



Fort Dodge Community School District
Fort Dodge, Iowa

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE
FORT DODGE COMMUNITY SCHOOL DISTRICT
FORT DODGE, IOWA**

For the Fiscal Year Ended June 30, 2022

Official Issuing Report

Brandon C Hansel, SBO, Director of Financial Services

Office Issuing Report

Administrative Services Division

**FORT DODGE COMMUNITY SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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FORT DODGE COMMUNITY SCHOOL DISTRICT

OUR SCHOOLS. OUR COMMUNITY. OUR **PRIDE.**

December 8, 2022

To President Cochrane, Members of the Board of Directors, and patrons of the Fort Dodge Community School District:

It is indeed my pleasure to submit to you the Annual Comprehensive Financial Report for the Fort Dodge Community School District for the fiscal year ended June 30, 2022. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) of the United States and Canada.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all District funds. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

The 2022 Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section includes a transmittal letter, the District's organizational chart, and a list of District officials.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview of the basic financial statement. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Reporting Entity

This report includes all funds and account groups that are part of the Fort Dodge Community School District. The District is a separate reporting entity and is not included in any other reporting entity. A seven-member elected Board of Education, serving staggered terms of four years, governs the Fort Dodge Community School District. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators. The District is subject to the general oversight of the Iowa Department of Education. This oversight generally includes an approval process that reviews compliance with standards enacted by legislative mandate.

The City of Fort Dodge is located in the northeast part of Webster County, Iowa, on the Bluffs of the Des Moines River and surrounds the Fort Dodge Community School District. Fort Dodge is Iowa's 20th largest city with a population of 24,871 as reported by the 2020 census. Fort Dodge traces its beginnings to 1850 when soldiers from the United States Army erected a fort at the junction of the Des Moines River and Lizard Creek. It was named after Henry Dodge, a U.S. senator from Wisconsin. The fort was abandoned in 1853 and the next year William Williams, a civilian storekeeper in Fort Dodge, purchased the land and buildings of the old fort. The town of Fort Dodge was founded in 1869. In 1872 the long and continuing history of gypsum production in Iowa started when George Ringland, Webb Vincent, and Stillman T. Meservey formed the Fort Dodge Plaster Mills to mine, grind, and prepare gypsum for commercial use. The Company constructed the first gypsum mill west of the Mississippi River, at the head of what is now Gypsum Creek.

The Fort Dodge School District is the 25th largest of Iowa's over 300 K-12 public school systems. The enrollment is approximately 3,660 students. The District provides a full range of educational services appropriate to students in early childhood, preschool, transitional kindergarten, and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

The District is composed of one high school, one intermediate school, four elementary schools and an on-campus alternative educational program. Our early childhood learning facility houses the state four year old preschool program and kindergarten. Student enrollment (pre-school through high school) for the 2021-22 school year was approximately 3,660 regular and special education students. The District employs approximately 520 persons of whom approximately 260 are professional staff and 260 are support staff.

Economic Condition and Outlook

The District is located in the Northwest quadrant of the state. Being the largest community within an hour's drive, Fort Dodge serves as the commercial center for the region. As a regional hub, Fort Dodge has several large organizations that provide stability to the local economy. Unity Point Regional Medical Center, Fort Dodge Regional Airport, Iowa Central Community College, and many big box retail stores are a few examples. As a result of shifts in industry, Fort Dodge has experienced some economic loss over the years with the closure of several meat packing plants and other manufacturing related companies. The school District has experienced declining enrollment in recent years with the loss of over 500 students in the last 10 years. However, the strong agricultural climate in recent years has led to a resurgence in economic activity and business investment in the area. The development of an agricultural business park has attracted large companies such as Cargill to build a bio-fuel production facility. This project in particular has also attracted the attention of an international company who is constructing a facility for the production of amino acids used for livestock feed.

As a result of these new economic factors and the corresponding jobs that have been created, the District enrollment has remained fairly stable. The District continues to monitor the level of economic activity and is now projecting the rate of student enrollment decline to level off with the potential for mild increases in enrollment for the next several years due primarily to the shift stabilization of a new pork processing plant.

In recent years, Iowa schools have faced a low funding environment at the State level. The District has faced inadequate funding for state aid and other state-funded programs, and this was particularly demonstrated in a state percent of growth rate less than 3% for the last 10 years.

Major Initiatives

The District continues to try and deal with its aging infrastructure through the completion of a new Middle School in 2013 and Duncombe Elementary School in August of 2018 paid for with General Obligation Bond proceeds. In 2020 the District completed the renovation of the new Central Administration building located in the former Hy-Vee grocery store building and started renovation of the former Arey Elementary building into a new Early Childhood Center. Federal pandemic relief funding was used for extensive HVAC upgrades at Cooper Elementary and the Senior High during 2021 and 2022.

Long-Term Financial Planning

Unassigned fund balance in the general fund decreased in fiscal year 2022 by approximately \$0.28 million due to spending targeted toward financial positioning of fund balances to desired levels. This decrease in fund balance drew down our solvency ratio to 15.21% and within target range to meet unforeseen financing requirements, fund summer operations, and to obtain higher bond ratings as the District determines its facility needs for the future with bonding.

The State of Iowa has implemented lower allowable growth, mid-year budget reductions in past years. With a changing District like Fort Dodge, funds need to be built up to help cover expenses of enrollment fluctuations since funding is not received until the subsequent year. With approximately 80% of the District's resources required for salaries and benefits, staffing efficiencies will become a priority.

Relevant Financial Policies

Since the State of Iowa funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of supplemental aid each year. Under the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. State percent of growth is crucial in funding the needs of our growing District.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties, the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the Management's Discussion and Analysis included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Independent Audit

The Code of the State of Iowa requires an annual independent audit of the District to be performed by an accounting firm selected in a competitively bid process. The firm selected for the audit of the financial statements for the year ended June 30, 2022 was Schnurr & Company, LLP. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of Title 2, U.S. Code of Federal Regulations, Part 2000, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report. The auditor's reports related specifically to the Uniform Guidance are included in a separate section for internal controls and compliance.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fort Dodge Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is the highest form of recognition for excellence in state and local financial reporting.

In order to be presented this award, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The School District has also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO). Upon recommendation of the Association's Panel and Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program, we are submitting this report to ASBO to determine its eligibility for another certificate.

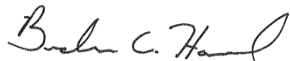
A certificate from both associations is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the program requirements of GFOA and ASBO and we are submitting it to both associations to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not be accomplished without the dedicated service and contributions of all necessary departments and personnel and advice from our auditors, Schnurr & Company. Finally, we would like to thank the Board of Education for their continued commitment to conducting the financial operations of the District with the highest level of responsibility and professionalism.

We are pleased to present this report of the results of the District's financial operation for the fiscal year ended June 30, 2022. It is our hope that study and review of this report will provide a better understanding of the District's financial operation.

Respectfully submitted,



Brandon C. Hansel, SBO
Director of Financial Services



Government Finance Officers Association

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

Presented to

**Fort Dodge Community School District
Iowa**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Fort Dodge Community School District

**for its Annual Comprehensive Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

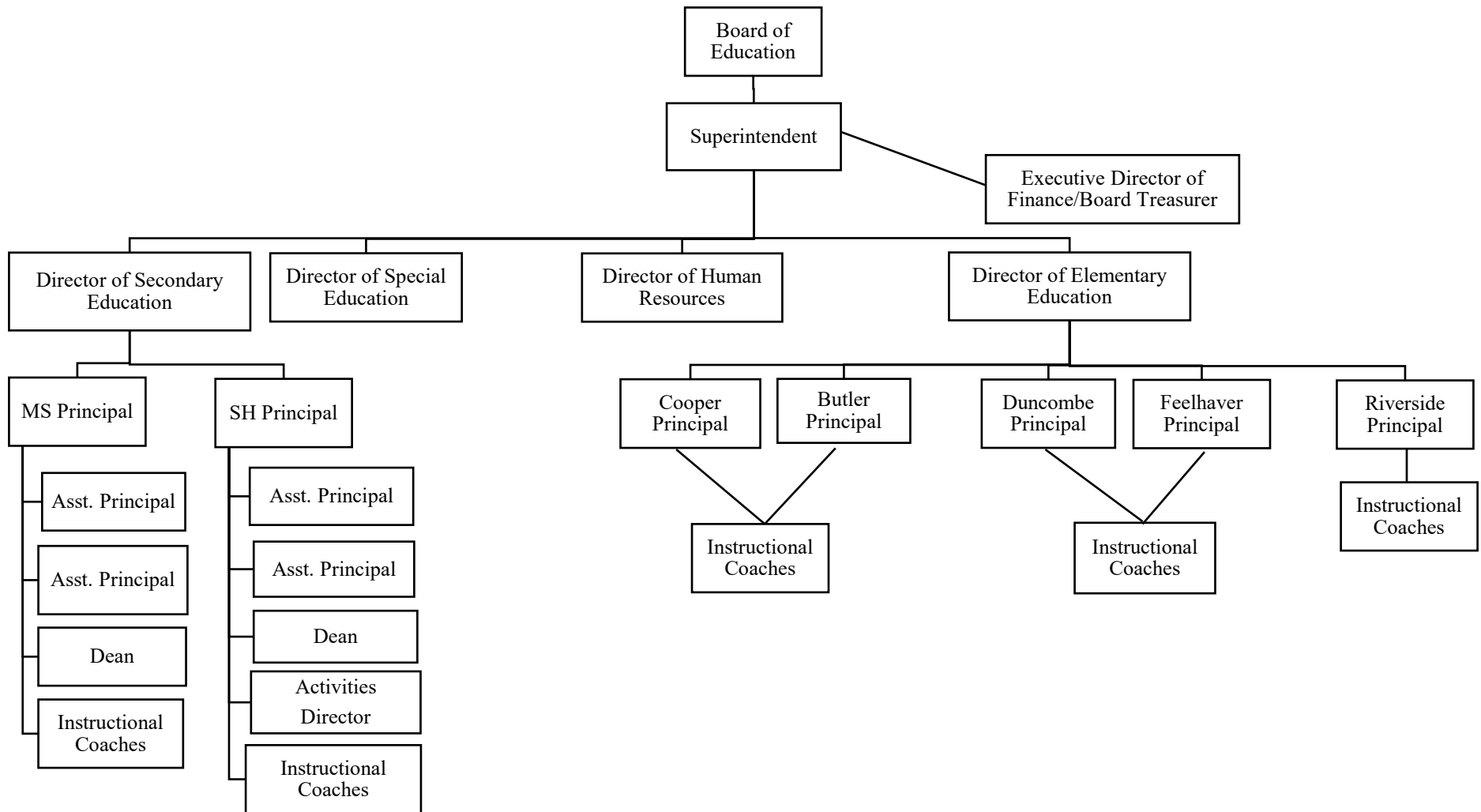


William A Sutter
President

David J. Lewis
Executive Director

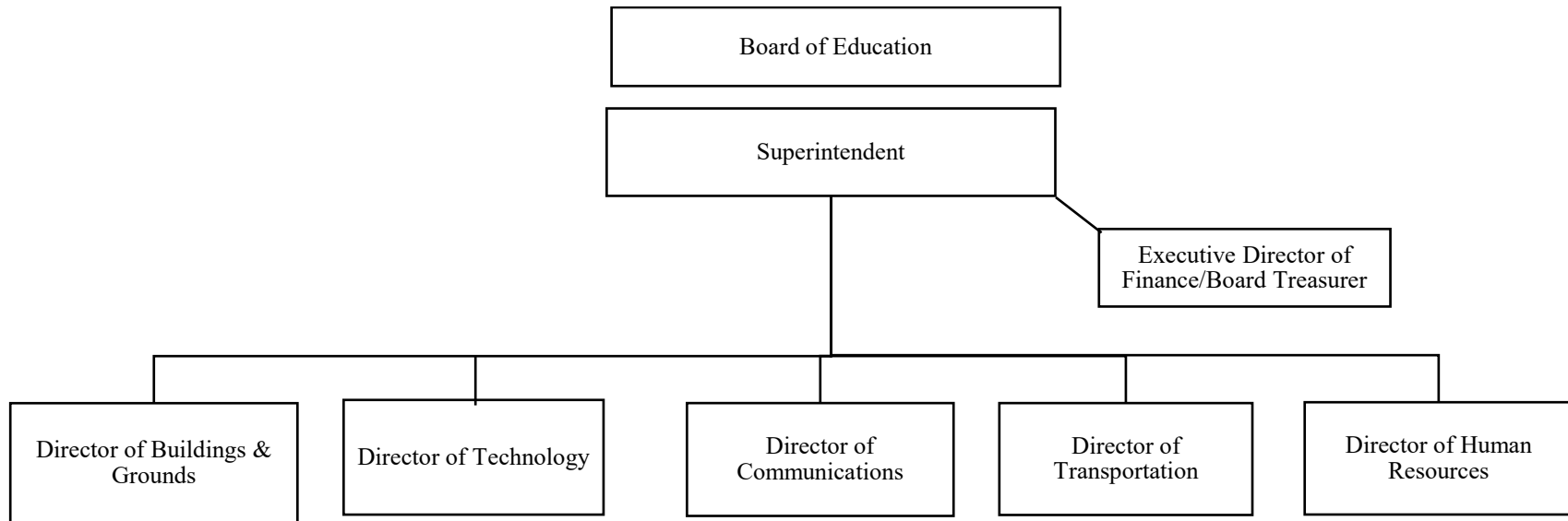
FORT DODGE COMMUNITY SCHOOL DISTRICT

Teaching and Learning Organizational Chart



FORT DODGE COMMUNITY SCHOOL DISTRICT

Operations Organizational Chart



FORT DODGE COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION

<i>NAME</i>	<i>POSITION</i>	<i>TERM EXPIRES</i>
Stuart Cochrane	President	2025
Lisa Shimkat	Vice President	2025
Angie Tracy	Board Member	2023
Matt Moritz	Board Member	2023
William Kent	Board Member	2023
Dan Hansen (Resigned February, 2022)	Board Member	2025
Dan Altman (Appointed March, 2022)	Board Member	2025
Diane Pratt	Board Member	2023

FORT DODGE COMMUNITY SCHOOL DISTRICT

SCHOOL DISTRICT ADMINISTRATION

<i>NAME</i>	<i>POSITION</i>
Dr. Derrick Joel	Superintendent of Schools
Brandon Hansel	Executive Director of Financial Services
Kimberly Whitmore	Director of Human Resources
Stephanie Anderson	Director of Elementary Instruction
Kirsten Doebel	Director of Secondary Instruction
Nick Sells	Food Service Director
Ryan Utley	Director of Buildings and Grounds
Pam Stangland	Director of Special Education
Kate Simpson	Cooper Elementary Principal
Jeremy Pearson	Director of Technology
Brad Niemeyer	Director of Transportation
Jennifer Lane	Director of Communications
Staci Laird	High School Principal
Matt Elsbecker	High School Associate Principal
Adam Kent	High School Associate Principal
Scott Danielson	High School Associate Principal
Josh Porter	Athletic Director
Aaron Davidson	Middle School Principal
Jason Lampe	Middle School Associate Principal
Shawn Bennett	Middle School Associate Principal
Tom Daniel	Middle School Associate Principal
Jessica Kruckenberg	Butler Elementary Principal
Ryan Flaherty	Duncombe Elementary Principal
Sara Fitzgerald	Feelhaber Elementary Principal
Carmen Banwart	Early Childhood Center Principal

FINANCIAL SECTION



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

Independent Auditor's Report

To the Board of Education of
Fort Dodge Community School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Fort Dodge Community School District, Fort Dodge, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements 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, each major fund and the aggregate remaining fund information of the Fort Dodge Community School District as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States off America..

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, Fort Dodge Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Fort Dodge Community School District'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional 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 Fort Dodge Community School District'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 Fort Dodge Community School District'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 Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 14 through 26 and 62 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fort Dodge Community School District'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, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, 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 7 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 December 8, 2022 on our consideration of Fort Dodge Community School District'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 District'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 Fort Dodge Community School District's internal control over financial reporting and compliance.

Schnier & Company, LLP

Fort Dodge, Iowa
December 8, 2022

FORT DODGE COMMUNITY SCHOOL DISTRICT

FORT DODGE COMMUNITY SCHOOL DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the Fort Dodge Community School District's annual financial report presents our discussion. Since all activities are required to be reported on a full accrual basis, a comprehensive comparison to the prior year has been made as is required to provide comparison of key current year data to prior year data. (Please refer to Table A-1 for comparison of the fiscal years.) Please read this analysis in conjunction with the District's financial statements, which immediately follow this section.

2022 Financial Highlights

- The District's net position in fiscal year 2022 increased 37.53% to \$71.353 million. The Governmental Activities net position increased 37.50%, while the business type activities net position increased 38.60%. (See Table A-1) Overall, general fund revenues were \$55.301 million, and expenditures were \$48.938 million.
- Spending efficiency and properly aligned categorical expenses with designated revenues contributed to the increase in the District's net position.
- A decrease in bank account interest yield resulted in the General Fund interest income decreasing from \$50,925 in fiscal year 2021 to \$45,638 in fiscal year 2022. Interest rates have continued to remain at low levels for the past several years but has been recently moving down as the Federal Reserve makes policy adjustments.
- The General Fund ending unassigned fund balance decreased from \$8.402 million in fiscal year 2021 to \$8.121 million in fiscal year 2022.
- The District's self-insured dental internal service fund had a reserve of \$431,827 at the end of the fiscal year. Premium equivalent levels are reviewed and adjusted annually to maintain the necessary reserves.
- The District's self-insured health plan internal service fund had a reserve of \$6,859,560 at the end of the fiscal year. Premium equivalent levels are reviewed and adjusted annually to maintain the necessary reserves.
- The District Statement of Net Position indicates an unrestricted net balance of (\$0.248) million at the end of the 2022 fiscal year, which is up from (\$6.324) million at the end of the 2021 fiscal year. This is a 96.07% increase from the previous year.
- The District revenues increased 13.94% in the 2022 fiscal year compared to a 7.54% increase in the 2021 fiscal year, while the District expenses decreased 4.28% in the 2022 fiscal year compared to a 0.77% increase in the 2021 fiscal year. Please refer to Table A-2 for a breakdown of the revenues and expenses.
- The Fort Dodge Community School District certified enrollment count taken on October 1, 2021, was 3,655.8. This count represents a decrease of 18.8 students from the prior year. The historic enrollment trend for the District has been downward; however, recent local economic development has provided job growth in the area which can be attributed to enrollment stability.
- The 2022 special education program ended the year with a surplus balance of \$385,793. The balance in fiscal year 2021 was a deficit of (\$499,981).

MANAGEMENT DISCUSSION AND ANALYSIS

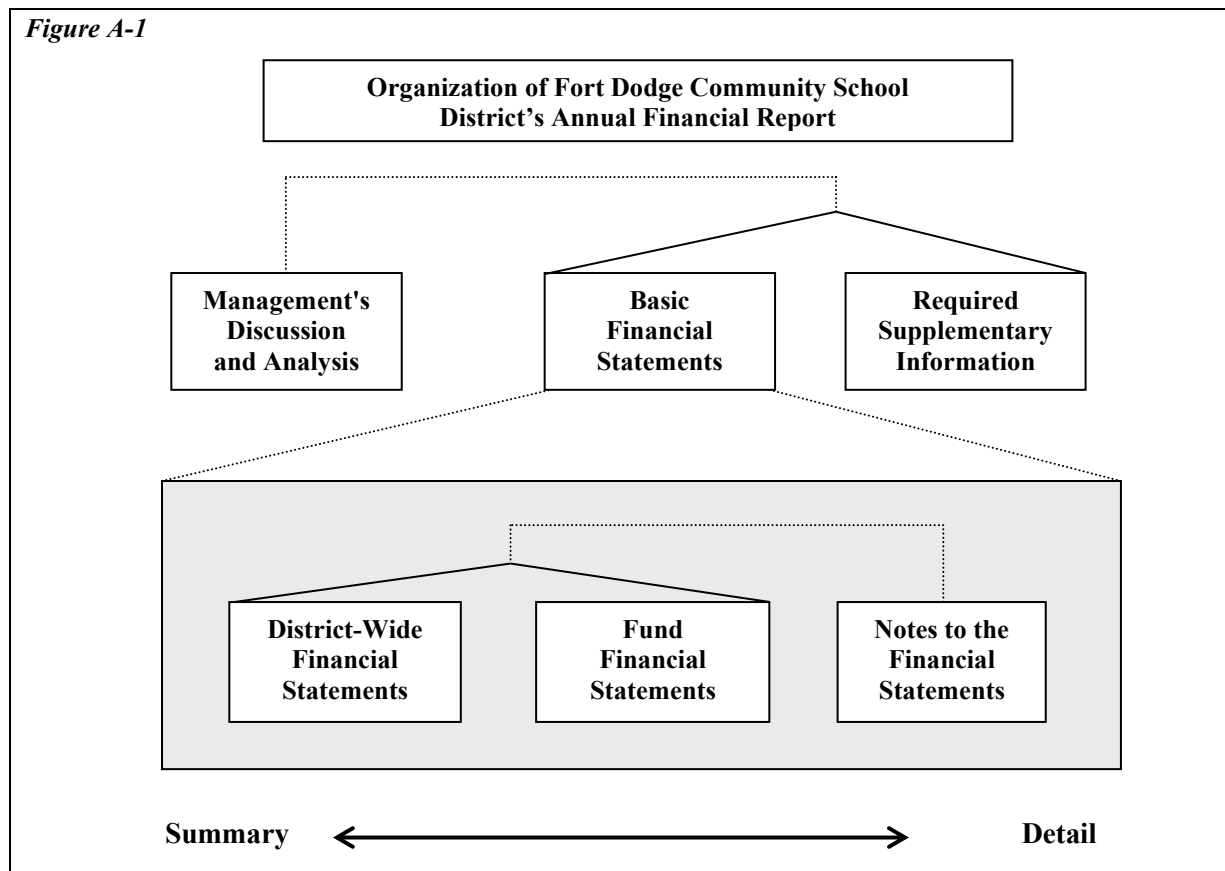
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts--management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* (Statement of Net Position and Statement of Activities) that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds statements* tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- *Proprietary funds statements* offer short- and long-term financial information about the activities the district operates like businesses, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-2 on this page summarizes the major feature of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2
Major Features of Government-wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses; school nutrition and the medical self-insurance internal service fund included here	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements

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

The two government-wide financial statements report the District's *net position* and how it has changed. Net position is one way to measure the District's financial health or *financial position*. Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*—Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- *Business-type activities*—The District charges fees to help cover the costs of certain services it provides. The District's food service program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as repaying its long-term debts, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

- *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Fund, School Nutrition, one type of proprietary fund, is the same as its business-type activities, but provides more detail and additional information, such as cash flows. Internal service funds (the other kind of proprietary fund) are used to report activities that provide supplies and services for the District's other programs and activities. The District currently has three internal service funds which handle the Flexible Spending Account, the Self-Funded Dental Account and the Self-Funded Health Plan Account.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

- *Fiduciary funds* – The District is the trustee, or fiduciary, for assets that belong to others. The District's fiduciary fund includes the Private-Purpose Trust Fund, which accounts for outside donations for scholarships for individual students.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table A-1 below provides a summary of the District's net position at June 30, 2022 compared to June 30, 2021.

Table A-1 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2022	Restated 2021	2022	Restated 2021	2022	Restated 2021	2021-2022
Assets:							
Current and other assets	\$ 61,078,469	\$ 53,639,796	\$ 1,706,598	\$ 1,570,454	\$ 62,785,067	\$ 55,210,250	13.72%
Capital assets	86,216,824	82,336,146	214,985	171,144	86,431,809	82,507,290	4.76%
Total assets	147,295,293	135,975,942	1,921,583	1,741,598	149,216,876	137,717,540	8.35%
Deferred Outflows of Resources	3,654,049	5,782,108	5,003	8,090	3,659,052	5,790,198	-36.81%
Liabilities:							
Long-term debt outstanding	35,585,217	64,377,867	694	35,411	35,585,911	64,413,278	-44.75%
Other liabilities	7,082,082	6,340,712	237,951	513,753	7,320,033	6,854,465	6.79%
Total liabilities	42,667,299	70,718,579	238,645	549,164	42,905,944	71,267,743	-39.80%
Deferred Inflows of Resources	38,588,932	20,353,622	27,671	2,561	38,616,603	20,356,183	89.70%
Net Position:							
Net investment in capital	53,770,263	45,264,994	214,985	171,144	53,985,248	45,436,138	18.82%
Restricted	17,616,484	12,771,300	-	-	17,616,484	12,771,300	37.94%
Unrestricted	(1,693,636)	(7,350,445)	1,445,285	1,026,819	(248,351)	(6,323,626)	96.07%
Total net position	\$ 69,693,111	\$ 50,685,849	\$ 1,660,270	\$ 1,197,963	\$ 71,353,381	\$ 51,883,812	37.53%

The District's combined net position was larger on June 30, 2022, than it was the year before--increasing 37.53% to \$71.353 million. (See Table A-1). Most of this change in the District's financial position came from its governmental activities; the net position grew \$19.007 million to \$69.693 million. The net position of the District's business-type activities increased 38.6% to \$1.660 million. Reasons for the increase in net position included larger than normal change in capital assets related to the renovation of Cooper Elementary School and the reduction in the District's net pension liability.

The District's financial position is the product of many factors. The various sources of tax revenue, grants, and charges for services exceeded related expenditures. The one percent local option sales tax funding in the Capital Projects Fund has been especially helpful to the district. The \$4.424 million sales tax revenue received is exclusively used for capital projects, which will be expensed as depreciation over many years on the Statement of Activities.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Cash for governmental funds totaled \$34.708 million or 22.99% of total assets and deferred outflows of resources, up from 22.25% in fiscal 2021. Cash balances are needed at June 30th of each year to fund the district general fund operations in July, August, and the first half of September, when there is very little state aid or property tax revenue. Reason for the increase in cash as a percent of total assets and deferred outflows of resource is due to increased federal funding to assist in paying for capital asset investment.

Accounting principles generally accepted in the United States of America (GAAP) requires that the property taxes certified in April (the lien date) for the upcoming fiscal year be accrued as a receivable and shown as deferred inflows of resources. The future property tax receivable of \$18.888 million and related deferred inflows of resources on the Statement of Net Position result from this requirement. Net property and equipment (capital assets) of \$86.432 million represents 57.92% of total assets for the 2022 fiscal year compared with \$82.309 million and 59.85% of total assets for the 2021 fiscal year. Reason for this change was due to construction in progress related to heating, ventilation and air conditioning projects.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Statement of Activities

Table A-2 recasts the Statement of Activities into a traditional revenue and expenses format. State aid accounts for 30.70% of total revenue and general property tax accounts for 19.02% for the 2022 fiscal year, compared with 33.99% and 21.90%, respectively, for the 2021 fiscal year. Specific categorical grants and contributions from state, federal, and private sources account for 31.29% of revenue for the 2022 fiscal year compared with 22.50% for the 2021 fiscal year. The local option sales tax dedicated to school infrastructure totals 6.15% for 2022 compared with 5.80% for the 2021 fiscal year. The charges for services, mainly tuition and student co-curricular activities, account for 3.06% for the 2021 fiscal year compared with 2.66% for the 2022 fiscal year. (See Table A-2). Revenues grew 13.94% in FY22 primarily due to funding from the Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act and insurance proceeds from damage to District properties.

Of the District's expenses for 2022, 55.19% are predominately related to the instruction of students, compared with 59.32% for 2021. All other non-instructional expenses accounted for 44.81% in 2022 compared with 40.68% of expenses for 2021. (See Table A-2). These categories contain many line items directly supporting students and instruction, such as guidance, health, media, technology, improvement of instruction, and student transportation and food service program costs and depreciation expense not directly allocated to any functional area. In FY22, due to the decrease in the net pension liability, expenses in both instructional and non-instructional categories decreased.

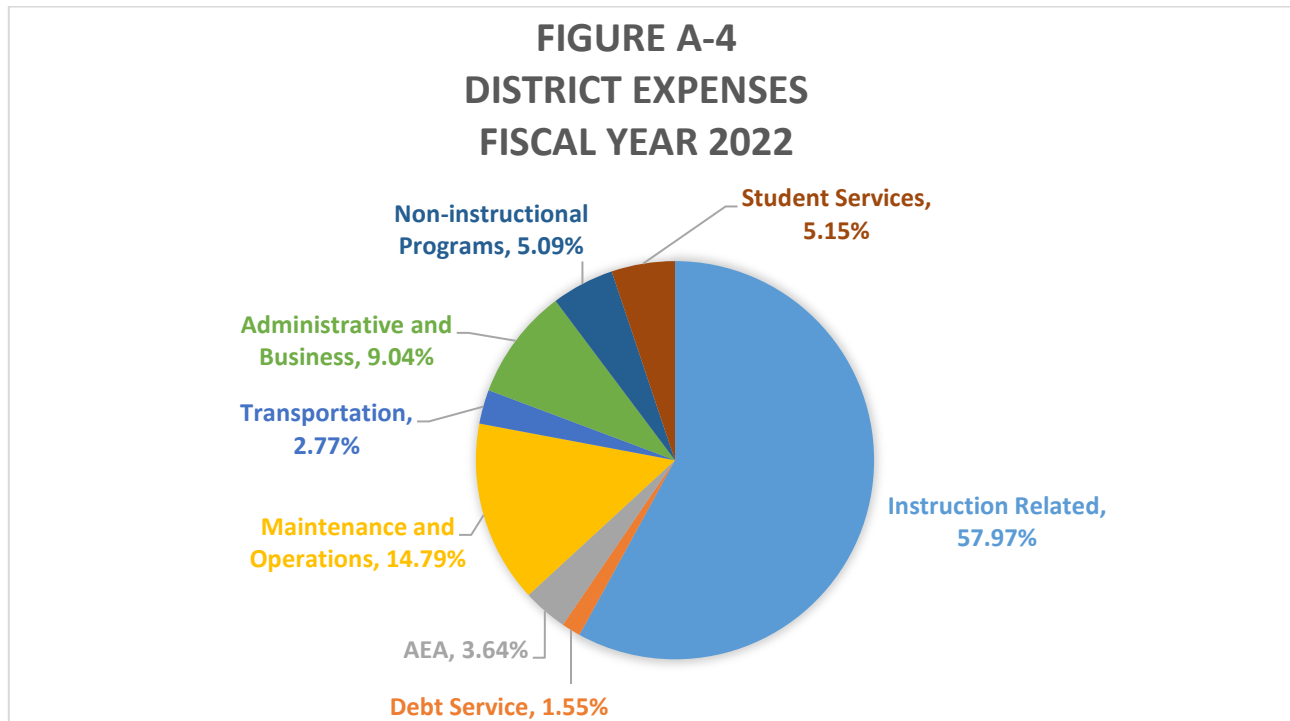
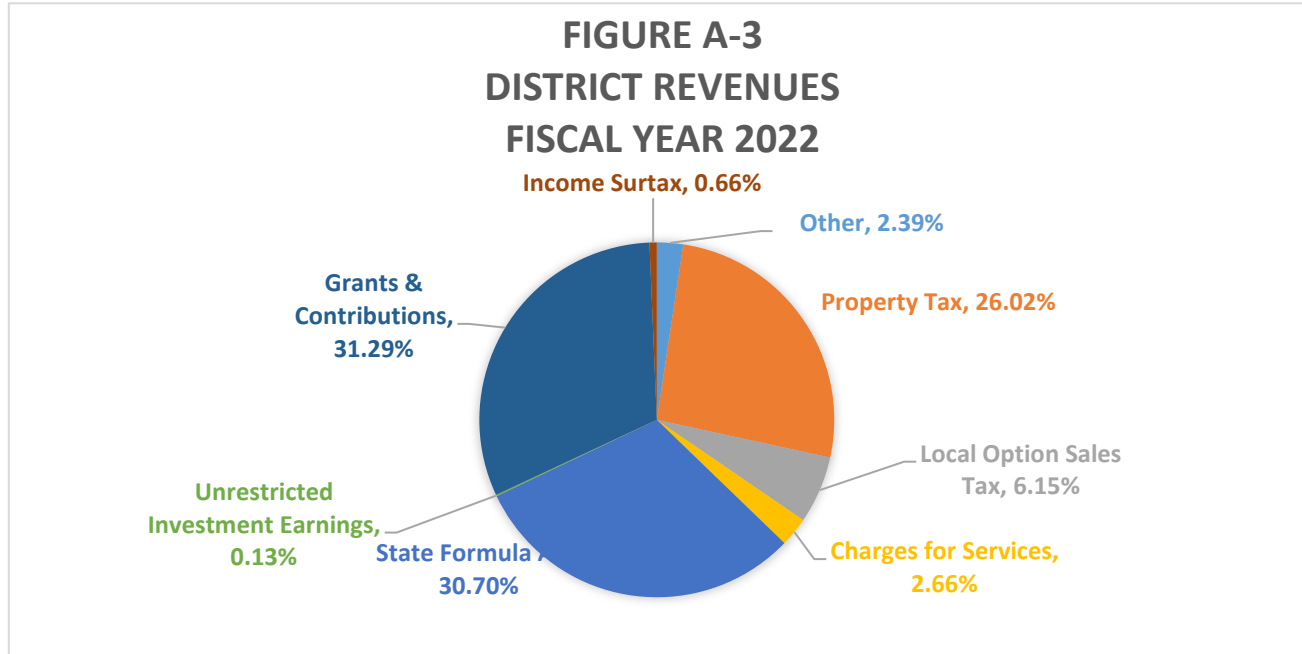
Operations and maintenance and building administration are also significant in the support services area. The State of Iowa by formula funds local school districts for the services of area education agencies and then pays these dollars directly to the agency.

Table A-2							
Changes in Net Position							
	Governmental Activities		Business-type Activities		Total District		Total Change
	2022	2021	2022	2021	2022	2021	2021-2022
Revenues:							
Program revenues:							
Charges for service	\$ 1,752,644	\$ 1,787,501	\$ 157,480	\$ 145,384	\$ 1,910,124	\$ 1,932,885	-1.18%
Operating grants and contributions	19,545,849	12,228,724	2,961,664	1,979,193	22,507,513	14,207,917	58.42%
General revenues:							
Property taxes, general	13,682,976	13,825,837	-	-	13,682,976	13,825,837	-1.03%
Income surtax	471,628	509,382	-	-	471,628	509,382	-7.41%
Local Option Sales Tax	4,423,993	3,662,295	-	-	4,423,993	3,662,295	20.80%
Property tax, capital outlay	1,776,246	1,738,516	-	-	1,776,246	1,738,516	2.17%
Property tax, debt service	3,261,701	3,228,785	-	-	3,261,701	3,228,785	1.02%
State formula aid	22,087,657	21,463,106	-	-	22,087,657	21,463,106	2.91%
Unrestricted investment earnings	89,607	113,392	5,189	5,665	94,796	119,057	-20.38%
Other	1,726,614	2,453,373	-	-	1,726,614	2,453,373	-29.62%
Total revenues	68,818,915	61,010,911	3,124,333	2,130,242	71,943,248	63,141,153	13.94%
Program expenses:							
Instruction	28,960,731	32,522,560	-	-	28,960,731	32,522,560	-10.95%
Student services	2,706,325	2,907,037	-	-	2,706,325	2,907,037	-6.90%
Instructional staff services	1,448,817	1,696,260	-	-	1,448,817	1,696,260	-14.59%
Administrative and business	4,744,304	5,317,458	-	-	4,744,304	5,317,458	-10.78%
Maintenance and operations	7,763,025	6,014,743	-	-	7,763,025	6,014,743	29.07%
Transportation	1,454,352	1,502,350	-	-	1,454,352	1,502,350	-3.19%
Non-instructional programs	10,056	13,775	2,662,026	2,031,477	2,672,082	2,045,252	30.65%
Long-term debt interest and fiscal charges	814,370	939,489	-	-	814,370	939,489	-13.32%
AEA flowthrough	1,909,673	1,876,271	-	-	1,909,673	1,876,271	1.78%
Total expenses	49,811,653	52,789,943	2,662,026	2,031,477	52,473,679	54,821,420	-4.28%
Change in net position	19,007,262	8,220,968	462,307	98,765	19,469,569	8,319,733	134.02%
Net position beginning of year	50,685,849	42,464,881	1,197,963	1,099,198	51,883,812	43,564,079	19.10%
Net position end of year	\$ 69,693,111	\$ 50,685,849	\$ 1,660,270	\$ 1,197,963	\$ 71,353,381	\$ 51,883,812	37.53%

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Changes in Statement of Activities (Continued)



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Governmental Activities

Revenues for governmental activities were \$68.819 million, while expenses amounted to \$49.812 million for 2022, compared with \$61.011 million and \$52.790 million for 2021. The District does need to watch expenses and strive to match as closely as possible with available revenues. (See Table A-2).

Table A-3 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3						
Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2022	2021	Change 2021-2022	2022	2021	Change 2021-2022
Instruction	\$ 28,960,731	\$ 32,522,560	-10.95%	\$ 10,564,643	\$ 21,363,254	-50.55%
Pupil and instructional services	4,155,142	4,603,297	-9.74%	3,332,064	3,802,773	-12.38%
Administrative and business	4,744,304	5,317,458	-10.78%	4,706,250	5,265,672	-10.62%
Maintenance and operations	7,763,025	6,014,743	29.07%	7,687,470	5,945,521	29.30%
Transportation	1,454,352	1,502,350	-3.19%	1,408,363	1,457,009	-3.34%
Other	2,734,099	2,829,535	-3.37%	814,370	939,489	-13.32%
Total	\$ 49,811,653	\$ 52,789,943	-5.64%	\$ 28,513,160	\$ 38,773,718	-26.46%

- The cost of all governmental activities this year was \$49.812 million.
- Some of the cost of \$1.753 million was financed by users of the District's programs.
- The federal and state governments subsidized certain programs with grants and contributions of \$19.546 million.
- The net cost portion of governmental activities was financed with \$18.721 million in property taxes, \$0.472 million in income surtax, \$22.088 million in state aid, \$4.424 million in local option sales taxes, and \$1.816 million in interest and miscellaneous income.

Business - Type Activities

Revenues of the District's business-type activities (school nutrition services) were comprised of charges for the daily lunch and breakfasts, and federal and state reimbursements.

- During the 2022 fiscal year, the amount of excess revenue was \$462,307 compared to \$98,765 for the 2021 fiscal year. Revenues increased 46.67% to \$3.124 million, while expenses increased 31.04% to \$2.662 million.
- During the 2006-2007 fiscal year, the District outsourced the food service employees to Taher, Inc. We have completed the sixteenth year under this arrangement, and it continues to work well for the district.
- Lunch prices remained unchanged this year. Due to the district's healthy nutrition fund balance, the district applied for and was granted a waiver from the federally mandated lunch pricing equity guidelines.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well as its proprietary funds. (Refer to the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds.) As the District completed the year, its governmental funds reported combined fund balances of \$25.751 million – 21.45% higher than the prior year's ending fund balance of \$21.203 million.

The District's General Fund financial position decreased to \$9,115,728 at June 30, 2022 from \$9,189,106 at June 30, 2021, representing a 0.80% decrease. This change was due to deficit spending for the purpose of financial positioning.

The Capital Projects fund balance increased to \$12,436,277 at June 30, 2022 from \$7,985,397 at June 30, 2021. This increase is the result of federal funding assisting with current year construction projects.

In Fiscal Year 2022 the enterprise fund (School Nutrition) showed a net gain of \$462,307. This increase was more than the previous year's net gain of \$98,765. This change was due to more Federal funding from the Federal lunch program.

Budgetary Highlights

- The District levied cash reserves in the 2022 fiscal year. The cash reserve amount will vary based on the District's needs, especially depending on the special education deficit, the amount requested from the School Budget Review Committee for asbestos and safety projects, and the District's requirements for sufficient cash balances for cash flow needs.
- Budgeted expenditures include both unspent spending authority from the prior year and general fund revenues.
- During fiscal year 2022 district expenditures did not exceed the amounts budgeted.
- The District's budget versus actual results were within acceptable management planning parameters. The final revenue variance was \$3,880,324 for the 2022 fiscal year compared with (\$591,902) for the 2021 fiscal year, an increase of \$4,472,226. The final expenditure variance was \$18,144,420 for the 2022 fiscal year compared with \$18,347,735 for the 2021 fiscal year. This is a decrease of \$203,315 from the 2021 fiscal year to the 2022 fiscal year.
- The 2022 special education surplus balance was \$385,793. The balance in fiscal year 2021 was a deficit of (\$499,981). Additional investment in special education has been made which has reduced the surplus.
- The budget was amended during the year increasing budgeted expenditures by \$18,728,475. The budget was amended to accommodate additional expenditures related to federal pandemic relief funding prior to the end of the fiscal year.
- See the Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances-Budget and Actual – All Governmental Funds and Proprietary Fund in the Required Supplementary Information section.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Capital Asset and Debt Administration

Capital Assets

By the end of Fiscal Year 2022, the District had invested \$86.432 million (net accumulated depreciation of \$37,047 million) in a broad range of capital assets, including school buildings, athletic facilities, maintenance and administrative buildings, computer and audiovisual equipment, maintenance equipment, school buses, library holding, and textbooks. (More detailed information about capital assets can be found in Note 5 to the financial statements). Total depreciation expense for the year was \$3.339 million.

Table A-4 Capital Assets, net of depreciation						
Governmental Activities			Business-type Activities		Total School District	
June 30,			June 30,		June 30,	
	Restated		Restated		Restated	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,121,473	\$ 2,121,473	\$ -	\$ -	\$ 2,121,473	\$ 2,121,473
Construction in progress	5,915,578	623,869	-	-	5,915,578	623,869
Buildings	75,213,034	76,527,720	-	-	75,213,034	76,527,720
Improvements, other than buildings	552,384	614,024	-	-	552,384	614,024
Equipment and furniture	2,273,640	2,250,379	214,985	171,144	2,488,625	2,421,523
Right-to-use leased equipment	140,715	198,681	-	-	140,715	198,681
Total	\$ 86,216,824	\$ 82,336,146	\$ 214,985	\$ 171,144	\$ 86,431,809	\$ 82,507,290

Long-Term Liabilities

Table A-5 Outstanding Long-term Liabilities			
Total District		Total Change	
	Restated, 2021	2021-2022	
2022			
Early retirement and other compensated absences	\$ 305,503	\$ 555,061	-44.96%
Revenue bonds	16,602,000	18,500,000	-10.26%
General obligation bonds	15,709,160	18,372,471	0.00%
Net pension liability	462,495	23,607,436	-98.04%
Net OPEB liability	2,371,352	3,179,629	-25.42%
Lease agreements	135,401	198,681	-31.85%
Total	\$ 35,585,911	\$ 64,413,278	-44.75%

At year end the District had \$35.586 million in long-term obligations outstanding – a decrease of 44.75% from last year, as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in Note 6.) Notes 7 and 8 to the financial statements explain the Pension Liability and Other Post-Employment Benefits – OPEB.

- The District decreased its Early Retirement and Other Compensated Absences liability by \$249,558 during the year and decreased the OPEB liability by \$808,277. The District's advance refunding revenue bonds has a \$16.602 million year-end balance and had a balance of \$15.709 million in General Obligation Bonds.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of nine existing circumstances that could significantly affect its financial health in the future:

- Even though the District is the twenty-fifth largest in the state in terms of students, it has one of the lowest ratios of taxable property value per student. This tends to raise property tax levies per thousand dollars of valuation to the higher end. Local property tax sensitivity has developed. In order to develop an effective education budget, the District needs to rely partially on the property tax levy.
- The age of the District's older elementary schools is a concern to the District. In order to deliver a modern education program using new technology and in order to control maintenance and safety costs, new elementary schools will need to be carefully examined and either replaced or added on to and updated. In 2008 the legislature adopted a statewide one cent sales tax for school infrastructure, which replaced the county-wide one-half cent voted for the 10-year period that expired in July, 2009. This new school infrastructure funding mechanism will be in place until 2049 and will help the District provide for its long-term facility needs. The District has also completed a comprehensive building feasibility study to address these needs. The District has developed its building priority needs and will explore the options in 2022 and beyond.
- The District's primary source of revenue is the state of Iowa school aid formula. The allowable growth to schools was 2.4% for fiscal year 2022. Costs of providing a quality education program are rising faster than 1%. Teacher settlements alone over the past several years are in the 1.0% - 4.0% range. If future allowable growth increases do not keep pace with expenditures, the District will have to make the necessary re-alignments in its educational delivery system to come into line with allowable growth.
- Approximately 80.0% of the general fund budget is salaries and benefits. Iowa law requires that unsettled salary negotiations for teachers go to mandatory arbitration. Invariably, arbitrated settlements are higher than current levels of allowable growth in funding. Education budgets are then squeezed. A solution needs to be found.
- The District's unspent budget authority decreased during the 2022 fiscal year and is projected to remain stable for the 2023 fiscal year.
- One of the key elements of the state of Iowa school aid formula is certified enrollment. Enrollment has remained flat during the last five years. When enrollment drops, it means less state aid. Stability or even increases in enrollment are critical to maintaining a solid financial picture.
- During FY21 the district took action to authorize an election to ask the voters for an increase of the levy to the statutory maximum of \$1.34. The voters approved an increase to the PPEL to the statutory maximum of \$1.34 per \$1,000 of taxable valuation and will remain in effect for a period of 10 years.
- During FY18 the board of education took action to renew the levy for a period of 5 years at the statutory maximum level of 10% of the districts regular program budget. Currently the levy is funded through a mix of property tax and income surtax and stands at 10% of the regular program.
- During FY20 the district experienced a closure due to the Covid-19 pandemic. National and State governments imposed operating restrictions on schools that resulted in distortions on financial outcomes. The pandemic is continuing to cause further disruption to district operations in FY21 due to large amounts of federal pandemic aid that has been provide to k-12 school districts.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONTINUED)

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brandon Hansel, Board Treasurer/Director of Financial Services, Fort Dodge Community School District, Central Administration Building, 109 North 25th Street, Fort Dodge, Iowa, 50501 (Phone number: 515-574-5644, Fax number: 515-574-5322, or bhansel@fdschools.org).

BASIC FINANCIAL STATEMENTS

FORT DODGE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 34,707,683	\$ 1,675,912	\$ 36,383,595
Receivables:			
Property tax:			
Current year	143,328	-	143,328
Succeeding year	18,887,682	-	18,887,682
Income surtax	485,058	-	485,058
Accounts	6,460	-	6,460
Due from other governments	6,848,144	15,858	6,864,002
Internal balances	114	(114)	-
Inventories	-	14,942	14,942
Land	2,121,473	-	2,121,473
Construction in progress	5,915,578	-	5,915,578
Capital assets, net of accumulated depreciation/amortization	78,179,773	214,985	78,394,758
Total assets	147,295,293	1,921,583	149,216,876
Deferred Outflows of Resources			
Pension related deferred outflows	3,344,613	5,003	3,349,616
OPEB related deferred outflows	309,436	-	309,436
Total deferred outflows of resources	3,654,049	5,003	3,659,052
Liabilities			
Accounts payable	2,676,510	213,052	2,889,562
Salaries and benefits payable	3,986,132	3,539	3,989,671
Accrued interest payable	256,264	-	256,264
Due to other governments	163,176	-	163,176
Unearned revenue	-	21,360	21,360
Long-term liabilities:			
Portion due within one year:			
Early retirement	101,510	-	101,510
Lease agreements	64,107	-	64,107
Revenue bonds payable	1,936,000	-	1,936,000
General obligation bonds payable	1,655,000	-	1,655,000
Portion due after one year:			
Revenue bonds payable	14,666,000	-	14,666,000
General obligation bonds payable	14,054,160	-	14,054,160
Lease agreements	71,294	-	71,294
Compensated absences	203,993	-	203,993
Net pension liability	461,801	694	462,495
Total OPEB liability	2,371,352	-	2,371,352
Total liabilities	42,667,299	238,645	42,905,944

(Continued on next page)

FORT DODGE COMMUNITY SCHOOL DISTRICT

**Exhibit A
(Continued)**

**STATEMENT OF NET POSITION
June 30, 2022**

	Governmental Activities	Business-type Activities	Total
Deferred Inflows of Revenues			
Property taxes levied for subsequent years	\$ 18,887,682	\$ -	\$ 18,887,682
Pension related deferred inflows	18,419,771	27,671	18,447,442
OPEB related deferred inflows	1,281,479	-	1,281,479
Total deferred inflows of resources	38,588,932	27,671	38,616,603
Net Position			
Net investment in capital assets	53,770,263	214,985	53,985,248
Restricted for:			
Categorical funding	994,494	-	994,494
Physical plant and equipment	12,678,806	-	12,678,806
Management levy purposes	2,009,637	-	2,009,637
Student activities	614,535	-	614,535
Debt service	1,319,012	-	1,319,012
Unrestricted	(1,693,636)	1,445,285	(248,351)
Total net position	\$ 69,693,111	\$ 1,660,270	\$ 71,353,381

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular instruction	\$ 18,164,038	\$ 900,449	\$ 12,989,873
Special instruction	9,136,068	278,101	3,632,286
Other instruction	1,660,625	498,539	96,840
	<u>28,960,731</u>	<u>1,677,089</u>	<u>16,718,999</u>
Support services:			
Student	2,706,325	-	299,663
Instructional staff	1,448,817	-	523,415
Administration	4,744,304	-	38,054
Operation and maintenance of plant	7,763,025	75,555	-
Transportation	1,454,352	-	45,989
	<u>18,116,823</u>	<u>75,555</u>	<u>907,121</u>
Non-instructional programs	<u>10,056</u>	<u>-</u>	<u>10,056</u>
Other expenses:			
Long-term debt interest and fiscal charges	814,370	-	-
AEA flowthrough	1,909,673	-	1,909,673
	<u>2,724,043</u>	<u>-</u>	<u>1,909,673</u>
Total governmental activities	49,811,653	1,752,644	19,545,849

Exhibit B

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (4,273,716)	\$ -	\$ (4,273,716)
(5,225,681)	-	(5,225,681)
(1,065,246)	-	(1,065,246)
(10,564,643)	-	(10,564,643)
(2,406,662)	-	(2,406,662)
(925,402)	-	(925,402)
(4,706,250)	-	(4,706,250)
(7,687,470)	-	(7,687,470)
(1,408,363)	-	(1,408,363)
(17,134,147)	-	(17,134,147)
-	-	-
(814,370)	-	(814,370)
-	-	-
(814,370)	-	(814,370)
(28,513,160)	-	(28,513,160)

FORT DODGE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Business type Activities:			
Non-instructional programs:			
Food service operations	\$ 2,662,026	\$ 157,480	\$ 2,961,664
Total business type activities	2,662,026	157,480	2,961,664
Total	\$ 52,473,679	\$ 1,910,124	\$ 22,507,513
General Revenues:			
Property taxes, levied for:			
General purposes			
Debt service			
Capital outlay			
Income surtax			
Statewide sales, services and use tax			
Unrestricted state and federal grants			
Unrestricted investment earnings			
Other			
Total general revenues			
Change in net position			
Net position, beginning of year			
Net position, end of year			

See Notes to Basic Financial Statements.

Exhibit B
(Continued)

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ -	\$ 457,118	\$ 457,118
-	457,118	457,118
(28,513,160)	457,118	(28,056,042)
13,682,976	-	13,682,976
3,261,701	-	3,261,701
1,776,246	-	1,776,246
471,628	-	471,628
4,423,993	-	4,423,993
22,087,657	-	22,087,657
89,607	5,189	94,796
1,726,614	-	1,726,614
47,520,422	5,189	47,525,611
19,007,262	462,307	19,469,569
50,685,849	1,197,963	51,883,812
\$ 69,693,111	\$ 1,660,270	\$ 71,353,381

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit C

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

	General	Capital Projects	Nonmajor	Total
Assets				
Cash	\$ 14,623,363	\$ 8,553,901	\$ 4,184,735	\$ 27,361,999
Receivables:				
Property tax:				
Current year	98,296	13,206	31,826	143,328
Succeeding year	12,855,096	1,845,887	4,186,699	18,887,682
Income surtax	242,529	242,529	-	485,058
Accounts	5,963	-	396	6,359
Due from other funds	9,581	5,398,215	455	5,408,251
Due from other governments	6,537,047	310,647	450	6,848,144
Total assets	\$ 34,371,875	\$ 16,364,385	\$ 8,404,561	\$ 59,140,821
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 807,161	\$ 1,839,692	\$ 8,984	\$ 2,655,837
Salaries and benefits payable	3,986,132	-	-	3,986,132
Due to other governments	163,176	-	-	163,176
Due to other funds	5,398,670	-	9,430	5,408,100
Total liabilities	10,355,139	1,839,692	18,414	12,213,245
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	12,855,096	1,845,887	4,186,699	18,887,682
Other	2,045,912	242,529	-	2,288,441
Total deferred inflows of resources	14,901,008	2,088,416	4,186,699	21,176,123
Fund Balances:				
Restricted for:				
Categorical funding	994,494	-	-	994,494
Debt service	-	-	1,575,276	1,575,276
Management levy purposes	-	-	2,009,637	2,009,637
Student activities	-	-	614,535	614,535
School infrastructure	-	3,795,298	-	3,795,298
Physical plant and equipment	-	8,640,979	-	8,640,979
Unassigned	8,121,234	-	-	8,121,234
Total fund balances	9,115,728	12,436,277	4,199,448	25,751,453
Total liabilities, deferred inflows of resources and fund balances	\$ 34,371,875	\$ 16,364,385	\$ 8,404,561	\$ 59,140,821

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit D

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022**

Total fund balances of governmental funds (page 31) \$ 25,751,453

*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 as assets in governmental funds. 86,216,824

Other long-term assets are not available to pay current year expenditures and,
therefore, are recognized as deferred inflows of resources in the governmental
funds. 2,288,441

The Internal Service Fund net position is directly related to the governmental
funds due to the types of services provided and are, therefore, included in the
statement of net position under governmental activities. 7,325,075

Accrued interest payable on long-term liabilities is not due and payable in the
current period and, therefore, is not reported as a liability in the governmental
funds. (256,264)

Pension and OPEB related deferred outflows of resources and deferred inflows of
resources are not due and payable in the current year and, therefore, are not
reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 3,654,049	
Deferred inflows of resources	(19,701,250)	(16,047,201)

Long-term liabilities, including bonds payable, compensated absences, lease
agreements, net pension liability and total OPEB liability, are not due and payable
in the current period and, therefore, are not reported as liabilities in the
governmental funds. (35,585,217)

Net position of governmental activities (page 28) \$ 69,693,111

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit E

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2022**

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 12,668,396	\$ 1,977,029	\$ 4,129,614	\$ 18,775,039
Tuition	1,178,550	-	-	1,178,550
Other	525,498	30,727	444,280	1,000,505
Intermediate sources	11,266	1,719	3,972	16,957
State sources	29,320,757	4,468,117	106,019	33,894,893
Federal sources	11,596,826	-	-	11,596,826
Total revenues	55,301,293	6,477,592	4,683,885	66,462,770
Expenditures:				
Current:				
Instruction:				
Regular	19,686,530	-	416,373	20,102,903
Special	10,314,319	-	-	10,314,319
Other	1,438,526	-	402,150	1,840,676
	31,439,375	-	818,523	32,257,898
Support services:				
Student	3,097,588	-	-	3,097,588
Instructional staff	1,402,841	83,237	69,397	1,555,475
Administration	5,303,661	-	54,259	5,357,920
Operation and maintenance of plant	4,223,657	10,705	369,419	4,603,781
Transportation	1,551,292	29,807	89,240	1,670,339
	15,579,039	123,749	582,315	16,285,103
Non-instructional programs	10,056	-	-	10,056
Other expenditures:				
AEA flowthrough	1,909,673	-	-	1,909,673
Facilities acquisition	-	7,435,902	-	7,435,902
Debt service:				
Principal	-	-	4,568,000	4,568,000
Interest and fiscal charges	-	-	833,200	833,200
	-	7,435,902	5,401,200	12,837,102
Total expenditures	48,938,143	7,559,651	6,802,038	63,299,832
Excess (deficiency) of revenues over (under) expenditures	6,363,150	(1,082,059)	(2,118,153)	3,162,938

(Continued on next page)

FORT DODGE COMMUNITY SCHOOL DISTRICT

**Exhibit E
(Continued)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2022**

	General	Capital Projects	Nonmajor	Total
Other financing sources (uses):				
Insurance settlement from hail damage	\$ -	\$ 1,385,492	\$ -	\$ 1,385,492
Interfund transfers in	-	6,565,334	2,289,081	8,854,415
Interfund transfers out	(6,436,528)	(2,417,887)	-	(8,854,415)
Total other financing sources (uses)	(6,436,528)	5,532,939	2,289,081	1,385,492
Change in fund balances	(73,378)	4,450,880	170,928	4,548,430
Fund balances, beginning of year	9,189,106	7,985,397	4,028,520	21,203,023
Fund balances, end of year	<u>\$ 9,115,728</u>	<u>\$ 12,436,277</u>	<u>\$ 4,199,448</u>	<u>\$ 25,751,453</u>

See Notes to Basic Financial Statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2022**

Change in fund balances - total governmental funds (page 34) \$ 4,548,430

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over their estimates useful lives of the capital assets as depreciation/amortization expense in the Statement of Activities. The amounts of capital outlays and depreciation/amortization expenses in the year are as follows:

Expenditures for capital assets	\$ 7,185,063	
Depreciation/amortization expense	<u>(3,304,385)</u>	3,880,678

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 4,568,000

Revenue not received until several months after the District's fiscal year-end is not considered available revenue and is deferred in the governmental funds. It is, however, recorded as revenue in the Statement of Activities. 970,653

The increase in the Internal Service Fund net position reflects an overcharge to governmental activities for the services provided. Expenses in the Statement of Activities are adjusted to reflect this overcharge. 529,679

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The Statement of Activities also includes the amortization of bond premiums and discounts. 18,830

The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as a deferred outflow of resources in the Statement of Net Position. 2,565,944

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:

Early retirement	216,465	
Compensated absences	33,093	
Lease agreements	63,280	
Pension expense	1,761,119	
OPEB expense	<u>(148,909)</u>	1,925,048

Change in net position of governmental activities (page 30) \$ 19,007,262

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit G

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022**

	Business-Type Activities Nonmajor Enterprise Fund	Governmental Activities Internal Service Funds
Assets		
Current Assets:		
Cash	\$ 1,675,912	\$ 7,345,684
Accounts receivable	15,858	101
Inventories	14,942	-
Total current assets	1,706,712	7,345,785
Noncurrent Assets:		
Capital assets, net of accumulated depreciation	214,985	-
Total assets	1,921,697	7,345,785
Deferred Outflows of Resources		
Pension related deferred outflows	5,003	-
Total deferred outflows of resources	5,003	-
Liabilities		
Current Liabilities:		
Accounts payable	213,052	20,673
Salaries and benefits payable	3,539	-
Unearned revenue	21,360	-
Due to other funds	114	37
Total current liabilities	238,065	20,710
Noncurrent liabilities:		
Net pension liability	694	-
Total noncurrent liabilities	694	-
Total liabilities	238,759	20,710
Deferred Inflows of Resources		
Pension related deferred inflows	27,671	-
Net Position		
Net investment in capital assets	214,985	-
Unrestricted	1,445,285	7,325,075
Total net position	\$ 1,660,270	\$ 7,325,075

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT
Exhibit H
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 Year Ended June 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Operating revenues:		
Local sources:		
Charges for services	\$ 157,480	\$ 6,179,069
Operating expenses:		
Support services:		
Internal service operations:		
Benefits	-	5,673,229
	-	5,673,229
Non-instructional programs:		
Food service operations:		
Salaries and benefits	50,367	-
Purchased services	1,346,644	-
Supplies	1,230,455	-
Depreciation	34,560	-
	2,662,026	-
Total operating expenses	2,662,026	5,673,229
Operating income (loss)	(2,504,546)	505,840
Non-operating revenues:		
Interest on investments	5,189	23,839
State sources	16,512	-
Federal sources	2,945,152	-
Total non-operating revenues	2,966,853	23,839
Change in net position	462,307	529,679
Net position, beginning of year	1,197,963	6,795,396
Net position, end of year	\$ 1,660,270	\$ 7,325,075

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit I

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from sale of lunches and breakfasts	\$ 153,889	\$ -
Cash received from miscellaneous operating activities	-	6,221,922
Cash payments to employees for services	(56,686)	-
Cash payments to suppliers for goods or services	(2,626,968)	(5,677,409)
Net cash provided by (used in) operating activities	(2,529,765)	544,513
Cash Flows from Non-capital Financing Activities:		
State grants received	14,006	-
Federal grants received	2,722,575	-
Net cash provided by non-capital financing activities	2,736,581	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(78,401)	-
Net cash provided by (used in) financing activities	(78,401)	-
Cash Flows from Investing Activities:		
Interest on investments	5,189	23,839
Net increase in cash	133,604	568,352
Cash, beginning of year	1,542,308	6,777,332
Cash, end of year	\$ 1,675,912	\$ 7,345,684

(Continued on next page)

FORT DODGE COMMUNITY SCHOOL DISTRICT

**Exhibit I
(Continued)**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Fund	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,504,546)	\$ 505,840
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	34,560	-
Commodities used	221,394	-
Decrease in accounts receivable	-	42,853
Decrease in inventories	1,084	-
(Decrease) in accounts payable	(272,412)	(4,186)
Increase in salaries and benefits payable	201	-
(Decrease) in unearned revenue	(3,591)	-
Increase in due to other funds	65	6
(Decrease) in net pension liability	(34,717)	-
Decrease in deferred outflows of resources	3,087	-
Increase in deferred inflows of resources	25,110	-
Net cash provided by (used in) operating activities	\$ (2,529,765)	\$ 544,513

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2022, the District received \$221,394 of federal commodities.

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit J

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022**

	Private Purpose Trust
	<hr/>
	Scholarship
	<hr/>
Assets:	
Certificates of deposit	\$ 336,783
Total assets	<hr/>
	336,783
	<hr/>
Net Position:	
Restricted for scholarships	\$ 336,783
	<hr/>
	<hr/>

See Notes to Basic Financial Statements.

FORT DODGE COMMUNITY SCHOOL DISTRICT

Exhibit K

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year ended June 30, 2022**

	Private Purpose Trust
	Scholarship
Additions:	
Local sources:	
Gifts and contributions	\$ 8,070
Interest	1,975
Total additions	<u>10,045</u>
Deductions:	
Scholarships awarded	<u>10,140</u>
Change in net position	(95)
Net position, beginning of year	<u>336,878</u>
Net position, end of year	<u><u>\$ 336,783</u></u>
See Notes to Basic Financial Statements.	

FORT DODGE COMMUNITY SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Fort Dodge Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Fort Dodge, Iowa and agricultural territory in Webster County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity:

For financial reporting purposes, Fort Dodge Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District 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 District are such that exclusion would cause the District'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 District 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 District. The District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Webster County Assessor's Conference Board.

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 District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District'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/amortization 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (continued):

Government-wide Financial Statements (continued) –

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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 and contributions 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 are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues 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, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District's non-major proprietary funds include the Enterprise, School Nutrition Fund, which is used to account for the food service operations of the District; the Internal Service, Self-funded Health Plan, which is used to account for the District's self-funded medical insurance plan; the Internal Service, Self-funded Dental Plan, which is used to account for the District's self-funded dental insurance plan; and the Internal Service, Flex Benefit Plan, which is used to account for the District's employee flexible benefits plan.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary fund includes the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting:

The government-wide, proprietary and fiduciary 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 in 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 government considers revenues to be available if they are collected within 60 days after year-end.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (continued):

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments 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 and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement 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 District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District'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.

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 District's Enterprise Fund 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 Balance/Net Position:

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

Cash and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments in 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 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 three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

Property Tax Receivable (continued) – Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.

Due from/to Other Funds – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. To the extent that these transactions between funds had not been repaid or received as of June 30, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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 – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 100,000
Buildings	25,000
Improvements other than buildings	10,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	3,000
Right-to-use leased assets	3,000

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (in Years)
Buildings	50
Improvements other than buildings	20 - 30
Furniture and equipment:	5 - 20
Right-to-use leased assets	2 - 3

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

Leases – District as Lessee – Fort Dodge Community School District is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$3,000 or more.

At the commencement of the lease, the District 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 judgments related to leases include how Fort Dodge Community School District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Fort Dodge Community School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District 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 District is reasonably certain to exercise.

The District 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.

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 District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned Revenue – Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue consists of meal revenues collected for the services in the next school year.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation. A liability is recorded when incurred in the government-wide 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 on June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

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

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, deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on Fort Dodge Community School District'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 receivables not collected within 60 days after year-end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and unrecognized items not yet charged to pension and OPEB expense.

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

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 are imposed by law through constitutional provisions or enabling legislation.

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

Unassigned – All general fund amounts not included in the preceding classifications, as well as any deficit fund balance of any other governmental fund.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

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

F. Subsequent Events

Subsequent events have been evaluated through December 8, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 2. Cash and Cash Equivalents

The District's deposits in banks at June 30, 2022 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.

The District 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 Board of Education; 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.

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

Custodial Credit Risk – The District has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does have a formal investment policy that limits operating fund (funds which are reasonably expected to be expended during a current budget year or within 15 months of receipts) investment maturities to 397 days or less. The District's investments consist of certificates of deposit that have original maturities of less than 397 days.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Due From and Due To Other Funds

The detail of interfund receivables and payables at year ended June 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenues, Student Activity	\$ 9,430
General	Internal Service Fund, Health Plan	37
General	School Nutrition Fund	114
Special Revenues, Student Activity	General	455
Capital Projects, Physical Plant and Equipment Levy	General	5,398,215
Total		\$ 5,408,251

These receivables and payables between funds arise from timing differences involved in the reimbursement of expenses at year-end. The balances are to be repaid by June 30, 2023.

Note 4. Interfund Transfers

The detail of the interfund transfers for the year ended June 30, 2022 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects, Statewide Sales, Services and Use Tax	\$ 2,289,081
Capital Projects, Physical Plant and Equipment Levy	Capital Projects, Other Construction Project	128,806
Capital Projects, Physical Plant and Equipment Levy	General	6,436,528
		\$ 8,854,415

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

The transfer from the Capital Projects Fund to the Debt Service Fund was for the retirement of bond principal and interest.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year, as Restated	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,121,473	\$ -	\$ -	\$ 2,121,473
Construction in progress	623,869	6,591,313	1,299,604	5,915,578
Total capital assets not being depreciated/amortized	2,745,342	6,591,313	1,299,604	8,037,051
Capital assets being depreciated/amortized:				
Buildings	103,930,408	1,386,201	-	105,316,609
Improvements other than buildings	1,241,843	-	-	1,241,843
Furniture and equipment	7,846,232	507,153	345,578	8,007,807
Right-to-use leased equipment	198,681	-	-	198,681
Total capital assets being depreciated/amortized	113,217,164	1,893,354	345,578	114,764,940
Less accumulated depreciation/amortization for:				
Buildings	27,402,688	2,700,887	-	30,103,575
Improvements other than buildings	627,819	61,640	-	689,459
Furniture and equipment	5,595,853	483,892	345,578	5,734,167
Right-to-use leased equipment	-	57,966	-	57,966
Total accumulated depreciation/amortization	33,626,360	3,304,385	345,578	36,585,167
Total capital assets being depreciated/amortized, net	79,590,804	(1,411,031)	-	78,179,773
Governmental activities capital assets, net	\$ 82,336,146	\$ 5,180,282	\$ 1,299,604	\$ 86,216,824
Business-type activities:				
Furniture and equipment	\$ 598,318	\$ 78,401	\$ -	\$ 676,719
Less accumulated depreciation	427,174	34,560	-	461,734
Business-type activities capital assets, net	\$ 171,144	\$ 43,841	\$ -	\$ 214,985
Depreciation/amortization expense was charged to the following functions:				
Governmental activities:				
Instruction:				
Regular				\$ 69,548
Special				5,542
Other				11,961
Support services:				
Administration				57,966
Operation and maintenance of plant				2,798,362
Transportation				361,006
Total governmental activities depreciation/amortization expense				\$ 3,304,385
Business-type activities:				
Food service operations				\$ 34,560

NOTES TO BASIC FINANCIAL STATEMENTS

Note 6. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2022 are summarized as follows:

	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 18,500,000	\$ -	\$ 1,898,000	\$ 16,602,000	\$ 1,936,000
General obligation bonds	18,465,000	-	2,670,000	15,795,000	1,655,000
Add: bond premium	221,186	-	15,989	205,197	-
Less: underwriter's discount	(313,715)	-	(22,678)	(291,037)	-
	18,372,471	-	2,663,311	15,709,160	1,655,000
Early retirement	317,975	101,510	317,975	101,510	101,510
Compensated absences	237,086	37,016	70,109	203,993	-
Net pension liability	23,572,025	-	23,110,224	461,801	-
Total OPEB liability	3,179,629	390,380	1,198,657	2,371,352	-
Lease agreements	198,681	-	63,280	135,401	64,107
Total	\$ 64,377,867	\$ 528,906	\$ 29,321,556	\$ 35,585,217	\$ 3,756,617
Business-type activities:					
Net pension liability	\$ 35,411	\$ -	\$ 34,717	\$ 694	\$ -

Early Retirement – The District offered a voluntary early retirement plan to all employees for the year ended June 30, 2022. Eligible employees must be at least age fifty-five and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement benefit for each eligible employee is \$1,000 plus a severance benefit tied to that employee's sick day compensation. Professional support employees will receive 50% of the employee's per diem pay rate times their unused personal illness days, up to a maximum of 120 days. Teachers will receive 50% of the employee's per diem pay rate times the number of unused personal illness days, up to a maximum of 120 days. Custodial/maintenance will receive their applicable hourly rate times the number of contracted hours per day times the number of unused personal illness days, up to a maximum of 105 days. Secretarial employees will receive their current hourly average of all eligible employees times the number of hours worked per day times the number of unused personal illness days, up to a maximum of 120 days. An additional \$0.01 after the tenth year of employment will be added to the individual's hourly rate for the severance, which is capped at \$0.40. Paraeducator employees will receive \$7.25 times number of contracted hours per day times the number of unused personal illness days, up to a maximum of 120 days. The benefit of all early retirees will be placed in a non-elective 403(b) account.

The early retirement incentives for prior years consisted of various different plans. Details of those plans are available upon request of District management.

At June 30, 2022, the District has obligations to 10 participants with a total liability of \$101,510. Actual early retirement expenditures for the year ended June 30, 2022 totaled \$317,975.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 6. Long-term Liabilities (Continued)

General Obligation Bonds – Details of the District’s June 30, 2022 general obligation indebtedness for the \$28,460,000 bond issued May 11, 2016 are as follows:

Issued Dated May 11, 2016				
	Interest Rate	Principal	Interest	Total
2023	2.00%	\$ 1,655,000	\$ 481,700	\$ 2,136,700
2024	2.00%	1,685,000	448,600	2,133,600
2025	2.00%	1,720,000	414,900	2,134,900
2026	2.00%	1,755,000	380,500	2,135,500
2027	2.25%	1,790,000	345,400	2,135,400
2028 - 2032	2.50% - 3.00%	6,830,000	1,127,000	7,957,000
2033 - 2035	3.00%	360,000	225,000	585,000
		<u>\$ 15,795,000</u>	<u>\$ 3,423,100</u>	<u>\$ 19,218,100</u>

During the year ended June 30, 2022, principal and interest paid were \$2,670,000 and \$514,100, respectively.

Revenue Bonds – Details of the District’s revenue bonded indebtedness at June 30, 2022 are as follows:

Statewide Sales, Services and Use Tax Bond Issue of December 1, 2016				
Year Ending June 30	Interest Rate	Principal	Interest	Total
2023	2.12%	\$ 1,936,000	\$ 351,962	\$ 2,287,962
2024	2.12%	1,976,000	310,919	2,286,919
2025	2.12%	2,022,000	269,028	2,291,028
2026	2.12%	2,064,000	226,162	2,290,162
2027	2.12%	2,084,000	182,405	2,266,405
2028 - 2030	2.12%	6,520,000	278,314	6,798,314
		<u>\$ 16,602,000</u>	<u>\$ 1,618,790</u>	<u>\$ 18,220,790</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$27,639,000 bond issued December 1, 2016. The bond was issued for the advanced refunding of previously issued bonds to finance the costs of construction of a new middle school. The bond is payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 52.0% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$18,220,790. For the current year, \$1,898,000 of principal payments were made and interest payments on the bond totaled \$196,100. Total statewide sales and services tax revenues were \$4,423,993.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 6. Long-term Liabilities (Continued)

Lease Agreements: The District has entered into lease agreements for equipment. An initial lease liability was recorded in the amount of \$198,681 per Accounting Change/Restatement Note 14. The agreements require monthly payments between \$1,504 and \$5,011 with an implicit interest rate of 1.92% and final payments due between July, 2024 and July, 2025. During the year ended June 30, 2022, principal and interest paid were \$63,281 and \$2,874, respectively.

Year Ending June 30	Interest Rate	Principal	Interest	Total
2023	1.90%	\$ 64,107	\$ 2,047	\$ 66,154
2024	1.90%	65,349	805	66,154
2025	1.90%	5,946	72	6,018
		<u>\$ 135,402</u>	<u>\$ 2,924</u>	<u>\$ 138,326</u>

Note 7. Pension Plan

Plan Description: IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District 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 informational purposes only. Refer to the plan documents for more information.

Pension Benefits: A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, 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 that date if it is greater than the highest five-year average salary.

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

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 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 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2022 were \$2,565,944.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2022, the District reported a liability of \$462,495 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the District's proportion was (0.133968%), which was a decrease of 0.470030% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(1,766,656). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 351,895	\$ 353,322
Changes of assumptions	302,511	-
Net difference between projected and actual earnings on IPERS' investments	-	16,756,968
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	129,266	1,337,152
District contributions subsequent to the measurement date	2,565,944	-
Total	\$ 3,349,616	\$ 18,447,442

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

\$2,565,944 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30,	Amount
2023	\$ (4,319,051)
2024	(4,427,837)
2025	(4,145,044)
2026	(4,763,122)
2027	(8,686)
Total	\$ (17,663,740)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions: The total pension liability in the June 30, 2021 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 of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Actuarial Assumptions (continued): 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. 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real estate	7.5	4.63
Private credit	3.0	2.87
Total	100.0%	

Discount Rate: The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease (6.00)%	Discount Rate (7.00)%	1% Increase (8.00)%
District's proportionate share of the net pension liability	\$ 16,369,233	\$ 462,495	\$ (12,868,361)

RS' Fiduciary Net Position: Detailed information about IPERS's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org

Payables to the Pension Plan: At June 30, 2022, the District reported payables to IPERS of \$0 for legally required District contributions and \$0 for legally required employee contributions withheld from employee wages but not yet remitted to IPERS.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 8. Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Active employees	<u>457</u>
	<u>474</u>

Total OPEB Liability – The District's total OPEB liability of \$2,371,352 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 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)	2.25% per annum.
Rates of salary increase (effective June 30, 2021)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2021)	1.92% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2021)	6.70% initial rate decreasing gradually to an ultimate rate of 3.70%.

Discount Rate – The discount rate used to measure the total OPEB liability was 1.92% which reflects the index rate for 20-year tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index) as of the measurement date.

Mortality rates are from the RP-2014 mortality tables with projected mortality improvements based on Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 3,179,629
Changes for the year:	
Service cost	306,756
Interest	83,624
Difference between expected and actual experience	(956,237)
Changes in assumptions	(96,104)
Benefit payments	(146,316)
Net changes	(808,277)
Total OPEB liability end of year	\$ 2,371,352

Changes of assumptions reflect a change in the discount rate from 2.45% in fiscal year 2021 to 1.92% in fiscal year 2022.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (0.92%) or 1% higher (2.92%) than the current discount rate.

	1% Decrease (0.92)%	Discount Rate (1.92)%	1% Increase (2.92)%
Total OPEB liability	\$ 2,547,726	\$ 2,371,352	\$ 2,203,543

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1% lower (5.70%) or 1% higher (7.70%) than the current healthcare cost trend rates.

	1% Decrease (5.70)%	Healthcare Cost Trend Rate (6.70)%	1% Increase (7.70)%
Total OPEB liability	\$ 2,094,042	\$ 2,371,352	\$ 2,703,748

NOTES TO BASIC FINANCIAL STATEMENTS

Note 8. Other Postemployment Benefits (OPEB) (Continued)

OPEB Expense, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the District recognized OPEB expense of \$261,495. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions between measurement date and reporting date	\$ 112,586	\$ -
Difference between expected and actual liability	70,933	863,578
Change of assumptions	125,917	417,901
Total	<u>\$ 309,436</u>	<u>\$ 1,281,479</u>

\$112,586 reported as deferred outflows of resources from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. The amount reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending	Amount
2023	\$ (128,885)
2024	(128,885)
2025	(128,885)
2026	(128,885)
2027	(121,707)
Thereafter	(447,382)
	<u>\$ (1,084,629)</u>

Note 9. Risk Management

Self-Funded Health Plan – Effective July 1, 2014, the District began a self-insurance program for hospitalization and medical coverage for its employees. The District limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$150,000 per year. For the year ended June 30, 2022, the District paid \$5,373,410 under the program, which includes health claims, premiums and administrative costs.

The District is required to have an annual actuarial study of the Self-Funded Health Insurance Plan as outlined in section 509A(15)(1)(d) of the Code of Iowa and the district has no recorded liability for incurred but unreported claims.

The Internal Service Fund, Self-Funded Health Plan reserve was \$6,859,560 at June 30, 2022.

Self-Funded Dental Plan – The District began a self-funded insurance plan during the year ended June 30, 2000. The plan is funded by contributions from the District and is administered through a service agreement with Delta Dental Plan of Iowa. The agreement is not subject to automatic renewal provisions. The District assumes liability for claims up to the current coverage limitation of \$1,000.

Monthly payments of service fees and plan contributions to the Fort Dodge Community School District Employee Group Dental Plan are recorded as expenditures from the General and School Nutrition funds. Under the administrative services agreement, weekly payments of service fees and claims processed are paid to Delta Dental Plan of Iowa from the Fort Dodge Community School District Employee Group Dental Plan Fund as an Internal Service Fund. The District's contributions to the fund for the year ended June 30, 2022 were \$315,804 and the total paid for claims was \$251,201.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 9. Risk Management (Continued)

The District is not required to have an annual actuarial study of the Self-Funded Dental Insurance Plan as outlined in §509A(15)(1)(d) of the Code of Iowa and the District has not recorded liability for incurred but unreported claims.

The Internal Service Fund, Self-Funded Dental Plan reserve was \$431,827 at June 30, 2022.

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

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$1,909,673 for the year ended June 30, 2022 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Tax Abatement

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

Tax Abatements of Other Entities – Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Fort Dodge offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Fort Dodge	Urban renewal and economic development projects	\$ 220,437

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2022, this reimbursement amounted to \$109,642.

NOTES TO BASIC FINANCIAL STATEMENTS

Note 12. Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district general purpose revenue, for purposes beyond that basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The District's fund balance restricted for categorical funding at June 30, 2022 is comprised of the following programs:

Program	Amount
STEM excel and leader program	\$ 155
Four-year-old preschool state aid	517,015
Teacher leadership state aid	179,798
Gifted and talented program	77,720
Professional development supplement	63,395
Teacher salary supplement	114,958
Early intervention supplement	41,453
	<u>\$ 994,494</u>

Note 13. Construction Commitments

The District has entered into contracts totaling \$9,177,101 for HVAC work to District buildings. As of June 30, 2022, costs of \$5,915,578 had been incurred against the contracts. The balance of \$3,261,523 remaining at June 30, 2022 will be paid as work on the project progresses.

Note 14. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 87 Leases was implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previously not reported. The results of these changes had no effect on the beginning net position.

	Capital Assets	Long-Term Liabilities Lease Agreements
Balance June 30, 2021, as previously reported	\$ 82,137,465	\$ -
Change to implement GASBS No. 87	198,681	198,681
Balances July 1, 2021, as restated	<u>\$ 82,336,146</u>	<u>\$ 198,681</u>

REQUIRED SUPPLEMENTARY INFORMATION

FORT DODGE COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES

AND CHANGES IN BALANCES - BUDGET AND ACTUAL -

ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUND

Required Supplementary Information

Year Ended June 30, 2022

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual
Revenues:			
Local sources	\$ 20,954,094	\$ 162,669	\$ 21,116,763
Intermediate sources	16,957	-	16,957
State sources	33,894,893	16,512	33,911,405
Federal sources	11,596,826	2,945,152	14,541,978
Total revenues	66,462,770	3,124,333	69,587,103
Expenditures/Expenses:			
Instruction	32,257,898	-	32,257,898
Support services	16,285,103	59,052	16,344,155
Non-instructional programs	10,056	2,602,974	2,613,030
Other expenditures	14,746,775	-	14,746,775
Total expenditures/expenses	63,299,832	2,662,026	65,961,858
Excess (deficiency) of revenues over (under) expenditures/expenses	3,162,938	462,307	3,625,245
Other Financing Sources (Uses), net	1,385,492	-	1,385,492
Change in fund balance	4,548,430	462,307	5,010,737
Balance, beginning of year	21,203,023	1,197,963	22,400,986
Balance, end of year	\$ 25,751,453	\$ 1,660,270	\$ 27,411,723

See Notes to Required Supplementary Information.

Budget		Final to Actual	
Original	Final	Variance	
\$ 24,170,104	\$ 24,170,104	\$ (3,053,341)	
13,191	13,191	3,766	
33,554,653	33,554,653	356,752	
7,968,831	7,968,831	6,573,147	
65,706,779	65,706,779	3,880,324	
33,324,576	39,674,285	7,416,387	
15,273,694	17,447,613	1,103,458	
1,959,185	2,655,355	42,325	
14,820,348	24,329,025	9,582,250	
65,377,803	84,106,278	18,144,420	
328,976	(18,399,499)	22,024,744	
2,200	2,200	1,383,292	
331,176	(18,397,299)	23,408,036	
18,800,617	22,400,986	-	
\$ 19,131,793	\$ 4,003,687	\$ 23,408,036	

FORT DODGE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Iowa Public Employees' Retirement System

For the Last Eight Fiscal Years*

(In Thousands)

Required Supplementary Information

	2022	2021	2020
District's proportion of the net pension liability	(0.1339684)%	0.3360616%	0.3637012%
District's proportionate share of the net pension liability	\$ 462	\$ 23,607	\$ 21,061
District's covered payroll	\$ 26,765	\$ 26,691	\$ 27,609
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.73%	88.45%	76.28%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%	85.45%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

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

See Notes to Required Supplementary Information.

2019		2018		2017		2016		2015	
0.3617396%		0.3511985%		0.3413573%		0.3386837%		0.3392530%	
\$	22,892	\$	23,394	\$	21,483	\$	16,733	\$	13,454
\$	27,193	\$	26,215	\$	24,467	\$	23,325	\$	22,239
84.18%		89.24%		87.80%		71.74%		60.50%	
83.62%		82.21%		81.82%		85.19%		87.61%	

FORT DODGE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

Iowa Public Employees' Retirement System

For the Last Ten Years

(In Thousands)

Required Supplementary Information

	2022	2021	2020
Statutorily required contribution	\$ 2,566	\$ 2,527	\$ 2,520
Contributions in relation to the statutorily required contribution	(2,566)	(2,527)	(2,520)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 27,211	\$ 26,765	\$ 26,691
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%
See Notes to Required Supplementary Information.			

2019	2018	2017	2016	2015	2014	2013
\$ 2,606	\$ 2,428	\$ 2,341	\$ 2,185	\$ 2,081	\$ 1,986	\$ 1,943
(2,606)	(2,428)	(2,341)	(2,185)	(2,081)	(1,986)	(1,943)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 27,609	\$ 27,193	\$ 26,215	\$ 24,467	\$ 23,325	\$ 22,239	\$ 22,410
9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%

FORT DODGE COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2022

Note 1. Budgets and Budgetary Information

This 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 Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$18,728,475.

Note 2. Iowa Public Employee's Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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%.

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

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

FORT DODGE COMMUNITY SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES**

For the Last Five Years

Required Supplementary Information

	2022	2021	2020
Service cost	\$ 306,756	\$ 256,727	\$ 253,097
Interest cost	83,624	94,811	112,401
Differences between expected and actual experience	(956,237)	-	101,638
Changes in assumptions	(96,104)	157,673	(372,826)
Benefit payments	(146,316)	(203,932)	(143,744)
Net change in total OPEB liability	(808,277)	305,279	(49,434)
Total OPEB liability beginning of year	3,179,629	2,874,350	2,923,784
Total OPEB liability end of year	\$ 2,371,352	\$ 3,179,629	\$ 2,874,350
Covered-employee payroll	\$ 22,330,948	\$ 27,030,095	\$ 23,699,763
Total OPEB liability as a percentage of covered-employee payroll	10.62%	11.76%	12.13%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2022 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2022:

Retirement premiums were updated to current levels.

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

Year ended June 30, 2022	1.92%
Year ended June 30, 2021	2.45%
Year ended June 30, 2020	3.13%
Year ended June 30, 2019	3.62%
Year ended June 30, 2018	3.56%
Year ended June 30, 2017	2.92%

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

	2019		2018
\$	240,380	\$	250,706
	103,030		82,436
	-		-
	(13,367)		(133,552)
	(119,938)		(116,709)
	210,105		82,881
	2,713,679		2,630,798
\$	2,923,784	\$	2,713,679
\$	24,988,127	\$	24,894,376
	11.70%		10.90%

FORT DODGE COMMUNITY SCHOOL DISTRICT

**OTHER COMBINING AND
INDIVIDUAL FUND FINANCIAL STATEMENTS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue			
	Student Activity	Management Levy	Debt Service	Total
Assets				
Cash	\$ 631,648	\$ 2,002,062	\$ 1,551,025	\$ 4,184,735
Receivables:				
Property tax:				
Current year	-	7,575	24,251	31,826
Succeeding year	-	999,998	3,186,701	4,186,699
Accounts	396	-	-	396
Due from other governments	450	-	-	450
Due from other funds	455	-	-	455
Total assets	\$ 632,949	\$ 3,009,635	\$ 4,761,977	\$ 8,404,561
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 8,984	\$ -	\$ -	\$ 8,984
Due to other funds	9,430	-	-	9,430
Total liabilities	18,414	-	-	18,414
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	-	999,998	3,186,701	4,186,699
Total deferred inflows of resources	-	999,998	3,186,701	4,186,699
Fund balances:				
Restricted for:				
Student activities	614,535	-	-	614,535
Management levy	-	2,009,637	-	2,009,637
Debt service	-	-	1,575,276	1,575,276
Total fund balances	614,535	2,009,637	1,575,276	4,199,448
Total liabilities, deferred inflows of resources and fund balances	\$ 632,949	\$ 3,009,635	\$ 4,761,977	\$ 8,404,561

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022**

	Special Revenue			
	Student Activity	Management Levy	Debt Service	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 948,937	\$ 3,180,677	\$ 4,129,614
Other	413,655	23,227	7,398	444,280
Intermediate sources	-	965	3,007	3,972
State sources	-	24,994	81,025	106,019
Total revenues	413,655	998,123	3,272,107	4,683,885
Expenditures:				
Current:				
Instruction:				
Regular	-	416,373	-	416,373
Other	402,150	-	-	402,150
	402,150	416,373	-	818,523
Support services:				
Instructional staff	-	69,397	-	69,397
Administration	-	54,259	-	54,259
Operation and maintenance of plant	-	369,419	-	369,419
Transportation	-	89,240	-	89,240
	-	582,315	-	582,315
Other expenditures:				
Long-term debt:				
Principal	-	-	4,568,000	4,568,000
Interest and fiscal charges	-	-	833,200	833,200
	-	-	5,401,200	5,401,200
Total expenditures	402,150	998,688	5,401,200	6,802,038
Excess (deficiency) of revenues over (under) expenditures	11,505	(565)	(2,129,093)	(2,118,153)
Other financing sources (uses):				
Interfund transfers in	-	-	2,289,081	2,289,081
Change in fund balances	11,505	(565)	159,988	170,928
Fund balances, beginning of year	603,030	2,010,202	1,415,288	4,028,520
Fund balances, end of year	\$ 614,535	\$ 2,009,637	\$ 1,575,276	\$ 4,199,448

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
June 30, 2022

	Capital Projects			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash	\$ 3,484,651	\$ 5,069,250	\$ -	\$ 8,553,901
Receivables:				
Property tax:				
Current year	-	13,206	-	13,206
Succeeding year	-	1,845,887	-	1,845,887
Income surtax	-	242,529	-	242,529
Due from other funds	-	5,398,215	-	5,398,215
Due from other governments	310,647	-	-	310,647
Total assets	\$ 3,795,298	\$ 12,569,087	\$ -	\$ 16,364,385
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 1,839,692	\$ -	\$ 1,839,692
Total liabilities	-	1,839,692	-	1,839,692
Deferred Inflows of Resources				
Unavailable revenues:				
Succeeding year property tax	-	1,845,887	-	1,845,887
Other	-	242,529	-	242,529
Total deferred inflows of resources	-	2,088,416	-	2,088,416
Fund Balances:				
Restricted for:				
School infrastructure	3,795,298	-	-	3,795,298
Physical plant and equipment	-	8,640,979	-	8,640,979
Total fund balances	3,795,298	8,640,979	-	12,436,277
Total liabilities, deferred inflows of resources and fund balances	\$ 3,795,298	\$ 12,569,087	\$ -	\$ 16,364,385

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND ACCOUNTS
Year Ended June 30, 2022

	Capital Projects			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 1,977,029	\$ -	\$ 1,977,029
Other	9,531	21,196	-	30,727
Intermediate sources	-	1,638	81	1,719
State sources	4,423,993	44,124	-	4,468,117
Total revenues	4,433,524	2,043,987	81	6,477,592
Expenditures:				
Current:				
Support services:				
Instructional staff	\$ -	\$ 83,237	\$ -	\$ 83,237
Operations and maintenance of plant	-	10,705	-	10,705
Transportation	-	29,807	-	29,807
Other expenditures:				
Facilities acquisition	32,877	7,399,331	3,694	7,435,902
Total expenditures	32,877	7,523,080	3,694	7,559,651
Excess (deficiency) of revenues over (under) expenditures	4,400,647	(5,479,093)	(3,613)	(1,082,059)
Other financing sources (uses):				
Interfund transfers in	-	6,565,334	-	6,565,334
Interfund transfers out	(2,289,081)	-	(128,806)	(2,417,887)
Insurance settlement from hail damage	-	1,385,492	-	1,385,492
Total other financing sources (uses)	(2,289,081)	7,950,826	(128,806)	5,532,939
Change in fund balances	2,111,566	2,471,733	(132,419)	4,450,880
Fund balances, beginning of year	1,683,732	6,169,246	132,419	7,985,397
Fund balances, end of year	\$ 3,795,298	\$ 8,640,979	\$ -	\$ 12,436,277

FORT DODGE COMMUNITY SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022

	Self-funded Health Plan	Self-funded Dental Plan	Flex Benefit Plan	Total
Assets				
Cash	\$ 6,861,899	\$ 450,097	\$ 33,688	\$ 7,345,684
Receivables:				
Interfund *	-	64	-	64
Other	101	-	-	101
Total assets	\$ 6,862,000	\$ 450,161	\$ 33,688	\$ 7,345,849
Liabilities				
Accounts payable	\$ 2,339	\$ 18,334	\$ -	\$ 20,673
Due to other funds	37	-	-	37
Interfund payable *	64	-	-	64
	2,440	18,334	-	20,774
Net Position				
Unrestricted	6,859,560	431,827	33,688	7,325,075
Total liabilities and net position	\$ 6,862,000	\$ 450,161	\$ 33,688	\$ 7,345,849

* These amounts have been removed from the face of the basic financial statements.

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Self-funded Health Plan	Self-funded Dental Plan	Flex Benefit Plan	Total
Operating Revenues:				
Local sources:				
Insurance contributions	\$ 5,801,105	\$ 315,804	\$ -	\$ 6,116,909
Flex contributions	-	-	62,160	62,160
Total operating revenues	5,801,105	315,804	62,160	6,179,069
Operating Expenses:				
Support services:				
Premium and administration costs	5,373,410	251,201	275	5,624,886
Flex benefits	-	-	48,343	48,343
Total operating expenses	5,373,410	251,201	48,618	5,673,229
Operating income	427,695	64,603	13,542	505,840
Non-operating Revenues:				
Interest	22,248	1,417	174	23,839
Change in net position	449,943	66,020	13,716	529,679
Net position, beginning of year	6,409,617	365,807	19,972	6,795,396
Net position, end of year	\$ 6,859,560	\$ 431,827	\$ 33,688	\$ 7,325,075

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2022

	Self-funded Health Plan	Self-funded Dental Plan	Flex Benefit Plan	Total
Cash Flows from Operating Activities:				
Cash received from contributions	\$ 5,843,958	\$ 315,804	\$ 62,160	\$ 6,221,922
Cash payments for claims	-	-	(48,618)	(48,618)
Cash payments for services	(5,372,868)	(255,923)	-	(5,628,791)
Net cash provided by operating activities	471,090	59,881	13,542	544,513
Cash Flows from Non-capital Financing Activities:				
Received from intrafund receivable	-	1,122	-	1,122
Repayment of intrafund payable	(1,122)	-	-	(1,122)
Net cash provided by (used in) financing activities	(1,122)	1,122	-	-
Cash Flows from Investing Activities:				
Interest on investments	22,248	1,417	174	23,839
Net cash provided by investing activities	22,248	1,417	174	23,839
Net increase in cash	492,216	62,420	13,716	568,352
Cash, beginning of year	6,369,683	387,677	19,972	6,777,332
Cash, end of year	\$ 6,861,899	\$ 450,097	\$ 33,688	\$ 7,345,684
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 427,695	\$ 64,603	\$ 13,542	\$ 505,840
Adjustments to reconcile operating income to net cash provided by operating activities:				
Decrease in receivables	42,853	-	-	42,853
Increase in accounts payable	536	(4,722)	-	(4,186)
Increase in due to other funds	6	-	-	6
Net cash provided by operating activities	\$ 471,090	\$ 59,881	\$ 13,542	\$ 544,513

FORT DODGE COMMUNITY SCHOOL DISTRICT

STATISTICAL SECTION

FORT DODGE COMMUNITY SCHOOL DISTRICT

STATISTICAL SECTION (Unaudited)

The statistical section of the District's Annual Comprehensive financial reports presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

Contents	Statistic	Page
<i>Financial Trends</i> <i>These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.</i>	1 – 7	74 – 80
<i>Revenue Capacity</i> <i>These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax.</i>	8 – 12	81 – 85
<i>Debt Capacity</i> <i>These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.</i>	13 – 15	86 – 88
<i>Demographic and Economic Information</i> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place, and to help make comparisons over time and with other governments.</i>	16 – 18	89 – 91
<i>Operating Information</i> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	19 – 20	92 – 95

Fort Dodge Community School District

Net Position by Component
Last Ten Fiscal Years*
(Accrual basis of accounting)
(Unaudited)

	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 23,146,756	\$ 24,953,137	\$ 23,260,054	\$ 24,359,841
Restricted	9,115,843	5,569,569	11,590,540	14,528,224
Unrestricted	3,328,491	5,962,405	(10,190,211)	(8,374,707)
Total governmental activities net position	\$ 35,591,090	\$ 36,485,111	\$ 24,660,383	\$ 30,513,358
Business-type activities:				
Net investment in capital assets	\$ 178,000	\$ 188,490	\$ 169,247	\$ 185,653
Unrestricted	437,069	480,161	543,894	651,023
Total business-type activities net position	\$ 615,069	\$ 668,651	\$ 713,141	\$ 836,676
Primary government:				
Net investment in capital assets	\$ 23,324,756	\$ 25,141,627	\$ 23,429,301	\$ 24,545,494
Restricted	9,115,843	5,569,569	11,590,540	14,528,224
Unrestricted	3,765,560	6,442,566	(9,646,317)	(7,723,684)
Total primary government net position	\$ 36,206,159	\$ 37,153,762	\$ 25,373,524	\$ 31,350,034

Statistic 1

Fiscal Year							
2017	2018	2019	2020	2021	2022		
\$ 12,559,718	\$ 25,872,298	\$ 29,352,678	\$ 33,062,591	\$ 45,264,994	\$ 53,770,263		
28,401,147	16,897,341	17,314,262	16,685,212	12,771,300	17,616,484		
(9,282,797)	(7,426,256)	(8,384,538)	(7,282,922)	(7,350,445)	(1,693,636)		
\$ 31,678,068	\$ 35,343,383	\$ 38,282,402	\$ 42,464,881	\$ 50,685,849	\$ 69,693,111		
\$ 173,341	\$ 157,480	\$ 148,838	\$ 178,525	\$ 171,144	\$ 214,985		
727,997	801,487	822,762	920,673	1,026,819	1,445,285		
\$ 901,338	\$ 958,967	\$ 971,600	\$ 1,099,198	\$ 1,197,963	\$ 1,660,270		
\$ 12,733,059	\$ 26,029,778	\$ 29,501,516	\$ 33,241,116	\$ 45,436,138	\$ 53,985,248		
28,401,147	16,897,341	17,314,262	16,685,212	12,771,300	17,616,484		
(8,554,800)	(6,624,769)	(7,561,776)	(6,362,249)	(6,323,626)	(248,351)		
\$ 32,579,406	\$ 36,302,350	\$ 39,254,002	\$ 43,564,079	\$ 51,883,812	\$ 71,353,381		

Fort Dodge Community School District

Expenses, Program Revenues and Net (Expense) Revenue

Last Ten Fiscal Years*

(Accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Instruction	\$ 26,524,935	\$ 25,719,255	\$ 26,221,950	\$ 27,043,073
Support services:				
Student services	1,883,569	2,024,988	1,669,616	2,459,382
Instructional services	2,577,114	2,143,504	1,841,517	2,782,257
Administration services	3,906,223	4,243,014	3,916,208	4,240,101
Operation and maintenance of plant	3,227,015	6,268,156	5,070,926	4,929,476
Pupil transportation services	1,211,024	1,300,391	1,528,446	1,303,771
Noninstructional programs	9,213	4,970	3,841	4,690
Long-term debt interest and fiscal charges	1,315,095	1,294,145	1,242,995	1,376,656
AEA flowthrough	1,589,663	1,647,708	1,685,930	1,748,769
Depreciation (unallocated)	907,094	1,568,122	-	-
Total governmental activities expenses	43,150,945	46,214,253	43,181,429	45,888,175
Business-type activities, nutrition	1,961,295	2,039,678	2,147,809	2,129,788
Total primary government expenses	\$ 45,112,240	\$ 48,253,931	\$ 45,329,238	\$ 48,017,963
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 2,176,525	\$ 1,995,068	\$ 1,973,885	\$ 2,108,560
Support services	121,728	113,874	-	-
Operating grants and contributions	8,210,896	8,461,423	8,358,630	10,174,856
Total governmental activities program revenues	10,520,644	10,607,684	10,332,515	12,283,416
Business-type activities:				
Charges for services, nutrition	662,130	660,999	697,803	724,307
Operating grants and contributions	1,320,198	1,430,408	1,517,817	1,527,074
Total business-type program revenues	1,982,328	2,091,407	2,215,620	2,251,381
Total primary government program revenues	\$ 12,502,972	\$ 12,699,091	\$ 12,548,135	\$ 14,534,797
Net (expense) revenue:				
Governmental activities	\$ (32,630,301)	\$ (35,606,569)	\$ (32,848,914)	\$ (33,604,759)
Business-type activities	21,033	51,729	67,811	121,593
Total primary government net expense	\$ (32,609,268)	\$ (35,554,840)	\$ (32,781,103)	\$ (33,483,166)

Statistic 2

Fiscal Year							
2017	2018	2019	2020	2021	2022		
\$ 28,985,117	\$ 28,079,854	\$ 31,234,165	\$ 32,139,149	\$ 32,522,560	\$ 28,960,731		
2,621,759	2,560,115	3,041,680	2,455,475	2,907,037	2,706,325		
3,668,642	3,119,830	3,597,064	1,380,753	1,696,260	1,448,817		
4,826,296	4,539,496	5,156,407	4,982,858	5,317,458	4,744,304		
5,318,862	7,427,072	6,565,857	6,527,061	6,014,743	7,763,025		
1,317,622	1,252,096	1,400,658	1,821,629	1,502,350	1,454,352		
9,405	18,912	-	9,095	13,775	10,056		
4,085,426	1,168,288	1,099,713	1,247,301	939,489	814,370		
1,773,733	1,819,717	1,870,677	1,851,253	1,876,271	1,909,673		
-	-	-	-	-	-		
52,606,862	49,985,380	53,966,221	52,414,574	52,789,943	49,811,653		
2,248,630	2,332,330	2,393,502	1,989,685	2,031,477	2,662,026		
\$ 54,855,492	\$ 52,317,710	\$ 56,359,723	\$ 54,404,259	\$ 54,821,420	\$ 52,473,679		
\$ 1,905,678	\$ 2,083,216	\$ 2,308,669	\$ 1,903,341	\$ 1,718,279	\$ 1,677,089		
216,955	324,133	225,871	162,619	69,222	75,555		
9,973,049	10,892,582	10,724,443	10,223,431	12,228,724	19,545,849		
12,095,682	13,299,931	13,258,983	12,289,391	14,016,225	21,298,493		
764,012	794,914	798,426	562,246	145,384	157,480		
1,545,778	1,586,505	1,591,237	1,536,528	1,979,193	2,961,664		
2,309,790	2,381,419	2,389,663	2,098,774	2,124,577	3,119,144		
\$ 14,405,472	\$ 15,681,350	\$ 15,648,646	\$ 14,388,165	\$ 16,140,802	\$ 24,417,637		
\$ (40,511,180)	\$ (36,685,449)	\$ (40,707,238)	\$ (40,125,183)	\$ (38,773,718)	\$ (28,513,160)		
61,160	49,089	(3,839)	109,089	93,100	457,118		
\$ (40,450,020)	\$ (36,636,360)	\$ (40,711,077)	\$ (40,016,094)	\$ (38,680,618)	\$ (28,056,042)		

Fort Dodge Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years*

(Accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Net (expense) revenue:				
Governmental activities	\$ (32,630,301)	\$ (35,606,569)	\$ (32,848,914)	\$ (33,604,759)
Business-type activities	21,033	51,729	67,811	121,593
Total primary government net expense	(32,609,268)	(35,554,840)	(32,781,103)	(33,483,166)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general purposes	12,561,620	12,879,378	12,751,972	12,473,875
Property taxes levied for capital outlay	897,211	932,823	1,338,199	1,345,968
Property taxes levied debt service	-	-	-	-
Income surtax	589,334	719,872	745,346	461,409
Statewide sales, services and use tax	3,178,566	3,227,146	3,540,103	3,594,583
Unrestricted grants and contributions	17,095,868	17,946,255	19,800,927	20,562,490
Unrestricted Investment earnings	144,842	100,673	106,667	94,708
Other	247,048	694,443	506,497	924,701
Total governmental activities	34,714,489	36,500,590	38,789,711	39,457,734
Business-type activities, investment earnings	1,807	1,853	1,974	1,942
Total primary government	34,716,296	36,502,443	38,791,685	39,459,676
Change in net position:				
Governmental activities	2,084,188	894,021	5,940,797	5,852,975
Business-type activities	22,840	53,582	69,785	123,535
Total primary government	\$ 2,107,028	\$ 947,603	\$ 6,010,582	\$ 5,976,510

Statistic 3

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (40,511,180)	\$ (36,685,449)	\$ (40,707,238)	\$ (40,125,183)	\$ (38,773,718)	\$ (28,513,160)
61,160	49,089	(3,839)	109,089	93,100	457,118
(40,450,020)	(36,636,360)	(40,711,077)	(40,016,094)	(38,680,618)	(28,056,042)
12,069,742	12,233,281	12,498,211	13,362,476	13,825,837	13,682,976
1,643,393	1,681,143	2,728,477	1,879,866	1,738,516	3,261,701
2,126,863	2,369,046	1,775,384	2,694,287	3,228,785	1,776,246
471,423	463,130	465,940	476,734	509,382	471,628
3,606,472	3,456,958	3,891,741	3,798,154	3,662,295	4,423,993
21,118,180	20,894,419	21,597,114	21,222,166	21,463,106	22,087,657
166,545	222,869	487,328	433,844	113,392	89,607
473,272	320,409	202,062	440,135	2,453,373	1,726,614
41,675,890	41,641,255	43,646,257	44,307,662	46,994,686	47,520,422
3,502	8,540	16,472	18,509	5,665	5,189
41,679,392	41,649,795	43,662,729	44,326,171	47,000,351	47,525,611
1,164,710	4,955,806	2,939,019	4,182,479	8,220,968	19,007,262
64,662	57,629	12,633	127,598	98,765	462,307
\$ 1,229,372	\$ 5,013,435	\$ 2,951,652	\$ 4,310,077	\$ 8,319,733	\$ 19,469,569

Fort Dodge Community School District

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Unaudited)

	2013	2014	2015	2016
General Fund:				
Restricted	\$ 1,373,542	\$ 922,261	\$ 799,791	\$ 1,381,265
Unrestricted	6,927,000	7,669,304	8,664,796	9,095,769
Total general fund	\$ 8,300,542	\$ 8,591,565	\$ 9,464,587	\$ 10,477,034
All other governmental funds:				
Restricted for the following purposes:				
Debt Service	\$ 1,323,459	\$ 1,340,388	\$ 1,342,948	\$ 1,340,039
Revenue Bond Reserve	3,049,500	3,049,500	3,049,500	3,049,500
Management levy purposes	1,013,502	2,100,557	2,248,896	2,897,543
Student activity	341,139	424,004	377,591	431,148
Other Capital Projects	142,116	408,993	-	-
School Infrastructure	4,504,002	755,889	1,983,343	2,957,341
Physical plant and equipment	526,490	906,068	1,788,471	2,698,714
Capital Projects	-	-	-	26,747,916
Total all other governmental funds	\$ 10,900,208	\$ 8,985,399	\$ 10,790,749	\$ 40,122,201

Statistic 4

Fiscal Year							
2017	2018	2019	2020	2021	2022		
\$ 1,380,427	\$ 1,249,992	\$ 1,069,811	\$ 867,388	\$ 787,544	\$ 994,494		
8,636,511	8,658,586	8,641,626	8,945,320	8,401,562	8,121,234		
\$ 10,016,938	\$ 9,908,578	\$ 9,711,437	\$ 9,812,708	\$ 9,189,106	\$ 9,115,728		
\$ 20,983	\$ 1,284,899	\$ 1,407,865	\$ 1,279,335	\$ 1,415,288	\$ 1,575,276		
1,195,592	-	-	-	-	-		
3,306,677	3,330,688	3,116,607	1,869,983	2,010,202	2,009,637		
387,159	390,011	391,376	477,982	603,030	614,535		
-	-	-	-	-	-		
4,200,008	4,770,007	6,348,237	6,304,276	1,683,732	3,795,298		
3,428,310	3,238,873	4,054,638	5,182,355	6,169,246	8,640,979		
14,250,426	2,632,871	925,728	759,741	132,419	-		
\$ 26,789,155	\$ 15,647,349	\$ 16,244,451	\$ 15,873,672	\$ 12,013,917	\$ 16,635,725		

Fort Dodge Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(Modified accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Federal Sources	\$ 3,061,994	\$ 2,962,721	\$ 3,356,727	\$ 4,221,365
State Sources	22,008,765	26,678,199	28,254,030	30,567,046
Intermediate Sources	8,368	1,821	345	15,897
Local Sources:				
Local taxes	17,254,503	14,485,419	14,532,156	14,517,695
Tuition	1,039,204	929,004	854,832	988,450
Other revenues	1,890,561	1,991,867	1,714,763	1,666,330
Total local sources	20,184,268	17,406,290	17,101,751	17,172,475
Total revenues	\$ 45,263,395	\$ 47,049,031	\$ 48,712,853	\$ 51,976,783

Statistic 5

Fiscal Year							
2017	2018	2019	2020	2021	2022		
\$ 3,629,644	\$ 4,158,111	\$ 4,004,714	\$ 3,452,504	\$ 4,524,762	\$ 11,596,826		
31,068,058	31,070,208	32,178,427	32,272,999	32,453,707	33,894,893		
45,015	15,640	15,077	15,304	16,796	16,957		
16,302,943	16,738,307	17,488,574	17,905,512	18,824,473	18,775,039		
1,112,850	1,325,352	1,429,302	1,409,356	1,225,134	1,178,550		
1,594,743	1,624,834	1,792,805	1,530,484	1,100,721	1,000,505		
19,010,536	19,688,493	20,710,681	20,845,352	21,150,328	20,954,094		
\$ 53,753,253	\$ 54,932,452	\$ 56,908,899	\$ 56,586,159	\$ 58,145,593	\$ 66,462,770		

Fort Dodge Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(Modified accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Instruction	\$ 26,337,813	\$ 26,497,530	\$ 27,225,093	\$ 27,858,183
Student Services	1,878,843	2,024,988	2,063,626	2,563,397
Instructional Staff Services	2,727,009	2,143,504	2,094,500	2,868,091
Administration Services	3,934,621	4,243,014	4,598,277	4,394,286
Operation and Maintenance of Plant Services	3,195,979	3,453,998	3,683,472	3,941,026
Transportation Services	1,092,684	1,354,666	1,465,202	1,690,247
Non-Instructional Programs	9,213	4,970	3,841	4,690
Capital Outlay:				
Facilities acquisition	14,620,292	4,683,262	1,525,176	2,152,585
Debt service:				
Principal	-	-	-	1,340,000
Interest and fiscal charges	1,645,154	2,649,500	2,649,350	1,836,216
AEA flowthrough	1,589,663	1,647,708	1,685,930	1,748,769
Total expenditures	\$ 57,031,271	\$ 48,703,140	\$ 46,994,467	\$ 50,397,490
Debt service as a percentage of noncapital expenditures	3.90%	5.69%	5.83%	6.75%

Statistic 6

Fiscal Year							
2017	2018	2019	2020	2021	2022		
\$ 28,589,805	\$ 29,817,528	\$ 30,473,569	\$ 32,552,542	\$ 32,331,762	\$ 32,257,898		
2,598,848	2,760,232	2,971,791	2,500,528	2,880,214	3,097,588		
3,648,255	3,296,831	3,552,759	1,393,604	1,689,546	1,555,475		
4,787,897	4,861,174	5,046,343	5,064,938	5,272,366	5,357,920		
3,670,422	3,561,730	3,884,591	4,072,072	4,130,615	4,603,781		
1,474,703	1,438,839	1,554,895	1,541,610	1,473,497	1,670,339		
9,405	18,912	-	9,095	13,775	10,056		
13,205,705	13,932,005	2,250,093	2,728,052	9,590,384	7,435,902		
3,424,000	3,491,000	3,905,000	3,877,000	4,437,000	4,568,000		
1,509,088	1,185,090	1,116,975	1,265,073	957,784	833,200		
1,773,733	1,819,717	1,870,677	1,851,253	1,876,271	1,909,673		
\$ 64,691,861	\$ 66,183,058	\$ 56,626,693	\$ 56,855,767	\$ 64,653,214	\$ 63,299,832		
9.64%	8.71%	9.24%	9.48%	10.04%	9.67%		

Fort Dodge Community School District

Other Financing Sources (Uses) and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ (11,767,876)	\$ (1,654,109)	\$ 2,334,220	\$ 1,579,293
Other financing sources (uses):				
General obligation bonds issued	-	-	-	28,460,000
Insurance settlement from hail damage	-	-	-	-
Sale of equipment	8,288	30,323	344,152	810
Bond premium	-	-	-	303,796
Interfund transfers in	2,044,787	2,625,790	2,612,724	2,612,045
Interfund transfers out	(2,044,787)	(2,625,790)	(2,612,724)	(2,612,045)
Payment to refunded bond escrow agent	-	-	-	-
Revenue bonds issued	-	-	-	-
Total other financing sources (uses)	8,288	30,323	344,152	28,764,606
Net change in fund balances	\$ (11,759,588)	\$ (1,623,786)	\$ 2,678,372	\$ 30,343,899

Source: School District Financial Records

Statistic 7

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (10,938,608)	\$ (11,250,606)	\$ 398,136	\$ (269,608)	\$ (6,507,621)	\$ 3,162,938
27,639,000	-	-	-	-	-
-	-	-	-	2,024,264	1,385,492
9,841	440	1,825	100	-	-
-	-	-	-	-	-
6,268,529	2,289,332	2,287,457	2,287,829	3,044,434	8,854,415
(6,268,529)	(2,289,332)	(2,287,457)	(2,287,829)	(3,044,434)	(8,854,415)
(30,503,375)	-	-	-	-	-
-	-	-	-	-	-
(2,854,534)	440	1,825	100	2,024,264	1,385,492
\$ (13,793,142)	\$ (11,250,166)	\$ 399,961	\$ (269,508)	\$ (4,483,357)	\$ 4,548,430

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	Actual Value			Total Actual Value	Total Taxable Value	Total Direct Rate (a)
	Residential Property	Commercial Property	Agricultural and Other Property			
2013	\$ 854,087,950	\$ 257,627,079	\$ 245,487,772	\$ 1,357,202,801	\$ 865,556,648	15.49627
2014	874,474,263	259,371,393	270,392,660	1,404,238,316	898,862,785	15.45853
2015	877,761,348	261,103,323	272,607,057	1,411,471,728	923,231,535	15.45754
2016	891,585,253	273,850,678	251,420,689	1,416,856,620	942,007,617	15.18368
2017	901,652,020	287,208,030	276,690,052	1,465,550,102	984,869,227	16.76416
2018	899,689,490	283,898,670	288,285,629	1,471,873,789	1,013,895,270	16.76982
2019	967,365,410	285,002,080	299,941,034	1,552,308,524	1,061,811,335	16.76790
2020	973,173,330	286,728,850	436,350,010	1,696,252,190	1,097,792,072	16.75791
2021	1,099,502,490	286,397,270	414,504,798	1,800,404,558	1,158,526,877	16.49848
2022	1,116,899,760	288,504,200	419,085,059	1,824,489,019	1,183,545,037	16.19341

Source: Webster County Auditor.

Note: The actual values are determined as of January 1, of the calendar year prior to the fiscal year indicated. These actual values are used to calculate the taxable values for the second budget following the assessment date.

(a) Per \$1,000 of assessed value.

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$1,000 of assessed value)
(Unaudited)

Fiscal Year Ended June 30	District Direct Rates				Overlapping Rates			
	General Purposes	Capital Purposes	Debt Service Purposes	Total	Webster County	City of Fort Dodge	Community College	Other
2013	14.49627	1.00000	0.00000	15.49627	6.49196	20.81519	0.81973	0.41881
2014	14.45853	1.00000	0.00000	15.45853	6.52995	20.81519	0.87786	0.41639
2015	14.03409	1.42345	0.00000	15.45754	6.51388	20.47230	0.89671	0.44866
2016	13.75500	1.42868	0.00000	15.18368	6.39664	20.94436	0.82510	0.76807
2017	13.16131	1.43488	2.16797	16.76416	5.94692	20.42200	1.14337	0.84550
2018	12.98073	1.43752	2.35157	16.76982	5.91024	20.42066	0.99381	0.84229
2019	12.74378	1.45059	2.57353	16.76790	5.89984	20.42015	1.32912	0.53838
2020	12.90285	1.45287	2.40219	16.75791	5.84177	20.42025	1.03946	0.49007
2021	12.34750	1.45281	2.69817	16.49848	6.12302	20.17395	1.11132	0.41469
2022	12.03802	1.46508	2.69031	16.19341	6.06072	20.42283	1.09210	0.44800

Source: Webster County Auditor, Iowa Department of Management and Piper Jaffray

Other column consists of Webster County Ag. Extension, Webster County Assessor, and State TB Eradication Levies.

Fort Dodge Community School District

Statistic 10

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2022			2013		
	Assessed Value	Rank	Percentage of Total Taxable Value	Assessed Value	Rank	Percentage of Total Taxable Value
Mid American Energy	\$ 113,605,110	1	9.60%	\$ 39,187,854	1	4.36%
Cargill Inc.	71,285,750	2	6.02%	-	-	0.00%
New Cooperative Inc.	51,230,110	3	4.33%	-	-	0.00%
Elanco US Inc.	27,607,940	4	2.33%	17,137,128	2	0.00%
Van Diest Family LLC	20,594,980	5	1.74%	-	-	0.00%
Valero Renewable Fuels Co LLC	17,826,490	6	1.51%	-	-	0.00%
Koch Nitrogen	16,960,310	7	1.43%	7,176,073	7	0.00%
Poet Biorefining	15,191,170	8	1.28%	-	-	0.00%
Radar Enterprises LLC	10,291,820	9	0.87%	-	-	0.00%
Menard Inc	9,987,140	10	0.84%	7,297,700	5	0.00%
Wal-Mart Real Estate Business	9,460,720	11	0.80%	7,639,510	4	0.85%
US Gypsum Co	8,080,570	12	0.68%	5,681,932	10	0.00%
Trinity Regional Medical Center	7,397,760	13	0.63%	7,281,140	6	0.81%
Kwik Trip Inc.	6,833,640	14	0.58%	-	-	0.00%
Gold Bond Building Products	6,496,030	15	0.55%	-	-	0.00%
Calcium Products Inc.	6,274,800	16	0.53%	-	-	0.00%
Georgia Pacific Gypsum	6,084,070	17	0.51%	-	-	0.00%
Crimmins Investment LLC	5,792,070	18	0.49%	-	-	0.00%
Landus Cooperative	5,645,040	19	0.48%	-	-	0.00%
Litchfield Realty Co	5,473,820	20	0.46%	-	-	0.00%
All other taxpayers	761,425,697	-	64.33%	774,155,311	-	89.83%
Total	\$ 1,183,545,037		100.00%	\$ 865,556,648		100.00%

Source: Webster County

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date		
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2013	\$	13,484,315	\$	13,461,984	99.83%	\$	13,475,315	99.93%
2014		13,789,018		13,729,430	99.57%		13,731,366	99.58%
2015		13,934,752		13,834,841	99.28%		13,866,353	99.51%
2016		13,819,842		13,819,842	100.00%		13,839,048	100.14%
2017		15,059,733		15,059,733	100.00%		15,067,352	100.05%
2018		15,383,498		15,309,168	99.52%		15,334,528	99.68%
2019		16,030,827		16,063,167	100.20%		16,067,447	100.23%
2020		16,330,442		16,198,144	99.19%		16,251,415	99.52%
2021		17,029,015		17,155,208	100.74%		17,173,238	100.85%
2022		17,169,485		17,159,938	99.94%		17,161,149	99.95%

Source: Webster County Auditor and District records.

Note: Information regarding subsequent years collections of prior year tax levies is not available.

Fort Dodge Community School District**Statistic 12****Actual Historic Sales, Services and Use Tax Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Total Revenue
2022	\$ 4,423,993
2021	3,662,295
2020	3,798,154
2019	3,891,741
2018	3,456,958
2017	3,606,472
2016	3,594,582
2015	3,540,103
2014	3,227,146
2013	3,178,566

Source: District records.

Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			General Obligation Debt		Total Outstanding Debt	
	General Obligation Bonds Outstanding	Revenue Bonds	Total Primary Government	G.O. Bond as a Percent of Actual Taxable Value of Property	G.O. Bonds Per Capita Personal Income	Percentage of Personal Income	Per Capita
2013	\$ -	\$ 30,495,000	\$ 30,495,000	0.00%	0.00%	1.90%	818
2014	-	29,260,000	29,260,000	0.00%	0.00%	1.96%	790
2015	-	27,975,000	27,975,000	0.00%	0.00%	1.79%	757
2016	28,334,026	26,635,000	54,969,026	3.00%	1.76%	3.42%	1,483
2017	26,855,715	25,700,000	52,555,715	2.73%	1.69%	3.31%	1,429
2018	25,117,404	23,954,000	49,071,404	2.48%	1.61%	3.14%	1,341
2019	22,999,093	22,174,000	45,173,093	2.17%	1.39%	2.74%	1,245
2020	20,945,782	20,357,000	41,302,782	1.91%	1.20%	2.37%	1,150
2021	18,372,471	18,500,000	36,872,471	1.59%	1.02%	2.10%	997
2022	15,709,160	16,602,000	32,311,160	1.33%	0.82%	1.69%	870

Source: District records

Direct and Overlapping Governmental Activities Debt
As of June 30, 2022
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
City of Badger	\$ 1,023,000	100.00%	\$ 1,023,000
City of Fort Dodge	125,968,521	100.00%	125,968,521
City of Otho	283,000	400.00%	1,132,000
Webster County	15,345,000	57.56%	8,832,582
Iowa Central Community College	51,023,546	12.90%	6,582,037
AEA 8 - Prairie Lakes	-	7.21%	-
Subtotal, overlapping debt			143,538,140
District direct debt			32,311,160
Total direct and overlapping debt			\$ 175,849,300

Source: Verbal data provided by each entity reported. Totals listed may include all types of debt outstanding backed by property tax, sales tax revenue, or other sources.

* Estimate is based upon overlapping total assessed value and assessed value within Fort Dodge Community School District boundaries.

Fort Dodge Community School District

**Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)**

	2013		2014		2015		2016	
Debt limit	\$	70,211,916	\$	70,573,586	\$	73,340,347	\$	77,223,087
Total net debt applicable to limit		30,495,000		30,495,000		27,687,211		55,095,000
Debt service reserve fund balances		3,049,500		3,049,500		3,049,500		3,049,500
Legal debt margin	\$	42,766,416	\$	43,128,086	\$	48,702,636	\$	25,177,587
Total net debt applicable to the limit as a percentage of debt limit		39.09%		38.89%		33.59%		67.40%

Source: Webster County Auditor and District Records.

Note: It has not been determined if Sales Tax debt is counted toward the statutory debt limit. This table assumes that Sales Tax debt is required to be included in that calculation.

Statistic 15

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value (a)	<u><u>\$ 1,824,489,019</u></u>
Debt limit (5% of assessed value)(b)	\$ 91,224,451
Debt applicable to limit	(32,311,160)
Debt service reserve fund balance	-
Legal debt margin	<u><u>\$ 58,913,291</u></u>

	2017		2018		2019		2020		2021		2022
\$	77,223,087	\$	78,751,496	\$	82,728,953	\$	84,812,610	\$	90,020,228	\$	91,224,451
	52,675,000		49,184,000		45,279,000		41,402,000		36,782,471		32,311,160
	-		-		-		-		-		-
\$	24,548,087	\$	29,567,496	\$	37,449,953	\$	43,410,610	\$	53,237,757	\$	58,913,291
	68.21%		62.45%		54.73%		48.82%		40.86%		35.42%

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Calendar Year	Population (a)	Personal Income (In Thousands) (a)	Per Capita Personal Income (a)	Fort Dodge MSA Unemployment Rate (b)
2013	37,273	1,606,522	43,101	6.1%
2014	37,044	1,491,540	40,264	6.0%
2015	36,955	1,560,189	42,219	4.3%
2016	37,071	1,606,175	43,327	4.8%
2017	36,769	1,589,382	43,226	4.0%
2018	36,605	1,562,743	42,719	2.8%
2019	36,277	1,650,441	45,496	2.6%
2020	35,904	1,744,487	48,588	4.2%
2021	36,999	1,755,795	48,862	4.9%
2022	37,147	1,906,807	51,331	2.8%

Notes:

Data provided is for the Fort Dodge Micropolitan Statistical Area consisting of Webster County

Sources: Bureau of Economic Analysis

(a) Bureau of Economic Analysis

(b) Iowa Workforce Development

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Unity Point Health	1,200	1	6.17%	972	1	5.94%
Elanco	955	2	4.91%	600	2	3.67%
New Co-op	850	3	4.37%	290	10	1.77%
Iowa Central Community College	770	4	3.96%	794	3	4.85%
Fort Dodge Community Schools	558	5	2.87%	486	4	2.97%
Friendship Haven	322	6	1.66%	306	6	1.87%
CJ Bio America	265	7	1.36%	-		0.00%
Fort Dodge Correctional Facility	240	8	1.23%	366	5	2.24%
Nestle Purina Pet Care Products	225	9	1.16%	186	11	1.14%
City of Fort Dodge	215	10	1.11%	187	7	1.14%
Decker Truck Lines	195	11	1.00%	813	8	4.97%
Silgan Containers	175	12	0.90%	185	12	1.13%
Cargill	170	13	0.87%	-		0.00%
United States Gypsum	120	14	0.62%	111	13	0.68%
Georgia-Pacific Corporation	85	15	0.44%	70	14	0.43%
All other employers	13,100		67.37%	10,993		67.20%
Total	19,445		100.00%	16,359		100.00%

Source: City of Fort Dodge and Iowa Department of Economic Development.

Fort Dodge Community School District

**Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)**

	2013	2014	2015	2016
Supervisory:				
Superintendent	1.00	1.00	1.00	1.00
Principals	8.00	7.00	7.00	5.00
Assistant principals	5.00	3.00	5.00	4.00
All other administrators	-	9.00	8.00	11.00
Total supervisory	14.00	20.00	21.00	21.00
Instruction:				
Teachers	252.58	253.58	259.02	271.65
Paraprofessionals	91.56	99.57	88.97	86.82
All other instruction	2.00	2.84	1.62	2.84
Total instruction	346.14	355.99	349.58	361.31
Student services:				
Guidance counselors	11.00	10.00	10.00	10.00
Media specialists/Librarians	3.00	1.00	1.00	1.00
Nurses	7.00	7.00	7.00	6.00
All other student services	20.25	17.00	15.75	18.75
Total student services	41.25	35.00	33.75	35.75
Support and administration:				
Office/Clerical	28.88	27.88	28.00	25.00
Transportation	8.90	10.40	10.40	11.30
Custodial maintenance	34.00	34.00	35.00	35.00
All other support	13.00	9.53	9.31	8.00
Total support and administration	84.78	81.81	82.71	79.30
Total	486.17	492.80	487.04	497.36

Source: District records

Full-Time Equivalent Employees as of June 30,						Percentage Change
2017	2018	2019	2020	2021	2022	2013-2022
1.00	1.00	1.00	1.00	1.00	1.00	0.00%
7.00	7.00	6.00	7.00	7.00	7.00	-12.50%
4.00	4.00	5.00	6.00	4.00	7.00	40.00%
12.00	13.00	11.00	10.00	11.00	10.00	0.00%
24.00	25.00	23.00	24.00	23.00	25.00	78.57%
275.96	279.94	265.99	267.88	262.13	239.56	-5.15%
102.53	107.68	122.08	124.49	103.45	114.22	24.75%
2.53	2.53	2.53	2.53	2.63	2.63	31.50%
381.02	390.15	390.60	394.90	368.21	356.41	2.97%
10.00	10.00	11.00	12.00	11.00	10.00	-9.09%
1.00	1.00	1.00	1.00	1.00	1.00	-66.67%
6.00	6.00	6.00	6.00	7.00	6.00	-14.29%
18.72	20.47	23.56	26.16	25.91	25.78	27.31%
35.72	37.47	41.56	45.16	44.91	42.78	3.71%
28.00	29.94	28.94	21.94	26.94	19.94	-30.96%
13.25	12.70	11.75	12.31	12.28	12.58	41.35%
35.00	36.00	35.00	35.00	35.00	35.00	2.94%
9.00	9.00	15.31	14.00	9.31	13.75	5.77%
85.25	87.64	91.00	83.25	83.53	81.27	-4.14%
525.99	540.26	546.16	547.31	519.65	505.46	3.97%

Fort Dodge Community School District

**Operating Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Budget Enrollment	Governmental Operating Expenditures	Cost Per Pupil	Percentage Change	Business-Type Total Expenses	Cost Per Pupil	Percentage Change
2013	3,656	43,150,945	11,803	0.78%	1,961,295	536	1.16%
2014	3,712	46,214,253	12,450	5.48%	2,039,678	549	2.43%
2015	3,730	43,181,429	11,577	-7.01%	2,215,620	594	8.10%
2016	3,767	45,888,175	12,182	5.22%	2,129,788	565	-4.82%
2017	3,767	52,606,862	13,965	14.64%	2,248,630	597	5.58%
2018	3,711	49,985,380	13,470	-3.55%	2,332,330	628	5.29%
2019	3,800	53,966,221	14,201	5.43%	2,393,502	630	0.21%
2020	3,661	52,414,574	14,317	0.82%	1,989,685	543	-13.71%
2021	3,668	52,789,943	14,392	0.52%	2,031,477	554	1.91%
2022	3,675	49,811,653	13,556	-5.81%	2,662,026	724	30.80%

Source: District records

Note: Expenses represent business-type activity expenses, which includes the District's School Nutrition Fund.

Statistic 19

Teaching Staff (in FTE)	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced- Priced Meals
252.58	14.47	55.95%
253.58	14.64	58.20%
259.02	14.40	59.77%
271.65	13.87	58.30%
275.96	13.65	57.30%
279.94	13.26	58.32%
265.99	14.29	59.77%
267.88	13.67	60.21%
262.13	13.99	60.04%
239.56	15.34	58.27%

Fort Dodge Community School District

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

School	2013	2014	2015	2016
Elementary:				
Butler Elementary				
Square feet	70,140	70,140	70,140	70,140
Capacity	462	462	462	462
Enrollment	467	481	472	466
Cooper Elementary				
Square feet	37,065	37,065	37,065	37,065
Capacity	352	352	352	352
Enrollment	271	268	302	276
Duncombe Elementary				
Square feet	46,075	46,075	46,075	46,075
Capacity	330	330	330	330
Enrollment	352	315	327	346
Feelhaber Elementary				
Square feet	26,741	26,741	26,741	26,741
Capacity	220	220	220	220
Enrollment	234	231	227	211
Middle School				
Fort Dodge Middle School				
Square feet	190,123	190,123	190,123	190,123
Capacity	1,200	1,200	1,200	1,200
Enrollment	1,017	1,046	1,064	1,029
High School				
Fort Dodge Senior High				
Square feet	248,300	248,300	248,300	248,300
Capacity	1,500	1,500	1,500	1,500
Enrollment	1,076	1,107	1,088	1,071
Other District Facilities				
Riverside Early Learning Center				
Capacity	308	308	308	308
Enrollment	98	120	77	65
Early Childhood Center				
Square feet	36,589	36,589	36,589	36,589
Capacity	-	-	-	-
Enrollment	-	-	-	-
Bus Garage				
Square feet	7,200	7,200	7,200	7,200
Dodger Stadium				
Square feet	6,800	6,800	6,800	6,800
Central Administration Office				
Square feet	-	-	-	-

Statistic 20

Year					
2017	2018	2019	2020	2021	2022
70,140	70,140	70,140	70,140	70,140	70,140
462	462	462	462	462	462
458	397	397	404	404	424
37,065	37,065	37,065	37,065	37,065	37,065
352	352	352	352	352	352
275	242	242	260	260	230
46,075	67,656	67,656	67,656	67,656	67,656
330	450	450	450	450	450
387	419	419	436	436	457
26,741	26,741	26,741	26,741	26,741	26,741
220	220	220	220	220	220
214	203	203	204	204	219
190,123	190,123	190,123	190,123	190,123	190,123
1,200	1,200	1,200	1,200	1,200	1,200
1,038	1,036	1,036	1,025	1,025	782
248,300	248,300	248,300	248,300	248,300	248,300
1,500	1,500	1,500	1,500	1,500	1,500
1,097	1,051	1,051	1,053	1,053	1,083
30,124	30,124	30,124	30,124	30,124	30,124
308	308	308	308	308	308
74	61	61	49	49	-
36,589	36,589	36,589	36,589	36,589	36,589
-	-	-	-	500	500
-	-	-	-	408	407
7,200	7,200	7,200	7,200	7,200	7,200
6,800	6,800	6,800	6,800	6,800	6,800
-	-	-	-	40,000	40,000

FORT DODGE COMMUNITY SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022**

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Passed Through Iowa Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555		\$ 2,441,444 *
School Breakfast Program	10.553		453,144
Total Child Nutrition Cluster			<u>2,894,588</u>
Fresh Fruit and Vegetable Program	10.582		<u>50,565</u>
U.S. Department of Education:			
Passed Through Iowa Department of Education:			
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act:			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C		2,786
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D		2,471,196
COVID-19 American Rescue Plan Act - Elementary and Secondary Emergency School Relief Fund	84.425U		6,660,753
			<u>9,134,735</u>
Title I Grants to Local Educational Agencies	84.010		<u>1,135,553</u>
Career and Technical Education - Basic Grants to States	84.048	G-PER-22-109	<u>56,112</u>
Rehabilitation Services Vocational Rehabilitation - Grants to States	84.126	20-TAP-05	<u>46,076</u>
Supporting Effective Instruction State Grants	84.367		<u>156,236</u>
Student Support and Academic Enrichment Program	84.424		<u>71,405</u>
Passed Through Prairie Lakes Area Education Agency:			
Special Education Grants to States	84.027		203,622
COVID-19-American Rescue Plan Special Education Grants to States	84.027		31,414
			<u>235,036</u>
U. S. Department of Health and Human Services:			
Passed Through Iowa Department of Human Services:			
Temporary Assistance for Needy Families	93.558	JUV-21-SB-02-007	<u>72,500</u>
Foster Care Title IV-E	93.658		<u>372</u>
Total			<u><u>\$ 13,853,178</u></u>

* Includes \$221,394 of non-cash awards.

FORT DODGE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

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

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Fort Dodge Community School District made no subrecipient payments.

Indirect Cost Rate – Fort Dodge Community School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

FORT DODGE COMMUNITY SCHOOL DISTRICT



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**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 Board of Education of
Fort Dodge Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Fort Dodge Community School District as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2022.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fort Dodge Community School District'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*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and Fort Dodges, 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.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnur & Company, LLP

Fort Dodge, Iowa
December 8, 2022



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

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

To the Board of Education of
Fort Dodge Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fort Dodge Community School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. Fort Dodge Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Fort Dodge Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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 Fort Dodge Community School District 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 Fort Dodge Community School District's compliance with the compliance requirements referred to above.

Responsibilities 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 Fort Dodge Community School District'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 Fort Dodge Community School District'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 generally accepted auditing standards, *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 Fort Dodge Community School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Fort Dodge Community School District'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 Fort Dodge Community School District'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 Fort Dodge Community School District'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 that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness 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.

Schnur & Company, LLP

Fort Dodge, Iowa
December 8, 2022

Fort Dodge Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

Part I: Summary of Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) No significant deficiencies or 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 that is material to the financial statements.
- (d) No material weaknesses or significant deficiencies in internal control over major federal award programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major federal award program.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was as follows:
 - CFDA Number 84.425, Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Fort Dodge Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

**Schedule of Findings and Questioned Costs
(Continued)
Year ended June 30, 2022**

Part IV: Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget: Expenditures for the year ended June 30, 2022 did not exceed the amended certified budget amount.

2022-B Questionable Expenditures: 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.

2022-C Travel Expense: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

2022-D Business Transactions: Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Heather Cochrane, daughter-in-law of Board Member	Teaching	\$ 71,538
Toni Cochrane, spouse of Board Member	Teaching	41,503
Adam Kent, son of Board Member	Assistant Principal	88,826
Elizabeth Pratt-Richman, daughter of Board Member	School Nurse	50,669
Eric Pratt, son of Board Member	Statistics Services	1,000

The transactions with Board President Cochrane's spouse and daughter-in-law, Board member Pratt's son and daughter, and Board member Kent's son do not represent a conflict of interest based on an Attorney General opinion dated April 1976.

2022-E Restricted Donor Activity: No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-F Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2022-G Board Minutes: No transactions requiring Board approval that had not been approved by the Board were noted.

2022-H Certified Enrollment: Variances in the basic enrollment data certified to the Iowa Department of Education were noted.

Recommendation: The District should contact the Iowa Department of Education to resolve this matter.

Response: We will contact the Iowa Department of Education.

Conclusion: Response accepted.

**Schedule of Findings and Questioned Costs
(Continued)
Year ended June 30, 2020**

Part IV: Other Findings Related to Required Statutory Reporting (Continued):

- 2022-I Supplementary Weighting: No variances regarding the supplemental weighting certified to the Iowa Department of Education were noted.
- 2022-J Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- 2022-K Certified Annual Report (CAR): The Certified Annual Report was timely certified to the Iowa Department of Education.
- 2022-L Categorical Funding: No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- 2022-M Statewide Sales and Services Tax: No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2022, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 1,683,732
Revenues:		
Sales tax revenues	\$ 4,423,993	
Interest	9,531	4,433,524
		<u>6,117,256</u>
Expenditures:		
Facilities acquisition	32,877	
Transfers to other funds:		
Debt service fund	2,289,081	2,321,958
		<u>2,321,958</u>
Ending balance		<u><u>\$ 3,795,298</u></u>

For the year ended June 30, 2022, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.