(48,276,912)	(52,386,910)	41,757,238
<u>38,410,624</u>	<u>42,710,624</u>	<u>(42,859,332)</u>
(9,866,288)	(9,676,286)	(1,102,094)
<u>45,634,645</u>	<u>45,634,645</u>	<u>58,906,417</u>
<u>35,768,357</u>	<u>35,958,359</u>	<u>57,804,323</u>

City of Fort Dodge, Iowa
 Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2023

	Governmental Funds			Proprietary Funds		
	Modified	Accrual	Modified	Enterprise		
	Accrual	Adjust-	Accrual	Cash	Adjust-	Accrual
	Basis	ments	Basis	Basis	ments	Basis
Revenues	\$ 40,257,441	-	40,257,441	29,563,899	109,001	29,672,900
Expenditures/Expenses	<u>51,754,304</u>	-	<u>51,754,304</u>	<u>28,486,190</u>	<u>(912,475)</u>	<u>27,573,715</u>
Net	(11,496,863)	-	(11,496,863)	1,077,709	1,021,476	2,099,185
Other financing sources (uses) (net)	2,087,454	-	2,087,454	(2,235,062)	743,708	(1,491,354)
Beginning fund balances	<u>23,532,131</u>	-	<u>23,532,131</u>	<u>80,743,946</u>	<u>(209)</u>	<u>80,743,737</u>
Ending fund balances	<u>\$ 14,122,722</u>	-	<u>14,122,722</u>	<u>79,586,593</u>	<u>1,764,975</u>	<u>81,351,568</u>

	Component Unit		
	Airport		
	Modified	Accrual	Accrual
	Cash Basis	Adjustments	Basis
Revenues	\$ 2,841,947	-	2,841,947
Expenses	<u>3,052,465</u>	<u>(834,183)</u>	<u>2,218,282</u>
Net	(210,518)	834,183	623,665
Other financing sources (uses)	(1,100)	-	(1,100)
Beginning fund balance	<u>264,985</u>	<u>16,970,552</u>	<u>17,235,537</u>
Ending fund balance	<u>\$ 53,367</u>	<u>17,804,735</u>	<u>17,858,102</u>

See accompanying independent auditor's report.

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Budgetary Reporting

Year ended June 30, 2023

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Funds, the Capital Projects Funds and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. During the year, one budget amendment increased budgeted receipts by \$5,605,000, budgeted disbursements by \$9,714,998 and increased other financing sources by \$4,300,000. The budget amendments are reflected in the final budgeted amounts.

City of Fort Dodge

Schedule of City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last 8 Fiscal Years*
(In Thousands)

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportion of the net pension liability	8.601600%	6.474810%	8.386740%
City's proportionate share of the net pension liability (asset)	\$ 3,249,817	(223,528)	5,891,466
City's covered-employee payroll	\$ 7,620,681	7,314,431	7,053,304
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	42.64%	-3.06%	83.53%
Plan fiduciary net position as a percentage of the total pension liability	91.40%	100.81%	82.90%

* The amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2020	2019	2018	2017	2016
8.853110%	0.082616%	0.080048%	0.084302%	0.081790%
5,126,534	5,226,488	5,284,500	5,305,370	4,066,168
6,773,838	6,207,395	5,921,731	6,053,274	6,053,274
75.68%	84.20%	89.24%	87.64%	67.17%
85.45%	83.62%	82.21%	81.82%	85.19%

City of Fort Dodge
Schedule of City's Contributions

Iowa Public Employees' Retirement System
Last 10 Fiscal Years
(In Thousands)

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 827,322	718,865	691,154	671,596
Contributions in relation to the statutorily required contribution	<u>827,322</u>	<u>718,865</u>	<u>691,154</u>	<u>671,596</u>
Contribution deficiency (excess)	\$ -	-	-	-
City's covered-employee payroll	\$ 8,764,003	7,620,681	7,314,431	7,053,304
Contributions as a percentage of covered-employee payroll	9.44%	9.43%	9.45%	9.52%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
639,450	554,320	528,811	540,557	503,894	489,007
<u>639,450</u>	<u>554,320</u>	<u>528,811</u>	<u>540,557</u>	<u>503,894</u>	<u>489,007</u>
-	-	-	-	-	-
<u><u>6,773,838</u></u>	<u><u>6,207,395</u></u>	<u><u>5,921,731</u></u>	<u><u>6,053,274</u></u>	<u><u>5,642,716</u></u>	<u><u>5,476,004</u></u>
9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Iowa Public Employees' Retirement System

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Municipal Fire and Police Retirement System of Iowa

Changes of benefit terms:

There were no significant changes of benefit terms.

Change of assumptions:

The 2018 valuation changed postretirement mortality were based on the RP-2014 Blue Collar Healthy Annuitant Table with males set-forward zero years, females set-forward two years and disabled individuals set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The 2017 valuation added five years projection of future mortality improvements with Scale BB.

The 2016 valuation changed postretirement retirement mortality rates to the RP-2000 Blue Collar Combined Healthy Mortality Table with males set-back two years, females set-forward one year and disabled individuals set-forward one year (male only rates), with no projection of future mortality improvement.

The 2015 valuation phased in the 1994 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 1/12 of the 1971 Group Annuity Mortality Table and 11/12 of the 1994 Group Annuity Mortality Table.

The 2014 valuation phased in the 1995 Group Annuity Mortality Table for postretirement mortality. This resulted in a weighting of 2/12 of the 1971 Group Annuity Mortality Table and 10/12 of the 1994 Group Annuity Table.

City of Fort Dodge

Schedule of City's Proportionate Share of the Net Pension Liability

Municipal Fire and Police Retirement System of Iowa
Last 8 Fiscal Years*

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's proportion of the net pension liability	1.580000%	1.610000%	1.620000%
City's proportionate share of the net pension liability	8,887,027	3,608,902	12,901,528
City's covered-employee payroll	5,344,857	5,222,001	4,734,488
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.27%	69.11%	272.50%
Plan fiduciary net position as a percentage of the total pension liability	84.62%	93.62%	76.47%

* The amounts presented for each fiscal year were determined as of June 30 of the preceeding year.

See accompanying independent auditor's report

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
1.560000%	1.544099%	1.494614%	1.464630%	1.452900%
10,258,796	9,193,619	8,765,538	9,157,757	6,825,932
5,138,992	4,734,485	4,488,092	4,488,092	3,969,042
199.63%	194.18%	195.31%	204.05%	171.98%
81.04%	79.94%	80.60%	78.20%	78.20%

City of Fort Dodge
Schedule of City's Contributions

Municipal Fire and Police Retirement System of Iowa
Last 10 Fiscal Years

Required Supplementary Information

	2023	2022	2021
Statutorily required contribution	\$ 1,322,583	1,449,102	1,321,690
Contributions in relation to the statutorily required contribution	1,322,583	1,449,102	1,321,690
Contribution deficiency (excess)	\$ -	-	-
City's covered-employee payroll	\$ 5,533,820	5,344,857	5,222,007
Contributions as a percentage of covered-employee payroll	23.90%	27.11%	25.31%

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1,254,428	1,231,913	1,152,542	1,097,213	1,102,203	1,158,672	1,138,797
<u>1,254,428</u>	<u>1,231,913</u>	<u>1,152,542</u>	<u>1,097,213</u>	<u>1,102,203</u>	<u>1,158,672</u>	<u>1,138,797</u>
-	-	-	-	-	-	-
<u><u>5,138,992</u></u>	<u><u>4,734,485</u></u>	<u><u>4,488,092</u></u>	<u><u>4,233,075</u></u>	<u><u>3,969,042</u></u>	<u><u>3,810,170</u></u>	<u><u>3,780,866</u></u>
24.41%	26.02%	25.68%	25.92%	27.77%	30.41%	30.12%

City of Fort Dodge

Schedule of Changes in the City of Fort Dodge's
OPEB Plan Members
Total Liability, Related Ratios and Notes

June 30, 2023

Required Supplementary Information

	<u>2023</u>	<u>2022</u>
Service cost	\$ 24,646	\$ 24,654
Interest cost	8,436	8,446
Assumption and demographic changes	-	(30,737)
Recognition of deferred inflows	(27,706)	(24,801)
Benefit payments	<u>(5,896)</u>	<u>(11,482)</u>
Net change in total OPEB liability	(520)	(33,920)
Total OPEB liability beginning of year , as restated	<u>334,482</u>	<u>368,402</u>
Total OPEB liability end of year	<u>333,962</u>	<u>334,482</u>
Covered-employee payroll	\$ 8,764,003	\$ 7,620,681
Total OPEB liability as a percentage of covered-employee payroll	3.8%	4.4%

<u>2021</u>	<u>2020</u>	<u>2019</u>
26,927	80,013	17,054
11,405	11,116	10,949
-	-	-
(24,711)	(22,797)	(17,654)
<u>(6,340)</u>	<u>(6,796)</u>	<u>(22,615)</u>
7,281	61,536	(12,266)
<u>337,986</u>	<u>276,450</u>	<u>288,716</u>
<u>345,267</u>	<u>337,986</u>	<u>276,450</u>
7,314,431	7,053,304	6,171,854
4.7%	4.8%	4.5%

City of Fort Dodge

Schedule of Changes in the City of Fort Dodge's
MFPRSI Members
Total Liability, Related Ratios and Notes

June 30, 2023

Required Supplementary Information

	<u>2023</u>	<u>2022</u>
Service cost	\$ 30,820	\$ 30,830
Interest cost	11,533	10,849
Assumption and demographic changes	-	(36,768)
Recognition of deferred inflows	(5,655)	(3,513)
Benefits payments	<u>(9,201)</u>	<u>(9,138)</u>
Net change in total OPEB liability	27,497	(7,740)
Total OPEB liability beginning of year, as restated	<u>460,075</u>	<u>467,815</u>
Total OPEB liability end of year	<u>487,572</u>	<u>460,075</u>
Covered-employee payroll	\$5,533,820	\$ 5,535,149
Total OPEB liability as a percentage of covered-employee payroll	8.8%	8.3%

<u>2021</u>	<u>2020</u>	<u>2019</u>
27,701	85,524	17,379
13,001	11,723	10,539
-	-	-
166	6,923	5,196
<u>(4,467)</u>	<u>(8,255)</u>	<u>(16,016)</u>
36,401	95,915	17,098
<u>386,918</u>	<u>291,003</u>	<u>273,905</u>
<u>423,319</u>	<u>386,918</u>	<u>291,003</u>
<u>5,222,007</u>	<u>5,138,992</u>	<u>4,873,307</u>
8.1%	7.5%	6.0%

City of Fort, Iowa

Notes to Required Supplementary Information –
Total OPEB Liability and Related Ratios

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

There are no significant 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 in each period.

Year ended June 30, 2023	2.37%
Year ended June 30, 2022	2.37%
Year ended June 30, 2021	3.15%
Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.15%
Year ended June 30, 2018	3.72%

Supplementary Information

City of Fort Dodge, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Schedule 1

Assets	Special Revenue					
	Road use Tax	Employee Benefits	Police & Fire Retirement	Community Development	Hotel/ Motel Tax	SSMID
Cash, cash equivalents and pooled investments	\$ 3,911,413	2,275,377	656,850	278,494	281,130	157,204
Receivables:						
Property tax:						
Delinquent	-	29,419	11,069	-	-	1,518
Succeeding year	-	3,729,931	1,403,436	-	-	59,399
Accounts	-	128	38	-	23,197	-
Due from other governments	279,512	-	-	-	-	-
Prepaid expenses	558	96,018	-	-	487	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 4,191,483	6,130,873	2,071,393	278,494	304,814	218,121
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 177,345	2,706	-	120	16,735	31,000
Salaries and benefits payable	36,638	62,639	21,978	-	-	-
Advances from grantors	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>213,983</u>	<u>65,345</u>	<u>21,978</u>	<u>120</u>	<u>16,735</u>	<u>31,000</u>
Deferred inflows of resources:						
Succeeding year property tax	-	3,729,931	1,403,436	-	-	59,399
Total deferred inflows of resources	-	<u>3,729,931</u>	<u>1,403,436</u>	-	-	<u>59,399</u>
Fund balances:						
Nonspendable:						
Prepaid expenditures	558	96,018	-	-	487	-
Parks Trust	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Street improvement and repairs	3,976,942	-	-	-	-	-
Urban renewal	-	-	-	-	-	-
Employee benefits	-	2,239,579	645,979	-	-	-
Capital improvements	-	-	-	-	-	-
Other purposes	-	-	-	278,374	287,592	127,722
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>3,977,500</u>	<u>2,335,597</u>	<u>645,979</u>	<u>278,374</u>	<u>288,079</u>	<u>127,722</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 4,191,483	6,130,873	2,071,393	278,494	304,814	218,121

See accompanying independent auditor's report.

Special Revenue

<u>Library Memorial</u>	<u>Foster Grandparents</u>	<u>Urban Renewal</u>	<u>City Grants</u>	<u>Congregate Meals</u>	<u>DARE/Drug Arrest</u>	<u>Harlan Sinking</u>	<u>Des Moines River</u>
89,708	16,795	1,925,183	372,735	-	20,804	446,161	266,580
-	-	-	-	-	-	-	-
-	-	80	-	-	-	46,399	-
-	35,614	-	26,765	-	-	-	-
-	166	-	-	-	-	-	-
-	-	1,421,143	-	-	-	-	-
<u>89,708</u>	<u>52,575</u>	<u>3,346,406</u>	<u>399,500</u>	<u>-</u>	<u>20,804</u>	<u>492,560</u>	<u>266,580</u>
-	833	-	24,178	-	-	-	-
-	1,448	-	348	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,281	-	24,526	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	166	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,346,406	-	-	-	-	-
-	-	-	-	-	-	-	-
89,708	50,128	-	374,974	-	20,804	492,560	266,580
-	-	-	-	-	-	-	-
<u>89,708</u>	<u>50,294</u>	<u>3,346,406</u>	<u>374,974</u>	<u>-</u>	<u>20,804</u>	<u>492,560</u>	<u>266,580</u>
<u>89,708</u>	<u>52,575</u>	<u>3,346,406</u>	<u>399,500</u>	<u>-</u>	<u>20,804</u>	<u>492,560</u>	<u>266,580</u>

City of Fort Dodge, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

Schedule 1

	Special Revenue	Capital Projects	Permanent Fund	
	CVB	Jurisdictional	Eva Patterson	
Assets	<u>Hotel/Motel</u>	<u>Transfer</u>	<u>Parks Trust</u>	<u>Total</u>
Cash, cash equivalents and pooled investments	\$ 525,173	1,993,505	25,000	13,242,112
Receivables				
Property tax:				
Delinquent	-	-	-	42,006
Succeeding year	-	-	-	5,192,766
Accounts	28	45	-	69,915
Due from other governments	63,763	-	-	405,654
Prepaid expenses	-	-	-	97,229
Due from other funds	-	6,171,637	-	7,592,780
	588,964	8,165,187	25,000	26,642,462
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	12,891	-	-	265,808
Salaries and benefits payable	3,503	-	-	126,554
Advances from grantors	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	16,394	-	-	392,362
Deferred inflows of resources:				
Succeeding year property tax	-	-	-	5,192,766
Total deferred inflows of resources	-	-	-	5,192,766
Fund balances:				
Nonspendable:				
Prepaid expenditures	-	-	-	97,229
Parks Trust	-	-	25,000	25,000
Restricted for:				
Debt service	-	-	-	-
Street improvement and repairs	-	-	-	3,976,942
Urban renewal	-	-	-	3,346,406
Employee benefits	-	-	-	2,885,558
Capital improvements	-	-	-	-
Other purposes	572,570	-	-	2,561,012
Assigned	-	8,165,187	-	8,165,187
Unassigned	-	-	-	-
Total fund balances	572,570	8,165,187	25,000	21,057,334
Total liabilities, deferred inflows of resources and fund balances	\$ 588,964	8,165,187	25,000	26,642,462

See accompanying independent auditor's report.

City of Fort Dodge, Iowa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year ended June 30, 2023

Schedule 2

	Special Revenue		
	Road Use Tax	Employee Benefits	Police & Fire Retirement
Revenues:			
Property tax	\$ -	3,405,065	1,586,185
Other city tax	3,438,866	-	-
Use of money and property	-	-	10,687
Intergovernmental	821	91,555	39,862
Charges for service	-	-	-
Miscellaneous	-	142,125	-
Total revenues	3,439,687	3,638,745	1,636,734
Expenditures:			
Operating:			
Public safety	-	1,878,891	1,344,561
Public works	3,581,374	827,145	-
Health and social services	-	30,681	-
Culture and recreation	-	618,588	-
Community and economic development	-	162,057	-
General government	-	90,228	-
Capital projects	-	-	-
Total expenditures	3,581,374	3,607,590	1,344,561
Excess (deficiency) of revenues over (under) expenditures	(141,687)	31,155	292,173
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(54,200)	-	-
Total other financing sources (uses)	(54,200)	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(195,887)	31,155	292,173
Fund balances beginning of year	4,173,387	2,304,442	353,806
Fund balances end of year	\$ 3,977,500	2,335,597	645,979

(continued)

City of Fort Dodge, Iowa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year ended June 30, 2023

Schedule 2

	Special Revenue				
	Community Development	Hotel/ Motel Tax	SSMID	Library Memorial	Foster Grandparents
Revenues:					
Property tax	\$ -	-	76,504	-	-
Other city tax	-	-	-	-	-
Use of money and property	3,920	-	-	-	-
Intergovernmental	-	-	7,872	-	153,448
Charges for service	-	-	-	-	-
Miscellaneous	3,732	17,407	41,475	69,657	170
Total revenues	<u>7,652</u>	<u>17,407</u>	<u>125,851</u>	<u>69,657</u>	<u>153,618</u>
Expenditures:					
Operating:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and social services	-	-	-	-	138,797
Culture and recreation	-	55,319	-	64,312	-
Community and economic development	1,041	-	113,115	-	-
General government	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	<u>1,041</u>	<u>55,319</u>	<u>113,115</u>	<u>64,312</u>	<u>138,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,611</u>	<u>(37,912)</u>	<u>12,736</u>	<u>5,345</u>	<u>14,821</u>
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Operating transfers in	-	148,199	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>148,199</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,611	110,287	12,736	5,345	14,821
Fund balances beginning of year	<u>271,763</u>	<u>177,792</u>	<u>114,986</u>	<u>84,363</u>	<u>35,473</u>
Fund balances end of year	<u>\$ 278,374</u>	<u>288,079</u>	<u>127,722</u>	<u>89,708</u>	<u>50,294</u>

See accompanying independent auditor's report.

<u>Urban Renewal</u>	<u>City Grants</u>	<u>Congregate Meals</u>	<u>DARE/Drug Arrest</u>	<u>Harlan Rogers Sinking</u>	<u>Des Moines River</u>
-	-	-	-	-	-
-	-	-	-	-	-
130,701	-	-	-	7,671	-
-	1,587,934	3,064	-	-	-
-	-	-	-	-	-
<u>44,000</u>	<u>445,131</u>	<u>43</u>	<u>42,910</u>	<u>30,000</u>	<u>21,831</u>
<u>174,701</u>	<u>2,033,065</u>	<u>3,107</u>	<u>42,910</u>	<u>37,671</u>	<u>21,831</u>
-	35,449	-	27,224	-	-
-	1,571,384	-	-	-	-
-	-	12,195	-	-	-
-	-	-	-	-	-
6,691	322,329	-	-	-	1,040
-	6,229	-	-	-	-
-	-	-	-	-	-
<u>6,691</u>	<u>1,935,391</u>	<u>12,195</u>	<u>27,224</u>	<u>-</u>	<u>1,040</u>
<u>168,010</u>	<u>97,674</u>	<u>(9,088)</u>	<u>15,686</u>	<u>37,671</u>	<u>20,791</u>
-	-	-	-	-	-
-	63,750	-	-	324,800	-
<u>(10,000)</u>	<u>(15,219)</u>	<u>-</u>	<u>-</u>	<u>(102,000)</u>	<u>-</u>
<u>(10,000)</u>	<u>48,531</u>	<u>-</u>	<u>-</u>	<u>222,800</u>	<u>-</u>
158,010	146,205	(9,088)	15,686	260,471	20,791
<u>3,188,396</u>	<u>228,769</u>	<u>9,088</u>	<u>5,118</u>	<u>232,089</u>	<u>245,789</u>
<u>3,346,406</u>	<u>374,974</u>	<u>-</u>	<u>20,804</u>	<u>492,560</u>	<u>266,580</u>

City of Fort Dodge, Iowa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year ended June 30, 2021

Schedule 2

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>Totals</u>
	<u>CVB</u> <u>Hotle/Motel</u>	<u>Jurisdictional</u> <u>Transfer</u>	<u>Eva Patterson</u> <u>Parks Trust</u>	
Revenues:				
Property tax	\$ -	-	-	5,067,754
Other city tax	-	-	-	3,438,866
Use of money and property	7,885	178,491	-	339,355
Intergovernmental	-	-	-	1,884,556
Charges for service	-	-	-	-
Miscellaneous	-	-	-	858,481
Total revenues	<u>7,885</u>	<u>178,491</u>	<u>-</u>	<u>11,589,012</u>
Expenditures:				
Operating:				
Public safety		-	-	3,286,125
Public works		-	-	5,979,903
Health and social services		-	-	181,673
Culture and recreation		-	-	738,219
Community and economic development	289,038	-	-	895,311
General government		-	-	96,457
Capital projects	-	-	-	-
Total expenditures	<u>289,038</u>	<u>-</u>	<u>-</u>	<u>11,177,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(281,153)</u>	<u>178,491</u>	<u>-</u>	<u>411,324</u>
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Operating transfers in	302,602	-	-	839,351
Operating transfers out	(49,500)	-	-	(230,919)
Total other financing sources (uses)	<u>253,102</u>	<u>-</u>	<u>-</u>	<u>608,432</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(28,051)</u>	<u>178,491</u>	<u>-</u>	<u>1,019,756</u>
Fund balances beginning of year	<u>600,621</u>	<u>7,986,696</u>	<u>25,000</u>	<u>20,037,578</u>
Fund balances end of year	<u>\$ 572,570</u>	<u>8,165,187</u>	<u>25,000</u>	<u>21,057,334</u>

See accompanying independent auditor's report.

City of Fort Dodge, Iowa
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2023

	Enterprise Funds			
	Parking Meter	Solid Waste	Storm Water Utility	Lakeside Beverage
Assets				
Current assets:				
Cash and cash equivalents	\$ 241,341	913,306	1,001,324	20,635
Accounts receivable	50,525	334,228	189,247	4,646
Inventories	-	-	-	8,796
Prepaid expenses	-	32,426	-	495
Total current assets	<u>291,866</u>	<u>1,279,960</u>	<u>1,190,571</u>	<u>34,572</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	-	-
Capital assets (net of accumulated depreciation)	259,058	914,912	11,103,236	-
Total noncurrent assets	<u>259,058</u>	<u>914,912</u>	<u>11,103,236</u>	<u>-</u>
Total assets	<u>550,924</u>	<u>2,194,872</u>	<u>12,293,807</u>	<u>34,572</u>
Deferred Outflows of Resources				
Pension related deferred outflows	<u>25,418</u>	<u>238,210</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	(4,208)	44,012	16,801	1,437
Salaries and benefits payable	1,164	10,808	-	-
Compensated absences	-	2,731	-	-
Unearned revenue	1,118	-	-	-
Payable from restricted net assets:				
Current portion bonds, notes and loans payable	-	-	-	-
Consumer deposits	-	-	-	-
Total current liabilities	<u>(1,926)</u>	<u>57,551</u>	<u>16,801</u>	<u>1,437</u>
Noncurrent liabilities:				
Bonds, notes and loans payable	-	-	4,140,000	-
Compensated absences	-	88,585	-	-
Net pension liability	46,083	244,872	-	-
Net OPEB liability	-	16,431	-	-
Total noncurrent liabilities	<u>46,083</u>	<u>349,888</u>	<u>4,140,000</u>	<u>-</u>
Total liabilities	<u>44,157</u>	<u>407,439</u>	<u>4,156,801</u>	<u>1,437</u>
Deferred Inflows of Resources				
Unavailable revenues:				
Pension related deferred inflows	<u>14,620</u>	<u>201,690</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>14,620</u>	<u>201,690</u>	<u>-</u>	<u>-</u>
Net position				
Invested in capital assets, net of related debt	259,058	914,912	6,963,236	-
Unrestricted	<u>258,507</u>	<u>909,041</u>	<u>1,173,770</u>	<u>33,135</u>
Total net position	<u>\$ 517,565</u>	<u>1,823,953</u>	<u>8,137,006</u>	<u>33,135</u>

See accompanying independent auditor's report.

Schedule 3

<u>Harlan Rogers Beverage</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
-	398,188	-	2,574,794
-	1,345	-	579,991
-	-	-	8,796
-	509	-	33,430
-	400,042	-	3,197,011
-	-	208,930	208,930
-	498,673	-	12,775,879
-	498,673	208,930	12,984,809
-	898,715	208,930	16,181,820
-	-	-	263,628
-	19,505	-	77,547
-	-	-	11,972
-	-	-	2,731
-	-	-	1,118
-	-	-	-
-	-	208,930	208,930
-	19,505	208,930	302,298
-	-	-	4,140,000
-	-	-	88,585
-	-	-	290,955
-	-	-	16,431
-	-	-	4,535,971
-	19,505	208,930	4,838,269
-	-	-	-
-	-	-	216,310
-	-	-	216,310
-	498,673	-	8,635,879
-	380,537	-	2,754,990
-	-	-	-
-	879,210	-	11,390,869

City of Fort Dodge, Iowa
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year ended June 30, 2023

	Enterprise Funds		
	Parking Meter	Solid Waste	Storm Water Utility
Operating revenues:			
Charges for services	\$ 40,886	1,506,799	881,492
Miscellaneous	26,424	92,005	24,553
Total operating revenues	<u>67,310</u>	<u>1,598,804</u>	<u>906,045</u>
Operating expenses:			
Business type activities:			
Cost of sales and services	84,706	1,249,411	83,175
Depreciation	20,145	165,846	622,742
Total operating expenses	<u>104,851</u>	<u>1,415,257</u>	<u>705,917</u>
Operating income (loss)	<u>(37,541)</u>	<u>183,547</u>	<u>200,128</u>
Non-operating revenues (expenses):			
Interest and investment revenue	664	9,043	18,948
Interest expense	-	-	(121,415)
Sale of equipment	-	-	-
Total nonoperating revenue	<u>664</u>	<u>9,043</u>	<u>(102,467)</u>
Net income (loss) before transfers	<u>(36,877)</u>	<u>192,590</u>	<u>97,661</u>
Capital contribution	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	(107,500)	(73,667)
Change in net position	<u>(36,877)</u>	<u>85,090</u>	<u>23,994</u>
Net position beginning of year	<u>554,442</u>	<u>1,738,863</u>	<u>8,113,012</u>
Net position end of year	<u>517,565</u>	<u>1,823,953</u>	<u>8,137,006</u>

See accompanying independent auditor's report.

Schedule 4

<u>Lakeside Beverage</u>	<u>Harlan Rogers Beverage Account</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
107,642	1,125	-	-	2,537,944
-	-	79,760	-	222,742
<u>107,642</u>	<u>1,125</u>	<u>79,760</u>	-	<u>2,760,686</u>
-	-	-	-	-
-	-	-	-	-
98,777	5,624	170,197	-	1,691,890
-	-	51,880	-	860,613
<u>98,777</u>	<u>5,624</u>	<u>222,077</u>	-	<u>2,552,503</u>
<u>8,865</u>	<u>(4,499)</u>	<u>(142,317)</u>	-	<u>208,183</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	28,655
-	-	-	-	(121,415)
-	-	-	-	-
-	-	-	-	(92,760)
<u>8,865</u>	<u>(4,499)</u>	<u>(142,317)</u>	-	<u>115,423</u>
-	-	-	-	-
-	-	-	-	-
-	-	100,000	-	100,000
-	-	-	-	(181,167)
<u>8,865</u>	<u>(4,499)</u>	<u>(42,317)</u>	-	<u>34,256</u>
<u>24,270</u>	<u>4,499</u>	<u>921,527</u>	-	<u>11,356,613</u>
-	-	-	-	-
<u>33,135</u>	<u>-</u>	<u>879,210</u>	-	<u>11,390,869</u>

City of Fort Dodge, Iowa
Combining Schedule of Cash Flows
Nonmajor Proprietary Funds
For the Year ended June 30, 2023

	<u>Business-Type Activities</u>	
	<u>Parking Meter</u>	<u>Solid Waste</u>
Cash flows from operating activities		
Receipts from customers	\$ 41,010	1,473,690
Payments to suppliers and employees	(94,561)	(1,293,414)
Other receipts	26,424	92,005
Net cash provided (used) by operating activities	<u>(27,127)</u>	<u>272,281</u>
 Cash flows from noncapital financing activities		
Transfers to other funds	-	(107,500)
Transfers from other funds	-	-
Net cash provided (used) in noncapital financing activities	<u>-</u>	<u>(107,500)</u>
 Cash flows from capital and related financing activities		
Proceeds from capital debt	-	-
Purchases of capital assets	(39,866)	(589,116)
Proceeds from sale of equipment	-	-
Principal paid on capital debt	-	-
Capital contributions	-	-
Interest paid on capital debt	-	-
Net cash provided (used) by capital and related financing activities	<u>(39,866)</u>	<u>(589,116)</u>
 Cash flows from investing activities		
Interest and dividends	664	9,043
Net cash provided by investing activities	<u>664</u>	<u>9,043</u>
 Net increase (decrease) in cash and cash equivalents	(66,329)	(415,292)
 Cash and cash equivalents - beginning of year	<u>307,670</u>	<u>1,328,598</u>
 Cash and cash equivalents - end of year	<u>\$ 241,341</u>	<u>913,306</u>

See accompanying independent auditor's report.

Schedule 5

<u>Storm Water Utility</u>	<u>Lakeside Beverage</u>	<u>Harlan Rogers Beverage</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
907,013	107,146	1,125	121,362	-	2,651,346
(163,609)	(105,364)	(5,624)	(175,166)	(4,789)	(1,842,527)
24,553	-	-	-	-	142,982
<u>767,957</u>	<u>1,782</u>	<u>(4,499)</u>	<u>(53,804)</u>	<u>(4,789)</u>	<u>951,801</u>
(73,667)	-	-	-	-	(181,167)
-	-	-	100,000	-	100,000
<u>(73,667)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(81,167)</u>
-	-	-	-	-	-
(163,833)	-	-	-	-	(792,815)
-	-	-	-	-	-
(300,000)	-	-	-	-	(300,000)
-	-	-	-	-	-
<u>(121,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(121,415)</u>
(585,248)	-	-	-	-	(1,214,230)
18,948	-	-	-	-	28,655
<u>18,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,655</u>
127,990	1,782	(4,499)	46,196	(4,789)	(314,941)
<u>873,334</u>	<u>18,853</u>	<u>4,499</u>	<u>351,992</u>	<u>213,719</u>	<u>3,098,665</u>
<u>1,001,324</u>	<u>20,635</u>	<u>-</u>	<u>398,188</u>	<u>208,930</u>	<u>2,783,724</u>

(continued)

City of Fort Dodge, Iowa
Combining Schedule of Cash Flows
Nonmajor Proprietary Funds
For the Year ended June 30, 2023

	Business-Type Activities	
	Parking Meter	Solid Waste
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (37,541)	183,547
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	20,145	165,846
Change in assets and liabilities:		
Receivables, net	124	(33,109)
Prepaid expenses	-	(23,045)
Consumer deposits	(714)	-
Accounts and other payables	(5,471)	(13,123)
Salaries and benefits payable	(525)	3,690
Compensated absences	-	21,795
Net pension liability	13,893	152,827
Deferred outflows of resources	(12,197)	(122,039)
Deferred inflows of resources	(5,893)	(64,083)
Other postemployment benefits	-	(25)
Deferred revenue	1,052	-
Net cash provided (used) by operating activities	\$ (27,127)	272,281
 Reconciliation of cash and cash equivalents at year end to specific assets included on the Statement of Net Position:		
Current assets:		
Cash and pooled investments	\$ 241,341	913,306
Noncurrent assets:		
Restricted cash and pooled investments	-	-
Cash and cash equivalents at year end	\$ 241,341	913,306

See accompanying independent auditor's report.

Schedule 5

<u>Storm Water Utility</u>	<u>Lakeside Beverage</u>	<u>Harlan Rogers Beverage</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
200,128	8,865	(4,499)	(142,317)	-	208,183
622,742	-	-	51,880	-	860,613
25,521	(1,933)	-	41,602	-	32,205
-	(6,587)	-	(139)	-	(29,771)
-	-	-	-	-	(714)
(80,434)	1,437	-	(4,830)	-	(102,421)
-	-	-	-	-	3,165
-	-	-	-	-	21,795
-	-	-	-	-	166,720
-	-	-	-	-	(134,236)
-	-	-	-	-	(69,976)
-	-	-	-	-	(25)
-	-	-	-	-	1,052
<u>767,957</u>	<u>1,782</u>	<u>(4,499)</u>	<u>(53,804)</u>	<u>-</u>	<u>956,590</u>
1,001,324	20,635	-	398,188	-	2,574,794
-	-	-	-	208,930	208,930
<u>1,001,324</u>	<u>20,635</u>	<u>-</u>	<u>398,188</u>	<u>208,930</u>	<u>2,783,724</u>

City of Fort Dodge, Iowa

Bond Maturities - General Obligation Bonds

June 30, 2023

General Obligation Bonds

Year Ending June 30,	Corporate Purpose & Refunding		GO Crossover Refunding		Corporate Purpose	
	Issued May 16, 2016		Issued June 20, 2016		Issued June 26, 2018	
	Interest Rates	Amount	Interest Rate	Amount	Interest Rate	Amount
2024	2.00	230,000	2.00	735,000	3.00	490,000
2025	2.00	235,000	-	-	3.00	505,000
2026	2.00	235,000	-	-	3.00	515,000
2027	-	-	-	-	3.25	535,000
2028	-	-	-	-	3.25	550,000
2029	-	-	-	-	3.25	570,000
		<u>\$ 700,000</u>		<u>\$ 735,000</u>		<u>\$ 3,165,000</u>

Year Ending June 30,	Urban Renewal Refunding		Corporate Purpose		Corporate Purpose	
	Issued December 2, 2019		Issued February 16, 2021		Issued February 16, 2021	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2024	4.00	285,000	4.00	660,000	0.46	100,000
2025	4.00	290,000	4.00	700,000	0.60	345,000
2026	4.00	300,000	4.00	970,000	0.75	355,000
2027	4.00	310,000	4.00	1,005,000	0.90	450,000
2028	4.00	315,000	4.00	485,000	1.05	460,000
2029	4.00	330,000	4.00	500,000	1.30	475,000
2030	4.00	340,000	2.00	520,000	1.40	485,000
2031	3.00	350,000	1.00	530,000	1.50	505,000
2032	3.00	360,000	1.15	175,000	1.60	515,000
2033	3.00	375,000	1.15	180,000	1.70	535,000
2034	-	-	1.35	180,000	1.80	545,000
2035	-	-	1.35	185,000	1.90	560,000
2036	-	-	1.45	185,000	2.00	580,000
2037	-	-	1.45	190,000	2.10	595,000
2038	-	-	1.60	190,000	2.15	610,000
2039	-	-	1.60	195,000	2.20	620,000
2040	-	-	1.60	195,000	2.25	640,000
Total		<u>3,255,000</u>		<u>7,045,000.00</u>		<u>8,375,000.00</u>

City of Fort Dodge, Iowa

Schedule 6

Bond Maturities - General Obligation Bonds

June 30, 2023

Year Ending June 30,	Go Refunding Issued May 16, 2013		Corporate Purpose Issued May 15, 2014	
	Interest Rate	Amount	Interest Rate	Amount
2024		-	2.20	370,000
2025		-		-
2026		-		-
2027		-		-
2028		-		-
2029		-		-
Total		\$ -		\$ 370,000

Year Ending June 30,	GO Taxable Corporate Purpose Issued June 26, 2018		GO Corporate Purpose Issued June 27, 2019		Total
	Interest Rate	Amount	Interest Rate	Amount	
2024	3.50	190,000	5.00	995,000	4,055,000
2025	3.60	195,000	5.00	1,050,000	3,320,000
2026	3.60	200,000	5.00	1,110,000	3,685,000
2027	3.60	210,000	5.00	1,160,000	3,670,000
2028	3.60	215,000	4.00	1,215,000	3,240,000
2029	3.80	225,000	3.00	1,260,000	3,360,000
2030	3.80	230,000	3.00	1,295,000	2,870,000
2031	3.90	240,000	-	-	1,625,000
2032	3.90	250,000	-	-	1,300,000
2033	4.00	260,000	-	-	1,350,000
2034	4.00	270,000	-	-	995,000
2034	4.10	280,000	-	-	1,025,000
2036	4.10	295,000	-	-	1,060,000
2037	4.20	305,000	-	-	1,090,000
2038	4.20	315,000	-	-	1,115,000
2039		-	-	-	815,000
2040		-	-	-	835,000
Total		\$ 3,680,000		\$ 8,085,000	\$ 35,410,000

City of Fort Dodge, Iowa
 Bond Maturities - Revenue Bonds
 June 30, 2023

Schedule 7

Year Ending June 30,	Water Bond Issue		Water Bond Issue		Sewer Bond Issue	
	Issued Dec 12, 2003		Issued June 1, 2004		Issued Feb 28, 2014	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2024	1.75	222,000	1.75	309,000	3.00	1,125,000
2025	1.75	229,000	1.75	318,000	3.00	1,165,000
2026		-		-	3.00	1,200,000
2027		-		-	3.00	1,240,000
2028		-		-	3.00	1,280,000
2029		-		-	3.00	1,320,000
2030		-		-	3.00	1,365,000
2031		-		-	3.00	1,410,000
2032		-		-	3.00	1,455,000
2033		-		-	3.00	1,505,000
2034		-		-	3.00	1,550,000
2035		-		-	3.00	1,600,000
2036		-		-	3.00	1,652,000
2037		-		-		-
2038		-		-		-
2039		-		-		-
2040		-		-		-
2041		-		-		-
2042		-		-		-
2043		-		-		-
2044		-		-		-
2045		-		-		-
2046		-		-		-
2047		-		-		-
2048		-		-		-
2049		-		-		-
2050		-		-		-
2051		-		-		-
		<u>\$ 451,000</u>		<u>\$ 627,000</u>		<u>\$ 17,867,000</u>

(continued)

Schedule 7

<u>Water Bond Issue</u>		<u>Sewer Bond Issue</u>		<u>Sewer Improvement & Refundin</u>		<u>Sewer Revenue Bond</u>	
<u>Issued Nov 16, 2012</u>		<u>Issued June 6, 2014</u>		<u>Issued Feb 19, 2016</u>		<u>Issued Feb 16, 2016</u>	
<u>Interest</u>		<u>Interest</u>		<u>Interest</u>		<u>Interest</u>	
<u>Rates</u>	<u>Amount</u>	<u>Rates</u>	<u>Amount</u>	<u>Rates</u>	<u>Amount</u>	<u>Rates</u>	<u>Amount</u>
1.75	762,000	1.60	399,000	0.75	1,349,000	2.36	554,000
1.75	778,000	1.60	406,000	0.75	1,363,000	2.36	567,000
1.75	793,000	1.60	414,000	0.75	1,376,000	2.36	580,000
1.75	809,000	1.60	421,000	0.75	1,390,000	2.36	594,000
1.75	825,000	1.60	429,000	0.75	1,404,000	2.36	608,000
1.75	842,000	1.60	437,000	0.75	1,418,000	2.36	622,000
1.75	859,000	1.60	445,000	0.75	1,432,000	2.36	637,000
1.75	876,000	1.60	453,000	0.75	1,446,000	2.36	652,000
1.75	893,000	1.60	462,000	0.75	1,461,000	2.36	667,000
1.75	911,000	1.60	470,000	0.75	1,476,000	2.36	683,000
-	-	1.60	479,000	0.75	-	2.36	699,000
-	-	1.60	488,000	0.75	-	2.36	715,000
-	-	-	-	-	-	2.36	732,000
-	-	-	-	-	-	2.36	750,000
-	-	-	-	-	-	2.36	767,000
-	-	-	-	-	-	2.36	785,000
-	-	-	-	-	-	2.36	804,000
-	-	-	-	-	-	2.36	823,000
-	-	-	-	-	-	2.36	842,000
-	-	-	-	-	-	2.36	862,000
-	-	-	-	-	-	2.36	883,000
-	-	-	-	-	-	2.36	903,000
-	-	-	-	-	-	2.36	925,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
	<u>\$ 8,348,000</u>		<u>\$ 5,303,000</u>		<u>\$ 14,115,000</u>		<u>\$ 16,654,000</u>

(continued)

City of Fort Dodge, Iowa
 Bond Maturities - Revenue Bonds
 June 30, 2023

Schedule 7

Sewer Revenue Bond Issued July 28, 2017		Water Revenue Bond Issued Oct 13, 2017		Water Revenue Bond Issued June 10, 2019		Sewer Revenue Bond Issued June 1, 2021	
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2.18	291,000	1.75	241,000	1.75	535,000	2.75	346,000
2.18	298,000	1.75	246,000	1.75	540,000	2.75	356,000
2.18	304,000	1.75	251,000	1.75	1,105,000	2.75	367,000
2.18	311,000	1.75	256,000	1.75	1,125,000	2.75	378,000
2.18	318,000	1.75	261,000	1.75	1,150,000	2.75	389,000
2.18	324,000	1.75	761,739	1.75	1,432,000	2.75	401,000
2.18	332,000	-	-	1.75	1,465,000	2.75	413,000
2.18	339,000	-	-	1.75	1,495,000	2.75	425,000
2.18	346,000	-	-	1.75	1,525,000	2.75	438,000
2.18	354,000	-	-	1.75	1,555,000	2.75	451,000
2.18	361,000	-	-	1.75	1,585,000	2.75	464,000
2.18	369,000	-	-	1.75	1,620,000	2.75	478,000
2.18	377,000	-	-	1.75	1,650,000	2.75	493,000
2.18	386,000	-	-	1.75	1,685,000	2.75	508,000
2.18	394,000	-	-	1.75	1,715,000	2.75	523,000
2.18	403,000	-	-	1.75	1,750,000	2.75	538,000
2.18	411,000	-	-	1.75	1,785,000	2.75	555,000
2.18	420,000	-	-	-	-	2.75	571,000
2.18	429,000	-	-	-	-	2.75	588,000
2.18	439,000	-	-	-	-	2.75	606,000
2.18	448,000	-	-	-	-	2.75	624,000
2.18	458,000	-	-	-	-	2.75	643,000
2.18	468,000	-	-	-	-	2.75	662,000
2.18	478,000	-	-	-	-	2.75	682,000
2.18	489,000	-	-	-	-	2.75	702,000
-	-	-	-	-	-	2.75	724,000
-	-	-	-	-	-	2.75	745,000
-	-	-	-	-	-	2.75	764,000
<u>\$ 9,547,000</u>		<u>\$ 2,016,739</u>		<u>\$ 23,717,000</u>		<u>\$ 14,834,000</u>	

See accompanying independent auditor's report.

Schedule 7

<u>Water Revenue Bond</u> <u>Issued April 4, 2021</u>		<u>Water Revenue Bond</u> <u>Issued Sep 9, 2022</u>		<u>Sewer Revenue Bond</u> <u>Issued May 19, 2023</u>		<u>Total</u>
<u>Interest Rates</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Amount</u>	
1.75	108,586	1.75	31,388	1.75	300,000	6,572,974
1.75	112,000	1.75	31,000	1.75	305,000	6,714,000
1.75	114,000	1.75	32,000	1.75	315,000	6,851,000
1.75	116,000	1.75	32,000	1.75	320,000	6,992,000
1.75	118,000	1.75	33,000	1.75	325,000	7,140,000
1.75	120,000	1.75	33,000	1.75	335,000	8,045,739
1.75	122,000	1.75	34,000	1.75	340,000	7,444,000
1.75	124,000	1.75	35,000	1.75	345,000	7,600,000
1.75	126,000	1.75	35,000	1.75	355,000	7,763,000
1.75	128,000	1.75	36,000	1.75	727	7,569,727
1.75	131,000	1.75	36,000	-	-	5,305,000
1.75	133,000	1.75	37,000	-	-	5,440,000
1.75	135,000	1.75	38,000	-	-	5,077,000
1.75	138,000	1.75	38,000	-	-	3,505,000
1.75	140,000	1.75	39,000	-	-	3,578,000
1.75	143,000	1.75	40,000	-	-	3,659,000
1.75	145,000	1.75	40,000	-	-	3,740,000
1.75	148,000	1.75	24,844	-	-	1,986,844
-	-	-	-	-	-	1,859,000
-	-	-	-	-	-	1,907,000
-	-	-	-	-	-	1,955,000
-	-	-	-	-	-	2,004,000
-	-	-	-	-	-	2,055,000
-	-	-	-	-	-	1,160,000
-	-	-	-	-	-	1,191,000
-	-	-	-	-	-	724,000
-	-	-	-	-	-	745,000
-	-	-	-	-	-	764,000
	<u>\$ 2,301,586</u>		<u>\$ 625,232</u>		<u>\$ 2,940,727</u>	<u>\$ 119,347,284</u>

City of Fort Dodge, Iowa

Schedule of Revenues by Source and Expenditures by Function -
All Governmental Funds

For the Last Ten Years

	Modified Accrual Basis				
	2023	2022	2021	2020	2019
Revenues:					
Property tax	\$ 15,969,376	14,984,607	15,261,758	14,376,529	14,085,878
Tax increment financing revenue	3,215,275	2,692,352	2,744,067	2,481,611	2,404,046
Other city tax	9,256,445	9,197,281	4,804,836	4,825,082	4,562,453
Licenses and permits	592,860	458,888	649,529	297,745	468,913
Use of money and property	733,963	86,652	659,732	461,957	694,329
Intergovernmental	4,024,329	3,663,492	8,133,087	7,070,609	8,256,669
Charges for service	3,384,901	3,562,169	4,267,633	2,433,093	2,702,548
Miscellaneous	<u>3,080,292</u>	<u>3,676,545</u>	<u>2,857,917</u>	<u>2,722,764</u>	<u>2,494,866</u>
Total	\$ <u>40,257,441</u>	<u>38,321,986</u>	<u>39,378,559</u>	<u>34,669,390</u>	<u>35,669,702</u>
Expenditures:					
Operating:					
Public safety	\$ 11,687,549	12,398,623	11,992,758	12,560,169	11,265,268
Public works	6,006,412	7,458,778	4,622,763	5,117,521	4,980,080
Health & social services	181,798	178,719	414,668	289,811	100,704
Culture and recreation	3,899,888	6,080,463	4,902,874	5,224,168	4,509,864
Community and economic development	2,233,055	6,452,413	7,964,383	5,718,922	5,468,485
General government	1,150,020	1,645,759	1,761,885	1,536,996	1,567,768
Debt service	6,301,567	6,027,561	8,660,125	5,815,935	5,295,282
Capital projects	<u>20,294,015</u>	<u>5,337,867</u>	<u>7,024,496</u>	<u>10,050,336</u>	<u>9,195,130</u>
Total	\$ <u>51,754,304</u>	<u>45,580,183</u>	<u>47,343,952</u>	<u>46,313,858</u>	<u>42,382,581</u>

See accompanying independent auditor's report.

schedule 8

2018	2017	2016	2015	2014
9,691,770	13,568,789	13,354,771	13,015,564	13,114,635
2,020,890	2,013,315	1,569,976	1,419,219	1,464,088
4,407,030	4,812,461	4,195,742	5,161,380	4,812,143
578,064	418,049	465,372	535,690	388,159
240,683	572,163	471,712	315,275	344,105
633,039	5,832,684	6,755,827	15,529,733	4,390,858
1,027,147	1,117,558	1,186,770	1,157,031	1,322,768
<u>1,497,702</u>	<u>4,056,601</u>	<u>3,114,194</u>	<u>2,171,709</u>	<u>2,393,713</u>
<u>20,096,325</u>	<u>32,391,620</u>	<u>31,114,364</u>	<u>39,305,601</u>	<u>28,230,469</u>
5,896,034	8,894,836	8,119,845	8,024,008	7,894,979
316,478	4,432,052	4,460,339	4,209,980	4,155,736
2,278	761,655	298,890	297,939	686,247
2,595,826	3,835,603	3,623,516	4,179,152	3,442,509
4,200,895	2,689,452	2,285,527	3,520,962	2,755,825
1,212,497	1,568,267	1,198,535	1,192,944	1,090,281
4,961,237	9,950,311	8,956,543	4,865,785	8,251,054
<u>5,373,373</u>	<u>7,542,037</u>	<u>13,319,514</u>	<u>11,028,655</u>	<u>6,567,146</u>
<u>24,558,618</u>	<u>39,674,213</u>	<u>42,262,709</u>	<u>37,319,425</u>	<u>34,843,777</u>

City of Fort Dodge, Iowa
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Schedule 9

<u>Grantor/Program</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
U.S. Department of Justice:			
Byrne Memorial Justice Assistance	16.738	21-GG-01434-JAGX	1,395
Byrne Memorial Justice Assistance	16.738	22-GG-0746-JAGX	<u>18,112</u>
			<u>19,507</u>
Passed through the Iowa Department of Human Rights			
Juvenile Delinquency Prevention	16.548	20232-DLNQ-03	<u>23,270</u>
Subtotal: U.S. Department of Justice			<u>42,777</u>
U.S. Department of Transportation:			
Airport Improvement Program	20.106	3-19-0035-038-2022	1,406,631
Airport Supplement Grant	20.106	3-19-0035-041-2022	28,750
CARES Airport Improvement Program	20.106	3-19-0035-036-2020	<u>217,147</u>
			<u>1,652,528</u>
U.S. Department of Transportation:			
Passed through the Iowa Department of Transportation:			
State and Community Highway Grant	20.600	22-402-M0PT	4,564
	20.600	23-402-M0PT	<u>12,000</u>
			<u>16,564</u>
Impaired Driving Countermeasures	20.616	23-405f-M0PT	<u>4,569</u>
Non-Urban Operating Assistance	20.509	2020-010	718,720
	20.509	2022-009	197,185
	20.509	ICB CY2022	7,500
	20.509	2023-001	<u>126,473</u>
			<u>1,049,878</u>
Subtotal U.S. Department of Transportation			<u>2,723,539</u>
Corporation for National and Community Service:			
Foster Grandparents	94.011	20SFNIA002	<u>139,898</u>
U.S. Department of Energy			
Passed through Iowa Economic Authority			
ARRA Grant Agreement	81.041	22-ARRA-005	<u>160,000</u>

City of Fort Dodge, Iowa
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2023

Schedule 9

<u>Grantor/Program</u> (continued)	<u>Assistance Listing Number</u>	<u>Agency or Pass-Through Number</u>	<u>Program Expenditures</u>
Environmental Protection Agency:			
Assessment and Cleanup Coop Agreements	66.818	97794001	<u>28,525</u>
Iowa Department of Natural Resources:			
Drinking Water State Revolving Fund Cluster: Capitalization Grats for Drinking Water State Revolving Funds	66.468	DF0420R/D0485RT	<u>774,384</u>
Subtotal Environmental Protection Agency			<u>802,909</u>
Department of Housing and Urban Development			
Iowa Economic Development Authority:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	21-DTR-001	<u>33,214</u>
U.S. Department of Treasury			
State of Iowa Department of Administrative Services Coronavirus Relief Fund	21.019		<u>1,442,615</u>
U.S. Department of Homeland Security			
Assistance to Firefighters	97-.044	EMW-2020-FG-18345	<u>53,182</u>
Total			<u>\$ 5,398,134</u>

Of the federal expenditures presented in this schedule, the City provided federal awards to subrecipients as follows:

<u>CFDA #</u>	<u>Program</u>	<u>Amount</u>
20.509	Various Transit Assistance Programs	<u>1,049,878</u>

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Fort Dodge under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Fort Dodge, it is not intended to and does not present the financial position, changes in financial position or cash flows of the City of Fort Dodge.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Fort Dodge has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

Schedule of Expenditures of State Awards

Year ended June 30, 2023

<u>Grantor/Program</u>	<u>Program Expenditures</u>
Department of Transportation:	
Air Service Development Program	34,409
Airport Infrastructure # 3368	196,000
Airport Infrastructure # 22630	64,106
Airport Infrastructure # 4581	38,441
Airport Infrastructure # 3340	121,585
Airport Infrastructure # 4602	<u>16,434</u>
	<u>470,975</u>
Library:	
Open Access Grant	3,149
Enrich Iowa Grant	<u>7,726</u>
	<u>10,875</u>
Iowa Economic Development Authority	
Catalyst Grant	<u>100,000</u>
Iowa Department of Natural Resources	
Asbestos Abatement Contract #23-7540-13B	<u>19,500</u>
 Total	 <u>\$ 601,350</u>

See accompanying independent auditor's report.

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

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited in accordance with U.S generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Dodge, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 11, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Fort Dodge, Iowa's internal control over financial reporting to as a basis for designing audit procedures 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 Fort Dodge, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Dodge'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 a material misstatement of the City of Fort Dodge'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 which 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described as item 2023-001 in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Fort Dodge's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

City of Fort Dodge's Responses to Findings

The City of Fort Dodge's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City of Fort Dodge's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

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

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

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

June 11, 2024

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

Certified Public Accountants

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Independent Auditor's Report on Compliance for Each Major Federal Program, on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Mayor and
Members of the City Council:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited the City of Fort Dodge, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the City of Fort Dodge's major federal programs for the year ended June 30, 2023. The City of Fort Dodge's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Fort Dodge, Iowa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Fort Dodge and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Fort Dodge's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Fort Dodge's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Fort Dodge's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about the City of Fort Dodge's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Fort Dodge's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Fort Dodge's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Fort Dodge's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

June 11, 2024

City of Fort Dodge, Iowa
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major programs were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance Section 20.515.
- (g) The major programs were Assistance Listing Number 20.106 – Airport Improvement Program and Assistance Listing Number 21.019 Coronavirus Relief Fund.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) The City of Fort Dodge did not qualify as a low-risk auditee.

City of Fort Dodge, Iowa

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

2023-001 Preparation of Financial Statements

Criteria – Management is responsible for establishing and maintaining internal controls over financial reporting and procedures related to the fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Condition - The City does not have an internal control system designed to provide for the preparation of the financial statements, including the accompanying footnotes and statement of cash flows, as required by generally accepted accounting principles.

Cause - The staff has not obtained the expertise necessary to prepare the financial statements, including the accompanying footnotes.

Effect –The audit firm was requested to draft the financial statements and accompanying notes to the financial statements, which is not unusual in an organization of your size.

Recommendation – We realize that obtaining the expertise necessary to prepare the financial statements, including all necessary disclosures, in accordance with generally accepted accounting principles can be considered costly and ineffective. However, it is the responsibility of the City’s management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Response and Corrective Action Plan – Management feels that committing the resources necessary to remain current on GAAP reporting requirements and corresponding footnote disclosures would lack benefit in relation to the cost but will continue evaluating on a going forward basis. Management is currently reviewing new software to assist with this process.

Conclusion – Response accepted.

City of Fort Dodge, Iowa

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

INSTANCES OF NON-COMPLIANCE

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

No material weaknesses in internal control over the major programs were noted.

Part IV: Other Findings Related to Statutory Reporting:

- | | |
|--------|---|
| 2023-A | <u>Certified Budget</u> – Disbursements during the year ended June 30, 2023, did not exceed the amounts budgeted. |
| 2023-B | <u>Questionable Disbursements</u> – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted. |

City of Fort Dodge, Iowa

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-C Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

2023-D Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Matt Bemrich, Mayor Part owner, Bemrich Electric	IT services, Library	5,221
	Repairs, Airport	16,712
	Repairs, Broadband	<u>13,340</u>
		<u>\$ 35,273</u>

The transactions with Bemrich Electric with the airport and the library do not appear to represent conflicts of interest as they were awarded by administrative agencies. The transaction with the broadband utility appears to represent a conflict of interest as competitive bids were not received.

Recommendation – The City should review it's procedures and obtain competitive bids when appropriate.

Response – This was an oversight this year as the broadband utility management was not aware of the procedures. This will be corrected in the future.

Conclusion – Response accepted.

City of Fort Dodge, Iowa

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part IV: Other Findings Related to Statutory Reporting:

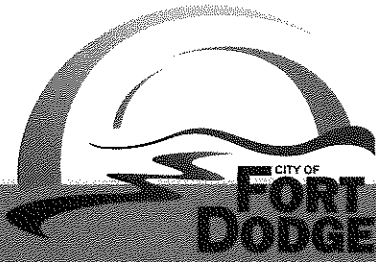
- 2023-E Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-F Bond Coverage – Sure bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage is reviewed annually to ensure that the coverage is adequate for current operations.
- 2023-G Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.
- 2023-H Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- 2023-I Revenue Bonds and Notes – No instances of non-compliance with the water and wastewater revenue note provisions were noted.
- 2023-J Financial Condition – The Special Revenue Funds, Tax Increment Financing, had a deficit balance of \$4,734,020, the Capital Projects, Construction Fund had a deficit balance of \$9,313,479, the Capital Project, Capital Improvement Fund had a deficit balance of \$1,215,159 and the Enterprise Fund, Broadband Utility Fund had a deficit balance of \$2,873,142 at June 30, 2023.

Recommendation – The City should investigate alternatives to eliminate these deficits.

Response – See note 12 to the financial statements to see how City officials plan to eliminate these deficits.

Conclusion – Response accepted.

- 2023-K 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 and no exceptions were noted.



CITY OF FORT DODGE

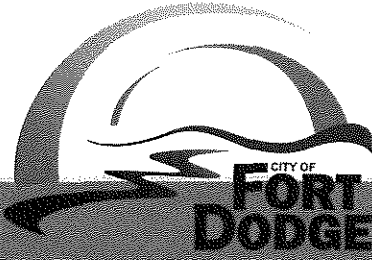
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City of Fort Dodge

Summary Schedule of Prior Audit Findings

Year ended June 30, 2023

Comment Reference	Comment Title	Status	If not corrected, provide reason for finding's recurrence and planned correction action or other explanation
2022-001	Preparation of financial statements	Not corrected.	See explanation and corrective action plan at 2022-001
2022-002	Preparation of payroll	Corrected	



CITY OF FORT DODGE

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City of Fort Dodge

Corrective Action Plan

Year Ended June 30, 2023

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title, Phone Number</u>	<u>Anticipated Date of Completion</u>
2023-001	Preparation of financial statements	See response and corrective action plan at 2023-001	Jeff Nemmers Finance Director 515-576-4551	N/A