

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, 2024

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**City of Fort Dodge, Iowa
Officials**

(Before January 2024)

Matt Bemrich	Mayor	Dec 2025
Dave Flattery	Mayor Pro-Tem	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	City Clerk	Indefinite
Mark Crimmins	City Attorney	Indefinite

(After January 2024)

Matt Bemrich	Mayor	Dec 2025
Dave Flattery	Mayor Pro-Tem	Dec 2025
Lydia Schuur	Council Member	Dec 2025
Quennel McCaleb	Council Member	Dec 2025
Kim Alstott	Council Member	Dec 2025
Cameron Nelson	Council Member	Dec 2025
Jen Crimmins	Council Member	Dec 2025
Megan Secor	Council Member	Dec 2027
Jeff Nemmers	Finance Director	Indefinite
Dawn Siebken	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, 2024, 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, 2024 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 15 and 86 through 104 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 GAAS, 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, 2023 (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 2, 2025 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 2, 2025

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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, 2024.

FINANCIAL HIGHLIGHTS

- The assets of the City of Fort Dodge exceeded its liabilities by \$162,850,814 on June 30, 2024.

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 HMA mill and overlay project which was throughout the whole city and the S. 21st St and 15th Ave S reconstruction project. Many other projects were still in progress. They include Traffic Signal Enhancements, 2024 PCC Patch, Greenbelt Trail & Canopy, Soldier Creek Restoration, Wastewater Treatment Lab Bldg. & Odor Control, Fort Dodge Fiber Storage Lot, City Hall Parking Lot Reconstruction, Veterans Bridge Rehabilitation, 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 similar to the method of accounting used by most private sector companies. These two statements report on 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, 2024**

	Governmental Activities		Increase (Decrease)
	FY2024	FY2023	
Current Assets	\$ 52,843,370	\$ 38,218,721	\$14,624,649
Restricted Assets	\$ 0	\$ 0	\$ 0
Capital Assets	<u>\$ 106,265,674</u>	<u>\$ 106,704,332</u>	<u>\$ (438,658)</u>
Total Assets	\$ 159,109,044	\$ 144,923,053	\$14,185,991
Deferred Outflows of Resources	<u>\$ 9,620,091</u>	<u>\$ 10,368,047</u>	<u>\$ (747,956)</u>
Current Liabilities	\$ 3,265,256	\$ 5,090,754	\$(1,825,498)
Long Term Liabilities	<u>\$ 57,371,838</u>	<u>\$ 46,696,890</u>	<u>\$10,674,948</u>
Total Liabilities	\$ 60,637,094	\$ 51,787,644	\$ 8,849,450
Deferred Inflows of Resources	<u>\$ 26,196,349</u>	<u>\$ 27,474,430</u>	<u>\$(1,278,081)</u>
Net Position:			
Invested in Capital Assets			
Net of related debt	\$ 66,665,674	\$ 75,434,332	\$(8,768,658)
Restricted	\$ 16,673,479	\$ 14,970,975	\$ 1,702,504
Unrestricted	<u>\$ (1,443,461)</u>	<u>\$(14,376,281)</u>	<u>\$ 12,932,820</u>
Total Net Position	<u>\$ 81,895,692</u>	<u>\$ 76,029,026</u>	<u>\$ 5,866,666</u>

Business Type Activities

	FY2024	FY2023	Increase (Decrease)
Current Assets	\$ 30,793,113	\$ 28,370,328	\$ 2,422,785
Restricted Assets	\$ 801,727	\$ 899,769	\$ (98,042)
Capital Assets	<u>\$ 212,650,380</u>	<u>\$ 196,472,415</u>	<u>\$ 16,177,965</u>
Total Assets	\$ 244,245,220	\$ 225,742,512	\$ 18,502,708
Deferred Outflowsof Resources	<u>\$ 1,719,890</u>	<u>\$ 1,663,506</u>	<u>\$ 56,384</u>
 Current Liabilities	 \$ 3,480,201	 \$ 4,298,917	 \$ (818,716)
Long Term Liabilities	<u>\$ 160,459,947</u>	<u>\$ 140,372,865</u>	<u>\$ 20,087,082</u>
Total Liabilities	\$ 163,940,148	\$ 144,671,782	\$ 19,268,366
Deferred Inflows of Resources	<u>\$ 1,069,840</u>	<u>\$ 1,382,668</u>	<u>\$ (312,828)</u>
Net Position:			
Invested in Capital Assets			
Net of related debt	\$ 54,552,032	\$ 58,228,633	\$ (3,676,601)
Restricted	\$ 412,241	\$ 525,709	\$ (113,468)
Unrestricted	<u>\$ 25,990,849</u>	<u>\$ 22,597,226</u>	<u>\$ 3,393,623</u>
Total Net Position	<u>\$ 80,955,122</u>	<u>\$ 81,351,568</u>	<u>\$ (396,446)</u>

Total Net Assets

	FY2024	FY2023	Increase (Decrease)
Current Assets	\$ 83,636,483	\$ 66,589,049	\$ 17,047,434
Restricted Assets	\$ 801,727	\$ 899,769	\$ (98,042)
Capital Assets	<u>\$ 318,916,054</u>	<u>\$ 303,176,747</u>	<u>\$ 15,739,307</u>
Total Assets	\$ 404,354,264	\$ 370,665,565	\$ 32,688,699
DeferredOutflowsof Resources	<u>\$ 11,339,981</u>	<u>\$ 12,031,553</u>	<u>\$ (691,572)</u>
 Current Liabilities	 \$ 6,745,457	 \$ 9,389,671	 \$ (2,644,214)
Long Term Liabilities	<u>\$ 217,831,785</u>	<u>\$ 187,069,755</u>	<u>\$ 30,762,030</u>
Total Liabilities	\$ 224,577,242	\$ 196,459,426	\$ 28,117,816
Deferred Inflows of Resources	<u>\$ 27,266,189</u>	<u>\$ 28,857,098</u>	<u>\$ (1,590,909)</u>
Net Assets:			
Invested in Capital Assets			
Net of related debt	\$ 121,217,706	\$ 133,662,965	\$ (12,445,259)
Restricted	\$ 17,085,720	\$ 15,496,684	\$ 1,589,036
Unrestricted	<u>\$ 24,547,388</u>	<u>\$ 8,220,945</u>	<u>\$ 16,326,443</u>
Total Net Assets	<u>\$ 162,850,814</u>	<u>\$ 157,380,594</u>	<u>\$ 5,470,220</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 \$162,850,814 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 \$121,217,706. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. The prior year comparison shows \$133,662,965, a decrease of \$12,445,259.

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 \$17,085,720, an increase of \$1,589,036 from the prior year.

The remaining balance, unrestricted net position of \$24,547,388, 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 \$8,220,945, an increase of \$16,326,443. This is primarily due to a decrease in investment in fixed assets of \$8M, an increase in permanently restricted assets due to additional of perpetual care cemetery, plus a net profit of \$5M. The following is a more detailed review of the year's operation.

**Statement of Activities
City of Fort Dodge
June 30, 2024**

Governmental Activities

Revenues:			Increase (Decrease)
Program Revenues:	FY2024	FY2023	
Charges for service	3,994,907	4,105,369	(110,462)
Operating grants, contributions	7,388,639	6,551,834	836,805
Capital grants, contributions	4,418,345	1,531,769	2,886,576
General Revenues:			
Property tax	16,974,132	16,886,767	87,365
Other taxes	8,817,036	8,262,482	554,554
Interfund Transfers	816,047	1,492,448	(676,401)
Other	3,929,624	2,919,220	1,010,404
Total Revenues	46,338,730	41,749,889	4,588,841
Program Expenses:			
Public Safety	11,891,067	11,151,844	739,223
Public Works	8,834,308	9,088,175	(253,867)
Health and Social Services	175,904	175,160	744
Culture and Recreation	5,710,921	5,561,461	149,460
Comm & Econ Development	3,238,552	2,346,286	892,266
General Government	1,555,111	1,112,659	442,452
Debt Service	2,199,678	1,329,874	869,804
Capital Projects	6,866,523	7,420,517	(553,994)
Total Expenses	40,472,064	38,185,976	2,286,088
Increase (decrease) in net position	5,866,666	3,563,913	2,302,753
Net position at beginning of year	76,029,026	72,465,113	3,563,913
Net position at end of year	81,895,692	76,029,026	5,866,666

Revenues for governmental funds were \$4,588,841 more than in the prior year due to increases in operating grants and contributions, and capital grants and contributions. Property tax and other taxes also increased.

**Statement of Activities
City of Fort Dodge
June 30, 2024**

Business Type Activities

	FY2024	FY2023	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for service	29,339,390	28,365,058	974,332
Operating grants, contributions	-	-	-
Capital grants, contributions	-	-	-
General Revenues:			
Interfund Transfers	(1,671,047)	(1,491,348)	(179,699)
Other	2,380,391	1,307,836	1,072,555
Total Revenues	30,048,734	28,181,546	1,867,188
 Program Expenses:			
Water	11,005,557	10,364,423	641,134
Sewer	13,779,561	13,278,122	501,439
Broadband	2,705,197	1,257,252	1,447,945
Other non-major business type activities	2,954,865	2,673,918	280,947
Total Expenses	30,445,180	27,573,715	2,871,465
 Increase in net position	(396,446)	607,831	(1,004,277)
 Net position at beginning of year	81,351,568	80,743,737	607,831
 Net position at end of year	80,955,122	81,351,568	(396,446)

Revenues for business type activities increased by \$1,867,181 or 6.63% more than the previous fiscal year due to increased charges for services. Sewer rates increased 6% in January 2024 while water rates increased 8% in January 2024.

Expenses increased \$2,871,465 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. The new broadband utility had increased operational expense in FY24.

Statement of Activities
City of Fort Dodge
June 30, 2024

Total Government and Business Type Activities

	FY2024	FY2023	Increase (Decrease)
Revenues:			
Program Revenues			
Charges for service	33,334,297	32,470,427	863,870
Operating grants, contributions	7,388,639	6,551,834	836,805
Capital grants, contributions	4,418,345	1,531,769	2,886,576
General Revenues:			
Property tax	16,974,132	16,886,767	87,365
Other taxes	8,817,036	8,262,482	554,554
Interfund Transfers	(855,000)	1,100	(856,100)
Other	6,310,015	4,227,056	2,082,959
Total Revenues	76,387,464	69,931,435	6,456,029
 Program Expenses:			
Public Safety	11,891,067	11,151,844	739,223
Public Works	8,834,308	9,088,175	(253,867)
Health and Social Services	175,904	175,160	744
Culture and Recreation	5,710,921	5,561,461	149,460
Comm & Econ Development	3,238,552	2,346,286	892,266
General Government	1,555,111	1,112,659	442,452
Debt Service	2,199,678	1,329,874	869,804
Capital Projects	6,866,523	7,420,517	(553,994)
Water	11,005,557	10,364,423	641,134
Sewer	13,779,561	13,278,122	501,439
Broadband	2,705,197	1,257,252	1,447,945
Other non-major business type activities	2,954,865	2,673,918	280,947
Total Expenses	70,917,244	65,759,691	5,157,553
 Increase in net position	5,470,220	4,171,744	1,298,476
 Net position at beginning of year	157,380,594	153,208,850	4,171,744
 Net position at end of year	162,850,814	157,380,594	5,470,220

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. 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 \$29,399,658, a, increase of \$15,276,936 from the prior year. Of this total amount there is an unreserved fund balance of \$1,541,577. This is primarily due to a general fund positive balance with negative balances in the TIF special revenue fund and the construction fund. There is also \$5,246,957 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 \$6,323,244, an increase of \$304,382. This increase was primarily due to increase in net assets of approximately \$300,000. The total general fund balance was \$7,227,822. 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 51.5% of total general fund expenditure (\$13,703,137), while total fund balance represents 52.7% 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 \$541,212 an increase of \$337,964 from the prior year. The increase was due to a fund correction calculated by the County with the TIF fund.

The Jurisdictional Fund ended the year with a fund balance of \$8,362,537 an increase of \$197,350 from last year. The increase was due to interest income from internal loans.

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 \$873,898 compared to an increase of \$42,027 from the previous fiscal year. Water rates increased approximately 8% in January 2024. Expenses increased from the prior year because of increased costs for water plant operations.

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 \$1,003,639 compared to an increase of \$1,777,338 in the previous fiscal year. A 6% rate increase was enacted in January 2024. Operational expenses increased because of increased costs in sewer plant operations.

The Broadband fund, a new utility in 2023, ended the current year with a decrease in net assets of \$2,160,327 compared to a decrease of \$1,245,850 in the previous fiscal year. The Broadband utility continues to steadily expand. Customer registrations and connections remain strong, and we are on pace to exceed our market penetration goals by July 2026. Once customer connections are fully established, net revenues from the fiber utility will be more than sufficient to cover debt and operation expenses.

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 \$106,725,821 and \$196,472,417 respectively, for a combined total of \$303,198,238. See Note 3 to the financial statements for additional information regarding the City's capital assets.

Long-term Debt

As of June 30, 2024, the City of Fort Dodge had \$45,995,000 of long-term debt outstanding in its governmental activities, compared to \$35,410,000 on June 30, 2023. The increase of \$10,585,000 is attributable to the issuance of the Series 2023A (\$11,715,000) and Series 2023B (\$3,060,000) and 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 \$67,710,939 for FY24 of which the City has utilized 67.93% including TIF rebate agreements.

Total long-term debt for business type activities was \$116,998,214 a decrease of \$2,349,070 from the previous fiscal year which is attributable to the repayment of the debt.

Two revenues bonds were issued to the Broadband utility – see note five under interim financing.

ECONOMIC FACTORS

For the upcoming fiscal year ending June 30, 2025, the City's taxable property valuation increased by \$17,651,272 or 2.3%.

The City's tax levy rate increased in FY25 to \$20.96 from \$20.74 in FY24 due to increased property and equipment insurance costs. 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, 2024

	Primary Government		
	Governmental	Business-	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
Assets			
Cash, cash equivalents and pooled investments	\$ 30,279,631	23,358,494	53,638,125
Receivables:			
Property tax:			
Delinquent	192,091	-	192,091
Succeeding year	16,540,826	-	16,540,826
Tax increment financing:			
Delinquent	49,635	-	49,635
Succeeding year	3,858,258	-	3,858,258
Customer accounts	-	6,355,797	6,355,797
Accounts	1,104,315	-	1,104,315
Leases	9,786	-	9,786
Due from other governments	1,511,527	913	1,512,440
Due from other funds	(978,748)	978,748	-
Inventories	28,805	5,042	33,847
Prepaid expenses	247,244	94,119	341,363
Restricted assets:			
Cash and pooled investments	-	801,727	801,727
Capital assets (net of accumulated depreciation)	106,265,674	212,650,380	318,916,054
Total assets	<u>159,109,044</u>	<u>244,245,220</u>	<u>403,354,264</u>
Deferred Outflows of Resources			
Pension related deferred outflows	9,620,091	1,719,890	11,339,981
	<u>9,620,091</u>	<u>1,719,890</u>	<u>11,339,981</u>
Liabilities			
Cash and cash equivalents (deficit)	-	-	-
Accounts payable	2,077,560	2,956,299	5,033,859
Salaries and benefits payable	393,688	103,662	497,350
Interest payable	195,453	174,386	369,839
Liabilities payable from restricted assets:			
Customer deposits	-	245,700	245,700
Unearned revenue	245,595	154	245,749
Advances from grantors	327,785	-	327,785
Lease liability	25,175	-	25,175

Exhibit A

Component Units		
<u>Airport Authority</u>	<u>Other (Modified Cash)</u>	<u>Total</u>
282,457	5,870,615	6,153,072
3,444	-	3,444
-	-	-
-	-	-
334,323	-	-
-	-	-
5,315	-	5,315
-	-	-
610,253	-	610,253
-	-	-
-	-	-
338	-	338
-	-	-
18,922,916	-	18,922,916
20,159,046	5,870,615	26,029,661
193,950	-	193,950
193,950	-	193,950
-	-	-
170,153	345,357	515,510
9,074	-	9,074
-	-	-
-	-	-
2,304	-	2,304
-	-	-
-	-	-

City of Fort Dodge, Iowa
Statement of Net Position
June 30, 2024

	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	410,000	4,155,000
Revenue bonds/notes payable	-	6,704,000	6,704,000
Compensated absences	1,768,655	477,725	2,246,380
Portion due or payable after one year:			
General obligation bonds/notes	35,855,000	5,985,000	41,840,000
Revenue bonds/notes payable	-	144,999,348	144,999,348
Bond premium	2,724,378	-	2,724,378
Compensated absences	385,451	121,329	506,780
Net pension liability	12,295,939	1,702,203	13,998,142
Net OPEB liability	597,415	60,342	657,757
Total liabilities	60,637,094	163,940,148	224,577,242
Deferred Inflows of Resources			
Unavailable revenues:			
OPEB related deferred inflows	153,704	59,661	213,365
Deferred inflows	5,643,561	1,010,179	6,653,740
Succeeding year property tax	16,540,826	-	16,540,826
Tax increment financing	3,858,258	-	3,858,258
Total deferred inflows of resources	26,196,349	1,069,840	27,266,189
Net Position			
Invested in capital assets, net of related debt	66,665,674	54,552,032	121,217,706
Restricted for:			
Nonexpendable:			
Parks Trust	25,000	-	25,000
Perpetual care cemetery	719,925		719,925
Expendable:			
Debt service	541,212		541,212
Street improvements and repairs	5,246,957	-	5,246,957
Urban renewal	3,468,005	-	3,468,005
Revenue note retirement	-	412,241	412,241
Other purposes	6,672,380	-	6,672,380
Unrestricted	(1,443,461)	25,990,849	24,547,388
Total net position	\$ 81,895,692	80,955,122	162,850,814

See notes to financial statements.

(continued)
Exhibit A

Component Units		
<u>Airport Authority</u>	<u>Other (Modified Cash)</u>	<u>Total</u>
-	-	-
-	-	-
47,875	-	47,875
-	-	-
-	-	-
-	-	-
13,778	-	13,778
204,326	-	204,326
4,415	-	4,415
<u>451,925</u>	<u>345,357</u>	<u>797,282</u>
118,526	-	118,526
334,323	-	334,323
-	-	-
<u>452,849</u>	<u>-</u>	<u>452,849</u>
18,922,916	-	18,922,916
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
525,306	5,525,258	6,050,564
<u>19,448,222</u>	<u>5,525,258</u>	<u>24,973,480</u>

City of Fort Dodge, Iowa
Statement of Activities
Year ended June 30, 2024

Functions/Programs:	<u>Expenses</u>	Charges for <u>Service</u>	Program Revenues	
			Operating Grants, Contributions and Restricted <u>Interest</u>	Capital Grants, Contributions and Restricted <u>Interest</u>
Primary Government:				
Governmental activities:				
Public safety	\$ 11,891,067	2,488,075	168,700	229,437
Public works	8,834,308	-	4,579,014	-
Health and social services	175,904	-	151,154	-
Culture and recreation	5,710,921	1,207,792	1,643,864	-
Community and economic development	3,238,552	170,888	845,907	-
General government	1,555,111	128,152	-	-
Interest on long-term debt	2,199,678	-	-	-
Capital projects	6,866,523	-	-	4,188,908
Total governmental activities	<u>40,472,064</u>	<u>3,994,907</u>	<u>7,388,639</u>	<u>4,418,345</u>
Business type activities:				
Water	11,005,557	11,900,035	-	-
Sewer	13,779,561	14,220,019	-	-
Broadband	2,705,197	536,896	-	-
Other non-major	2,954,865	2,682,440	-	-
Total business type activities	<u>30,445,180</u>	<u>29,339,390</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 70,917,244</u>	<u>33,334,297</u>	<u>7,388,639</u>	<u>4,418,345</u>
Component Units:				
Airport Authority	\$ 2,107,520	150,219	51,882	2,094,164
Other (modified cash)	353,611	33,499	152,747	-
Total component units	<u>\$ 2,461,131</u>	<u>183,718</u>	<u>204,629</u>	<u>2,094,164</u>
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				
Loss on disposal of assets				
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.				

Exhibit B

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component
			Units
Governmental Activities	Business Type Activities	Total	
(9,004,855)	-	(9,004,855)	-
(4,255,294)	-	(4,255,294)	-
(24,750)	-	(24,750)	-
(2,859,265)	-	(2,859,265)	-
(2,221,757)	-	(2,221,757)	-
(1,426,959)	-	(1,426,959)	-
(2,199,678)	-	(2,199,678)	-
(2,677,615)	-	(2,677,615)	-
(24,670,173)	-	(24,670,173)	-
-	894,478	894,478	-
-	440,458	440,458	-
-	(2,168,301)	(2,168,301)	-
-	(272,425)	(272,425)	-
-	(1,105,790)	(1,105,790)	-
(24,670,173)	(1,105,790)	(25,775,963)	-
-	-	-	188,745
-	-	-	(167,365)
-	-	-	21,380
12,975,055	-	12,975,055	310,330
3,999,077	-	3,999,077	-
3,094,312	-	3,094,312	-
5,722,724	-	5,722,724	-
926,110	1,144,255	2,070,365	480,575
1,966,288	1,236,136	3,202,424	231,032
1,061,570	-	1,061,570	-
(24,344)	-	(24,344)	-
816,047	(1,671,047)	(855,000)	855,000
30,536,839	709,344	31,246,183	1,876,937
5,866,666	(396,446)	5,470,220	1,898,317
76,029,026	81,351,568	157,380,594	23,075,163
\$ 81,895,692	80,955,122	162,850,814	24,973,480

City of Fort Dodge, Iowa
Balance Sheet
Governmental Funds
June 30, 2024

Assets	General	Special Revenue	
		Local Option Tax	Increment
		Sales Tax	Financing
Cash, cash equivalents and pooled investments	\$ 6,426,614	5,362,766	576,965
Receivables:			
Property tax:			
Delinquent	85,871	-	-
Succeeding year	7,278,150	-	-
Tax increment financing:			
Delinquent	-	-	49,635
Succeeding year	-	-	3,858,258
Accounts	886,196	135	71
Due from other funds	207,953	-	-
Due from other governments	247,700	451,786	-
Inventories	28,805	-	-
Prepaid expenses	146,432	-	-
Total assets	\$ 15,307,721	5,814,687	4,484,929
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 391,158	483,100	-
Salaries payable and benefits payable	324,696	-	-
Unearned revenue	85,895	-	-
Due to other funds	-	4,043,139	4,529,120
Advances from grantors	-	-	-
Total liabilities	<u>801,749</u>	<u>4,526,239</u>	<u>4,529,120</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	7,278,150	-	-
Tax increment financing	-	-	3,858,258
Total deferred inflows of resources	<u>7,278,150</u>	<u>-</u>	<u>3,858,258</u>
Fund balances:			
Nonspendable:			
Prepaid expenditures	146,432	-	-
Inventories	28,805	-	-
Permanently restricted	-	-	-
Restricted for:			
Debt service	-	-	-
Street improvement and repairs	-	1,288,448	-
Urban renewal	-	-	-
Employee benefits	-	-	-
Capital improvements	-	-	-
Other purposes	729,341	-	-
Assigned	-	-	-
Unassigned	6,323,244	-	(3,902,449)
Total fund balances	<u>7,227,822</u>	<u>1,288,448</u>	<u>(3,902,449)</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 15,307,721	\$ 5,814,687	4,484,929

See notes to financial statements.

Exhibit C

Debt Service	Capital Projects Capital Improvement	Construction Fund	Other Nonmajor Governmental Funds	Total
495,431	3,707,446	(869,529)	14,579,938	30,279,631
45,553	-	-	60,667	192,091
3,962,481	-	-	5,300,195	16,540,826
-	-	-	-	49,635
-	-	-	-	3,858,258
228	56,246	-	161,437	1,104,313
-	-	-	7,418,513	7,626,466
-	213,040	50,000	549,001	1,511,527
-	-	-	-	28,805
-	22,845	-	77,967	247,244
<u>4,503,693</u>	<u>3,999,577</u>	<u>(819,529)</u>	<u>28,147,718</u>	<u>61,438,796</u>
-	508,266	461,245	233,791	2,077,560
-	6,492	-	62,500	393,688
-	149,914	-	-	235,809
-	32,953	-	-	8,605,212
-	-	327,785	-	327,785
-	<u>697,625</u>	<u>789,030</u>	<u>296,291</u>	<u>11,640,054</u>
3,962,481	-	-	5,300,195	16,540,826
-	-	-	-	3,858,258
<u>3,962,481</u>	<u>-</u>	<u>-</u>	<u>5,300,195</u>	<u>20,399,084</u>
-	22,845	-	74,217	243,494
-	-	-	-	28,805
-	-	-	744,925	744,925
541,212	-	-	-	541,212
-	-	-	3,958,509	5,246,957
-	-	-	3,468,005	3,468,005
-	-	-	3,529,925	3,529,925
-	3,279,107	-	-	3,279,107
-	-	-	2,413,114	3,142,455
-	-	-	8,362,537	8,362,537
-	-	(1,608,559)	-	812,236
<u>541,212</u>	<u>3,301,952</u>	<u>(1,608,559)</u>	<u>22,551,232</u>	<u>29,399,658</u>
<u>4,503,693</u>	<u>3,999,577</u>	<u>(819,529)</u>	<u>28,147,718</u>	<u>61,438,796</u>

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

June 30, 2024

Total governmental fund balances (page 24) **\$ 29,399,658**

**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 \$_____ and the accumulated depreciation is \$_____.

106,265,674

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	9,620,091	
Deferred inflows of resources	<u>(5,797,265)</u>	3,822,826

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	(42,349,553)
Compensated absences	(2,154,106)
Accrued interest payable	(195,453)
Net pension liability	(12,295,939)
Net OPEB liability	<u>(597,415)</u>

Net Position of Governmental Activities (Page 19) **\$ 81,895,692**

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, 2024

		Special Revenue	
	General	Local Option Sales Tax	Tax Increment Financing
Revenues:			
Property tax	\$ 6,958,253	-	-
Tax increment financing	-	-	3,094,310
Other city tax	816,042	5,239,205	-
Licenses and permits	458,762	-	-
Use of money and property	430,419	102,740	48,255
Intergovernmental	752,585	-	-
Charges for service	2,569,896	-	-
Miscellaneous	1,144,628	-	78,752
Total revenues	13,130,585	5,341,945	3,221,317
Expenditures:			
Operating:			
Public safety	8,645,585	-	-
Public works	18,228	-	-
Health and social services	-	-	-
Culture and recreation	3,294,671	-	-
Community and economic development	641,765	-	517,280
General government	1,102,888	-	24,595
Debt service	-	126,421	-
Capital projects	-	2,995,176	-
Total expenditures	13,703,137	3,121,597	541,875
Excess (deficiency) of revenues over (under) expenditures	(572,552)	2,220,348	2,679,442
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers in	1,837,511	60,000	-
Operating transfers out	(890,983)	(2,262,852)	(1,847,871)
Total other financing sources (uses)	946,528	(2,202,852)	(1,847,871)
Change in fund balances	373,976	17,496	831,571
Fund balances (deficit) beginning of year	6,853,846	1,270,952	(4,734,020)
Fund balances (deficit) end of year	\$ 7,227,822	1,288,448	(3,902,449)

See notes to financial statements.

Exhibit E

Debt Service	Capital Projects		Other Nonmajor Governmental	Total
	Capital Improvement	Construction Fund	Funds	
3,999,077	-	-	5,200,760	16,158,090
-	-	-	-	3,094,310
-	-	-	4,000,093	10,055,340
-	-	-	-	458,762
99,348	5,095	-	354,494	1,040,351
231,694	352,944	4,188,907	3,213,042	8,739,172
-	675,321	-	-	3,245,217
618,085	207,824	-	706,496	2,755,785
4,948,204	1,241,184	4,188,907	13,474,885	45,547,027
-	-	-	3,274,165	11,919,750
-	-	-	4,991,675	5,009,903
-	-	-	184,649	184,649
-	-	-	1,122,639	4,417,310
-	-	-	1,624,876	2,783,921
-	-	-	88,950	1,216,433
6,631,636	-	-	-	6,758,057
-	7,062,808	2,323,917	-	12,381,901
6,631,636	7,062,808	2,323,917	11,286,954	44,671,924
(1,683,432)	(5,821,624)	1,864,990	2,187,931	875,103
227,983	8,905,800	3,597,003	-	12,730,786
1,793,413	2,112,194	2,302,927	724,054	8,830,099
-	(679,259)	(60,000)	(1,418,087)	(7,159,052)
2,021,396	10,338,735	5,839,930	(694,033)	14,401,833
337,964	4,517,111	7,704,920	1,493,898	15,276,936
203,248	(1,215,159)	(9,313,479)	21,057,334	14,122,722
541,212	3,301,952	(1,608,559)	22,551,232	\$ 29,399,658

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

Year ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds **\$ 15,276,936**
(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	\$	6,893,584	
Net amortization of right to use asset		(10,805)	
Loss on disposal of assets		(24,344)	
Depreciation expense		<u>(7,297,093)</u>	(438,658)

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 (including premium)		(13,585,786)	
Long-term debt principal repaid		4,359,800	
Lease liability principal repaid		10,700	
Accrued interest		<u>(134,373)</u>	(9,349,659)

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

Year ended June 30, 2024

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	334,192	
Compensated absences	(218,741)	
Other postemployment benefits	(5,330)	
Pension expense	<u>267,926</u>	
		<u>378,047</u>

Change in Net Position of Governmental Activities (Page 22)

\$ 5,866,666

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit G

	Enterprise Funds				Totals
	Water Utility	Sewer Utility	Broadband	Other Nonmajor Proprietary Funds	
Assets					
Current assets:					
Cash and cash equivalents	\$ 5,843,543	14,558,544	(9,770)	2,966,177	23,358,494
Accounts receivable	2,355,125	3,372,537	4,871	623,266	6,355,799
Due from other governments	370	460	83	-	913
Inventories	-	-	-	5,042	5,042
Prepaid expenses	27,157	27,034	5,506	34,422	94,119
Due from other funds	111,569	867,177	-	-	978,746
Total current assets	<u>8,337,764</u>	<u>18,825,752</u>	<u>690</u>	<u>3,628,907</u>	<u>30,793,113</u>
Noncurrent assets:					
Restricted cash and cash equivalents	246,234	340,393	-	215,100	801,727
Capital assets (net of accumulated depreciation)	60,213,167	107,452,728	30,407,424	14,577,061	212,650,380
Total noncurrent assets	<u>60,459,401</u>	<u>107,793,121</u>	<u>30,407,424</u>	<u>14,792,161</u>	<u>213,452,107</u>
Total assets	<u>68,797,165</u>	<u>126,618,873</u>	<u>30,408,114</u>	<u>18,421,068</u>	<u>244,245,220</u>
Deferred Outflows of Resources					
Pension related deferred outflows	<u>801,948</u>	<u>569,953</u>	<u>98,595</u>	<u>249,394</u>	<u>1,719,890</u>
Liabilities					
Current liabilities:					
Accounts payable	670,412	653,536	1,405,485	226,866	2,956,299
Salaries and benefits payable	35,360	34,673	21,259	12,370	103,662
Compensated absences	219,390	170,873	38,474	48,988	477,725
Unearned revenue	-	-	-	154	154
Payable from restricted net assets:					
Bonds, notes and loans payable	2,244,000	4,460,000	-	-	6,704,000
Consumer deposits	30,062	471	-	215,167	245,700
Interest payable	50,387	123,999	-	-	174,386
Total current liabilities	<u>3,249,611</u>	<u>5,443,552</u>	<u>1,465,218</u>	<u>503,545</u>	<u>10,661,926</u>
Noncurrent liabilities:					
Bonds, notes and loans payable	34,277,438	76,892,000	33,829,910	6,395,000	151,394,348
Compensated absences	60,231	47,764	1,509	11,825	121,329
Net pension liability	952,240	335,334	81,668	332,961	1,702,203
Net OPEB liability	23,548	19,133	10,302	7,359	60,342
Total noncurrent liabilities	<u>35,313,457</u>	<u>77,294,231</u>	<u>33,923,389</u>	<u>6,747,145</u>	<u>153,278,222</u>
Total liabilities	<u>38,563,068</u>	<u>82,737,783</u>	<u>35,388,607</u>	<u>7,250,690</u>	<u>163,940,148</u>
Deferred Inflows of Resources					
Unavailable revenues:					
OPEB related deferred inflows	25,797	18,630	7,684	7,550	59,661
Pension related deferred inflows	405,795	325,434	143,887	135,063	1,010,179
Total deferred inflows of resources	<u>431,592</u>	<u>344,064</u>	<u>151,571</u>	<u>142,613</u>	<u>1,069,840</u>
Net position					
Invested in capital assets, net of related debt	23,691,729	26,100,728	(3,422,486)	8,182,061	54,552,032
Restricted for:					
Revenue note retirement	195,847	216,394	-	-	412,241
Unrestricted	6,716,877	17,789,857	(1,610,983)	3,095,098	25,990,849
Total net position	<u>\$ 30,604,453</u>	<u>44,106,979</u>	<u>(5,033,469)</u>	<u>11,277,159</u>	<u>80,955,122</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, 2024

Exhibit H

	Enterprise Funds			Other	Totals
	Water Utility	Sewer Utility	Broadband	Nonmajor Proprietary Funds	
Operating revenues:					
Charges for services	\$ 11,900,035	14,220,019	536,896	2,682,440	29,339,390
Miscellaneous	<u>736,424</u>	<u>355,891</u>	<u>7,974</u>	<u>135,847</u>	<u>1,236,136</u>
Total operating revenues	<u>12,636,459</u>	<u>14,575,910</u>	<u>544,870</u>	<u>2,818,287</u>	<u>30,575,526</u>
Operating expenses:					
Business type activities:					
Cost of sales and services	8,017,324	6,589,934	1,809,642	1,754,897	18,171,797
Depreciation	<u>2,330,290</u>	<u>5,360,174</u>	<u>269,333</u>	<u>1,005,880</u>	<u>8,965,677</u>
Total operating expenses	<u>10,347,614</u>	<u>11,950,108</u>	<u>2,078,975</u>	<u>2,760,777</u>	<u>27,137,474</u>
Operating income	<u>2,288,845</u>	<u>2,625,802</u>	<u>(1,534,105)</u>	<u>57,510</u>	<u>3,438,052</u>
Non-operating revenues (expenses):					
Interest and investment revenue	248,455	743,955	-	151,845	1,144,255
Interest expense	(657,943)	(1,829,453)	(626,222)	(194,088)	(3,307,706)
Sale of equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (expenses)	<u>(409,488)</u>	<u>(1,085,498)</u>	<u>(626,222)</u>	<u>(42,243)</u>	<u>(2,163,451)</u>
Net income before transfers	<u>1,879,357</u>	<u>1,540,304</u>	<u>(2,160,327)</u>	<u>15,267</u>	<u>1,274,601</u>
Operating transfers in	-	110,389	-	100,000	210,389
Operating transfers out	<u>(1,005,459)</u>	<u>(647,000)</u>	<u>-</u>	<u>(228,977)</u>	<u>(1,881,436)</u>
Change in net position	873,898	1,003,693	(2,160,327)	(113,710)	(396,446)
Net position beginning 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>
Net position end of year	<u>\$ 30,604,453</u>	<u>44,106,979</u>	<u>(5,033,469)</u>	<u>11,277,159</u>	<u>80,955,122</u>

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2024

Exhibit I

	Enterprise Funds				Total
	Water Utility	Sewer Utility	Broad Band	Other Nonmajor Proprietary Funds	
Cash Flows From Operating Activities					
Receipts from customers	\$ 12,325,740	14,039,841	539,939	2,774,062	29,679,582
Payments to suppliers and employees	(8,406,114)	(6,959,495)	(2,105,708)	(1,659,395)	(19,130,712)
Other receipts	-	-	-	-	-
Net cash provided (used) by operating activities	<u>3,919,626</u>	<u>7,080,346</u>	<u>(1,565,769)</u>	<u>1,114,667</u>	<u>10,548,870</u>
Cash Flows From Noncapital Financing Activities					
Transfers to other funds	(2,690,472)	(8,335,355)	-	(228,977)	(11,254,804)
Transfers from other funds	<u>1,685,013</u>	<u>7,798,744</u>	<u>-</u>	<u>100,000</u>	<u>9,583,757</u>
Net cash provided (used) in noncapital financing activities	<u>(1,005,459)</u>	<u>(536,611)</u>	<u>-</u>	<u>(128,977)</u>	<u>(1,671,047)</u>
Cash Flows From Capital and Related Financing Activities					
Proceeds from capital debt	485,721	4,364,000	19,339,515	2,645,000	26,834,236
Purchase of capital assets	(489,459)	(4,817,941)	(17,119,732)	(2,807,062)	(25,234,194)
Proceeds from sale of equipment	-	-	-	-	-
Principal paid on capital debt	(2,197,458)	(4,301,377)	-	(390,000)	(6,888,835)
Interest paid on capital debt	(662,030)	(1,816,110)	(626,222)	(194,088)	(3,298,450)
Principal received from interfund loans	<u>600,000</u>	<u>352,651</u>	<u>-</u>	<u>-</u>	<u>952,651</u>
Net cash (used) by capital and related financing activities	<u>(2,263,226)</u>	<u>(6,218,777)</u>	<u>1,593,561</u>	<u>(746,150)</u>	<u>(7,634,592)</u>
Cash Flows From Investing Activities					
Interest and dividends	<u>248,455</u>	<u>744,426</u>	<u>-</u>	<u>151,843</u>	<u>1,144,724</u>
Net cash provided by investing activities	<u>248,455</u>	<u>744,426</u>	<u>-</u>	<u>151,843</u>	<u>1,144,724</u>
Net increase (decrease) in cash and cash equivalents	899,396	1,069,384	27,792	391,383	2,387,955
Cash and cash equivalents beginning 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>
Cash and cash equivalents end of year	<u>\$ 6,089,777</u>	<u>14,898,937</u>	<u>(9,770)</u>	<u>3,175,107</u>	<u>24,154,051</u>

(continued)

City of Fort Dodge, Iowa
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2024

Exhibit I

	Enterprise Funds				
	Water Utility	Sewer Utility	Broadband	Other Nonmajor Proprietary Funds	Total
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income	\$ 2,288,845	2,625,802	(1,534,105)	57,510	3,438,052
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	2,330,290	5,360,174	269,333	1,005,880	8,965,677
Change in assets and liabilities:					
Receivables, net	(310,719)	(536,069)	(4,931)	(43,274)	(894,993)
Prepaid expenses	7,909	(2,113)	3,537	2,762	12,095
Net pension liability	128,820	107,350	50,408	42,006	328,584
Deferred outflows of resources	693	(42,026)	(29,285)	14,234	(56,384)
Deferred inflows of resources	(255,992)	(121,451)	138,312	(73,697)	(312,828)
Consumer deposits	-	-	-	-	-
Accounts and other payables	(224,387)	(291,445)	(479,857)	149,386	(846,303)
Salaries and benefits payable	2,311	5,365	3,927	398	12,001
Compensated absences	(22,726)	(31,375)	6,590	(30,503)	(78,014)
Other postemployment benefits	(25,418)	6,134	10,302	(9,072)	(18,054)
Deferred revenue	-	-	-	(964)	(964)
Net cash provided (used) by operating activities	<u>\$ 3,919,626</u>	<u>7,080,346</u>	<u>(1,565,769)</u>	<u>1,114,666</u>	<u>10,548,869</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	\$ 5,843,543	14,558,544	(9,770)	2,966,177	23,358,494
Noncurrent assets:					
Cash and pooled investments	<u>246,234</u>	<u>340,393</u>	<u>-</u>	<u>215,100</u>	<u>801,727</u>
Cash and cash equivalents at year end	<u>\$ 6,089,777</u>	<u>14,898,937</u>	<u>(9,770)</u>	<u>3,181,277</u>	<u>24,160,221</u>

See notes to financial statements.

City of Fort Dodge, Iowa
Statement of Fiduciary Net Position and Liabilities
Fiduciary Funds
June 30, 2024

Exhibit J

	Trust Funds <u>Coleman Water & Sewer</u>
<u>Assets</u>	
Cash	\$ 901
Receivables:	
Accounts	<u>1,312</u>
 Total assets	 <u><u>\$ 2,213</u></u>
 <u>Liabilities</u>	
Accounts payable	<u>\$ 299</u>
 <u>Net Position</u>	
Held in trust	<u>1,914</u>
 Total liabilities and net position	 <u><u>\$ 2,213</u></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, 2024

Exhibit K

Trust
Funds
Coleman
Water & Sewer

Additions:

Fees collected

\$ -

Deductions:

Fees remitted

 -

Change in net position

-

Net position - Beginning of year

 -

Net position - End of year

 -
\$

See notes to financial statements.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

(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, 2024

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, 2024

Details of these component units are as follows:

	W.H. Johnston Foundation	Blanden Charitable Foundation	Total
Cash and pooled investments	\$ 2,743,436	3,127,179	5,870,615
Other liabilities	(344,882)	(475)	(345,357)
Net assets	\$ <u>2,398,554</u>	<u>3,126,704</u>	<u>5,525,258</u>
Operating grants, contributions	104,172	82,074	186,246
Investment earnings	184,081	291,481	475,562
Program expenses	(211,367)	(142,244)	(353,611)
Net change	76,886	231,311	308,197
Beginning net assets	<u>2,321,668</u>	<u>2,895,393</u>	<u>5,217,061</u>
Ending net assets	\$ <u>2,398,554</u>	<u>3,126,704</u>	<u>5,525,258</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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024. 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, 2024

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, 2024

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.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, disbursements exceeded the amount budgeted in the Community and Economic Development function.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

(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	\$ 28,108,375
Certificate of deposit	25,000
IPAIT	<u>26,307,378</u>
	\$ <u>54,440,753</u>
 Cash, cash equivalents and investments	 \$ 53,638,125
Trust and agency fund cash	901
Restricted cash, cash equivalents and pooled investments	<u>801,727</u>
	\$ <u>54,440,753</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

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

Depository accounts	\$ 380,447
Mutual funds	5,672,744
Alternative investments	<u>99,881</u>
	\$ <u>6,153,072</u>

Included in the statement of net position captions as follows:

Cash, cash equivalents and pooled investments	<u>\$ 6,153,072</u>
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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 \$26,307,378 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, 2024

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, 2024, 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, 2024 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, 2024

(3) Capital Assets

Capital assets activity for the year ended June 30, 2024 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	21,370,813	7,518,184	(24,583,131)	4,305,866
Works of art	<u>98,509</u>	<u>-</u>	<u>-</u>	<u>98,509</u>
Total capital assets not being depreciated	<u>23,962,075</u>	<u>7,518,184</u>	<u>(24,583,131)</u>	<u>6,897,128</u>
Capital assets being depreciated:				
Buildings	15,918,658	1,423,023	-	17,341,681
Improvements other than buildings	25,209,597	960,061	-	26,169,658
Machinery, equipment and vehicles	16,922,651	1,422,389	(93,844)	18,251,196
Right-to-use leased equipment	70,860	-	-	70,860
Infrastructure	<u>117,142,693</u>	<u>20,130,435</u>	<u>-</u>	<u>137,273,128</u>
Total capital assets being depreciated/amortized	<u>175,264,459</u>	<u>23,935,908</u>	<u>(93,844)</u>	<u>199,106,523</u>
Less accumulated depreciation for:				
Buildings	10,926,776	256,509	-	11,183,285
Improvements other than buildings	7,977,955	1,199,594	-	9,177,549
Machinery, equipment and vehicles	12,035,228	997,377	(69,500)	12,963,105
Right-to-use leased equipment	36,190	10,805	-	46,995
Infrastructure	<u>61,524,564</u>	<u>4,842,479</u>	<u>-</u>	<u>66,367,043</u>
Total accumulated depreciation/amortization	<u>92,500,713</u>	<u>7,306,764</u>	<u>(69,500)</u>	<u>99,737,977</u>
Total capital assets being depreciated/amortized, net	<u>82,763,746</u>	<u>16,629,144</u>	<u>(24,344)</u>	<u>99,368,546</u>
Governmental activities capital assets, net	<u>\$ 106,725,821</u>	<u>24,147,328</u>	<u>(24,607,475)</u>	<u>106,265,674</u>

City of Fort Dodge, Iowa
Notes to Financial Statements

June 30, 2024

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>45,197,011</u>	<u>22,617,316</u>	<u>(57,329,000)</u>	<u>10,485,327</u>
Total capital assets not being depreciated	<u>45,463,866</u>	<u>22,617,316</u>	<u>(57,329,000)</u>	<u>10,752,182</u>
Capital assets being depreciated:				
Buildings	23,926,645	-	-	23,926,645
Machinery, equipment, vehicles	10,534,609	3,155,959	(84,538)	13,606,030
Infrastructure	<u>182,698,742</u>	<u>56,739,234</u>	<u>-</u>	<u>239,437,976</u>
Total capital assets being depreciated	<u>217,159,996</u>	<u>59,895,193</u>	<u>(84,538)</u>	<u>276,970,651</u>
Less accumulated depreciation for:				
Buildings	15,374,323	918,695	-	16,293,018
Machinery, equipment, vehicles	5,635,075	746,720	(44,672)	6,337,123
Infrastructure	<u>45,142,047</u>	<u>7,299,904</u>	<u>-</u>	<u>52,441,951</u>
Total accumulated depreciation	<u>66,151,445</u>	<u>8,965,319</u>	<u>(44,672)</u>	<u>75,072,092</u>
Total capital assets being depreciated, net	<u>151,008,551</u>	<u>50,929,874</u>	<u>(39,866)</u>	<u>201,898,559</u>
Business type activities capital assets, net	<u>\$ 196,472,417</u>	<u>73,547,190</u>	<u>(57,368,866)</u>	<u>212,650,741</u>

City of Fort Dodge, Iowa
Notes to Financial Statements
June 30, 2024

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

Governmental activities:	
Public safety	\$ 541,869
Public works, which includes the depreciation of general infrastructure assets	4,176,535
Culture and recreation	1,810,354
Community and economic development	446,000
General government	<u>321,201</u>
Total depreciation expense – governmental activities	\$ <u>7,295,959</u>
Business type activities:	
Water	\$ 2,330,290
Sewer	5,359,815
Broadband	269,333
Non-major business type activities	<u>1,005,881</u>
Total depreciation expense – business type activities	\$ <u>8,965,319</u>

City of Fort Dodge, Iowa
Notes to Financial Statements

June 30, 2024

<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	196,991	2,461,910	(2,274,491)	384,410
Works of art	<u>115,922</u>	<u>-</u>	<u>-</u>	<u>115,922</u>
Total capital assets not being depreciated	<u>2,433,301</u>	<u>2,461,910</u>	<u>(2,274,491)</u>	<u>2,620,720</u>
Capital assets being depreciated:				
Buildings	1,417,244	2,274,491	-	3,691,735
Machinery, equipment, vehicles	2,482,270	-	-	2,482,270
Infrastructure	<u>23,708,997</u>	<u>-</u>	<u>-</u>	<u>23,708,997</u>
Total capital assets being depreciated	<u>27,608,511</u>	<u>2,274,491</u>	<u>-</u>	<u>29,883,002</u>
Less accumulated depreciation for:				
Buildings	384,229	52,889	-	437,118
Machinery, equipment, vehicles	1,951,444	156,016	-	2,107,460
Infrastructure	<u>9,906,392</u>	<u>1,129,826</u>	<u>-</u>	<u>11,036,218</u>
Total accumulated depreciation	<u>12,242,065</u>	<u>1,338,731</u>	<u>-</u>	<u>13,580,796</u>
Total capital assets being depreciated, net	<u>15,366,446</u>	<u>935,760</u>	<u>-</u>	<u>16,302,206</u>
Business type activities capital assets, net	<u>\$ 17,799,747</u>	<u>3,397,670</u>	<u>(2,274,491)</u>	<u>18,922,926</u>
Total depreciation expense – airport authority				1,338,731

City of Fort Dodge, Iowa
Notes to Financial Statements

June 30, 2024

(4) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds/notes:					
General and corporate purpose	\$ 31,270,000	12,130,000	3,800,000	39,600,000	3,745,000
Compensated absences	1,935,365	1,702,234	1,483,493	2,154,106	1,768,655
Net pension liability	10,595,305	1,700,634		12,295,939	-
Net OPEB liability	<u>733,636</u>	<u>-</u>	<u>136,221</u>	<u>597,415</u>	<u>-</u>
Total	<u>\$ 44,534,306</u>	<u>15,532,868</u>	<u>5,419,714</u>	<u>54,647,460</u>	<u>5,513,655</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Business type activities:					
Revenue bonds/notes:					
Water	\$ 38,324,010	822,397	2,624,969	36,521,438	2,244,000
Sewer	81,289,377	4,426,623	4,364,000	81,352,000	4,460,000
Broadband	14,490,395	19,339,515	-	33,829,910	-
General obligation bonds/notes:	4,140,000	2,645,000	390,000	6,395,000	410,000
Compensated absences	677,068		78,014	599,054	477,725
Net pension liability	1,373,619	328,584	-	1,702,203	-
Net OPEB liability	<u>78,396</u>	<u>-</u>	<u>18,054</u>	<u>60,342</u>	<u>-</u>
Total	<u>\$ 140,372,865</u>	<u>27,562,119</u>	<u>7,475,037</u>	<u>160,459,947</u>	<u>7,591,725</u>

The water and sewer revenue/notes ending balance noted above includes interim financing of \$794,224 and \$81,000 respectively.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Component Unit – Airport					
Net pension liability	167,920	36,406	-	204,326	-
Compensated absences	61,681	13,263	13,291	61,653	47,875
Net OPEB liability	<u>9,503</u>	<u>-</u>	<u>5,088</u>	<u>4,415</u>	<u>-</u>
Total	<u>239,104</u>	<u>49,669</u>	<u>18,379</u>	<u>270,394</u>	<u>47,875</u>

General obligation bonds/notes

Nine issues of unmatured general obligation bonds/notes, totaling \$45,995,000, are outstanding at June 30, 2024. General obligation bonds/notes bear interest rates ranging from .45 percent to 6.00 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, 2043. These bond proceeds were utilized for various capital projects, economic development projects and refinancing.

Details of general obligation bonds/notes payable at June 30, 2024 are as follows:

Governmental activities:	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Originally Issued	Outstanding June 30, 2023
General obligation bonds/notes:						
Corporate purpose refund	June 01, 2016	2.00-5.00%	Jun 30, 2026	235,000-1,260,000	6,245,000	470,000
Corporate purpose	June 26, 2018	3.00-4.00%	Jun 30, 2029	315,000-570,000	4,880,000	2,675,000
Corporate purpose	June 26, 2018	3.00-4.20%	Jun 30, 2038	165,000-620,000	4,370,000	3,490,000
Urban renewal	Dec. 2, 2019	3.00-4.00%	Jun 30, 2033	115,000-375,000	3,570,000	2,970,000
Corporate purpose	June 27, 2019	3.00-5.00%	Jun 30, 2030	120,000-1,295,000	11,255,000	7,090,000
Corporate purpose	Feb 16, 2021	1.00-4.00%	Jun 30, 2040	175,000-1,005,000	8,210,000	6,385,000
Urban renewal	Feb 16, 2021	.45-2.25%	Jun 30, 2040	100,000-640,000	8,375,000	8,275,000
Corporate purpose	2023	4.00-5.00%	2043	265,000-1,240,000	11,715,000	11,580,000
Urban renewal	2023	4.75-6.00%	2043	125,000-270,000	3,060,000	<u>3,060,000</u>
Total Government activities						<u>\$ 45,995,000</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

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>
2025	4,560,000	1,977,950	6,537,950
2026	4,385,000	1,316,723	5,701,723
2027	4,405,000	1,145,412	5,550,412
2028	4,140,000	1,128,459	5,268,459
2029	4,310,000	971,164	5,281,164
2030-2034	13,635,000	3,082,048	16,717,048
2035-2039	6,825,000	1,262,509	8,087,509
2040	<u>3,735,000</u>	<u>311,530</u>	<u>4,046,530</u>
	<u>\$ 45,995,000</u>	<u>11,195,794</u>	<u>57,190,794</u>

As of June 30, 2024, the general obligation debt issued by the City did not exceed its legal debt margin computed as follows:

Actual valuation	<u>\$ 1,354,216,785</u>
Debt limit – 5% of total actual valuation	67,710,839
Debt applicable to debt limit:	
General obligation, tax increment financing and revenue bonded debt outstanding	<u>(45,995,000)</u>
Legal debt margin	<u>\$ 21,715,839</u>

Revenue bonds/notes

Fourteen issues of unmatured revenue bonds/notes totaling \$115,856,824 are outstanding at June 30, 2024. 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, 2024

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, 2024, 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 \$100,673,308. For the current year, principle and interest paid and total customer net revenues (operating revenues plus depreciation expense) were \$ 6,180,098 and \$ 8,729,931 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 2042. 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 \$40,732,974. For the current year, principle and interest paid and total customer net revenues (operating revenues plus depreciation expense) were \$ 2,858,559 and \$ 4,876,590, respectively.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

Details of revenue notes payable at June 30, 2024 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, 2024</u>
Revenue bonds/notes:						
Sewer revenue C0585RT	Feb 28, 2014	3.00%	Jun 30, 2033	355,000-1,652,000	22,467,000	16,742,000
Sewer revenue C0604RT	Jun 6, 2014	1.60%	Jun 1, 2035	351,000-918,604	5,639,479	4,904,000
Water revenue DW030224R	Dec 12, 2003	1.75%	Dec 1, 2024	130,000-229,000	3,500,000	229,000
Water revenue MD12R	Jun 1, 2004	1.75%	Dec 1, 2024	133,000-318,000	5,133,000	318,000
Water revenue D0254R	Nov 16, 2012	1.75%	Jun 1, 2033	128,685-977,000	14,372,685	7,586,000
Sewer revenue C0495R	Feb 19, 2016	.75%	Jun 30, 2033	1,259,000-1,463,000	25,575,000	12,766,000
Sewer revenue C0720RT	Feb 16, 2016	2.36%	Jun 30, 2032	401,000-916,323	19,900,000	16,100,000
Sewer revenue C0845RT	July 28, 2017	2.18%	June 30, 2048	148,895-357,000	10,059,140	9,256,000
Water revenue DF0420R	Oct 13, 2017	1.75%	June 30, 2028	215,100-251,000	3,413,000	1,775,739
Water revenue DO485RT	Jun 10, 2019	1.75%	June 30, 2040	435,000-1,105,000	25,286,000	23,182,000
Sewer revenue C1138RT	Jun 1, 2021	2.75%	June 30, 2049	326,000-768,000	15,500,000	14,488,000
Water revenue D0567RT	Apr 4, 2021	1.75%	June 30, 2024	113,000-165,000	2,746,000	2,193,000
Water revenue D0619R	Sep 9, 2022	1.75%	June 30, 2041	35,000-42,000	905,000	443,475
Sewer revenue C139R	May 19, 2023	1.75%	June 30, 2043	300,000-440,000	7,320,000	7,015,000
Total business type activities						<u>116,998,214</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>
2025	6,704,000	2,394,623	9,098,623
2026	6,840,000	2,267,351	9,107,351
2027	6,982,000	2,137,910	9,119,910
2028	7,129,000	2,005,294	9,134,294
2029	8,035,739	1,869,714	9,905,452
2030-2034	36,350,000	7,142,776	43,492,776
2035-2039	23,145,000	3,954,413	28,099,413
2040-2044	13,169,475	1,909,608	15,079,083
2045-2049	7,134,000	663,873	7,797,873
2050-2051	<u>1,509,000</u>	<u>62,506</u>	<u>1,571,508</u>
	<u>\$ 116,998,214</u>	<u>24,408,068</u>	<u>141,406,282</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

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, 2024 was \$81,000.

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, 2024 was \$794,224.

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, 2024, the balance is \$30,418,957 and \$ 509,766 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, 2024, the balance is \$3,414,883 and \$67,548 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, 2024, principal and interest paid were \$10,700 and \$1,240, respectively. Payments are scheduled as follows:

Year Ending <u>June 30,</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>25,175</u>	<u>1,095</u>	<u>26,370</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

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, 2024, the City earned principal of \$ 46,404 and interest of \$1,1404 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>
2025	4.0	<u>9,786</u>	<u>134</u>	<u>9,920</u>

8) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 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	638,961
	Enterprise:	
	Water	463,050
	Sewer	591,000
	Solid Waste	75,000
	Storm Water	<u>63,000</u>
		\$ <u>1,837,511</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

Special Revenue:

Local Option Sales Tax	Capital Projects: Construction fund	<u>60,000</u>
City Grants	Capital Projects: Capital Improvements	<u>4,258</u>
Hotel/Motel Tax	General	116,612
	Special Revenue: CVB	<u>7,000</u>
		<u>123,612</u>
Harlan Rogers Sinking Fund	General	233,143
	Special Revenue: CVB	<u>42,500</u>
		<u>275,643</u>
CVB	General	<u>320,541</u>
Debt Service:	General	21,200
	Special Revenue:	
	TIF	1,227,871
	Harlan Rogers Sinking	118,322
	Enterprise:	
	Water	<u>426,020</u>
		<u>1,793,413</u>
Capital Projects:		
Capital Improvements	General	199,485
	Special Revenue:	
	TIF	570,000
	Road Use	462,200
	Harlan Rogers Sinking	756,566
	Enterprise:	
	Water	31,000
	Sewer	31,000
	Solid Waste	7,500
	Lakeside Beverage	<u>54,443</u>
		<u>2,112,194</u>

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

Construction Fund	Special Revenue:	
	LOST	2,262,853
	Capital Projects:	
	Capital Improvements	36,040
	Enterprise:	
	Storm Sewer	<u>4,034</u>
		<u>2,302,927</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>
Enterprise: Sewer	Enterprise:	
	Water	60,389
	Special Revenue:	
	TIF	<u>50,000</u>
		<u>110,389</u>
Total		\$ <u>9,040,488</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, 2024

(9) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue: TIF	175,000
	Capital Projects: Capital Improvements	32,953
Special Revenue: Urban Renewal	Special Revenue: TIF	1,481,086
Enterprise: Sewer	Special Revenue: TIF	867,177
Water	TIF	111,569
Capital Projects: Jurisdictional Transfer	Special Revenue: LOST	4,043,139
	TIF	<u>1,894,288</u>
		<u>\$ 8,605,212</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, 2024

(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, 2024

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 2024, 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, 2024, were \$868,445.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a liability of \$4,183,296 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the City's collective proportion was 0.092681 %, which was an increase of 0.006665% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$385,966. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between expected and actual experience	\$ 430,217	\$ 17,524
Changes of assumptions	192,204	21,298
Net difference between projected and actual earnings on pension plan investments	2,976,900	2,750,035
Changes in proportion and difference between City contributions and proportionate share of contributions	294,103	61,751
City contributions subsequent to the measurement date	868,971	-
Total	\$ 4,762,395	\$ 2,850,608

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

\$868,971 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,	
2025	\$ (50,643)
2026	(283,444)
2027	1,090,314
2028	239,287
2029	47,299
Total	<u>\$ 1,042,813</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023, 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, 2023 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 2023 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, 2024

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	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
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.

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.0%)</u>
City’s proportionate share of net pension liability	\$ 9,267,832	\$ 4,183,296	\$ (77,752)

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, 2024

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

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June 30, 2024

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, 2024.

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 22.98 % for the year ended June 30, 2024.

The City's contributions to MFPRSI for the year ended June 30, 2024, totaled \$1,361,409.

City of Fort Dodge, Iowa

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June 30, 2024

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, 2024.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a liability of \$8,985,116 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the City's proportion was 1.6%, which was an increase of 0.002% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$ 1,361,409. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between expected and actual experience	\$ 765,479	\$ -
Changes of assumptions	50,474	-
Net difference between projected and actual earnings on pension plan investments	4,438,361	3,800,391
Changes in proportion and difference between City contributions and proportionate share of contributions	155,813	115,968
City contributions subsequent to the measurement date	1,361,409	-
Total	<u>\$ 6,771,536</u>	<u>\$ 3,916,359</u>

City of Fort Dodge, Iowa

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June 30, 2024

\$6,771,536 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,	
2025	\$ 119,423
2026	(386,746)
2027	1,464,874
2028	283,523
2029	<u>12,353</u>
Total	<u>\$ 1,493,427</u>

Actuarial assumptions – The total pension liability in the June 30, 2023, 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, 2012 through June 30, 2022.

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, 2024

Asset Class	Long-Term Expected Real Rate of Return
Broad fixed income	4.9%
Broad U.S. equity	7.1
Global equity	7.2
Broad non-US equity	7.4
Managed futures	5.2
Real estate - core	6.8
Opportunistic real estate	11.1
Global infrastructure	6.9
Private credit	10.1
Private equity	12.1

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 (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City’s proportionate share of net pension liability	\$ 17,546,868	\$ 10,019,172	\$ 3,787,717

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, 2024

(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 803 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, 2024 were \$822,023.

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, 2024

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, 2024, no liability has been disclosed in the City's financial statements. As of June 30, 2024, 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, 2024, funds with deficit balances were as follows:

Special Revenue, Tax Increment Financing	\$ (3,902,449)
Capital Projects, Construction Fund	(1,608,559)
Enterprise Fund, Broadband Fund	(5,033,469)

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 and reimbursements from other funds. 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, 2024

(13) Related Parties

The City had business transactions between the City and City officials totaling \$3,596 during the year ended June 30, 2024.

(14) Subsequent Events

After the end of the fiscal year through the audit report date, the City accepted bids for various equipment purchases of approximately \$800,000 to be paid from cash on hand. The City has also approved various construction projects of approximately \$3.6M to be paid from issuance of bonds. The City has approved issuance of 5.8M and 9.5M GO urban renewal bonds and 5 M GO bonds.

(15) Commitments and Contingencies

As of June 30, 2024, the City had the following estimated commitments with respect to unfinished capital projects:

	Remaining Construction Commitments
2022 Street Repair	\$ 7,600
2023 Street Repair	6,000
2024 PCC Patch Projects	178,100
2024 Street Repair	975,600
5th Ave S RISE	97,700
Anaerobic Digester	5,000
Central River District	30,200
City Hall Parking Lot	9,700
Community Water Initiative	579,200
Downtown Storm	4,121,000
Elanco Water Main	34,900
Fiber Storage Lot	5,000
Greenbelt Trail & Canopy	10,000
Highland Park Bridge	1,424,300
Kenyon Rd & Ave C Intersection	3,800
N 22nd St Trail	1,257,900
SRF Clean Water Project- Soldier Creek	665,800
Traffic Enhancements	30,000
Veterans Bridge	1,046,300
Wastewater Treatment Odor Control & Lab	7,600

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

(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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Active employees	96
Total	<u>99</u>

Total OPEB Liability – The City's total OPEB liability of \$192,666 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 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)	2.75% per annum.
Rate of salary increase (effective June 30, 2021)	2.75% per annum, including inflation.
Discount rate (effective June 30, 2021)	4.75% 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, 2024

Discount Rate – The discount rate used to measure the total OPEB liability was 4.75% 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, 2024 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>333,963</u>
Changes for the year:	
Service cost	23,521
Interest	9,798
Assumption change	(59,113)
Demographic change	(90,432)
Recognition of deferred inflows/outflows	(21,365)
Benefit payments	<u>(3,706)</u>
Net changes	<u>(141,297)</u>
Total OPEB liability end of year	\$ <u>192,666</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 (3.75%)</u>	<u>Discount Rate (4.75%)</u>	<u>1% Increase (5.75%)</u>
Total OPEB liability	\$ 209,823	192,666	177,341

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

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	\$ 170,872	192,666	218,477

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the City recognized OPEB expense of \$6,211. At June 30, the City reported deferred inflows of \$170,911 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>
2025	(14,620)
2026	(14,620)
2027	(14,620)
2028	(14,620)
2029	(14,620)
Thereafter	(97,811)
	<u>(170,911)</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, 2024

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>92</u>
Total	<u>96</u>

Total OPEB Liability - The City's total OPEB liability of \$469,371 was measured as of June 30, 2024 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)	2.75% per annum.
Rate of salary increase (effective June 30, 2021)	2.75% per annum. including inflation.
Discount rate (effective June 30, 2021)	4.75% 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 4.75% 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, 2024

The actuarial assumptions used in the June 30, 2024 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>487,572</u>
Changes for the year:	
Service cost	24,881
Interest	21,981
Assumption/demographic changes	(102,640)
Demographic change	56,386
Recognition of deferred outflows	(9,049)
Benefit payments	<u>(9,760)</u>
Net changes	<u>(18,201)</u>
Total OPEB liability end of year	\$ <u>469,371</u>

There was no significant changes from 2023 to 2024.

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 (3.75%)</u>	<u>Discount Rate (4.75%)</u>	<u>1% Increase (5.75%)</u>
Total OPEB liability	\$ 523,143	469,371	422,324

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	\$ 407,789	469,372	543,487

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the City recognized OPEB expense of \$46,386. At June 30, the City reported deferred outflows of \$9,897 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 June 30,	Amount
2025	(723)
2026	(723)
2027	(723)
2028	(723)
2029	(723)
Thereafter	(6,282)
	<u>(9,897)</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, 2024, the City abated \$158,809 of property tax under the urban renewal and economic development projects.

City of Fort Dodge, Iowa

Notes to Financial Statements

June 30, 2024

(19) Prospective Accounting Changes

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 this pronouncement 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, 2024

	Governmental Fund Types	Proprietary Fund Type - Enterprise	Component Unit - Airport Authority	Total
Receipts:				
Property tax	\$ 16,158,090		306,885	16,464,975
Tax increment financing	3,094,310	-	-	3,094,310
Other city tax	10,055,340	-	-	10,055,340
Licenses and permits	458,762	-	-	458,762
Use of money and property	1,040,351	1,087,516	5,013	2,132,880
Intergovernmental	8,739,172	-	1,913,517	10,652,689
Charges for service	3,245,217	27,225,451	161,918	30,632,586
Special assessments	-	-	-	-
Miscellaneous	2,755,785	864,601	211,584	3,831,970
Total receipts	<u>45,547,027</u>	<u>29,177,568</u>	<u>2,598,917</u>	<u>77,323,512</u>
Disbursements:				
Public safety	11,919,750	-	-	11,919,750
Public works	5,009,903	-	716,206	5,726,109
Health and social services	184,649	-	-	184,649
Culture and recreation	4,417,310	-	-	4,417,310
Community and economic development	2,783,921	-	-	2,783,921
General government	1,216,433	-	-	1,216,433
Debt service	6,758,057	-	-	6,758,057
Capital projects	12,381,901	-	2,515,635	14,897,536
Business type activities	-	43,179,114	-	43,179,114
Total disbursements	<u>44,671,924</u>	<u>43,179,114</u>	<u>3,231,841</u>	<u>91,082,879</u>
Excess (deficiency) of receipts over (under) disbursements	875,103	(14,001,546)	(632,924)	(13,759,367)
Other financing sources, net	<u>14,401,833</u>	<u>21,085,317</u>	<u>855,000</u>	<u>36,342,150</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	15,276,936	7,083,771	222,076	22,582,783
Balances beginning of year	<u>14,122,722</u>	<u>81,115,569</u>	<u>17,858,102</u>	<u>113,096,393</u>
Balances end of year	<u>\$ 29,399,658</u>	<u>88,199,340</u>	<u>18,080,178</u>	<u>135,679,176</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
<u>Original</u>	<u>Final</u>	<u>Actual</u>
		<u>Variance</u>
15,283,484	15,283,484	1,181,491
3,161,102	3,192,102	(97,792)
6,690,134	6,690,134	3,365,206
499,175	499,175	(40,413)
447,834	2,012,334	120,546
11,697,144	12,000,035	(1,347,346)
36,273,075	36,328,075	(5,695,489)
-	-	-
<u>3,000,455</u>	<u>3,351,274</u>	<u>480,696</u>
<u>77,052,403</u>	<u>79,356,613</u>	<u>(2,033,101)</u>
12,298,575	12,669,870	750,120
7,233,162	7,532,037	1,805,928
258,132	358,007	173,358
4,051,555	4,471,895	54,585
2,092,623	2,687,698	(96,223)
1,389,367	1,682,367	465,934
6,593,689	7,092,439	334,382
26,494,272	26,494,272	11,596,736
64,724,964	64,724,964	21,545,850
<u>125,136,339</u>	<u>127,713,549</u>	<u>36,630,670</u>
(48,083,936)	(48,356,936)	34,597,569
<u>44,886,275</u>	<u>45,159,275</u>	<u>(8,817,125)</u>
(3,197,661)	(3,197,661)	25,780,444
<u>37,420,296</u>	<u>117,006,889</u>	<u>(3,910,496)</u>
<u>34,222,635</u>	<u>113,809,228</u>	<u>21,869,948</u>

City of Fort Dodge, Iowa
Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2024

	Governmental Funds			Proprietary Funds		
				Enterprise		
	Modified Accrual Basis	Accrual Adjust- ments	Modified Accrual Basis	Modified Accrual Basis	Accrual Adjust- ments	Accrual Basis
Revenues	\$ 45,547,027	-	45,547,027	29,177,568	2,542,213	31,719,781
Expenditures/Expenses	44,671,924	-	44,671,924	43,179,114	(12,733,934)	30,445,180
Net	875,103	-	875,103	(14,001,546)	15,276,147	1,274,601
Other financing sources (uses) (net)	14,401,833	-	14,401,833	21,085,317	(22,756,364)	(1,671,047)
Beginning fund balances	14,122,722	-	14,122,722	81,115,569	235,999	81,351,568
Ending fund balances	\$ 29,399,658	-	29,399,658	88,199,340	(7,244,218)	80,955,122

	Component Unit		
	Airport		
	Modified Cash Basis	Accrual Adjustments	Accrual Basis
Revenues	\$ 2,598,917	243,030	2,841,947
Expenses	3,231,841	(1,124,321)	2,107,520
Net	(632,924)	1,367,351	734,427
Other financing sources (uses)	855,000	-	(1,100)
Beginning fund balance	17,858,102	(622,565)	17,235,537
Ending fund balance	\$ 18,080,178	744,786	17,968,864

See accompanying independent auditor's report.

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Budgetary Reporting

Year ended June 30, 2024

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 modified 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 \$2,304,210, budgeted disbursements by \$2,577,210 and increased other financing sources by \$273,000. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2024, disbursements in the community and economic development function exceeded the amount budgeted.

City of Fort Dodge

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

Iowa Public Employees' Retirement System
Last 9 Fiscal Years*
(In Thousands)

Required Supplementary Information

	2024	2023	2022
City's proportion of the net pension liability	9.268100%	8.601600%	6.474810%
City's proportionate share of the net pension liability (asset)	\$ 4,183,296	3,249,817	(223,528)
City's covered-employee payroll	\$ 8,764,003	7,620,681	7,314,431
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	47.73%	42.64%	-3.06%
Plan fiduciary net position as a percentage of the total pension liability	90.13%	91.40%	100.81%

* 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.

2021	2020	2019	2018	2017	2016
8.386740%	8.853110%	0.082616%	0.080048%	0.084302%	0.081790%
5,891,466	5,126,534	5,226,488	5,284,500	5,305,370	4,066,168
7,053,304	6,773,838	6,207,395	5,921,731	6,053,274	6,053,274
83.53%	75.68%	84.20%	89.24%	87.64%	67.17%
82.90%	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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 868,971	827,322	718,865	691,154
Contributions in relation to the statutorily required contribution	<u>868,971</u>	<u>827,322</u>	<u>718,865</u>	<u>691,154</u>
Contribution deficiency (excess)	\$ -	-	-	-
City's covered-employee payroll	\$ 9,205,196	8,764,003	7,620,681	7,314,431
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.43%	9.45%

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
671,596	639,450	554,320	528,811	540,557	503,894
<u>671,596</u>	<u>639,450</u>	<u>554,320</u>	<u>528,811</u>	<u>540,557</u>	<u>503,894</u>
-	-	-	-	-	-
<u><u>7,053,304</u></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>
9.52%	9.44%	8.93%	8.93%	8.93%	8.93%

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2024

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

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

Municipal Fire and Police Retirement System of Iowa
Last 9 Fiscal Years*

Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
City's proportion of the net pension liability	1.599980%	1.582531%	1.610000%
City's proportionate share of the net pension liability	\$ 8,985,116	8,887,027	3,608,902
City's covered-employee payroll	\$ 5,533,820	5,344,857	5,222,001
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	162.37%	166.27%	69.11%
Plan fiduciary net position as a percentage of the total pension liability	83.53%	84.62%	93.62%

* 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.

2021	2020	2019	2018	2017	2016
1.620000%	1.560000%	1.544099%	1.494614%	1.464630%	1.452900%
12,901,528	10,258,796	9,193,619	8,765,538	9,157,757	6,825,932
4,734,488	5,138,992	4,734,485	4,488,092	4,488,092	3,969,042
272.50%	199.63%	194.18%	195.31%	204.05%	171.98%
76.47%	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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Statutorily required contribution	\$ 1,361,409	1,322,583	1,449,102
Contributions in relation to the statutorily required contribution	<u>1,361,409</u>	<u>1,322,583</u>	<u>1,449,102</u>
Contribution deficiency (excess)	\$ -	-	-
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
City's covered-employee payroll	\$ 5,924,321	5,533,820	5,344,857
Contributions as a percentage of covered-employee payroll	22.98%	23.90%	27.11%

See accompanying independent auditor's report.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1,321,690	1,254,428	1,231,913	1,152,542	1,097,213	1,102,203	1,158,672
<u>1,321,690</u>	<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><u>5,222,007</u></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>
25.31%	24.41%	26.02%	25.68%	25.92%	27.77%	30.41%

City of Fort Dodge, Iowa

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2024

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.

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, 2024

Required Supplementary Information

	<u>2024</u>	<u>2023</u>
Service cost	\$ 23,521	24,646
Interest cost	9,798	8,436
Assumption and demographic changes	(149,545)	-
Recognition of deferred inflows	(21,365)	(27,706)
Benefit payments	<u>(3,705)</u>	<u>(5,896)</u>
Net change in total OPEB liability	(141,296)	(520)
Total OPEB liability beginning of year , as restated	<u>333,962</u>	<u>334,482</u>
Total OPEB liability end of year	<u>192,666</u>	<u>333,962</u>
Covered-employee payroll	\$ 7,935,084	8,764,003
Total OPEB liability as a percentage of covered-employee payroll	2.4%	3.8%

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
24,654	26,927	80,013	17,054
8,446	11,405	11,116	10,949
(30,737)	-	-	-
(24,801)	(24,711)	(22,797)	(17,654)
<u>(11,482)</u>	<u>(6,340)</u>	<u>(6,796)</u>	<u>(22,615)</u>
(33,920)	7,281	61,536	(12,266)
<u>368,402</u>	<u>337,986</u>	<u>276,450</u>	<u>288,716</u>
<u>334,482</u>	<u>345,267</u>	<u>337,986</u>	<u>276,450</u>
<u>\$ 7,620,681</u>	<u>7,314,431</u>	<u>7,053,304</u>	<u>6,171,854</u>
4.4%	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, 2024

Required Supplementary Information

	<u>2024</u>	<u>2023</u>
Service cost	\$ 24,881	30,820
Interest cost	21,981	11,533
Assumption and demographic changes	(46,254)	-
Recognition of deferred inflows	(9,049)	(5,655)
Benefits payments	<u>(9,760)</u>	<u>(9,201)</u>
Net change in total OPEB liability	(18,201)	27,497
Total OPEB liability beginning of year, as restated	<u>487,572</u>	<u>460,075</u>
Total OPEB liability end of year	<u>469,371</u>	<u>487,572</u>
Covered-employee payroll	\$ 5,845,047	5,533,820
Total OPEB liability as a percentage of covered-employee payroll	8.0%	8.8%

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
30,830	27,701	85,524	17,379
10,849	13,001	11,723	10,539
(36,768)	-	-	-
(3,513)	166	6,923	5,196
<u>(9,138)</u>	<u>(4,467)</u>	<u>(8,255)</u>	<u>(16,016)</u>
(7,740)	36,401	95,915	17,098
<u>467,815</u>	<u>386,918</u>	<u>291,003</u>	<u>273,905</u>
<u>460,075</u>	<u>423,319</u>	<u>386,918</u>	<u>291,003</u>
<u>5,535,149</u>	<u>5,222,007</u>	<u>5,138,992</u>	<u>4,873,307</u>
8.3%	8.1%	7.5%	6.0%

City of Fort, Iowa

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

For the Last Seven Years

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, 2024	4.75%
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, 2024

Schedule 1

	Special Revenue					
	Road use	Employee	Police & Fire	Community	Parks	
	<u>Tax</u>	<u>Benefits</u>	<u>Retirement</u>	<u>Development</u>	<u>Hotel/Motel</u>	<u>SSMID</u>
Assets						
Cash, cash equivalents and pooled investments	\$ 3,860,369	2,712,612	761,865	305,672	284,368	157,922
Receivables:						
Property tax:						
Delinquent	-	43,547	15,758	-	-	1,362
Succeeding year	-	3,842,996	1,390,642	-	-	66,557
Accounts	872	84	33	-	28,351	-
Due from other governments	282,992	-	-	-	-	-
Prepaid expenses	-	72,952	-	-	825	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 4,144,233</u>	<u>6,672,191</u>	<u>2,168,298</u>	<u>305,672</u>	<u>313,544</u>	<u>225,841</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 130,415	3,974	-	10	8,572	26,250
Salaries and benefits payable	55,309	-	-	-	-	-
Advances from grantors	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>185,724</u>	<u>3,974</u>	<u>-</u>	<u>10</u>	<u>8,572</u>	<u>26,250</u>
Deferred inflows of resources:						
Succeeding year property tax	-	3,842,996	1,390,642	-	-	66,557
Total deferred inflows of resources	<u>-</u>	<u>3,842,996</u>	<u>1,390,642</u>	<u>-</u>	<u>-</u>	<u>66,557</u>
Fund balances:						
Nonspendable:						
Prepaid expenditures	-	72,952	-	-	825	-
Permanently restricted	-	-	-	-	-	-
Restricted for:						
Debt service	-	-	-	-	-	-
Street improvement and repairs	3,958,509	-	-	-	-	-
Urban renewal	-	-	-	-	-	-
Employee benefits	-	2,752,269	777,656	-	-	-
Capital improvements	-	-	-	-	-	-
Other purposes	-	-	-	305,662	304,147	133,034
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>3,958,509</u>	<u>2,825,221</u>	<u>777,656</u>	<u>305,662</u>	<u>304,972</u>	<u>133,034</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,144,233</u>	<u>6,672,191</u>	<u>2,168,298</u>	<u>305,672</u>	<u>313,544</u>	<u>225,841</u>

See accompanying independent auditor's report.

Special Revenue							
Reinvest Distr	Library	Foster	Urban	City	DARE/Drug	Harlan	Des Moines
<u>Sales Tax</u>	<u>Memorial</u>	<u>Grandparents</u>	<u>Renewal</u>	<u>Grants</u>	<u>Arrest</u>	<u>Sinking</u>	<u>River</u>
339,392	96,913	20,369	1,986,845	(42,321)	28,152	118,124	266,582
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	74	-	-	55,560	-
122,237	-	32,060	-	111,712	-	-	-
-	-	440	-	-	-	-	-
-	-	-	1,481,086	-	-	-	-
<u>461,629</u>	<u>96,913</u>	<u>52,869</u>	<u>3,468,005</u>	<u>69,391</u>	<u>28,152</u>	<u>173,684</u>	<u>266,582</u>
-	270	873	-	39,547	-	-	-
-	-	2,304	-	668	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	270	3,177	-	40,215	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	440	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,468,005	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
461,629	96,643	49,252	-	29,176	28,152	173,684	266,582
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>461,629</u>	<u>96,643</u>	<u>49,692</u>	<u>3,468,005</u>	<u>29,176</u>	<u>28,152</u>	<u>173,684</u>	<u>266,582</u>
<u>461,629</u>	<u>96,913</u>	<u>52,869</u>	<u>3,468,005</u>	<u>69,391</u>	<u>28,152</u>	<u>173,684</u>	<u>266,582</u>

City of Fort Dodge, Iowa
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Schedule 1

	Special Revenue	Capital Projects	Permanent Fund		
	CVB	Jurisdictional	Eva Patterson	North	
	<u>Hotel/Motel</u>	<u>Transfer</u>	<u>Parks Trust</u>	<u>Lawn Cemetery</u>	<u>Total</u>
Assets					
Cash, cash equivalents and pooled investments	\$ 513,128	2,425,060	25,000	719,886	14,579,938
Receivables					
Property tax:					
Delinquent	-	-	-	-	60,667
Succeeding year	-	-	-	-	5,300,195
Accounts	76,374	50	-	39	161,437
Due from other governments	-	-	-	-	549,001
Prepaid expenses	3,750	-	-	-	77,967
Due from other funds	-	5,937,427	-	-	7,418,513
Total assets	<u>593,252</u>	<u>8,362,537</u>	<u>25,000</u>	<u>719,925</u>	<u>28,147,718</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	23,880	-	-	-	233,791
Salaries and benefits payable	4,219	-	-	-	62,500
Advances from grantors	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>28,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,291</u>
Deferred inflows of resources:					
Succeeding year property tax	-	-	-	-	5,300,195
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,300,195</u>
Fund balances:					
Nonspendable:					
Prepaid expenditures	-	-	-	-	74,217
Permanently restricted	-	-	25,000	719,925	744,925
Restricted for:					
Debt service	-	-	-	-	-
Street improvement and repairs	-	-	-	-	3,958,509
Urban renewal	-	-	-	-	3,468,005
Employee benefits	-	-	-	-	3,529,925
Capital improvements	-	-	-	-	-
Other purposes	565,153	-	-	-	2,413,114
Assigned	-	8,362,537	-	-	8,362,537
Unassigned	-	-	-	-	-
Total fund balances	<u>565,153</u>	<u>8,362,537</u>	<u>25,000</u>	<u>719,925</u>	<u>22,551,232</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 593,252</u>	<u>8,362,537</u>	<u>25,000</u>	<u>719,925</u>	<u>28,147,718</u>

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, 2024

Schedule 2

	Special Revenue					
	Road Use Tax	Employee Benefits	Police & Fire Retirement	Community Development	Parks Hotel/Motel	SSMID
Revenues:						
Property tax	\$ -	3,736,318	1,405,212	\$ -	-	59,230
Other city tax	3,516,574	-	-	-	-	-
Use of money and property	-	-	25,974	8,477	-	-
Intergovernmental	-	272,018	61,900	-	-	24,419
Charges for service	-	-	-	-	-	-
Miscellaneous	1,726	182,402	-	19,409	52,918	34,700
Total revenues	<u>3,518,300</u>	<u>4,190,738</u>	<u>1,493,086</u>	<u>27,886</u>	<u>52,918</u>	<u>118,349</u>
Expenditures:						
Operating:						
Public safety	-	1,877,533	1,361,409	-	-	-
Public works	3,043,591	881,809	-	-	-	-
Health and social services	-	38,491	-	-	-	-
Culture and recreation	-	660,837	-	-	159,637	-
Community and economic development	-	156,053	-	598	-	113,037
General government	-	86,391	-	-	-	-
Capital projects	-	-	-	-	-	-
Total expenditures	<u>3,043,591</u>	<u>3,701,114</u>	<u>1,361,409</u>	<u>598</u>	<u>159,637</u>	<u>113,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>474,709</u>	<u>489,624</u>	<u>131,677</u>	<u>27,288</u>	<u>(106,719)</u>	<u>5,312</u>
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Operating transfers in	-	-	-	-	123,612	-
Operating transfers out	(493,700)	-	-	-	-	-
Total other financing sources (uses)	<u>(493,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,612</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(18,991)</u>	<u>489,624</u>	<u>131,677</u>	<u>27,288</u>	<u>16,893</u>	<u>5,312</u>
Fund balances beginning of year	<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>
Fund balances end of year	<u>\$ 3,958,509</u>	<u>2,825,221</u>	<u>777,656</u>	<u>\$ 305,662</u>	<u>304,972</u>	<u>133,034</u>

(continued)

Schedule 2

Reinvest Distr Sales Tax	Library Memorial	Special Revenue Foster Grandparents	Urban Renewal	City Grants	DARE/Drug Arrest	Harlan Rogers Sinking	Des Moines River
-	-	-	-	-	-	-	-
483,519	-	-	-	-	-	-	-
-	-	-	80,222	-	-	20,368	2
-	-	151,154	-	1,745,459	-	-	-
-	-	-	-	-	-	-	-
-	63,227	-	44,001	36,028	12,085	260,000	-
483,519	63,227	151,154	124,223	1,781,487	12,085	280,368	2
-	-	-	-	30,486	4,737	-	-
-	-	-	-	1,066,275	-	-	-
-	-	146,158	-	-	-	-	-
-	56,292	5,598	-	-	-	-	-
21,890	-	-	2,624	1,032,223	-	-	-
-	-	-	-	2,559	-	-	-
-	-	-	-	-	-	-	-
21,890	56,292	151,756	2,624	2,131,543	4,737	-	-
461,629	6,935	(602)	121,599	(350,056)	7,348	280,368	2
-	-	-	-	-	-	-	-
-	-	-	-	4,258	-	275,643	-
-	-	-	-	-	-	(874,887)	-
-	-	-	-	4,258	-	(599,244)	-
461,629	6,935	(602)	121,599	(345,798)	7,348	(318,876)	2
-	89,708	50,294	3,346,406	374,974	20,804	492,560	266,580
461,629	96,643	49,692	3,468,005	29,176	28,152	173,684	266,582

City of Fort Dodge, Iowa
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year ended June 30, 2024

Schedule 2

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>	<u>North</u>	
	<u>CVB</u>	<u>Jurisdictional</u>	<u>Eva Patterson</u>	<u>Lawn Cemetery</u>	
	<u>Hotel/Motel</u>	<u>Transfer</u>	<u>Parks Trust</u>		<u>Totals</u>
Revenues:					
Property tax	\$ -	-	-	-	5,200,760
Other city tax	-	-	-	-	4,000,093
Use of money and property	19,993	197,350	-	2,108	354,494
Intergovernmental	-	-	-	958,092	3,213,042
Charges for service	-	-	-	-	-
Miscellaneous	-	-	-	-	706,496
Total revenues	<u>19,993</u>	<u>197,350</u>	<u>-</u>	<u>960,200</u>	<u>13,474,885</u>
Expenditures:					
Operating:					
Public safety	-	-	-	-	3,274,165
Public works	-	-	-	-	4,991,675
Health and social services	-	-	-	-	184,649
Culture and recreation	-	-	-	240,275	1,122,639
Community and economic development	298,451	-	-	-	1,624,876
General government	-	-	-	-	88,950
Capital projects	-	-	-	-	-
Total expenditures	<u>298,451</u>	<u>-</u>	<u>-</u>	<u>240,275</u>	<u>11,286,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(278,458)</u>	<u>197,350</u>	<u>-</u>	<u>719,925</u>	<u>2,187,931</u>
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Operating transfers in	320,541	-	-	-	724,054
Operating transfers out	(49,500)	-	-	-	(1,418,087)
Total other financing sources (uses)	<u>271,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(694,033)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,417)</u>	<u>197,350</u>	<u>-</u>	<u>719,925</u>	<u>1,493,898</u>
Fund balances beginning of year	<u>572,570</u>	<u>8,165,187</u>	<u>25,000</u>	<u>-</u>	<u>21,057,334</u>
Fund balances end of year	<u>\$ 565,153</u>	<u>8,362,537</u>	<u>25,000</u>	<u>719,925</u>	<u>22,551,232</u>

See accompanying independent auditor's report.

City of Fort Dodge, Iowa
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2024

	Enterprise Funds			
	Parking <u>Meter</u>	Solid <u>Waste</u>	Storm Water <u>Utility</u>	Lakeside <u>Beverage</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 101,720	1,107,238	1,337,840	25,648
Accounts receivable	53,991	352,637	204,053	1,969
Inventories	-	-	-	5,042
Prepaid expenses	500	32,620	-	863
Total current assets	<u>156,211</u>	<u>1,492,495</u>	<u>1,541,893</u>	<u>33,522</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	-	-
Capital assets (net of accumulated depreciation)	<u>501,040</u>	<u>764,109</u>	<u>12,852,116</u>	<u>-</u>
Total noncurrent assets	<u>501,040</u>	<u>764,109</u>	<u>12,852,116</u>	<u>-</u>
Total assets	<u>657,251</u>	<u>2,256,604</u>	<u>14,394,009</u>	<u>33,522</u>
Deferred Outflows of Resources				
Pension related deferred outflows	<u>23,367</u>	<u>226,027</u>	<u>-</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	178,208	39,943	3,573	485
Salaries and benefits payable	1,245	11,125	-	-
Compensated absences	-	48,988	-	-
Unearned revenue	154	-	-	-
Payable from restricted net assets:				
Current portion bonds, notes and loans payable	-	-	-	-
Consumer deposits	<u>-</u>	<u>-</u>	<u>67</u>	<u>-</u>
Total current liabilities	<u>179,607</u>	<u>100,056</u>	<u>3,640</u>	<u>485</u>
Noncurrent liabilities:				
Bonds, notes and loans payable	-	-	6,395,000	-
Compensated absences	-	11,825	-	-
Net pension liability	50,750	282,211	-	-
Net OPEB liability	<u>-</u>	<u>7,359</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>50,750</u>	<u>301,395</u>	<u>6,395,000</u>	<u>-</u>
Total liabilities	<u>230,357</u>	<u>401,451</u>	<u>6,398,640</u>	<u>485</u>
Deferred Inflows of Resources				
Unavailable revenues:				
OPEB related deferred inflows	-	7,550	-	-
Pension related deferred inflows	<u>16,134</u>	<u>118,929</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>16,134</u>	<u>126,479</u>	<u>-</u>	<u>-</u>
Net position				
Invested in capital assets, net of related debt	501,040	764,109	6,457,116	-
Unrestricted	<u>(66,913)</u>	<u>1,190,592</u>	<u>1,538,253</u>	<u>33,037</u>
Total net position	<u>\$ 434,127</u>	<u>1,954,701</u>	<u>7,995,369</u>	<u>33,037</u>

See accompanying independent auditor's report.

Schedule 3

<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
393,731	-	2,966,177
10,616	-	623,266
-	-	5,042
439	-	34,422
<u>404,786</u>	<u>-</u>	<u>3,628,907</u>
-	215,100	215,100
<u>459,796</u>	<u>-</u>	<u>14,577,061</u>
<u>459,796</u>	<u>215,100</u>	<u>14,792,161</u>
<u>864,582</u>	<u>215,100</u>	<u>18,421,068</u>
-	-	249,394
4,657	-	226,866
-	-	12,370
-	-	48,988
-	-	154
-	-	-
-	215,100	215,167
<u>4,657</u>	<u>215,100</u>	<u>503,545</u>
-	-	6,395,000
-	-	11,825
-	-	332,961
-	-	7,359
-	-	6,747,145
<u>4,657</u>	<u>215,100</u>	<u>7,250,690</u>
-	-	7,550
-	-	135,063
-	-	142,613
459,796	-	8,182,061
<u>400,129</u>	<u>-</u>	<u>3,095,098</u>
<u>859,925</u>	<u>-</u>	<u>11,277,159</u>

City of Fort Dodge, Iowa
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year ended June 30, 2024

	Enterprise Funds		
	Parking Meter	Solid Waste	Storm Water Utility
Operating revenues:			
Charges for services	\$ 32,442	1,630,886	920,977
Miscellaneous	179	7,522	3,736
Total operating revenues	<u>32,621</u>	<u>1,638,408</u>	<u>924,713</u>
Operating expenses:			
Business type activities:			
Cost of sales and services	92,260	1,258,559	168,920
Depreciation	23,799	173,249	756,505
Total operating expenses	<u>116,059</u>	<u>1,431,808</u>	<u>925,425</u>
Operating income (loss)	<u>(83,438)</u>	<u>206,600</u>	<u>(712)</u>
Non-operating revenues (expenses):			
Interest and investment revenue	-	31,648	120,197
Interest expense	-	-	(194,088)
Sale of equipment	-	-	-
Total nonoperating revenue	<u>-</u>	<u>31,648</u>	<u>(73,891)</u>
Net income (loss) before transfers	<u>(83,438)</u>	<u>238,248</u>	<u>(74,603)</u>
Capital contribution	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	(107,500)	(67,034)
Change in net position	<u>(83,438)</u>	<u>130,748</u>	<u>(141,637)</u>
Net position beginning of year	<u>517,565</u>	<u>1,823,953</u>	<u>8,137,006</u>
Net position end of year	<u>434,127</u>	<u>1,954,701</u>	<u>7,995,369</u>

See accompanying independent auditor's report.

Schedule 4

<u>Lakeside Beverage</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
98,135	-	-	2,682,440
-	124,410	-	135,847
98,135	124,410	-	2,818,287
-	-	-	-
-	-	-	-
43,790	191,368	-	1,754,897
-	52,327	-	1,005,880
43,790	243,695	-	2,760,777
54,345	(119,285)	-	57,510
-	-	-	-
-	-	-	-
-	-	-	151,845
-	-	-	(194,088)
-	-	-	-
-	-	-	(42,243)
54,345	(119,285)	-	15,267
-	-	-	-
-	-	-	-
-	100,000	-	100,000
(54,443)	-	-	(228,977)
(98)	(19,285)	-	(113,710)
33,135	879,210	-	11,390,869
-	-	-	-
33,037	859,925	-	11,277,159

City of Fort Dodge, Iowa
Combining Schedule of Cash Flows
Nonmajor Proprietary Funds
For the Year ended June 30, 2024

	<u>Business-Type Activities</u>	
	<u>Parking</u>	<u>Solid</u>
	<u>Meter</u>	<u>Waste</u>
Cash flows from operating activities		
Receipts from customers	\$ 29,155	1,620,000
Payments to suppliers and employees	97,005	(1,327,769)
Other receipts	-	-
Net cash provided (used) by operating activities	<u>126,160</u>	<u>292,231</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	(265,781)	(22,446)
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>(265,781)</u>	<u>(22,446)</u>
Cash flows from investing activities		
Interest and dividends	-	31,647
Net cash provided by investing activities	<u>-</u>	<u>31,647</u>
Net increase (decrease) in cash and cash equivalents	(139,621)	193,932
Cash and cash equivalents - beginning of year	<u>241,341</u>	<u>913,306</u>
Cash and cash equivalents - end of year	<u>\$ 101,720</u>	<u>1,107,238</u>

See accompanying independent auditor's report.

Schedule 5

<u>Storm Water Utility</u>	<u>Lakeside Beverage</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
909,908	99,860	115,139	-	2,774,062
(182,081)	(40,404)	(206,146)	-	(1,659,395)
-	-	-	-	-
<u>727,827</u>	<u>59,456</u>	<u>(91,007)</u>	<u>-</u>	<u>1,114,667</u>
(67,034)	(54,443)	-	-	(228,977)
-	-	100,000	-	100,000
<u>(67,034)</u>	<u>(54,443)</u>	<u>100,000</u>	<u>-</u>	<u>(128,977)</u>
2,645,000	-	-	-	2,645,000
(2,505,385)	-	(13,450)	-	(2,807,062)
-	-	-	-	-
(390,000)	-	-	-	(390,000)
-	-	-	-	-
<u>(194,088)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(194,088)</u>
<u>(444,473)</u>	<u>-</u>	<u>(13,450)</u>	<u>-</u>	<u>(746,150)</u>
120,196	-	-	-	151,843
<u>120,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,843</u>
336,516	5,013	(4,457)	-	391,383
<u>1,001,324</u>	<u>20,635</u>	<u>398,188</u>	<u>208,930</u>	<u>2,783,724</u>
<u>1,337,840</u>	<u>25,648</u>	<u>393,731</u>	<u>208,930</u>	<u>3,175,107</u>

(continued)

City of Fort Dodge, Iowa
Combining Schedule of Cash Flows
Nonmajor Proprietary Funds
For the Year ended June 30, 2024

	<u>Business-Type Activities</u>	
	<u>Parking</u>	<u>Solid</u>
	<u>Meter</u>	<u>Waste</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (83,438)	206,600
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	23,799	173,249
Change in assets and liabilities:		
Receivables, net	(3,466)	(18,409)
Prepaid expenses	(500)	(194)
Consumer deposits	-	-
Accounts and other payables	182,416	(4,069)
Salaries and benefits payable	81	317
Compensated absences	-	(30,503)
Net pension liability	4,667	37,339
Deferred outflows of resources	2,051	12,183
Deferred inflows of resources	1,514	(75,211)
Other postemployment benefits	-	(9,072)
Deferred revenue	(964)	-
Net cash provided (used) by operating activities	<u>\$ 126,160</u>	<u>292,230</u>
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	\$ 101,720	1,107,238
Noncurrent assets:		
Restricted cash and pooled investments	<u>-</u>	<u>-</u>
Cash and cash equivalents at year end	<u>\$ 101,720</u>	<u>1,107,238</u>

See accompanying independent auditor's report.

Schedule 5

<u>Storm Water Utility</u>	<u>Lakeside Beverage</u>	<u>Central Garage</u>	<u>Consumer Deposits</u>	<u>Total</u>
(712)	54,345	(119,285)	-	57,510
756,505	-	52,327	-	1,005,880
(14,805)	2,677	(9,271)	-	(43,274)
-	3,386	70	-	2,762
-	-	-	-	-
(13,161)	(952)	(14,848)	-	149,386
-	-	-	-	398
-	-	-	-	(30,503)
-	-	-	-	42,006
-	-	-	-	14,234
-	-	-	-	(73,697)
-	-	-	-	(9,072)
-	-	-	-	(964)
<u>727,827</u>	<u>59,456</u>	<u>(91,007)</u>	<u>-</u>	<u>1,114,666</u>
1,337,840	25,648	393,731	-	2,966,177
-	-	-	215,100	215,100
<u>1,337,840</u>	<u>25,648</u>	<u>393,731</u>	<u>215,100</u>	<u>3,181,277</u>

City of Fort Dodge, Iowa

Bond Maturities - General Obligation Bonds

June 30, 2024

General Obligation Bonds

Year Ending June 30,	Corporate Purpose & Refunding		Urban Renewal Funding		Corporate Purpose	
	Issued May 16, 2016		Issued December 2, 2019		Issued June 26, 2018	
	Interest Rates	Amount	Interest Rate	Amount	Interest Rate	Amount
2025	2.00	235,000	4.00	290,000	3.00	505,000
2026	2.00	235,000	4.00	300,000	3.00	515,000
2027	-	-	4.00	310,000	3.25	535,000
2028	-	-	4.00	315,000	3.25	550,000
2029	-	-	4.00	330,000	3.25	570,000
2030	-	-	4.00	340,000	-	-
2031	-	-	3.00	350,000	-	-
2032	-	-	3.00	360,000	-	-
2033	-	-	3.00	375,000	-	-
		<u>\$ 470,000</u>		<u>\$ 2,970,000</u>		<u>\$ 2,675,000</u>

Year Ending June 30,	GO Taxable Corporate Purpose		Corporate Purpose		Corporate Purpose	
	Issued June 27, 2018		Issued February 16, 2021		Issued February 16, 2021	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2025	3.60	195,000	4.00	700,000	0.60	345,000
2026	3.60	200,000	4.00	970,000	0.75	355,000
2027	3.60	210,000	4.00	1,005,000	0.90	450,000
2028	3.60	215,000	4.00	485,000	1.05	460,000
2029	3.80	225,000	4.00	500,000	1.30	475,000
2030	3.80	230,000	2.00	520,000	1.40	485,000
2031	3.90	240,000	1.00	530,000	1.50	505,000
2032	3.90	250,000	1.15	175,000	1.60	515,000
2033	4.00	260,000	1.15	180,000	1.70	535,000
2034	4.00	270,000	1.35	180,000	1.80	545,000
2035	4.10	280,000	1.35	185,000	1.90	560,000
2036	4.10	295,000	1.45	185,000	2.00	580,000
2037	4.20	305,000	1.45	190,000	2.10	595,000
2038	4.20	315,000	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
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
Total		<u>3,490,000</u>		<u>6,385,000</u>		<u>8,275,000</u>

City of Fort Dodge, Iowa

Schedule 6

Bond Maturities - General Obligation Bonds

June 30, 2024

GO Corporate Purpose		
Issued June 27, 2019		
Year Ending	Interest	
June 30,	Rate	Amount
2025	5.00	1,050,000
2026	5.00	1,110,000
2027	5.00	1,160,000
2028	4.00	1,215,000
2029	3.00	1,260,000
2030	3.00	1,295,000
2031		-
2032		-
2033		-
Total		<u>\$ 7,090,000</u>

GO Corporate Purpose			Urban Renewal		
Issued September 13, 2023			Issued September 13, 2023		
Year Ending	Interest		Interest		Total
June 30,	Rate	Amount	Rate	Amount	
2025	5.00	1,240,000		-	4,560,000
2026	5.00	700,000		-	4,385,000
2027	5.00	735,000		-	4,405,000
2028	5.00	775,000	6.00	125,000	4,140,000
2029	5.00	815,000	6.00	135,000	4,310,000
2030	5.00	850,000	6.00	140,000	3,860,000
2031	5.00	895,000	6.00	150,000	2,670,000
2032	5.00	935,000	4.75	160,000	2,395,000
2033	5.00	985,000	4.80	165,000	2,500,000
2034	5.00	1,040,000	4.90	175,000	2,210,000
2034	5.00	245,000	4.90	185,000	1,455,000
2036	4.00	255,000	5.00	190,000	1,505,000
2037	4.00	265,000	5.00	200,000	1,555,000
2038	4.00	280,000	5.05	210,000	1,605,000
2039	4.00	290,000	5.05	220,000	1,325,000
2040	4.00	300,000	5.15	235,000	1,370,000
2041	4.00	315,000	5.15	245,000	560,000
2042	4.13	325,000	5.20	255,000	580,000
2043	4.13	335,000	5.20	270,000	605,000
Total		<u>\$ 11,580,000</u>		<u>\$ 3,060,000</u>	<u>\$ 45,995,000</u>

City of Fort Dodge, Iowa
Bond Maturities - Revenue Bonds
June 30, 2024

Schedule 7

Year Ending June 30,	Water Bond Issue Issued Dec 12, 2003		Water Bond Issue Issued June 1, 2004		Sewer Bond Issue Issued Feb 28, 2014	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
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>\$ 229,000</u>		<u>\$ 318,000</u>		<u>\$ 16,742,000</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 Rates</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>Amount</u>
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
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 7,586,000		\$ 4,904,000		\$ 12,766,000		\$ 16,100,000	

(continued)

City of Fort Dodge, Iowa
Bond Maturities - Revenue Bonds
June 30, 2024

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	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>\$ 9,256,000</u>		<u>\$ 1,775,739</u>		<u>\$ 23,182,000</u>		<u>\$ 14,488,000</u>	

See accompanying independent auditor's report.

Schedule 7

Water Revenue Boond Issued April 4, 2021		Water Revenue Boond Issued Sep 9, 2022		Sewer Revenue Boond Issued May 19, 2023		Total
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
1.75	112,000	1.75	21,000	1.75	305,000	6,704,000
1.75	114,000	1.75	21,000	1.75	315,000	6,840,000
1.75	116,000	1.75	22,000	1.75	320,000	6,982,000
1.75	118,000	1.75	22,000	1.75	325,000	7,129,000
1.75	120,000	1.75	23,000	1.75	335,000	8,035,739
1.75	122,000	1.75	23,000	1.75	340,000	7,433,000
1.75	124,000	1.75	24,000	1.75	345,000	7,589,000
1.75	126,000	1.75	24,000	1.75	355,000	7,752,000
1.75	128,000	1.75	24,000	1.75	360,000	7,917,000
1.75	131,000	1.75	25,000	1.75	365,000	5,659,000
1.75	133,000	1.75	25,000	1.75	375,000	5,803,000
1.75	135,000	1.75	26,000	1.75	380,000	5,445,000
1.75	138,000	1.75	27,000	1.75	385,000	3,879,000
1.75	140,000	1.75	27,000	1.75	400,000	3,966,000
1.75	143,000	1.75	28,000	1.75	405,000	4,052,000
1.75	145,000	1.75	28,000	1.75	415,000	4,143,000
1.75	148,000	1.75	29,000	1.75	420,000	2,411,000
-	-	1.75	24,475	1.75	430,000	2,313,475
-	-	1.75	-	-	440,000	2,347,000
-	-	-	-	-	-	1,955,000
-	-	-	-	-	-	2,004,000
-	-	-	-	-	-	2,055,000
-	-	-	-	-	-	1,160,000
-	-	-	-	-	-	1,191,000
-	-	-	-	-	-	724,000
-	-	-	-	-	-	745,000
-	-	-	-	-	-	764,000
\$ 2,193,000		\$ 443,475		\$ 7,015,000		\$ 116,998,214

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				
	2024	2023	2022	2021	2020
Revenues:					
Property tax	\$ 16,158,090	15,969,376	14,984,607	15,261,758	14,376,529
Tax increment financing revenue	3,094,310	3,215,275	2,692,352	2,744,067	2,481,611
Other city tax	10,055,340	9,256,445	9,197,281	4,804,836	4,825,082
Licenses and permits	458,762	592,860	458,888	649,529	297,745
Use of money and property	1,040,351	733,963	86,652	659,732	461,957
Intergovernmental	8,739,172	4,024,329	3,663,492	8,133,087	7,070,609
Charges for service	3,245,217	3,384,901	3,562,169	4,267,633	2,433,093
Miscellaneous	<u>2,755,785</u>	<u>3,080,292</u>	<u>3,676,545</u>	<u>2,857,917</u>	<u>2,722,764</u>
Total	<u>\$ 45,547,027</u>	<u>40,257,441</u>	<u>38,321,986</u>	<u>39,378,559</u>	<u>34,669,390</u>
Expenditures:					
Operating:					
Public safety	\$ 11,919,750	11,687,549	12,398,623	11,992,758	12,560,169
Public works	5,009,903	6,006,412	7,458,778	4,622,763	5,117,521
Health & social services	184,649	181,798	178,719	414,668	289,811
Culture and recreation	4,417,310	3,899,888	6,080,463	4,902,874	5,224,168
Community and economic development	2,783,921	2,233,055	6,452,413	7,964,383	5,718,922
General government	1,216,433	1,150,020	1,645,759	1,761,885	1,536,996
Debt service	6,758,057	6,301,567	6,027,561	8,660,125	5,815,935
Capital projects	<u>12,381,901</u>	<u>20,294,015</u>	<u>5,337,867</u>	<u>7,024,496</u>	<u>10,050,336</u>
Total	<u>\$ 44,671,924</u>	<u>51,754,304</u>	<u>45,580,183</u>	<u>47,343,952</u>	<u>46,313,858</u>

See accompanying independent auditor's report.

schedule 8

2019	2018	2017	2016	2015
14,085,878	9,691,770	13,568,789	13,354,771	13,015,564
2,404,046	2,020,890	2,013,315	1,569,976	1,419,219
4,562,453	4,407,030	4,812,461	4,195,742	5,161,380
468,913	578,064	418,049	465,372	535,690
694,329	240,683	572,163	471,712	315,275
8,256,669	633,039	5,832,684	6,755,827	15,529,733
2,702,548	1,027,147	1,117,558	1,186,770	1,157,031
2,494,866	1,497,702	4,056,601	3,114,194	2,171,709
<u>35,669,702</u>	<u>20,096,325</u>	<u>32,391,620</u>	<u>31,114,364</u>	<u>39,305,601</u>
11,265,268	5,896,034	8,894,836	8,119,845	8,024,008
4,980,080	316,478	4,432,052	4,460,339	4,209,980
100,704	2,278	761,655	298,890	297,939
4,509,864	2,595,826	3,835,603	3,623,516	4,179,152
5,468,485	4,200,895	2,689,452	2,285,527	3,520,962
1,567,768	1,212,497	1,568,267	1,198,535	1,192,944
5,295,282	4,961,237	9,950,311	8,956,543	4,865,785
9,195,130	5,373,373	7,542,037	13,319,514	11,028,655
<u>42,382,581</u>	<u>24,558,618</u>	<u>39,674,213</u>	<u>42,262,709</u>	<u>37,319,425</u>

City of Fort Dodge, Iowa
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

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	23-GG-03355-JAGX	18,957
Byrne Memorial Justice Assistance	16.738	22-GG-0746-JAGX	1,657
Byrne Memorial Justice Assistance	16.738	22-JAGSCIP-534476	180,000
Byrne Memorial Justice Assistance	16.738	22-JAGSCIP-533404	1,813
Byrne Memorial Justice Assistance	16.738	21-JAG-CJE-527532	17,942
			<u>220,369</u>
Bulletproof Vest Partnership Program	16.607		<u>12,233</u>
Passed through the Iowa Department of Human Rights			
Juvenile Delinquency Prevention	16.548	48PJDP-21-GG-03242-TTTL	<u>44,290</u>
Subtotal: U.S. Department of Justice			<u>276,892</u>
U.S. Department of Transportation:			
Airport Improvement Program	20.106	3-19-0035-042-2024	81,063
Airport Improvement Program	20.106	3-19-0035-043-2024	95,765
			<u>176,828</u>
U.S. Department of Transportation:			
Passed through the Iowa Department of Transportation:			
State and Community Highway Grant	20.600	23-402-M0PT	3,038
	20.600	402-PT-2024	21,580
			<u>24,618</u>
Impaired Driving Countermeasures	20.616		<u>5,868</u>
Non-Urban Operating Assistance	20.509	2023-001-00SFY22	204,616
	20.509	2022-009-01-FY21	44,219
	20.509	ICB CY22	7,500
	20.509	2021-015-00-FY21	463,238
			<u>719,573</u>
Subtotal U.S. Department of Transportation			<u>926,887</u>
Corporation for National and Community Service:			
Foster Grandparents	94.011	20SFNIA002	<u>146,158</u>
U.S. Department of Energy			
Passed through Iowa Economic Authority			
ARRA Grant Agreement	81.041	22-ARRA-005	<u>40,000</u>

City of Fort Dodge, Iowa
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

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	225,648
	66.818	96707701	96,163
			<u>321,811</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	298,970
	14.228	23-CNRP	23,267
			<u>322,237</u>
U.S. Department of Treasury State of Iowa Department of Administrative Services Coronavirus Relief Fund	21.019	SLRP4374	1,287,195
U.S. Department of Health and Human Services Passed through Elderbridge Agency on Aging Special Programs for the Aging,- Title III, Part B	93.044	FY 24	30,000
Total			<u>\$ 3,351,180</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>719,573</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, 2024. 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 contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - The City of Fort Dodge has not elected to use the 10% de minimus cost rate as allowed under the uniform guidance.

See accompanying independent auditor's report.

Schedule of Expenditures of State Awards

Year ended June 30, 2024

<u>Grantor/Program</u>	<u>Program Expenditures</u>
Department of Transportation:	
Air Service Development Program	29,709
Airport Infrastructure # 4602	121,599
Airport Infrastructure # 5815	122,005
Airport Infrastructure # 4581	130,491
Transit Operating Assistance	301,988
Bridge Repair -SWAP-158(637)-SD-94	1,000,000
PCC Pavement - STBG-SWAP-2690-636-SG-94	<u>1,900,000</u>
	<u>3,605,792</u>
Library:	
Open Access Grant	3,468
Enrich Iowa Grant	<u>7,764</u>
	<u>11,232</u>
 Total	 <u>\$ 3,617,024</u>

See accompanying independent auditor's report.

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

Certified Public Accountants

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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, 2024, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 2, 2025.

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 (internal control) 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 in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider 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, 2024 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

Government Auditing Standards require the auditor to perform limited procedures on 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 2, 2025

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, 2024. The City of Fort Dodge's major federal program is 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, 2024.

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 2, 2025

City of Fort Dodge, Iowa
Schedule of Findings and Questioned Costs
Year ended June 30, 2024

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 program was 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, 2024

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

2024-001 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, 2024

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:

2024-A Certified Budget – Disbursements during the year ended June 30, 2024, exceeded the amounts budgeted in the community and economic development program. Chapter 354.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

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

Response – The budget was amended, but we will amend it in appropriate amounts in the future.

Conclusion – Response accepted.

2024-B Questionable Disbursements – 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, 2024

2024-C Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

2024-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	Repairs	<u>\$1,621</u>
Rachael Maehl, Spouse of assistant city manager	Contract services	<u>\$1,975</u>

The above transactions do not appear to represent conflicts of interest as transactions with each individual were less than \$6,000 during the fiscal year.

City of Fort Dodge, Iowa

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

Part IV: Other Findings Related to Statutory Reporting:

- 2024-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.
- 2024-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.
- 2024-G Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.
- 2024-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.
- 2043-I Revenue Bonds and Notes – No instances of non-compliance with the water and wastewater revenue note provisions were noted.
- 2024-J Financial Condition – The Special Revenue Funds, Tax Increment Financing, had a deficit balance of \$3,902,449, the Capital Projects, Construction Fund had a deficit balance of \$1,608,559, and the Enterprise Fund, Broadband Utility Fund had a deficit balance of \$5,033,469 at June 30, 2024.

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.

- 2024-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

Summary Schedule of Prior Audit Findings

Year ended June 30, 2024

Comment Reference	Comment Title	Status	If not corrected, provide reason for finding's recurrence and planned correction action or other explanation
2023-001	Preparation of financial statements	Not corrected.	See explanation and corrective action plan at 2023-001



City of Fort Dodge

Corrective Action Plan

Year Ended June 30, 2024

<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>
2024-001	Preparation of financial statements	See response and corrective action plan at 2024-001	Jeff Nemmers Finance Director 515-576-4551	N/A