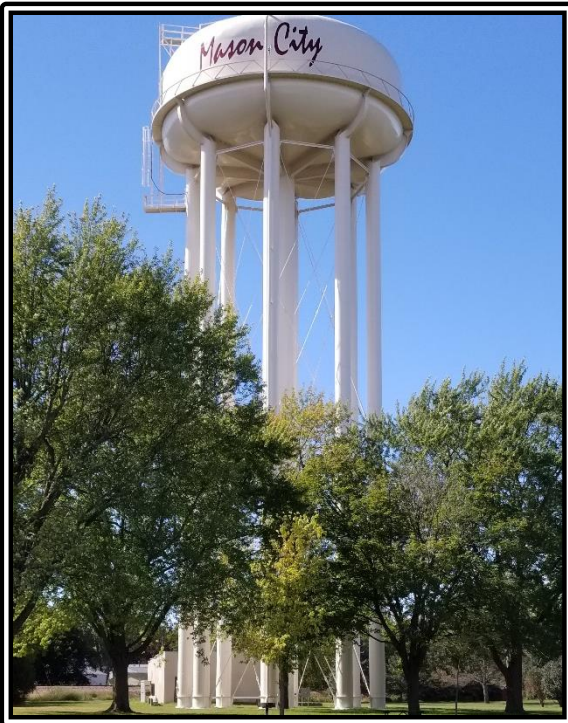


Street Rehabilitation Program

ENGINEERING & WATER SUPPLY



Kentucky Water Tower



Mason Creek Culvert

"BUILDING COMMUNITY"

City of Mason City

Annual Comprehensive Finance Report

Fiscal Year 2023-2024

June 30, 2024

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City of Mason City, Iowa
Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

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10 First Street Northwest
Mason City, IA 50401-3224
(641) 421-3600
www.masoncity.net

December 30, 2024

The Honorable Mayor and Members of the City Council
City of Mason City, Iowa

RE: FY24 Audit Transmittal

The Annual Comprehensive Financial Report of the City of Mason City, Iowa for the fiscal year ended June 30, 2024 (FY24) is submitted herewith in accordance with the provisions of Section 384.22 of the Code of Iowa, 1995, as amended, the recommendations of the Government Finance Officers Association and in conformity with accounting principles generally accepted in the United States of America (hereafter, "GAAP").

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and compliance. The introductory section includes a table of contents, a list of City Officials, the organizational chart, this transmittal letter, and a copy of the Certificate of Achievement for Excellence in Financial Reporting earned for the fiscal year ended June 30, 2023. The financial section includes management's discussion and analysis, the basic financial statements, and nonmajor funds and other schedules for the fiscal year ended June 30, 2024, as well as the independent auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section encompasses requirements related to the single audit, various federal and state grants, and statutory and regulatory compliance.

This report was prepared by the City's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Mason City's MD&A can be found immediately following the report of the independent auditors.

AN EQUAL OPPORTUNITY EMPLOYER

GOVERNMENTAL STRUCTURE

The City of Mason City operates under the Mayor/Council form of government with six City Council members, four of whom are elected from wards and two elected at large. The Mayor is elected at large for a four-year term. The City Council is elected to staggered four-year terms, with three Council seats up for election every two years. The City Administrator reports to the City Council. Ten departments are under the direction of the City Administrator. The City Attorney is a contracted position under the direction of the City Administrator. Six departments are under the direction of a board or commission. The Mayor and Council appoint members of the Airport, Human Rights Commission, and Youth Task Force Commissions, Library, Cemetery, and Museum Boards. Departments include City Clerk, Development Services, Engineering, Finance, Fire, Human Resources, Operations and Maintenance, Parks, Recreation, Police and Volunteer Services. The Development Services Department oversees Transit, Health, and Inspection services. The Police Department handles Animal Control. The City owns the Mason City Public Library, the Highland Park Golf Course and the Mason City Municipal Airport.

ECONOMIC CONDITION AND OUTLOOK

The City's Development Services Department continues its planning and economic development efforts to spur development and redevelopment in the community in accordance with the City's Comprehensive Plan and City Council goals. Development activities are focused on both downtown and the community's commercial areas and industrial parks. A major concentration of the department is on Downtown development, particularly the River City Renaissance Reinvestment District. This project, which will be partially financed with rebated state sales and hotel/motel taxes, as well as tax increment financing and private fundraising, includes a select-service hotel, conversion of the Music Man Square museum into a mid-sized conference and convention facility, an indoor-outdoor performing arts pavilion, and a 2,000-seat multi-use arena. The pavilion and arena have been completed and have already had a positive impact on downtown development.

The City obtained a \$4.5 million Destination Iowa grant through the State of Iowa for the "Bike North Iowa" project, which will involve numerous projects to improve the community's tourism draw and recreational amenities. Major components include a regional mountain biking park, extensive development of single-track trails, development of the Willow Creek Riverwalk on the south edge of downtown, and construction of numerous walking/biking trail improvements. These projects will increase the tax base and retain/draw younger skilled workers and their families to Mason City.

The City continues to work with the North Iowa Corridor Economic Development Corporation (NICEDC), to promote and facilitate job creation and capital investment in the Mason City area. The NICEDC is a county-wide economic development corporation that has merged the assets and efforts of Mason City, Clear Lake and Cerro Gordo County to market the entire county, assist local industries and attract new capital investment and jobs.

NICEDC is partially funded by Mason City to serve as the City's economic development marketing and recruitment arm. They provide information and support to prospective

employers, maintain a database of available buildings and sites within the region and partner with numerous local, regional, state and national organizations to market and recruit business to North Iowa. Key industries targeted by NICEDC are bio/renewable energy, warehousing/distribution, value-added agriculture, food processing, and advanced manufacturing. Within the past two years, the NICEDC has added a housing arm with dedicated staffing, the North Iowa Corridor Housing Development Corporation (NICHDC). The City expects broad and growing partnerships with the NICHDC as the organization matures.

The population in the City of Mason City was 27,271 per American Community Survey data for 2018-2022. The region has a civilian labor force of 14,738 with a participation rate of 65.5%. Of individuals 25 to 64 in Mason City, 21.7% have a bachelor's degree or higher which compares with 35.8% in the nation. The median household income is \$60,786 and the median house value is \$125,500.

As of 2024Q2, total employment for the City of Mason City was 18,501 (based on a four-quarter moving average). Over the year ending 2023Q3, employment increased 1.4% in the region. The average worker in earned annual wages of \$53,875 as of 2024Q2. Average annual wages per worker increased 2.4% in the region over the preceding four quarters. For comparison purposes, annual average wages were \$72,405 in the nation as of 2024Q2.

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 5.8% lower in Mason City than the U.S. average.

The largest sector in Mason City is Health Care and Social Assistance, employing 4,292 workers. The next-largest sectors in the region are Retail Trade (2,752 workers) and Manufacturing (2,281). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Health Care and Social Assistance (LQ = 1.56), Manufacturing (1.55), and Retail Trade (1.51).

The largest major occupation group in Mason City is Healthcare Practitioners and Technical Occupations, employing 1,962 workers. The next-largest occupation groups in the region are Office and Administrative Support Occupations (1,896 workers) and Transportation and Material Moving Occupations (1,868 workers). High location quotients (LQs) indicate occupation groups in which a region has high concentrations of employment compared to the national average. The major groups with the largest LQs in the region are Healthcare Practitioners and Technical Occupations (LQ = 1.79), Production Occupations (1.46), and Transportation and Material Moving Occupations (1.16).

Occupation groups in Mason City with the highest average wages per worker are Management Occupations (\$108,400), Computer and Mathematical Occupations (\$102,400), and Healthcare Practitioners and Technical Occupations (\$95,000). The unemployment rate in the region varied among the major groups from 1.2% Life, Physical, and Social Science Occupations to 5.1% among Farming, Fishing, and Forestry Occupations.

EXPANDED AND NEW INDUSTRIES AND BUSINESSES 7/1/23- 6/30/24:

- New Energy Freedom - \$750 million cellulosic ethanol and renewable plastics research facility announced in partnership with Dow Chemical. Projected groundbreaking in summer 2025, with creation of 75+ new jobs by 2027.
- Stellar Manufacturing – Acquired Pep Boys distribution facility for expansion purposes, investing over \$12.5 million in the community and expanding manufacturing operations significantly.
- Amazon Last-Mile Distribution Project - \$15 million facility creating 100 new jobs in development in Mason City Industrial Park. Facility was completed in late 2024 with operations beginning in December 2024.
- The Corridor is also actively engaged with several large renewable fuel and manufacturing projects. The region’s infrastructure, quality of life, and proximity to major markets are highly desired. The Corridor’s focus is on primary industries, but in the past year Mason City also attracted significant retail expansion. A few highlights include: Old Navy, Ross, Five Below, Ulta Beauty, O’Reilly’s Auto Parts, and Chik-fil-A. This level of interest and development from national name brands is a great indicator of the strength of the local economy and builds on Mason City’s role as a regional hub for retail and amenities.
- Following the success of the \$16 million, 133-unit apartment and townhome complex “The River” in downtown MC, the NIC worked with the City and Talon Development on “The River Phase 2”. The new 93-unit apartment complex broke ground in October 2022 on a former Brownfield Site. NIC and the City worked with the developer to secure a \$1.5m Brownfield Tax Credit to assist in the cleanup and construction. This will dramatically improve a neglected downtown property and continue to drive density and activity in the downtown core. The second phase was completed on schedule and both buildings are essentially at full occupancy.

HOUSING GROWTH

One of the biggest challenges facing communities across the nation is housing. Quality housing options are critical to attracting and retaining talent. It is projected that Iowa needs almost 25,000 units just to meet demand by 2030. Recent accomplishments and highlights in housing expansion include:

- The North Iowa Corridor Housing Development Corporation was created to take the lead on meeting the need by creating attainable housing opportunities across the county. It will provide a vehicle for our communities and businesses to meet housing needs and price points that are not financially feasible for the private sector. The HDC’s first project is in partnership with the City of Mason City- three houses were moved from the former Blackmore Nursery area to formerly vacant lots owned by the City and are being renovated and marketed for sale. The HDC is also partnering with the City on redevelopment of a neighborhood in the 500-600 block of 4th Street NE, which will eliminate several blighted structures and allow for the development of additional housing units.
- The River II Apartments – Following the success of the original 133-unit facility, Talon Development began construction on phase 2, a 93-unit facility along Willow Creek in a former brownfield. Both buildings are operating at full occupancy.

- Federal Ave Rowhomes – New 11-unit apartment facility filling a formerly vacant lot in downtown Mason City, opened summer 2024 and fully occupied.
- Delaware Ave Apartments – New 36-unit apartment facility planned for downtown Mason City, under construction as of late 2024, with anticipated completion by October 2025.
- Harmony Park Senior Apartments- The City successfully marketed a downtown site it owned, receiving 4 proposals. Horizon Developer plans to build a 45-unit senior housing development, pending successful application for Low-and Moderate Income Housing Tax Credits in spring 2025.
- Madison Heights- Habitat for Humanity plans to develop 13 new residential units on this former school site, beginning with 6 new units currently under construction. The project is a partnership with the City and the Mason City School District.

Mason City, with its transportation network of interstate highways, four-lane highways, airport, rail service, regional workforce, low property tax rates, excellent education system and community college, top notch hospital and health care, regional retail center, regional cultural and recreational amenities, and the willingness to use public financial incentives to assist quality job retention and creation, remains a competitive force for economic development in North Central Iowa.

DOWNTOWN

In 2018, the City initiated the Downtown Revitalization Loan (DoRL) Program, which provides a matching loan of up to \$30,000, forgivable after seven years. Together with the Corridor Revitalization Loan (CoRL), which provides a forgivable loan for revitalization of buildings along the city's aging commercial corridors, the City has approved \$1,420,018 in loan funds, which have leveraged just under \$7.3 million dollars in private investment. The City also initiated the Building Renovation/Life Safety (BuRLS) program to help building owners, many in downtown, to defray the cost of required fire code improvements such as sprinkling. This program was initially funded with American Recovery Plan Act (ARPA) SLFRF monies, but has since been allocated annual sustaining funding from the City Council to allow for its continuation.

The City has continued to work with Main Street Mason City (MSMC) to stabilize and enhance the downtown area. The Federal Avenue Streetscape project, completed in 2012, continues to serve as a catalyst for downtown redevelopment, as does the 2011 restoration of Frank Lloyd Wright's only surviving hotel, the Historic Park Inn. In 2014, the Downtown Façade Rehabilitation Program was completed, funded with a \$500,000 CDBG grant. These funds were used to rehabilitate 11 historic facades in the downtown area and leveraged an additional \$5,000,000 in private funding from local banks for downtown development. As a part of the CDBG grant, MSMC also assists the City in management of a \$150,000 low-interest revolving loan fund for building improvements in the downtown TIF district.

The MSMC organization and its many volunteers provide a program that includes economic development, organizational development, promotions/events/ marketing, and design (appearance) improvements in the downtown. The organization continued to provide several successful events, such as three Friday Night Live summer concerts, a tour of

historic buildings in October, Home for the Holidays, and a St. Patrick's Day Bar Hop, as well as co-sponsoring several others. These events were impacted by the COVID-19 public health emergency, but the MSMC was able to hold some events online and have maintained their place as the premier organization promoting downtown Mason City. The organization maintains its recognition as a National Main Street Community and is working with Main Street Iowa to promote Downtown Mason City as a premier place to do business and be entertained.

The most visible new development in Downtown Mason City is the Multi-Purpose Arena, within the Southbridge Mall, completed in November 2019. Valued at \$14,500,000, this 2,000-seat arena (which can accommodate more than 3,000 for concerts) has been constructed within the walls of the former J. C. Penney department store. The Arena opened in late 2019 for hockey and other ice sports. After initial disruptions from the COVID-19 pandemic, numerous ice and non-ice events keep the venue busy year-round with activity. In addition, construction of a new indoor/outdoor Performing Arts Pavilion began in FY22, in the Federal Avenue Plaza. This venue opened for performances in Spring 2022. The Arena and Pavilion are part of the "River City Renaissance" program, which anticipates construction of a new select-service hotel and conversion of The Music Man Square to a conference center (while maintaining the Meredith Willson Music Man museum and exhibits). The City acquired the remainder of Southbridge Mall in early 2024 and is working toward redevelopment of the entire property, in concert with the other efforts undertaken to date.

TRAFFIC

The City Engineering Department is engaged in numerous transportation improvement projects. The Capital Improvements Plan for FY24 identified \$6.1 million in transportation improvements, and staff has worked diligently to plan and implement these improvements. Major projects during the year included the City's \$1.5 million annual street rehabilitation program, street patching program, curb replacement program, pavement marking program, and a partially federal-funded street improvements project on Winnebago Way and 12th Street NE was completed. The department worked on several major Iowa Department of Transportation projects in which the City will be a partner. These projects include the reconstruction of South Federal Avenue (US Highway 65), which commenced in late 2024, the Iowa Highway 122 Mercy corridor reconstruction project expected to commence in late 2025, and the Iowa Highway 122 West reconstruction project expected to commence in 2028 or later.

FINANCIAL INFORMATION

For financial reporting purposes, in conformance with Governmental Accounting Standards Board (GASB) Statement No. 14 The Financial Reporting Entity, the City includes all funds, organizations, agencies, boards, commissions, and authorities that are financially accountable to the City.

Single Audit: As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal

control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2024 provided no instances of material weakness in the internal control structure.

Internal Controls: To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Budgetary Controls: In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of all funds are included in the annual appropriated budget. The legal level of control for budgetary purposes for all funds as set by Iowa law is at the program level.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. As with the financial section, all amounts presented in the remainder of this letter are expressed in whole dollars.

General Governmental Functions: The following schedule presents a summary of general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2024.

	Amount	Percent of Total	
Revenues			
Taxes	\$ 29,780,362	75.86	%
Licenses and Permits	7,962	0.02	
Intergovernmental	4,498,587	11.46	
Service Revenues	1,438,483	3.66	
Fines and Forfeitures	26,458	0.07	
Use of Monies and Properties	1,579,628	4.02	
Special Assessments	15,744	0.04	
Miscellaneous	1,814,829	4.62	
Refunds	97,789	0.25	
	<hr/>		
Total Revenues	\$ 39,259,842	100.00	

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2024.

	Amount	Percent of Total Amount
Expenditures		
Public Safety	\$ 12,755,563	28.86 %
Public Works	4,768,808	10.79
Health and Social Services	297,024	0.67
Culture and Recreation	4,147,786	9.38
Community & Economic Development	8,132,170	18.40
General Government	3,372,908	7.63
Capital Projects	4,007,227	9.07
Debt Service	6,716,352	15.20
	<u>\$ 44,197,838</u>	<u>100.00</u>
Total Expenditures		

GENERAL FUND BALANCE

The General Fund closed FY24 with a fund balance of \$13,456,339 compared to \$14,330,392 on June 30, 2023. This was due to a \$874,053 increase of expenditures and other financing uses over revenues and other financing sources for FY24.

ENTERPRISE FUNDS

The Enterprise Funds of the City include the following:

1. Waterworks Fund - Operating revenues were \$7,320,448 in FY24, a decrease of -1.53% from FY23. Operating expenses were \$5,726,660 in FY24, a decrease of -18.34% from FY23. Net income was \$1,593,788 in FY24, a 278.63% increase from FY23.
2. Sanitary Sewer Fund - Operating revenues were \$5,263,279 in FY24, a decrease of 2.79% from FY23. Operating expenses were \$3,738,225 in FY24, a decrease of -13.41% from FY23. Net income was \$1,525,054 in FY24, a 89.86% increase from FY23.
3. Parking Lots Fund - Operating revenues were \$49,730 in FY24, an increase of 35.31% from FY23. Operating expenses were \$84,374 in FY24, an increase of 148.61% from FY23. Net income was -\$34,644 in FY24, a -1330.26% decrease from FY23.
4. Storm Sewer Fund - Operating revenues were \$454,157 in FY24, a decrease of -0.7% from FY23. Operating expenses were \$562,613 in FY24, an increase of 78.15% from FY23. Net income was -\$108,456 in FY24, a -176.62% decrease from FY23.
5. Solid Waste Fund - Operating revenues were \$1,864,173 in FY24, an increase of 3.18% from FY23. Operating expenses were \$1,419,301 in FY24, a decrease of -27.6% from FY23. Net income was \$444,872 in FY24, a -389.49% decrease from FY23.

6. Golf Course Fund - Operating revenues were \$594,999 in FY24, an increase of 3.52% from FY23. Operating expenses were \$666,769 in FY24, a decrease of -4.92% from FY23. Net income was - \$71,770 in FY24, a -43.25% decrease from FY23.

7. Cemetery Fund - Operating revenues were \$212,839 in FY24, an increase of 13.62% from FY23. Operating expenses were \$379,665 in FY24, a decrease of -30.93% from FY23. Net income was - \$166,826 in FY24, a -53.96% decrease from FY23.

8. RCR Arena Fund - Operating revenues were \$199,037 in FY24, a decrease of -34.62% from FY23. Operating expenses were \$708,668 in FY24, a decrease of -16.79% from FY23. Net income was - \$509,631 in FY24, a -6.87% decrease from FY23.

9. Ambulance Fund - Operating revenues were \$2,302,176 in FY24, a decrease of -19.05% from FY23. Operating expenses were \$1,740,808 in FY24, a decrease of -41.77% from FY23. Net income was \$561,368 in FY24, a -486.14% decrease from FY23.

INTERNAL SERVICE FUNDS

The Central Services Internal Service Fund is used to account for the costs of the centralized service operations, and the Employee Health Care Fund is used to account for the payment of health insurance costs and the reimbursement of employee's portion of costs.

FIDUCIARY FUNDS

Fiduciary Funds are established to account for assets held by the governmental units in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

DEBT ADMINISTRATION

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens, and investors. The following shows this information as of June 30, 2024:

	<u>Amount</u>	<u>Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Net Bonded Debt	\$ 48,214,136	1.92 %	1,764

The City issued \$14,050,000 of General Obligation bonds during the year to fund various public works, parks and utility-related projects.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

The City Council has adopted budget and fiscal policies. For the City's General Fund, the fund balance policy strives to maintain an unassigned general fund balance no less than \$5,000,000. These funds are necessary to meet cash flow needs during the initial months of

the new fiscal year as property tax revenue, the primary source of funding for general operations, is collected semi-annually with the vast majority of those taxes remitted to the City in the months of October and April. Fund balance policies are also set for Road Use Tax, Local Option Sales & Service Tax (LOSST), Water, Sewer and Sanitation. During FY 2024, the City met all fund balance policies.

As a guideline for the budget process the City uses the established financial and budget policies which are reviewed and adopted annually by the City Council in connection with the budget process. Some of the goals of the financial policies include preserving capital through prudent budgeting and financial management, achieving a stable balance between the City's ongoing financial commitments and the continuing revenues available to the City, and to leverage local dollars with Federal and State funding grants. These financial policies ensure the City has appropriately recorded and accounted for transactions in our financial statements.

The City Council annually adopts a five-year Capital Improvement Plan. The plan identifies capital projects associated with the various departments throughout the City. It also shows the funding source for each of the projects. Major funding sources for capital projects include new debt, LOSST, Road Use Tax and proprietary revenues.

The City Council approves the Debt Service policy during the budget process or as revisions are needed. The policy establishes the following measures in regard to the issuance of debt. First, the City limits itself to 70% of the debt limitation allowed by the Iowa Constitution. Second, debt maturities shall be for the shortest time possible under the circumstances, and in no situation will debt maturities exceed the useful life of the asset being acquired or constructed. Third, the debt service property tax rate will be maintained between \$2.00 to \$3.00 per \$1,000 of valuation. Voter approved debt is removed from this calculation. Finally, the City's debt shall be rated by Moody's Investor Services and the City shall maintain its current "Aa2" rating.

The City Council also adopted Investment and Fund Transfer policies. The Finance Director posts the monthly financial report online for public access following City Council approval at <https://www.masoncity.net/pview.aspx?id=48841&catid=477>.

OTHER INFORMATION

Independent Audit: The Code of Iowa requires an annual audit be made of the financial condition and transactions of all administrative departments of the City by the State Auditor or by a Certified Public Accountant selected by the City Council. The audit for FY24 was made by Abdo, Certified Public Accountants. Their opinion has been included in this report.

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 City of Mason City, Iowa, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2023. This was the thirty-seventh consecutive year that the government

has achieved this prestigious award. The City of Mason City was one of only approximately 20 Iowa cities to receive the award for this fiscal year.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

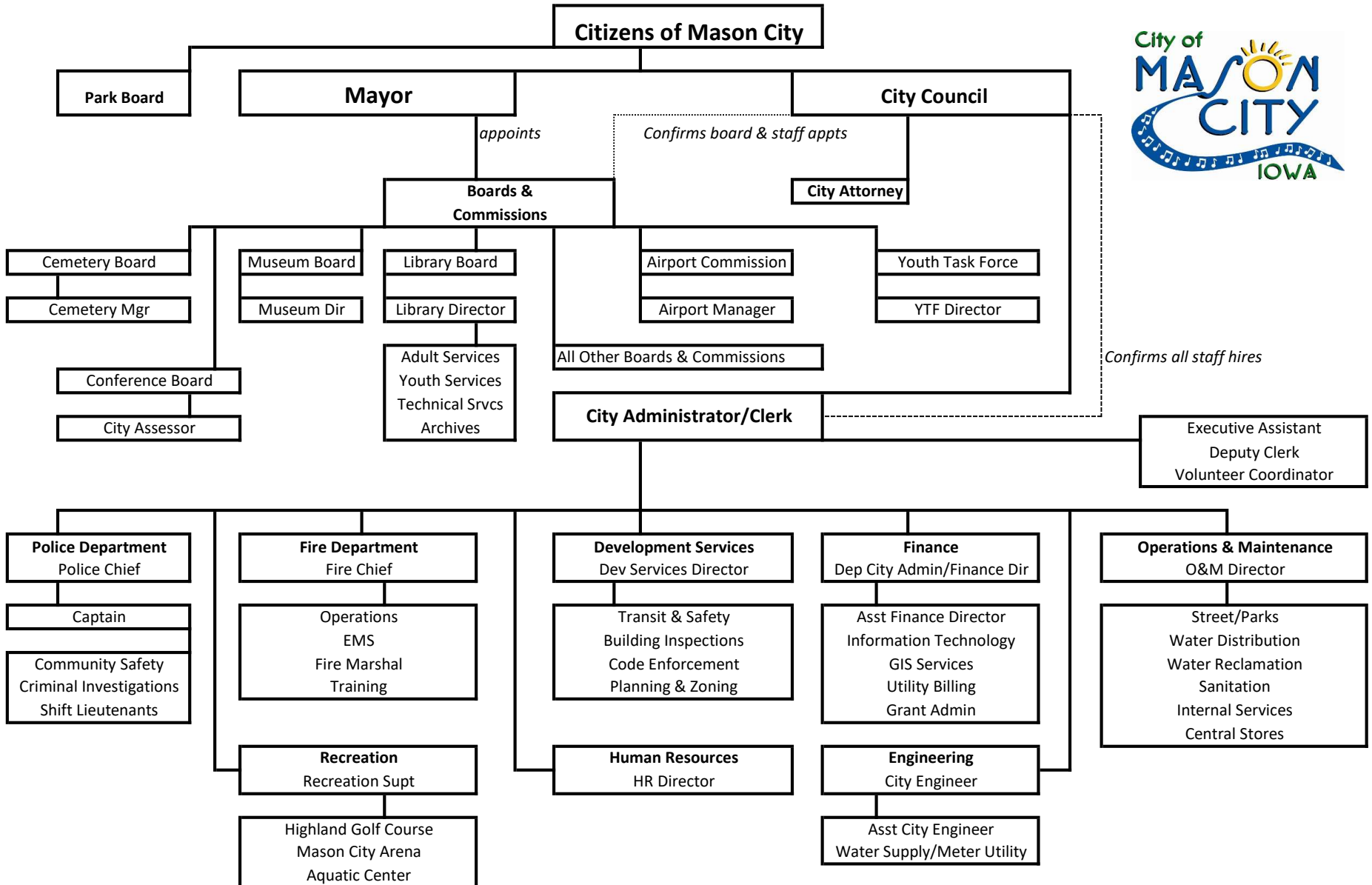
Acknowledgments: Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Department of Finance and the various department heads and employees who assisted and contributed to its preparation. We wish to thank each one of you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,



Brent D. Hinson
Deputy City Administrator/Finance Director

City of Mason City Organizational Chart to Division Level



City of Mason City, Iowa
Principal City Officials
For the Year Ended June 30, 2024

ELECTED

Name	Title	Term Expires
Bill Schickel	Mayor	2026
Paul Adams	At-Large Council Person	2024
Tim Latham	At-Large Council Person	2026
Will Symonds	Council Person	2026
Joshua Masson	Council Person	2024
John Lee	Council Person	2024
John Jaszewski	Council Person	2026
Aaron Burnett	City Administrator	
Diana Black	Deputy City Clerk	
Brent Hinson	Finance Director	
Randy Nielsen	City Attorney, Civil Law	
David Sims	Airport Manger	
Edith Blanchard	MacNider Museum Director	
Tara Brueggeman	City Assessor	
Russ Kramer	Band Director	
Tyler Anderson	Elmwood Cemetery Manager	
Steven Van Steenhuyse	Development Services Director	
Erik Bullinger	Fire Chief	
Perry Buffington	Human Resources Manager	
Mary Markwalter	Library Director	
Jeffrey Brinkley	Police Chief	
Mark Rahm	City Engineer	
Brian Pauly	Superintendent of Recreation	



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mason City
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Mason City, Iowa

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Mason City, Iowa (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund and the Local Option Sales Tax fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Mason City Housing Authority, as of June 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mason City Housing Authority is based solely on the report of the other auditors.

Basis for Opinions

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

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 judgment made by a reasonable user based on the financial statements.

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 25 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions, the related note disclosures, and the Schedule of Changes in the City's OPEB Liability and Related Ratios, on page 104 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
December 30, 2024



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Management's Discussion and Analysis

As management of the City of Mason City, Iowa, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024.

Financial Highlights

- The assets and deferred outflows or resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased as shown in the summary of changes in net assets table on the following pages. The decrease this year was due to an increase in expenses related to Public Works.
- For the current fiscal year, the City's governmental funds fund balances are shown in the Financial Analysis of the City's Funds section of the MD&A. The total fund balance increased in comparison with the prior year. This increase was mainly due to unspent bond proceeds related to the street reconstruction and rehabilitation projects. The total of assigned and unassigned as shown in the governmental fund balance table is available for spending at the City's discretion.
- The unassigned fund balance in the General fund as shown in the financial analysis of the City's funds section decreased from prior year.
- The City's total bonded debt increased during the fiscal year. The increase was a result of new bond issuances exceeding the scheduled debt service payments as shown on the outstanding debt table.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves. The following chart shows how the various parts of this annual report are arranged and related to one another:

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Internal service funds statements are also included, reflecting balances prior to their elimination from the government-wide financial statements, to avoid "doubling-up" effect within the governmental and business-type activities columns of said statements.

Figure 1
Required Components of the
City's Annual Financial Report

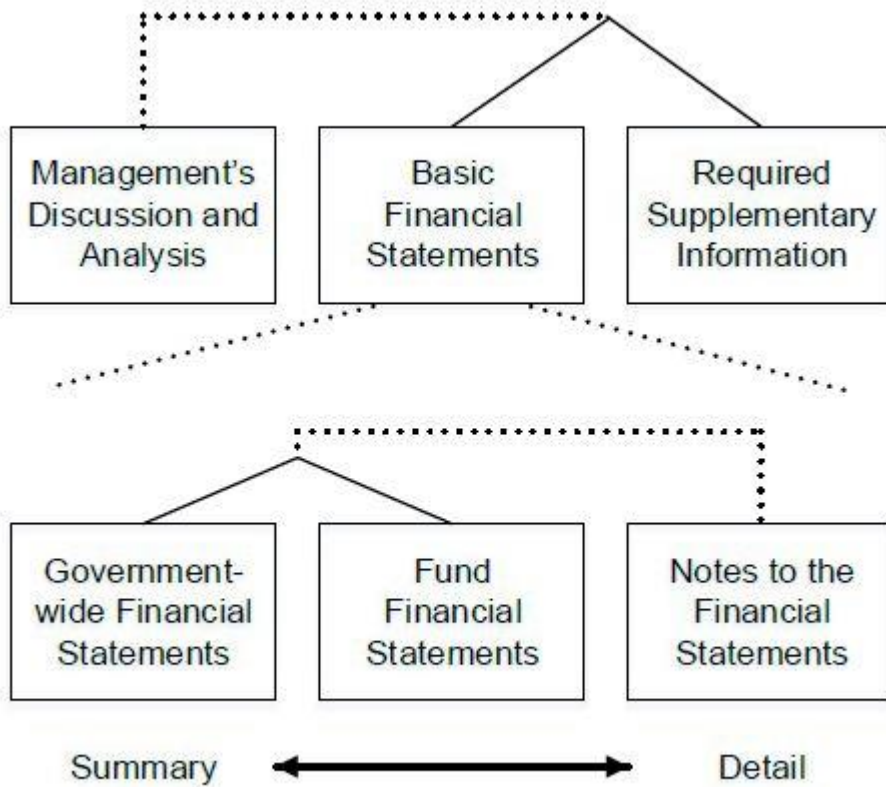


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Fund Net Position • Statements of Cash Flows
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
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows or resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
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 payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City’s assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and social services, culture and recreation, community and economic development, and interest on long-term debt. The business-type activities of the City include water, sewer, ambulance, cemetery, storm sewer, solid waste, golf course and RCR Arena.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Housing Authority (the Authority) for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements start on page 47 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances (deficits) provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the major funds as noted on page 52. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annual appropriated budget for the General fund and the Local Option Sales Tax Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements start on page 52 of this report.

Proprietary Funds. The City maintains ten proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, ambulance, cemetery, storm sewer, solid waste, golf course and the RCR Arena. *Internal Service funds* are used to report activities related to employee health insurance and central services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary funds financial statements start on page 59 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 65 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on page 104 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds and proprietary funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules start on page 112 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Mason City's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Current and Other Assets	\$ 72,346,689	\$ 71,995,576	\$ 351,113	\$ 8,506,240	\$ 11,073,408	\$ (2,567,168)
Capital Assets	137,674,743	117,382,098	20,292,645	76,160,205	74,892,238	1,267,967
Total Assets	<u>210,021,432</u>	<u>189,377,674</u>	<u>20,643,758</u>	<u>84,666,445</u>	<u>85,965,646</u>	<u>(1,299,201)</u>
Deferred Outflows of Resources	5,421,680	4,358,699	1,062,981	1,261,453	1,087,043	174,410
Noncurrent Liabilities	69,427,861	60,818,803	8,609,058	15,012,485	14,227,411	785,074
Other Liabilities	8,382,246	9,336,456	(954,210)	1,156,681	1,442,107	(285,426)
Total Liabilities	<u>77,810,107</u>	<u>70,155,259</u>	<u>7,654,848</u>	<u>16,169,166</u>	<u>15,669,518</u>	<u>499,648</u>
Deferred Inflows of Resources	18,913,233	26,604,437	(7,691,204)	388,285	3,027,512	(2,639,227)
Net Position						
Net investment in capital assets	112,610,518	99,033,677	13,576,841	66,747,486	64,230,625	2,516,861
Restricted	20,119,613	24,469,294	(4,349,681)	-	-	-
Unrestricted	<u>(14,010,359)</u>	<u>(26,526,294)</u>	<u>12,515,935</u>	<u>2,622,961</u>	<u>4,125,034</u>	<u>(1,502,073)</u>
Total Net Position	<u>\$ 118,719,772</u>	<u>\$ 96,976,677</u>	<u>\$ 21,743,095</u>	<u>\$ 69,370,447</u>	<u>\$ 68,355,659</u>	<u>\$ 1,014,788</u>
Net Position as a Percent of Total						
Net investment in capital assets	94.9 %	102.2 %		96.2 %	94.0 %	
Restricted	16.9	25.2		-	-	
Unrestricted	<u>(11.8)</u>	<u>(27.4)</u>		<u>3.8</u>	<u>6.0</u>	
	<u>100.0 %</u>	<u>100.0 %</u>		<u>100.0 %</u>	<u>100.0 %</u>	

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in two categories of net position for its separate governmental activities and positive balances in all three categories of net position for its business-type activities.

Governmental Activities. Governmental activities increased the City's net position, as shown below. This increase was mainly due to an increase in capital grants and contributions, related to airport and other capital improvements. Key elements of this increase are as follows:

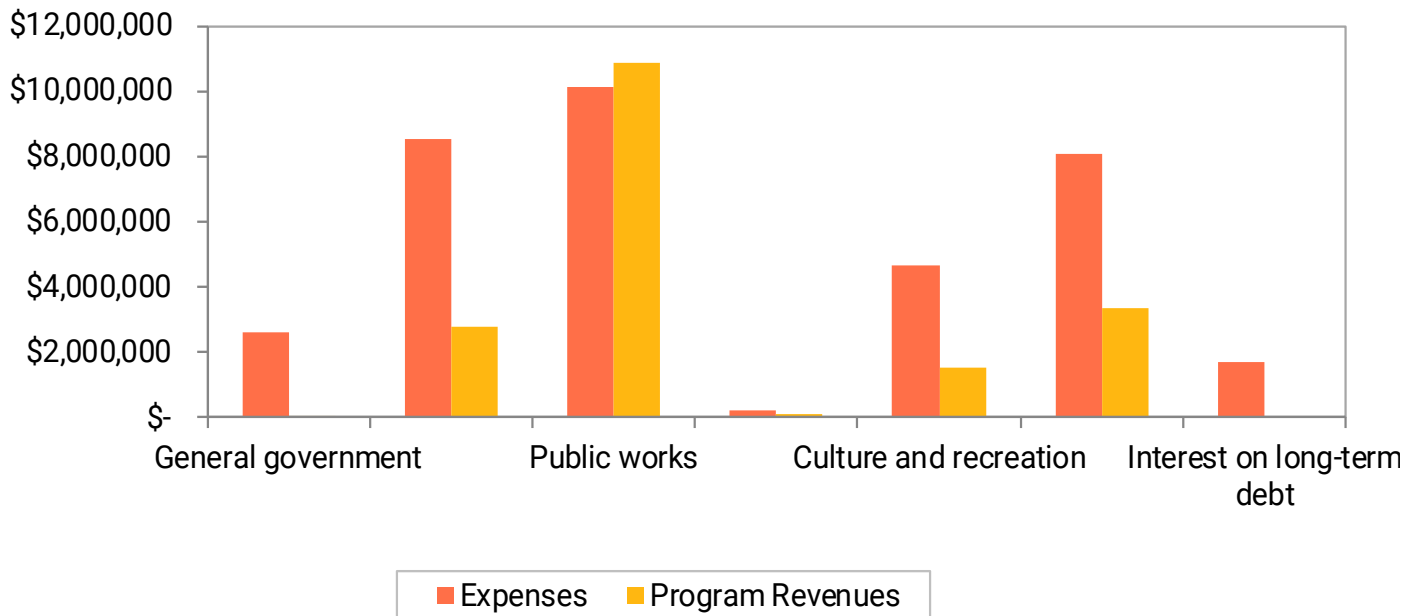
City of Mason City's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Revenues						
Program Revenues						
Charges for services	\$ 2,412,981	\$ 3,284,275	\$ (871,294)	\$ 18,260,838	\$ 19,018,887	\$ (758,049)
Operating grants and contributions	4,753,242	2,836,357	1,916,885	424,769	366,859	57,910
Capital grants and contributions	11,521,297	7,426,729	4,094,568	-	-	-
General Revenues						
Property taxes	22,411,495	21,785,155	626,340	195,518	187,966	7,552
Other taxes	8,921,865	9,375,759	(453,894)	-	-	-
Grants and contributions not restricted to specific programs	2,139,305	2,063,277	76,028	-	-	-
Unrestricted Use of money and property	2,102,813	1,662,390	440,423	275,549	342,777	(67,228)
Miscellaneous	400,976	635,295	(234,319)	-	-	-
Gain on sale of capital assets	149	8,269	(8,120)	67,451	-	67,451
Total Revenues	54,664,123	49,077,506	5,586,617	19,224,125	19,916,489	(692,364)
Expenses						
General government	2,642,602	5,183,675	(2,541,073)	-	-	-
Public safety	8,517,523	18,174,927	(9,657,404)	-	-	-
Public works	10,120,316	12,020,785	(1,900,469)	-	-	-
Health and social services	195,670	509,897	(314,227)	-	-	-
Culture and recreation	4,674,909	6,173,283	(1,498,374)	-	-	-
Community and economic development	8,109,361	4,887,499	3,221,862	-	-	-
Interest on long-term debt	1,686,528	1,291,302	395,226	-	-	-
Water	-	-	-	5,793,054	7,080,767	(1,287,713)
Sewer	-	-	-	3,849,583	4,443,265	(593,682)
Ambulance	-	-	-	1,725,362	2,989,507	(1,264,145)
Cemetery	-	-	-	376,138	550,153	(174,015)
Storm sewer	-	-	-	581,287	338,412	242,875
Solid waste	-	-	-	1,402,712	1,960,347	(557,635)
Golf course	-	-	-	663,536	701,249	(37,713)
Parking lots	-	-	-	83,958	33,938	50,020
RCR Arena	-	-	-	707,826	851,672	(143,846)
Total Expenses	35,946,909	48,241,368	(12,294,459)	15,183,456	18,949,310	(3,765,854)
Increase (Decrease) in Net Position Before Transfers	18,717,214	836,138	17,881,076	4,040,669	967,179	3,073,490
Transfers	3,025,881	785,891	2,239,990	(3,025,881)	(785,891)	(2,239,990)
Change in Net Position	21,743,095	1,622,029	20,121,066	1,014,788	181,288	833,500
Net Position - July 1	96,976,677	95,354,648	1,622,029	68,355,659	68,174,371	181,288
Net Position - June 30	\$ 118,719,772	\$ 96,976,677	\$ 21,743,095	\$ 69,370,447	\$ 68,355,659	\$ 1,014,788

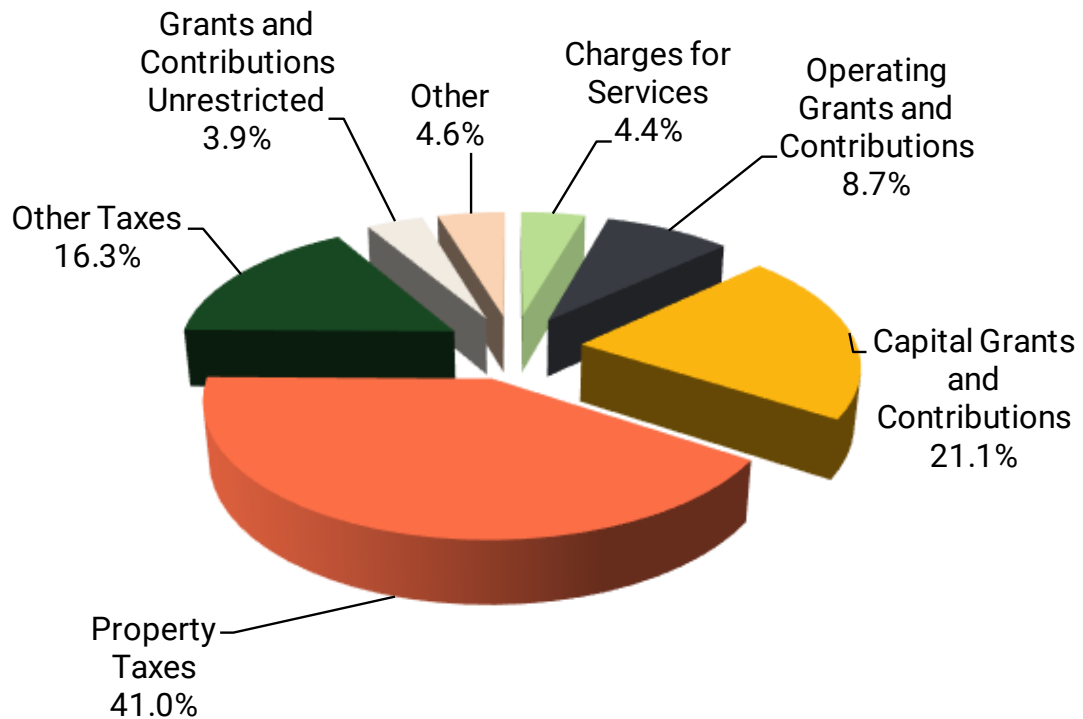
- The capital grants and contributions increased during the year due to receiving additional federal grants for projects.

The following graph depicts various governmental activities and shows the program revenues and expenses directly related to those activities.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



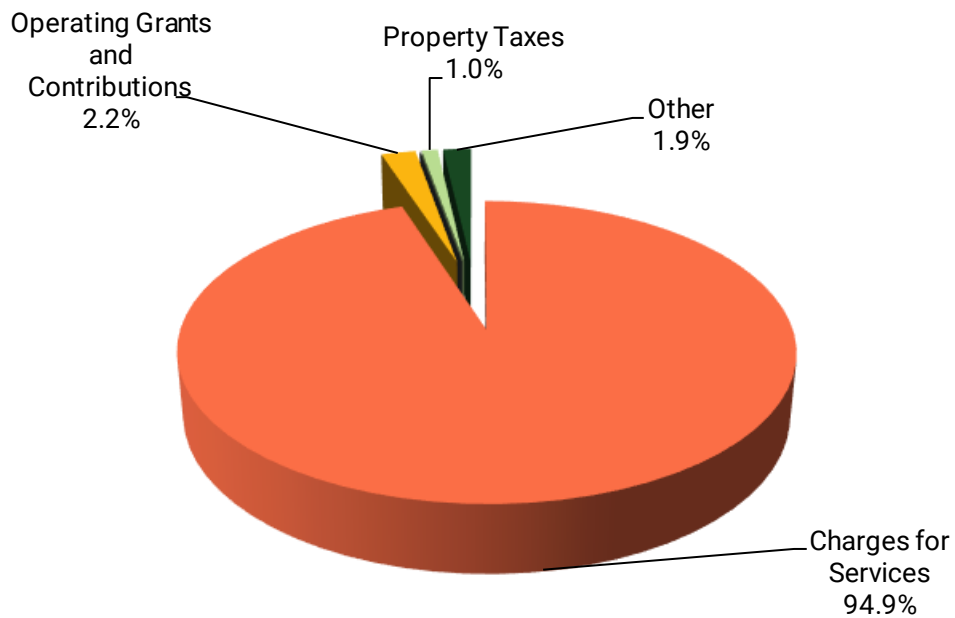
Business-type Activities. Business-type activities decreased the City's net position, as shown in the changes in net position table.

- Charges for services for business-type activities decreased due to a decrease in ambulance use charges.
- Total expenses for business-type activities decreased due to a decrease in sewer related expenses.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The table below outlines the governmental fund balances for the year ending June 30, 2024.

	General	Local Option Sales Tax	Debt Service	G.O. Capital Projects	Other Governmental Funds	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances								
Nonspendable	\$ 339,330	\$ -	\$ -	\$ -	\$ 816,839	\$ 1,156,169	\$ 981,559	\$ 174,610
Restricted	653,606	464,699	5,738,522	550,520	15,160,985	22,568,332	23,749,103	(1,180,771)
Committed	-	-	-	-	7,144,355	7,144,355	5,062,490	2,081,865
Assigned	1,146,216	-	-	776,533	-	1,922,749	3,530,251	(1,607,502)
Unassigned	11,317,187	-	-	-	(122,540)	11,194,647	10,514,006	680,641
	<u>\$ 13,456,339</u>	<u>\$ 464,699</u>	<u>\$ 5,738,522</u>	<u>\$ 1,327,053</u>	<u>\$ 22,999,639</u>	<u>\$ 43,986,252</u>	<u>\$ 43,837,409</u>	<u>\$ 148,843</u>

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances shown above. Additional information on the City's fund balances can be found in Note 1 starting on page 72 of this report.

The *General fund* is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 339,330	\$ 260,064	\$ 79,266
Restricted	653,606	917,148	(263,542)
Assigned	1,146,216	2,558,420	(1,412,204)
Unassigned	11,317,187	10,594,760	722,427
	<u>\$ 13,456,339</u>	<u>\$ 14,330,392</u>	<u>\$ (874,053)</u>
General Fund expenditures	\$ 23,276,638	\$ 22,256,890	
Unassigned as a percent of expenditures	48.6%	47.6%	
Total Fund Balance as a percent of expenditures	57.8%	64.4%	

The fund balance of the City's General fund decreased during the current fiscal year as shown in the table above. The decrease in fund balance was due to the allocation of reserve balances to fund various capital projects.

Other major governmental fund analysis is shown below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	Increase (Decrease)
Local Option Sales Tax	\$ 464,699	\$ 726,233	\$ (261,534)
Debt Service fund	5,738,522	4,059,769	1,678,753
G.O. Capital Projects	1,327,053	892,088	434,965

- The Local Option Sales Tax fund decreased due to transfers to other funds to fund future capital projects.
- The Debt Service fund increased from prior year due to unspent bond proceeds, which will be used to make the first debt payment on the newly issued bonds, and the accumulation of other resources for future bond payments.
- The G.O. Capital Projects fund increased from prior year due to transfers from other funds, mainly the Road and Use Tax fund.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the City's proprietary funds increased or (decreased) as follows:

	<u>Ending Net Position June 30, 2024</u>	<u>Ending Net Position June 30, 2023</u>	Increase/ (Decrease)
Waterworks	\$ 29,373,202	\$ 30,222,479	\$ (849,277)
Sewer	26,605,611	26,556,088	49,523
Ambulance	1,876,599	1,103,671	772,928

- The Waterworks fund decreased from prior year primarily due to maintenance performed in the current year.
- The Sewer fund increased from prior year largely due to contribution to other city funds for support of future projects and operations.
- The Ambulance fund increased from prior year primarily due to the change in uncollectable receivables.

General Fund Budgetary Highlights

	Original Budgeted Amounts	Budget Amendments	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 15,814,537	\$ 554,381	\$ 16,368,918	\$ 16,617,836	\$ 248,918
Expenditures	24,651,744	3,934,818	28,586,562	23,276,638	5,309,924
Excess of Revenues Over Expenditures	<u>(8,837,207)</u>	<u>(3,380,437)</u>	<u>(12,217,644)</u>	<u>(6,658,802)</u>	<u>5,558,842</u>
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	149	149
Bonds issued	515,000	903,600	1,418,600	1,303,200	(115,400)
Premium on bonds issued	-	-	-	115,400	115,400
Transfers in	6,072,593	234,415	6,307,008	6,769,467	462,459
Transfers out	<u>(66,482)</u>	<u>(1,423,551)</u>	<u>(1,490,033)</u>	<u>(2,403,467)</u>	<u>(913,434)</u>
Total Other Financing Sources (Uses)	<u>6,521,111</u>	<u>(285,536)</u>	<u>6,235,575</u>	<u>5,784,749</u>	<u>(450,826)</u>
Net Change in Fund Balances	(2,316,096)	(3,665,973)	(5,982,069)	(874,053)	5,108,016
Fund Balances, July 1	<u>14,330,392</u>	<u>-</u>	<u>14,330,392</u>	<u>14,330,392</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 12,014,296</u>	<u>\$ (3,665,973)</u>	<u>\$ 8,348,323</u>	<u>\$ 13,456,339</u>	<u>\$ 5,108,016</u>

The City's General fund budget was amended during the year as shown above. The budget amendment increased revenues relating to intergovernmental revenue and increased expenditures relating in each department. Actual revenues were over the final budget and expenditures were under the final budget amounts as shown above.

Significant budget variances include:

- Less the expected public safety capital outlay, primarily related to the timing of purchasing a new freightliner.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, is shown below in capital asset table (net of accumulated depreciation). This investment in capital assets includes land, structures, improvements, machinery and equipment, vehicles, roads, highways and bridges.

Major public project capital asset events during the current fiscal year were as follows:

- Completion of the following projects:
 - Traffic Signal Upgrade
 - Curb Replacement Program
 - Terminal Apron Expansion
 - Decommission Lagoon
 - Mason Creek Culvert Replacement
 - Water Tower Maintenance Program
 - Pavement Marking Program
 - Well Repairs
- Construction in Process:
 - Police Building Renovation
 - Fire Facility Improvements
 - Cemetery Facility Improvements
 - Various Airport Projects
 - Various Street Replacement and Rehabilitation Projects
 - Trail Maintenance Program
 - Bike North Iowa Project
 - Valve Replacement Project
 - Collection System Maintenance
- Capital assets purchased during the year:
 - Ambulance Vehicles
 - Water Distribution and Sanitation Freightliner
 - Street Department Vehicles
 - Police Interceptors

Additional information on the City's capital assets can be found in Note 3C starting on page 77 of this report.

City of Mason City's Capital Assets
(Net of Depreciation)

	Governmental Activities			Business-type Activities		
	June 30, 2024	June 30, 2023	Increase (Decrease)	June 30, 2024	June 30, 2023	Increase (Decrease)
Land	\$ 20,972,492	\$ 20,972,492	\$ -	\$ 4,876,962	\$ 4,876,962	\$ -
Construction in Progress	35,240,944	13,682,286	21,558,658	11,871,793	10,358,732	1,513,061
Buildings	10,018,540	10,871,840	(853,300)	8,704,619	9,114,130	(409,511)
Improvements	21,842,512	21,727,631	114,881	15,930,897	16,664,864	(733,967)
Machinery and Equipment	7,531,238	8,092,231	(560,993)	4,943,054	3,428,956	1,514,098
Infrastructure	42,069,017	42,035,618	33,399	29,832,880	30,448,594	(615,714)
Total	\$137,674,743	\$117,382,098	\$ 20,292,645	\$ 76,160,205	\$ 74,892,238	\$ 1,267,967

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding consisting of tax increment debt, revenue related debt and general obligation debt as noted in the table below. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

City of Mason City's Outstanding Debt

	Governmental Activities			Business-type Activities		
	June 30, 2024	June 30, 2023	Increase (Decrease)	June 30, 2024	June 30, 2023	Increase (Decrease)
General Obligation Bonds	\$ 26,190,089	\$ 18,290,939	\$ 7,899,150	\$ -	\$ -	\$ -
General Obligation Tax Increment Bonds	26,115,000	27,230,000	(1,115,000)	-	-	-
General Obligation Revenue Bonds	-	-	-	6,796,428	5,750,829	1,045,599
Revenue Bonds	-	-	-	4,066,000	4,804,000	(738,000)
Bond discount	(128,007)	(136,967)	8,960	(47,967)	(57,020)	9,053
Bond premium	1,775,576	934,749	840,827	314,707	163,804	150,903
Total	\$ 53,952,658	\$ 46,318,721	\$ 7,633,937	\$ 11,129,168	\$ 10,661,613	\$ 467,555

The City's total debt decreased by during the current fiscal year. The key factor in this decreased was the retirement of debt obligations in the current year.

State statutes limit the amount of net general obligation debt a City may issue to 5% percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes.

Taxable Market Value	5 percent	Net Debt Applicable to Limit	Over/ (Under) Limit
<u>\$ 2,508,395,077</u>	<u>\$ 125,419,754</u>	<u>\$ 48,214,136</u>	<u>\$ 77,205,618</u>

Additional information on the City's long-term debt can be found in Note 3D starting on page 82 of this report.

Economic Factors and Next Year's Budgets and Rates

- The national average unemployment for June 2024 is 4.1%. The unemployment level for June 2023 was 3.6%. Cerro Gordo County's rate for June 2024 is 3.0%, and the state's rate is 2.8%.
- The median household income in Mason City was \$60,786 as of 2022 (2022 ACS estimates). Median household income increased 4.3% in the region over the preceding four quarters. For comparison purposes, median household income for the nation were \$74,755 for this time period.
- The reported valuation of building permits for calendar year 2023 was approximately \$67.6 million. This compares with an amount of \$62.6 million for calendar year 2022 and \$7.0 million for calendar year 2021.

Approximately 75% of our operating costs in the General Fund are for personal services, including wages and benefits. Changes in personal services can be due to changes in the pay rates, changes in benefits, changes in the number of employees, or any combination of these. To retain and attract good employees in a tight labor market, the City conducted and has implemented an updated compensation plan, which was fully implemented as of the end of FY21. The compensation plan is being reviewed for competitiveness as of December 2024 and any findings are expected to be implemented in FY26 and future years.

From FY2004-present, the City's tax base (taxable valuation) has grown by around 2.5% annually, on average. This tax base growth has varied over time, as new development and City Assessor revaluations impact these numbers. The largest percentage growth in any single fiscal year in this time period was growth of 6.49% in FY09, and the lowest percentage growth was a reduction in tax base of 0.26% in FY21. Factors outside the City's control, including mandated State of Iowa property tax rollbacks for business, industrial, and multiresidential properties play a significant role in what is taxable. By comparison, the 100% assessed valuations for Mason City increased by 4.2% on average for the same time period.

The City is planning to continue with a similar amount of spending on improvements for water and sewer infrastructure as well as to increase spending on street improvements. There are anticipated increases in fees for water, sewer and sanitation being projected for FY26, as part of a 5-year rate plan adopted by the City Council in April 2022 and updated in May 2024 due to increased anticipated costs for mandated nutrient reduction improvements and the need for a new lift station to serve the southwest industrial area. The City is utilizing a \$4.5 million State of Iowa grant through the Destination Iowa program to construct approximately \$18 million in quality of life improvements, including a new regional mountain biking park, riverwalk, and recreational trail improvements. This project is funded through ARPA funds and all funds must be committed by the end of 2024. The capital projects will be funded with General Obligation or Revenue Bonds, existing fund balances or new revenues from sales tax, road use tax, and water and sewer charges. With the projected increases, the City expects to remain extremely competitive in rates as compared to cities in Iowa over 10,000 population.

All of these factors were considered in the preparation of the City's budget for the 2025 year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brent Hinson, Deputy City Administrator/ Finance Director, City of Mason City, 10 1st Street N.W., Mason City, Iowa 50401.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

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City of Mason City, Iowa
Statement of Net Position
June 30, 2024

	Primary Government			Mason City Housing Authority
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and temporary investments	\$ 51,438,693	\$ 4,474,394	\$ 55,913,087	\$ 248,733
Cash and temporary investments - restricted	-	-	-	14,544
Receivables				
Property taxes	189,685	1,414	191,099	-
Succeeding year property taxes	17,842,294	-	17,842,294	-
Accounts, net of allowances	6,959	2,386,140	2,393,099	18,284
Special assessments	178,724	50,649	229,373	-
Intergovernmental	3,193,476	11,281	3,204,757	13,185
Internal balances	(1,025,939)	1,025,939	-	-
Inventories	-	318,465	318,465	-
Prepaid items	522,797	237,958	760,755	5,564
Capital assets				
Nondepreciable	56,213,436	16,748,755	72,962,191	-
Depreciable, net of accumulated depreciation and amortization	81,461,307	59,411,450	140,872,757	70,465
Total Assets	<u>210,021,432</u>	<u>84,666,445</u>	<u>294,687,877</u>	<u>370,775</u>
Deferred Outflows of Resources				
Deferred pension resources	5,351,114	1,231,496	6,582,610	65,039
Deferred other postemployment benefit resources	70,566	29,957	100,523	-
Total Deferred Outflows of Resources	<u>5,421,680</u>	<u>1,261,453</u>	<u>6,683,133</u>	<u>65,039</u>
Liabilities				
Accounts payable	5,983,793	628,017	6,611,810	4,401
Due to other governments	9,214	79,513	88,727	-
Accrued interest payable	140,085	23,276	163,361	-
Accrued salaries payable	501,893	198,318	700,211	-
Unearned revenue	1,747,261	227,557	1,974,818	-
Noncurrent liabilities				
Due within one year				
Long-term liabilities	5,045,747	1,848,142	6,893,889	14,622
Current portion of lease liability	-	-	-	10,236
Other postemployment benefits liability	14,461	6,139	20,600	-
Due in more than one year				
Long-term liabilities	49,870,843	9,526,867	59,397,710	-
Net pension liability	13,868,071	3,364,425	17,232,496	133,151
Other postemployment benefits liability	628,739	266,912	895,651	-
Lease liability	-	-	-	48,164
Total Liabilities	<u>77,810,107</u>	<u>16,169,166</u>	<u>93,979,273</u>	<u>210,574</u>
Deferred Inflows of Resources				
Deferred pension resources	518,286	153,674	671,960	9,505
Deferred other postemployment benefit resources	552,653	234,611	787,264	-
Succeeding year property taxes	17,842,294	-	17,842,294	-
Total Deferred Inflows of Resources	<u>18,913,233</u>	<u>388,285</u>	<u>19,301,518</u>	<u>9,505</u>
Net Position				
Net investment in capital assets	112,610,518	66,747,486	179,358,004	12,065
Restricted				
Tort liability	653,606	-	653,606	-
Debt service	5,607,566	-	5,607,566	-
Road and use tax	2,668,106	-	2,668,106	-
Local option sales tax	464,699	-	464,699	-
River City Renaissance	3,899,854	-	3,899,854	-
Tax increment financing	324,165	-	324,165	-
Hotel / motel tax	334,310	-	334,310	-
Employee benefits	4,952,932	-	4,952,932	-
Grant programs	138,662	-	138,662	-
Softball trust	2,460	-	2,460	-
Cemetery perpetual care	559,028	-	559,028	-
Museum funding	514,225	-	514,225	-
Housing authority	-	-	-	14,544
Unrestricted	(14,010,359)	2,622,961	(11,387,398)	189,126
Total Net Position	<u>\$ 118,719,772</u>	<u>\$ 69,370,447</u>	<u>\$ 188,090,219</u>	<u>\$ 215,735</u>

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	\$ 2,642,602	\$ -	\$ 15,652	\$ -
Public safety	8,517,523	732,702	350,512	1,685,842
Public works	10,120,316	520,733	535,141	9,835,455
Health and social services	195,670	26,349	103,455	-
Culture and recreation	4,674,909	1,133,197	389,555	-
Community and economic development	8,109,361	-	3,358,927	-
Interest on long-term debt	1,686,528	-	-	-
Total Governmental Activities	<u>35,946,909</u>	<u>2,412,981</u>	<u>4,753,242</u>	<u>11,521,297</u>
Business-type Activities				
Water	5,793,054	7,320,448	44,055	-
Sewer	3,849,583	5,263,279	8,170	-
Ambulance	1,725,362	2,302,176	148,941	-
Cemetery	376,138	212,839	10,925	-
Storm sewer	581,287	454,157	96,210	-
Solid waste	1,402,712	1,864,173	2,419	-
Golf course	663,536	594,999	27,737	-
Parking lots	83,958	49,730	-	-
RCR Arena	707,826	199,037	86,312	-
Total Business-type Activities	<u>15,183,456</u>	<u>18,260,838</u>	<u>424,769</u>	<u>-</u>
Total Primary Government	<u>\$ 51,130,365</u>	<u>\$ 20,673,819</u>	<u>\$ 5,178,011</u>	<u>\$ 11,521,297</u>
Component units				
Housing and redevelopment	<u>\$ 2,478,345</u>	<u>\$ -</u>	<u>\$ 2,411,767</u>	<u>\$ -</u>

General Revenues

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Other Taxes
 - Tax increments
 - Local option sales tax
 - Hotel/motel tax
 - Airport passenger facility charge
- Grants and contributions not restricted to specific programs
- Use of money and property
- Miscellaneous
- Gain on sale of capital assets
- Transfers - internal activities
- Transfers - capital assets
- Total General Revenues and Transfers

Change in Net Position

Net Position - July 1

Net Position - June 30

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and
CFanges in Net Position

Primary Government			Housing and Redevelopment Authority
Governmental Activities	Business-type Activities	Total	
\$ (2,626,950)	\$ -	\$ (2,626,950)	\$ -
(5,748,467)	-	(5,748,467)	-
771,013	-	771,013	-
(65,866)	-	(65,866)	-
(3,152,157)	-	(3,152,157)	-
(4,750,434)	-	(4,750,434)	-
(1,686,528)	-	(1,686,528)	-
<u>(17,259,389)</u>	<u>-</u>	<u>(17,259,389)</u>	<u>-</u>
-	1,571,449	1,571,449	-
-	1,421,866	1,421,866	-
-	725,755	725,755	-
-	(152,374)	(152,374)	-
-	(30,920)	(30,920)	-
-	463,880	463,880	-
-	(40,800)	(40,800)	-
-	(34,228)	(34,228)	-
-	(422,477)	(422,477)	-
<u>-</u>	<u>3,502,151</u>	<u>3,502,151</u>	<u>-</u>
<u>(17,259,389)</u>	<u>3,502,151</u>	<u>(13,757,238)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,578)</u>
18,409,678	195,518	18,605,196	-
4,001,817	-	4,001,817	-
1,464,025	-	1,464,025	-
6,660,659	-	6,660,659	-
776,617	-	776,617	-
20,564	-	20,564	-
2,139,305	-	2,139,305	-
2,102,813	275,549	2,378,362	5,335
400,976	-	400,976	-
149	67,451	67,600	-
3,653,185	(3,653,185)	-	-
(627,304)	627,304	-	-
<u>39,002,484</u>	<u>(2,487,363)</u>	<u>36,515,121</u>	<u>5,335</u>
21,743,095	1,014,788	22,757,883	(61,243)
<u>96,976,677</u>	<u>68,355,659</u>	<u>165,332,336</u>	<u>276,978</u>
<u>\$ 118,719,772</u>	<u>\$ 69,370,447</u>	<u>\$ 188,090,219</u>	<u>\$ 215,735</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

City of Mason City, Iowa

Balance Sheet
Governmental Funds
June 30, 2024

	General	121 Local Option Sales Tax	210 Debt Service	320 G.O. Capital Projects	Other Governmental Funds	Total
Assets						
Cash and investments	\$ 13,703,560	\$ (148,055)	\$ 5,711,332	\$ 4,661,577	\$ 24,265,791	\$ 48,194,205
Receivables						
Property taxes	100,918	-	37,119	-	41,572	179,609
Succeeding years property taxes	11,485,581	-	3,736,053	-	1,474,888	16,696,522
Accounts, net of allowances	6,959	-	-	-	-	6,959
Special assessments	64,241	-	-	-	114,483	178,724
Due from other governments	231,853	612,754	-	1,776,711	572,080	3,193,398
Due from other funds	150,055	-	-	-	-	150,055
Prepaid items	339,330	-	-	-	183,201	522,531
Total Assets	<u>\$ 26,082,497</u>	<u>\$ 464,699</u>	<u>\$ 9,484,504</u>	<u>\$ 6,438,288</u>	<u>\$ 26,652,015</u>	<u>\$ 69,122,003</u>
Liabilities						
Accounts payable	\$ 601,644	\$ -	\$ 800	\$ 3,967,556	\$ 1,242,276	\$ 5,812,276
Due to other funds	-	-	-	-	150,055	150,055
Due to other governments	8,475	-	-	-	739	9,214
Accrued salaries payable	444,611	-	-	-	50,373	494,984
Unearned revenue	-	-	-	1,143,679	603,582	1,747,261
Total Liabilities	<u>1,054,730</u>	<u>-</u>	<u>800</u>	<u>5,111,235</u>	<u>2,047,025</u>	<u>8,213,790</u>
Deferred Inflows of Resources						
Unavailable revenue - taxes	23,818	-	9,129	-	15,980	48,927
Unavailable Revenue - special assessments	62,029	-	-	-	114,483	176,512
Succeeding year property taxes	11,485,581	-	3,736,053	-	1,474,888	16,696,522
Total Deferred Inflows of Resources	<u>11,571,428</u>	<u>-</u>	<u>3,745,182</u>	<u>-</u>	<u>1,605,351</u>	<u>16,921,961</u>
Fund Balances						
Nonspendable	339,330	-	-	-	816,839	1,156,169
Restricted	653,606	464,699	5,738,522	550,520	15,160,985	22,568,332
Committed	-	-	-	-	7,144,355	7,144,355
Assigned	1,146,216	-	-	776,533	-	1,922,749
Unassigned	11,317,187	-	-	-	(122,540)	11,194,647
Total Fund Balances	<u>13,456,339</u>	<u>464,699</u>	<u>5,738,522</u>	<u>1,327,053</u>	<u>22,999,639</u>	<u>43,986,252</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,082,497</u>	<u>\$ 464,699</u>	<u>\$ 9,484,504</u>	<u>\$ 6,438,288</u>	<u>\$ 26,652,015</u>	<u>\$ 69,122,003</u>

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
For the Year Ended June 30, 2024

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

Total Fund Balances - Governmental Funds	\$ 43,986,252
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	265,809,964
Less: accumulated depreciation	(128,256,779)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Compensated absences	(959,373)
Other postemployment benefit obligation	(643,200)
Net pension liability	(13,868,071)
Bonds payable	(52,305,089)
Bond discounts	128,007
Bond premiums	(1,775,576)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are delayed in the funds.	
Special assessments	176,512
Property taxes	48,927
Governmental funds do not report long-term amounts related to pensions and other post employment benefits.	
Deferred outflows of pension resources	5,351,114
Deferred inflows of pension resources	(518,286)
Deferred outflows of other postemployment benefit resources	70,566
Deferred inflows of other postemployment benefit resources	(552,653)
Governmental funds do not report a liability for accrued interest until due and payable.	
	(140,085)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	
	2,167,542
Total Net Position - Governmental Activities	\$ 118,719,772

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Formally Major 110 Road and Use Tax	121 Local Option Sales Tax	210 Debt Service
Revenues				
Taxes	\$ 11,146,163	\$ -	\$ 6,660,659	\$ 4,001,817
Special assessments	-	-	-	-
Licenses and permits	7,962	-	-	-
Intergovernmental	2,065,208	-	-	-
Charges for services	1,428,987	-	-	-
Fines and forfeits	26,458	-	-	-
Use of money and property	1,039,510	-	(2,664)	8,886
Refunds	97,789	-	-	-
Miscellaneous	805,759	-	-	-
Total Revenues	<u>16,617,836</u>	<u>-</u>	<u>6,657,995</u>	<u>4,010,703</u>
Expenditures				
Current				
General government	2,524,392	-	-	-
Public safety	10,968,093	-	-	-
Public works	1,354,757	-	-	-
Health and social services	288,276	-	-	-
Culture and recreation	3,799,528	-	-	-
Community and economic development	1,409,914	-	-	-
Capital outlay				
General government	355,911	-	-	-
Public safety	1,681,688	-	-	-
Public works	40,016	-	-	-
Culture and recreation	771,964	-	-	-
Community and economic development	82,099	-	-	-
Debt service				
Principal	-	-	-	4,858,550
Interest and other	-	-	-	1,812,594
Bond issuance costs	-	-	-	45,208
Total Expenditures	<u>23,276,638</u>	<u>-</u>	<u>-</u>	<u>6,716,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,658,802)</u>	<u>-</u>	<u>6,657,995</u>	<u>(2,705,649)</u>
Other Financing Sources (Uses)				
Sale of capital assets	149	-	-	-
Transfers in	6,769,467	-	-	4,036,857
Bonds issued	1,303,200	-	-	262,450
Premium on bonds issued	115,400	-	-	85,095
Transfers out	(2,403,467)	-	(6,919,529)	-
Total Other Financing Sources (Uses)	<u>5,784,749</u>	<u>-</u>	<u>(6,919,529)</u>	<u>4,384,402</u>
Net Change in Fund Balances	<u>(874,053)</u>	<u>-</u>	<u>(261,534)</u>	<u>1,678,753</u>
Fund Balances, July 1 as previously presented	14,330,392	2,724,142	726,233	4,059,769
Change within financial reporting entity (major to nonmajor fund)	-	(2,724,142)	-	-
Fund Balances, July 1 as adjusted	<u>14,330,392</u>	<u>-</u>	<u>726,233</u>	<u>4,059,769</u>
Fund Balances, June 30	<u>\$ 13,456,339</u>	<u>\$ -</u>	<u>\$ 464,699</u>	<u>\$ 5,738,522</u>

The notes to the financial statements are an integral part of this statement.

Formally Major				
310	315	320	Other	
RC	ARPA	G.O. Capital	Governmental	
Renaissance		Projects	Funds	Total
\$ -	\$ -	\$ -	\$ 7,971,723	\$ 29,780,362
-	-	-	15,744	15,744
-	-	-	-	7,962
-	-	13,015,031	2,433,379	17,513,618
-	-	-	9,496	1,438,483
-	-	-	-	26,458
-	-	133,656	827,381	2,006,769
-	-	-	-	97,789
-	-	59	1,030,636	1,836,454
-	-	13,148,746	12,288,359	52,723,639
-	-	-	848,516	3,372,908
-	-	-	1,787,470	12,755,563
-	-	-	3,414,051	4,768,808
-	-	-	8,748	297,024
-	-	-	348,258	4,147,786
-	-	-	6,722,256	8,132,170
-	-	-	2,089	358,000
-	-	-	1,044,264	2,725,952
-	-	21,092,131	4,918,574	26,050,721
-	-	-	2,296	774,260
-	-	-	26,900	108,999
-	-	-	-	4,858,550
-	-	-	-	1,812,594
-	-	-	44,989	90,197
-	-	21,092,131	19,168,411	70,253,532
-	-	(7,943,385)	(6,880,052)	(17,529,893)
-	-	-	-	149
-	-	4,133,350	2,057,473	16,997,147
-	-	3,927,700	6,149,350	11,642,700
-	-	317,300	584,907	1,102,702
-	-	-	(2,740,966)	(12,063,962)
-	-	8,378,350	6,050,764	17,678,736
-	-	434,965	(829,288)	148,843
8,233,045	79,743	892,088	12,791,997	43,837,409
(8,233,045)	(79,743)	-	11,036,930	-
-	-	892,088	23,828,927	43,837,409
\$ -	\$ -	\$ 1,327,053	\$ 22,999,639	\$ 43,986,252

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2024

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

Net Change in Fund Balances - Governmental Funds	\$ 148,843
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	29,632,942
Depreciation expense	(8,398,467)
Capital contributions	(627,304)
<p>The net effect of various miscellaneous transactions involving capital assets is to increase (decrease) net position.</p>	
Book value of disposal of capital assets	(303,990)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal repayments	4,858,550
Debt issued	(11,642,700)
Premium on bonds issued	(1,102,702)
Bond discount amortization	(8,960)
Bond premium amortization	261,875
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>	
	(36,652)
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	3,029,458
<p>Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.</p>	
Property taxes	13,058
Special assessments	(8,511)
<p>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 governmental funds.</p>	
Compensated absences	523,552
Other postemployment benefits costs	4,556,239
<p>Internal service funds are used by management to charge the costs of various services to individual funds. The net revenues of certain activities of internal service funds is reported with governmental activities.</p>	
	847,864
Change in Net Position - Governmental Activities	<u>\$ 21,743,095</u>

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,154,844	11,154,844	\$11,146,163	\$ (8,681)
Licenses and permits	8,000	8,000	7,962	(38)
Intergovernmental	1,910,613	1,948,453	2,065,208	116,755
Charges for services	1,456,429	1,456,429	1,428,987	(27,442)
Fines and forfeits	27,000	27,000	26,458	(542)
Special assessments	1,500	1,500	-	(1,500)
Use of money and property	374,072	744,785	1,039,510	294,725
Refunds	17,875	27,537	97,789	70,252
Miscellaneous	864,204	1,000,370	805,759	(194,611)
Total Revenues	<u>15,814,537</u>	<u>16,368,918</u>	<u>16,617,836</u>	<u>248,918</u>
Expenditures				
Current				
General government	2,311,972	2,629,133	2,524,392	104,741
Public safety	11,252,256	11,394,102	10,968,093	426,009
Public works	1,416,680	1,444,580	1,354,757	89,823
Health and social	415,640	415,640	288,276	127,364
Culture and recreation	3,850,880	3,914,480	3,799,528	114,952
Community and economic development	1,395,024	1,477,380	1,409,914	67,466
Capital outlay				
General government	377,500	332,500	355,911	(23,411)
Public safety	2,951,881	5,662,163	1,681,688	3,980,475
Public works	500	40,016	40,016	-
Culture and recreation	584,111	1,181,268	771,964	409,304
Community and economic development	95,300	95,300	82,099	13,201
Total Expenditures	<u>24,651,744</u>	<u>28,586,562</u>	<u>23,276,638</u>	<u>5,309,924</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,837,207)</u>	<u>(12,217,644)</u>	<u>(6,658,802)</u>	<u>5,558,842</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	149	149
Transfers in	6,072,593	6,307,008	6,769,467	462,459
Bonds issued	515,000	1,418,600	1,303,200	(115,400)
Premium on bonds issued	-	-	115,400	115,400
Transfers out	(66,482)	(1,490,033)	(2,403,467)	(913,434)
Total Other Financing Sources (Uses)	<u>6,521,111</u>	<u>6,235,575</u>	<u>5,784,749</u>	<u>(450,826)</u>
Net Change in Fund Balances	(2,316,096)	(5,982,069)	(874,053)	5,108,016
Fund Balances, July 1	<u>14,330,392</u>	<u>14,330,392</u>	<u>14,330,392</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 12,014,296</u>	<u>\$ 8,348,323</u>	<u>\$13,456,339</u>	<u>\$ 5,108,016</u>

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Local Option Sales Tax
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 6,000,000	\$ 6,000,000	\$ 6,660,659	\$ 660,659
Use of money and property	-	-	(2,664)	(2,664)
Total Revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,657,995</u>	<u>657,995</u>
Other Financing Sources (Uses)				
Transfers out	<u>(6,194,633)</u>	<u>(6,317,691)</u>	<u>(6,919,529)</u>	<u>(601,838)</u>
Net Change in Fund Balances	(194,633)	(317,691)	(261,534)	56,157
Fund Balances, July 1	<u>726,233</u>	<u>726,233</u>	<u>726,233</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ (194,633)</u></u>	<u><u>\$ (317,691)</u></u>	<u><u>\$ 464,699</u></u>	<u><u>\$ 56,157</u></u>

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

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	600	610	660	Other		
	Waterworks	Sewer	Ambulance	Enterprise Funds	Total	
Assets						
Current Assets						
Cash and investments	\$ 3,269,168	\$ -	\$ 687,381	\$ 517,845	\$ 4,474,394	\$ 3,244,488
Receivables						
Accounts, net of allowance	885,262	632,856	589,721	278,301	2,386,140	-
Property taxes	-	-	-	1,414	1,414	10,076
Succeeding year property taxes	-	-	-	-	-	1,145,772
Special assessments	30,011	18,987	-	1,651	50,649	-
Due from other governments	1,146	602	9,486	47	11,281	78
Due from other funds	623,583	-	-	-	623,583	-
Inventories	302,300	16,165	-	-	318,465	-
Prepaid items	73,476	96,328	3,971	64,183	237,958	266
Total Current Assets	5,184,946	764,938	1,290,559	863,441	8,103,884	4,400,680
Noncurrent Assets						
Capital assets						
Land	167,220	369,809	-	4,339,933	4,876,962	-
Buildings and structures	54,006,491	22,000	447,043	1,295,087	55,770,621	-
Infrastructure and improvements	-	35,057,839	-	3,487,158	38,544,997	-
Machinery and equipment	6,530,443	22,236,006	2,580,605	11,401,997	42,749,051	257,362
Improvements	-	-	-	-	-	21,546
Construction in progress	778,593	9,978,495	-	1,114,705	11,871,793	-
Less accumulated depreciation	(32,263,756)	(34,486,659)	(1,359,673)	(9,543,131)	(77,653,219)	(157,350)
Total Capital Assets	29,218,991	33,177,490	1,667,975	12,095,749	76,160,205	121,558
(Net of Accumulated Depreciation)						
Total Assets	34,403,937	33,942,428	2,958,534	12,959,190	84,264,089	4,522,238
Deferred Outflows of Resources						
Deferred pension resources	261,458	203,623	554,152	212,263	1,231,496	-
Deferred other postemployment benefit resources	9,590	6,306	5,369	8,692	29,957	-
Total Deferred Outflows of Resources	271,048	209,929	559,521	220,955	1,261,453	-
Liabilities						
Current Liabilities						
Accounts payable	86,447	427,060	24,480	90,030	628,017	171,517
Due to other funds	-	185,484	-	438,099	623,583	-
Due to other governments	38,961	32,441	-	8,111	79,513	-
Accrued interest payable	10,152	10,964	12	2,148	23,276	-
Accrued salaries payable	59,178	45,970	36,043	57,127	198,318	6,909
Compensated absences	16,125	18,060	16,238	15,954	66,377	3,328
Other postemployment benefit obligation	1,965	1,292	1,100	1,782	6,139	-
Unearned revenue	-	-	-	227,557	227,557	-
Bonds payable - current	543,588	1,063,614	-	174,563	1,781,765	-
Total Current Liabilities	756,416	1,784,885	77,873	1,015,371	3,634,545	181,754
Noncurrent Liabilities						
Compensated absences	43,596	48,829	43,903	43,136	179,464	1,231
Other postemployment benefit obligation	85,448	56,183	47,842	77,439	266,912	-
Net pension liability	762,703	593,992	1,388,534	619,196	3,364,425	-
Bonds payable	3,535,118	4,979,677	-	832,608	9,347,403	-
Total Noncurrent Liabilities	4,426,865	5,678,681	1,480,279	1,572,379	13,158,204	1,231
Total Liabilities	5,183,281	7,463,566	1,558,152	2,587,750	16,792,749	182,985
Deferred Inflows of Resources						
Deferred pension resources	43,395	33,796	41,252	35,231	153,674	-
Deferred other postemployment benefit resources	75,107	49,384	42,052	68,068	234,611	-
Succeeding year property taxes	-	-	-	-	-	1,145,772
Total Deferred Inflows of Resources	118,502	83,180	83,304	103,299	388,285	1,145,772
Net Position						
Net investment in capital assets	27,133,168	26,867,037	1,667,975	11,079,306	66,747,486	121,558
Unrestricted	2,240,034	(261,426)	208,624	(590,210)	1,597,022	3,071,923
Total Net Position	\$ 29,373,202	\$ 26,605,611	\$ 1,876,599	\$ 10,489,096	68,344,508	\$ 3,193,481

Adjustment to reflect the consolidation of internal service fund
activities related to enterprise funds 1,025,939

Net position of business-type activities \$ 69,370,447

The notes to the financial statements are an integral part of this statement.

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City of Mason City, Iowa
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	600	610	660	Other		
	Waterworks	Sewer	Ambulance	Enterprise Funds		
Operating Revenues						
Charges for services	\$ 7,320,448	\$ 5,263,279	\$ 2,302,176	\$ 3,374,935	\$ 18,260,838	\$ 316,787
Health insurance contributions	-	-	-	-	-	4,249,206
Total Operating Revenues	<u>7,320,448</u>	<u>5,263,279</u>	<u>2,302,176</u>	<u>3,374,935</u>	<u>18,260,838</u>	<u>4,565,993</u>
Operating Expenses						
Personal services	1,540,475	1,148,915	678,156	1,524,626	4,892,172	219,690
Supplies and maintenance	1,122,376	323,526	127,561	515,372	2,088,835	72,661
Medical and dental claims	-	-	-	-	-	3,929,977
Other services and charges	1,275,911	978,552	735,033	1,318,309	4,307,805	20,073
Depreciation	1,787,898	1,287,232	200,058	463,083	3,738,271	23,266
Total Operating Expenses	<u>5,726,660</u>	<u>3,738,225</u>	<u>1,740,808</u>	<u>3,821,390</u>	<u>15,027,083</u>	<u>4,265,667</u>
Operating Income (Loss)	<u>1,593,788</u>	<u>1,525,054</u>	<u>561,368</u>	<u>(446,455)</u>	<u>3,233,755</u>	<u>300,326</u>
Nonoperating Revenues (Expenses)						
Property taxes	-	-	-	195,518	195,518	1,488,470
Other taxes	-	-	-	-	-	30,906
Intergovernmental	-	-	-	96,210	96,210	-
Use of money and property	103,865	78,665	30,238	62,781	275,549	96,044
Other income	44,055	8,170	148,941	127,393	328,559	298,362
Gain on sale of capital assets	-	-	67,451	-	67,451	-
Interest expense and other	(94,001)	(129,507)	(21)	(19,268)	(242,797)	-
Bond premium amortization	-	-	-	180	180	-
Total Nonoperating Revenues (Expenses)	<u>53,919</u>	<u>(42,672)</u>	<u>246,609</u>	<u>462,814</u>	<u>720,670</u>	<u>1,913,782</u>
Income (Loss) Before Contributions and Transfers	1,647,707	1,482,382	807,977	16,359	3,954,425	2,214,108
Transfers In	-	-	-	453,727	453,727	-
Capital Contributions	-	-	-	627,304	627,304	-
Transfers Out	<u>(2,496,984)</u>	<u>(1,432,859)</u>	<u>(35,049)</u>	<u>(142,020)</u>	<u>(4,106,912)</u>	<u>(1,280,000)</u>
Change in Net Position	(849,277)	49,523	772,928	955,370	928,544	934,108
Net Position, July 1	<u>30,222,479</u>	<u>26,556,088</u>	<u>1,103,671</u>	<u>9,533,726</u>	<u>67,415,964</u>	<u>2,259,373</u>
Net Position, June 30	<u>\$ 29,373,202</u>	<u>\$ 26,605,611</u>	<u>\$ 1,876,599</u>	<u>\$ 10,489,096</u>	<u>\$ 68,344,508</u>	<u>\$ 3,193,481</u>
					\$ 928,544	
					86,244	
					<u>\$ 1,014,788</u>	

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Statement of Cash Flows
Proprietary Funds (Continued on Following Pages)
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	600	610	660			
	Waterworks	Sewer	Ambulance	Other Enterprise Funds	Total	
Cash Flows from Operating Activities						
Payments to and on behalf of employees	\$ 7,305,123	\$ 5,148,038	\$ 2,352,181	\$ 3,406,195	\$ 18,211,537	\$ -
Receipts from interfund services provided	-	-	-	-	-	4,565,993
Other receipts	42,909	7,568	139,455	127,393	317,325	298,284
Payments to vendors and suppliers	(2,441,367)	(1,259,711)	(942,835)	(1,912,544)	(6,556,457)	(4,324,199)
Payments to and on behalf of employees	(2,204,863)	(1,586,073)	(1,323,745)	(2,020,680)	(7,135,361)	(226,619)
Net Cash Provided (Used) by Operating Activities	<u>2,701,802</u>	<u>2,309,822</u>	<u>225,056</u>	<u>(399,636)</u>	<u>4,837,044</u>	<u>313,459</u>
Cash Flows from Noncapital Financing Activities						
Transfers out	(2,496,984)	(1,432,859)	(35,049)	(142,020)	(4,106,912)	(1,280,000)
Transfers in	-	-	-	453,727	453,727	-
Increase in due from other funds	(406,510)	-	-	-	(406,510)	-
Increase in due to other funds	-	185,484	-	221,026	406,510	-
Property taxes received	-	-	-	196,175	196,175	1,527,361
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(2,903,494)</u>	<u>(1,247,375)</u>	<u>(35,049)</u>	<u>728,908</u>	<u>(3,457,010)</u>	<u>247,361</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of capital assets	(1,754,115)	(1,888,088)	(795,741)	(356,766)	(4,794,710)	(12,730)
Capital grants and contributions received	-	-	-	96,210	96,210	-
Proceeds from sale of capital assets	-	-	184,453	-	184,453	-
Bond proceeds received	2,000,000	607,958	-	-	2,607,958	-
Principal paid on long-term debt	(847,877)	(1,043,059)	(11,499)	(197,270)	(2,099,705)	-
Interest paid on long-term debt	(134,344)	(130,410)	(158)	(25,320)	(290,232)	-
Net Cash Used by Capital and Related Financing Activities	<u>(736,336)</u>	<u>(2,453,599)</u>	<u>(622,945)</u>	<u>(483,146)</u>	<u>(4,296,026)</u>	<u>(12,730)</u>
Cash Flows from Investing Activities						
Interest received on investments	103,865	78,665	30,238	62,781	275,549	96,044
Net Increase (Decrease) in Cash and Cash Equivalents	(834,163)	(1,312,487)	(402,700)	(91,093)	(2,640,443)	644,134
Cash and Cash Equivalents, July 1	4,103,331	1,312,487	1,090,081	608,938	7,114,837	2,600,354
Cash and Cash Equivalents, June 30	<u>\$ 3,269,168</u>	<u>\$ -</u>	<u>\$ 687,381</u>	<u>\$ 517,845</u>	<u>\$ 4,474,394</u>	<u>\$ 3,244,488</u>

The notes to the financial statements are an integral part of this statement.

City of Mason City, Iowa
Statement of Cash Flows
Proprietary Funds (Continued on Following Pages)
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	600 Water	610 Sewer	660 Ambulance	Other Enterprise Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 1,593,788	\$ 1,525,054	\$ 561,368	\$ (446,455)	\$ 3,233,755	\$ 300,326
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Other income related to operations	44,055	8,170	148,941	127,393	328,559	298,362
Depreciation	1,787,898	1,287,232	200,058	463,083	3,738,271	23,266
(Increase) decrease in assets						
Accounts receivable	(34,783)	(115,241)	50,005	31,370	(68,649)	-
Special assessments	19,458	-	-	-	19,458	-
Due from other governments	(1,146)	(602)	(9,486)	(47)	(11,281)	(78)
Inventories	17,188	2,200	-	-	19,388	-
Prepaid items	(36,846)	(41,408)	(158)	(57,313)	(135,725)	(1)
(Increase) decrease in deferred outflows of resources						
Deferred pension resources	(3,139)	(18,059)	(148,360)	(8,352)	(177,910)	-
Deferred other postemployment benefit resources	1,616	453	842	589	3,500	-
Increase (decrease) in liabilities						
Accounts payable	(9,629)	67,135	(80,083)	(20,744)	(43,321)	(301,487)
Due to other governments	(13,793)	14,440	-	(806)	(159)	-
Accrued salaries payable	19,458	16,932	10,003	17,415	63,808	2,241
Compensated absences	(51,282)	(41,775)	(54,249)	(38,037)	(185,343)	(9,170)
Other postemployment benefit obligation	(17,254)	(5,653)	(9,075)	(7,458)	(39,440)	-
Net pension liability	125,699	136,398	163,846	116,359	542,302	-
Unearned revenue	-	-	-	(63)	(63)	-
Increase (decrease) in deferred inflows of resources						
Deferred pension resources	(747,727)	(534,509)	(613,584)	(589,263)	(2,485,083)	-
Deferred other postemployment benefit resources	8,241	9,055	4,988	12,693	34,977	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,701,802</u>	<u>\$ 2,309,822</u>	<u>\$ 225,056</u>	<u>\$ (399,636)</u>	<u>\$ 4,837,044</u>	<u>\$ 313,459</u>
Schedule of Noncash Investing, Capital and Financing Activities						
Gain (loss) on disposal of capital assets	\$ -	\$ -	\$ 67,451	\$ -	\$ 67,451	\$ -
Capital assets acquired on account	\$ 7,117	\$ 267,162	\$ -	\$ 9,272	\$ 283,551	\$ -
Capital assets contributed by (to) other funds	\$ -	\$ -	\$ -	\$ 627,304	\$ 627,304	\$ -
Amortization of bond (premium) discount	\$ (31,978)	\$ (2,711)	\$ (137)	\$ (5,876)	\$ (40,702)	\$ -

The notes to the financial statements are an integral part of this statement.

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City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The City of Mason City (the City) is a political subdivision of the State of Iowa, located in Cerro Gordo County. It was first incorporated on December 21, 1869 and operates under the Home Rule Provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture-recreation, education, public improvements, planning and zoning, public transit and general administrative services. It also operates the airport and provides water, sewer and sanitation utilities.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) 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 primary government 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 primary government. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City.

Blended Component Unit The City of Mason City has determined the MacNider Art Museum Foundation meets the Governmental Accounting Standards Board criteria for a blended component unit and, accordingly, has been included in special revenue funds. The directors of the foundation are appointed by the directors of the museum who are appointed by the Mayor and approved by the Council. The Foundation exists to support the City-owned MacNider Museum. The blended component unit issues their own separately issued financial statements.

Discretely Presented Component Unit The City has determined the Mason City Housing Authority (the Authority) meets the Governmental Accounting Standards Board criteria for a discretely presented component unit due to the nature and significance of its relationship with the City. The Authority's commissioners are appointed by the Mayor and approved by the Council, and the Authority provides low-income housing to the citizens of Mason City. Almost all of the component unit's resources are ultimately used for the City and its constituents. Complete audited financial statements of the Mason City Housing Authority may be obtained at the entity's administrative offices at 103 E State St Ste 506, Mason City IA, 50401.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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 that are clearly identifiable with a specific function or segment. Amounts reported as *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments and property taxes receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Local Option Sales Tax fund* is used to collect resources related to sales tax and fund specific projects.

The *Debt Service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *G.O. Capital Projects fund* is used to collect resources related to debt issued for capital projects.

The City reports the following major proprietary funds:

The *Waterworks fund* is used to account for the operation, maintenance, and capital improvements of the City's water system.

The *Sewer fund* is used to account for the operation, maintenance, and capital improvements of the City's sewer system.

The *Ambulance Fund* accounts for the operation and maintenance of the City's Advanced Cardiac Life Support Ambulance Service.

Additionally, the City reports the following fund types:

The City's *Internal Service Funds* account for costs in vehicle maintenance, electrical repairs and health insurance. The central services fund is used to account for (1) maintenance and repair costs related to City vehicles and equipment and (2) costs for electrical maintenance repair for all City facilities and traffic maintenance. The health insurance fund is used to account for health insurance premiums and claims for all City employees.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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 nonoperating revenues and expenses.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statements of cash flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments.

Investments consist of U. S. Government securities, nonnegotiable certificates of deposit and deposits in Iowa Public Agency Investment Trust (IPAIT) money market accounts. Investments are stated at fair value except for the investment in IPAIT and non-negotiable certificates of deposit which are valued at amortized cost.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. There were no changes in valuation techniques that have a significant impact to the City and there are no nonrecurring fair value measurements. The City has the following recurring fair value measurements as of June 30, 2024:

- Nonnegotiable certificates of deposits are valued using a matrix pricing model (Level 2 inputs)

Property Taxes

All City property taxes must be certified to the Cerro Gordo County Auditor on or before the fifteenth day of March of each year for the upcoming fiscal year which runs from July 1 to June 30. The county auditor is then required to place these city taxes upon the tax list. This levying of property taxes procedurally occurs during June prior to the fiscal year for which the taxes are to be collected. The property taxes actually become an enforceable lien against the property when the budget is certified.

Property taxes levied by the Cerro Gordo County Auditor and collectible for the year ended June 30, 2024, were due by July 1, 2023, with the first half installment being delinquent after September 30, 2023, and the second half installment being delinquent after March 31, 2024. Any collections remitted to the City within thirty days subsequent to year end are recorded as property tax revenue. The succeeding year property tax receivable represents the 2024 levy certified on March 15, 2024, based on 2023 assessed valuations. As the levy is intended for use in the fiscal year ended June 30, 2024, the revenue has been recorded as a deferred inflow of resources.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the governmental fund financial statements.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2024. All trade receivables are shown net of an allowance for uncollectible accounts.

The City has the following account receivable and allowance balances at June 30, 2024:

	Accounts Receivable	Allowance for uncollectable accounts	Accounts Receivable, Net
General	\$ 33,814	\$ (26,855)	\$ 6,959
Road and Use Tax	14,647	(14,647)	-
Nonmajor governmental	1,436,457	(1,436,457)	-
Waterworks	911,149	(25,887)	885,262
Sewer	632,856	-	632,856
Ambulance	1,310,490	(720,769)	589,721
Nonmajor enterprise	313,176	(34,875)	278,301
Total	<u>\$ 4,652,589</u>	<u>\$ (2,259,490)</u>	<u>\$ 2,393,099</u>

Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance nonspendable account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

The inventories are stated at cost on the first-in, first-out (FIFO) method. The cost of inventory is recorded as expenditure at the time inventory is purchased in the General fund and as an expense when consumed in the proprietary fund types.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) for all other assets and an estimated useful life in excess of one year. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the acquisition value of the item at the date of its donation.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 to 50
Improvements	5 to 100
Equipment and machinery	3 to 20
Infrastructure	10 to 45

Deferred Outflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items which qualify for reporting in this category. Accordingly, the items, deferred pension resources and deferred other postemployment benefit resources, are reported only in the statement of net position. These items result from actuarial calculations and current year pension contributions and OPEB contributions made subsequent to the measurement dates.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Iowa Public Employee’s Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI) and additions to/deductions from IPERS’s and MFPRSI’s fiduciary net position have been determined on the same basis as they are reported by IPERS and MFPRSI. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For the most part, the General fund is typically used to liquidate governmental net pension liability.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

The total pension expense for the IPERS's and MFPRSI's plans are as follows:

	Pension Plans		Total
	IPERS	MFPRSI	
Pension Expense	\$ 435,448	\$ 2,159,057	\$ 2,594,505

Compensated Absences

City employees earn vacation and sick leave at rates dependent on years of service. Sick leave may be accumulated up to 960 hours but is forfeited if not used. Therefore, no accrual is recorded for accrued sick leave. Vacation leave is vested as earned but must be used within one year or is forfeited. The City records these accumulations in the fund in which they are earned for governmental type funds as the City anticipates paying these accruals from expendable available financial resources. For proprietary type funds, these accumulations are recorded as liabilities.

Postemployment Benefits Other Than Pensions

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the City'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.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to future period(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 consist of property tax receivable and other receivables not collected within sixty days after year end.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred inflows of resources in the Statement of Net Position and governmental fund financial statements consist of succeeding year property tax and succeeding year special assessments receivable that will not be recognized as revenue until the year for which they are levied, and the unrecognized items not yet charged to pension expense.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are as follows:

Nonspendable - consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of amounts that are constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned - consists of amounts intended to be used for specific purposes set by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to the City's fund balance policy, the City Administrator is authorized to establish assignments of fund balance.

Unassigned - is the residual classification for the General fund and also reflects negative residual amounts in other funds.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: (1) committed, (2) assigned, and (3) unassigned.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources and then use unrestricted resources as they are needed.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

The City prepares and adopts an annual program budget, as prescribed by the Code of Iowa, for all funds except Forest Park TIF, FEMA Grant fund, ADDI, ESGP Grant, HMGP Voluntary Acquisition, FMA Voluntary Acquisition, ARPA Fund, 22nd Street Buyout fund, Police forfeitures, MacNider Museum Foundation, Pending Forfeitures and Police Task Force, Police Task Force Equipment and the Life Safety Program special revenue funds; and Cemetery Perpetual Care permanent fund. The statutory level of control is on the program level for all funds rather than at the individual fund level. The City's budget as prescribed by the Code of Iowa must contain the following:

- Expenditures for each program:
 - Public Safety
 - Public Works
 - Health and Social Services
 - Culture and Recreation
 - Community and Economic Development
 - General Government
 - Debt Service
 - Capital Projects
- The amount to be raised by property taxation
 - Income from sources other than property taxation

City Council action to legally enact the budget goes beyond the State requirement and includes budgets for individual funds except fiduciary funds. The City budget is prepared and reported on a modified accrual basis of accounting. A City budget may be amended for any of the following purposes:

- To permit the appropriation and expenditure of unexpended unencumbered cash balances on hand at the end of the preceding fiscal year.
- To permit the appropriation and expenditure of amounts anticipated to be available from sources other than property taxation.
- To permit transfers between funds as prescribed by state law.
- To permit transfers between programs.

A budget amendment must be prepared and adopted in the same manner as the original budget. Management has no authority to amend the budget other than as directed by the City Council; furthermore, it is the City Council's policy that only state required budget amendments will be adopted. The City's budget was amended as prescribed and the effect of that amendment is shown in the following table.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 2: Stewardship, Compliance and Accountability (Continued)

The following table presented on a budgetary basis demonstrates the statutory compliance with the annual fiscal year 2024 budget:

Fund	Revenues			Expenditures / Expense		
	Original Certified Budget	Final Certified Budget	Budget Amendments	Original Certified Budget	Final Certified Budget	Budget Amendments
General Fund	\$ 22,402,130	\$ 24,094,526	\$ 1,692,396	\$ 24,718,226	\$ 30,076,595	\$ 5,358,369
Debt Service	7,711,609	8,428,740	717,131	7,742,463	8,309,258	566,795
Local Option Sales Tax	6,000,000	6,000,000	-	6,194,633	6,317,691	123,058
G.O. Capital Projects	7,270,000	23,618,146	16,348,146	5,465,000	26,224,832	20,759,832
Nonmajor governmental	19,928,534	20,509,373	580,839	20,903,798	31,214,082	10,310,284
Waterworks	13,023,103	11,539,603	(1,483,500)	14,146,344	15,817,012	1,670,668
Sewer	8,959,318	9,494,743	535,425	9,456,882	10,776,666	1,319,784
Ambulance	2,919,420	2,775,216	(144,204)	2,942,036	3,283,268	341,232
Nonmajor enterprise	4,194,784	4,565,245	370,461	4,296,102	4,956,508	660,406
Internal Service	6,382,013	6,382,013	-	6,228,157	6,451,157	223,000
Total	\$ 98,790,911	\$ 117,407,605	\$ 18,616,694	\$ 102,093,641	\$ 143,427,069	\$ 41,333,428

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Excess of Expenditures Over Appropriations
Nonmajor Funds			
Library Trust	\$ 60,952	\$ 83,127	\$ 22,175
Softball Improvement Trust	11,500	12,636	1,136

The excess expenditures over appropriations were funded by more revenues than anticipated and available fund balance reserves.

C. Deficit Fund Balance

The following funds had fund equity deficits at June 30, 2024:

Fund	Amount
Nonmajor Funds	
Special Revenue	
Downtown Reinvestment	\$ 122,540

The City intends to fund these deficits through future levies, grants, transfers from other funds and various other sources.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

Deposits

The City's deposits at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

As of June 30, 2024, the City and the Authority have the following carrying amount of deposits, bank balances, federal depository insurance coverage and State Sinking Fund coverage:

	<u>Primary Government</u>	<u>Component Unit Mason City Housing Authority</u>	<u>Total Reporting Entity</u>
Carrying amount of deposits	<u>\$ 26,479,588</u>	<u>\$ 263,277</u>	<u>\$ 26,742,865</u>
Bank Balance	\$ 44,613,242	\$ 318,082	\$ 44,931,324
Less: Covered by FDIC	<u>(1,100,000)</u>	<u>(318,082)</u>	<u>(1,418,082)</u>
Collateralized with securities pledged in City's name	<u>\$ 43,513,242</u>	<u>\$ -</u>	<u>\$ 43,513,242</u>

Investments

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved pursuant to Chapter 12C, Code of Iowa; 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 City invests in the Iowa Public Agency Investment Trust (IPAIT) which is a 2a7-like pool. IPAIT is a common-law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the positions in the trust is the same as the value of the shares.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

As of June 30, 2024, the City and the Authority had the following investments that are insured or registered, or securities held by the City and Authority or its agent in the City's and Authority's name:

Primary Government						
Types of Investments	Credit Quality Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments at Amortized Costs						
Iowa Public Agency Investment Trust	N/A	less than 6 months	\$ 28,173,814			
Negotiable Certificates of Deposit	N/A	1 to 5 years	1,252,235	\$ -	\$ 1,252,235	\$ -
Total Investments			<u>\$ 29,426,049</u>	<u>\$ -</u>	<u>\$ 1,252,235</u>	<u>\$ -</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

The investments of the City are subject to the following risks:

- *Credit Risk.* The credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Iowa Statutes limit the City's investments to the list on page 74 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City typically limits its exposure by purchasing insured or registered investments.
- *Concentration of Credit Risk.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At June 30, 2024, there were no investments in one issuer (other than investments issued by or explicitly guaranteed by U.S. government, mutual funds, external investment pools, and other pooled investments) that represent 5 percent or more of the City's investments.
- *Interest Rate Risk.* In accordance with its investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity. The maturities selected shall provide for stability of income and reasonable liquidity.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Cash and Investments Summary

Cash and investments as shown on the statement of net position for the City and Authority as follows:

	Primary Government	Component Unit Mason City Housing Authority	Total Reporting Entity
Deposits	\$ 26,479,588	\$ 263,277	\$ 26,742,865
Investments	29,426,049	-	29,426,049
Cash on Hand	7,450	-	7,450
Total	\$ 55,913,087	\$ 263,277	\$ 56,176,364
Cash and Investments			
Unrestricted	\$ 55,913,087	\$ 248,733	\$ 56,161,820
Restricted	-	14,544	14,544
Total	\$ 55,913,087	\$ 263,277	\$ 56,176,364

B. Interfund Receivables, Payables and Transfers

Due from/to Other Funds

Interfund balances at June 30, 2024 consisted of the following amounts:

Receivable Fund	Payable Fund	Purpose	Amount
Major Funds	Major Funds		
Waterworks Fund	Sewer	Fund negative cash flow	\$ 185,484
Major Funds	Nonmajor Funds		
General Fund	Downtown Reinvestment Fund	Fund negative cash flow	150,055
Waterworks Fund	Cemetery Fund	Fund negative cash flow	8,077
Waterworks Fund	Storm Sewer Fund	Fund negative cash flow	430,022
Total			\$ 773,638

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Interfund Transfers

The following transfers were made for the year ended June 30, 2024:

Fund	Transfer In					Total
	General	Debt Service	G.O. Capital Projects	Nonmajor Governmental	Nonmajor Enterprise	
Transfer Out						
General	\$ -	\$ -	\$ 1,528,381	\$ 621,715	\$ 253,371	\$ 2,403,467
Local Option Sales Tax	4,791,860	-	691,911	1,435,758	-	6,919,529
Nonmajor governmental	576,707	1,775,845	188,058	-	200,356	2,740,966
Waterworks	90,000	1,331,984	1,075,000	-	-	2,496,984
Sewer	30,000	752,859	650,000	-	-	1,432,859
Ambulance	-	35,049	-	-	-	35,049
Nonmajor enterprise	900	141,120	-	-	-	142,020
Internal Service funds	1,280,000	-	-	-	-	1,280,000
Total	<u>\$ 6,769,467</u>	<u>\$ 4,036,857</u>	<u>\$ 4,133,350</u>	<u>\$ 2,057,473</u>	<u>\$ 453,727</u>	<u>\$ 17,450,874</u>

For the year ended June 30, 2024, the City made various routine transfers as budgeted. One time transfers were made to fund capital projects, fund certain shortfalls at year end, move designated fund balance and fund debt service requirements.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

C. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 20,972,492	\$ -	\$ -	\$ 20,972,492
Construction in progress	13,682,286	26,686,809	(5,128,151)	35,240,944
Total Capital Assets not Being Depreciated	<u>34,654,778</u>	<u>26,686,809</u>	<u>(5,128,151)</u>	<u>56,213,436</u>
Capital Assets Being Depreciated				
Buildings	26,666,591	68,893	(13,928)	26,721,556
Improvements	45,079,839	2,427,367	(249,347)	47,257,859
Machinery and equipment	22,684,070	1,061,831	(838,571)	22,907,330
Infrastructure	109,087,072	3,901,619	-	112,988,691
Total Capital Assets Being Depreciated	<u>203,517,572</u>	<u>7,459,710</u>	<u>(1,101,846)</u>	<u>209,875,436</u>
Less Accumulated Depreciation for				
Buildings	(15,794,751)	(922,193)	13,928	(16,703,016)
Improvements	(23,352,208)	(2,124,800)	61,661	(25,415,347)
Machinery and equipment	(14,591,839)	(1,344,331)	560,078	(15,376,092)
Infrastructure	(67,051,454)	(4,030,409)	162,189	(70,919,674)
Total Accumulated Depreciation	<u>(120,790,252)</u>	<u>(8,421,733)</u>	<u>797,856</u>	<u>(128,414,129)</u>
Total Capital Assets Being Depreciated, Net	<u>82,727,320</u>	<u>(962,023)</u>	<u>(303,990)</u>	<u>81,461,307</u>
Governmental Activities Capital Assets, Net	<u>\$ 117,382,098</u>	<u>\$ 25,724,786</u>	<u>\$ (5,432,141)</u>	<u>\$ 137,674,743</u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital Assets not Being Depreciated				
Land	\$ 4,876,962	\$ -	\$ -	\$ 4,876,962
Construction in progress	10,358,732	2,706,219	(1,193,158)	11,871,793
Total Capital Assets not Being Depreciated	<u>15,235,694</u>	<u>2,706,219</u>	<u>(1,193,158)</u>	<u>16,748,755</u>
Capital Assets Being Depreciated				
Buildings	17,655,821	22,000	(24,139)	17,653,682
Improvements	38,544,998	-	-	38,544,998
Machinery and equipment	9,514,367	2,265,652	(826,320)	10,953,699
Infrastructure	68,637,807	1,309,414	(53,188)	69,894,033
Total Capital Assets Being Depreciated	<u>134,352,993</u>	<u>3,597,066</u>	<u>(903,647)</u>	<u>137,046,412</u>
Less Accumulated Depreciation for				
Buildings	(8,541,691)	(428,947)	21,575	(8,949,063)
Improvements	(21,880,134)	(733,967)	-	(22,614,101)
Machinery and equipment	(6,085,411)	(650,229)	724,995	(6,010,645)
Infrastructure	(38,189,213)	(1,925,128)	53,188	(40,061,153)
Total Accumulated Depreciation	<u>(74,696,449)</u>	<u>(3,738,271)</u>	<u>799,758</u>	<u>(77,634,962)</u>
Total Capital Assets Being Depreciated, Net	<u>59,656,544</u>	<u>(141,205)</u>	<u>(103,889)</u>	<u>59,411,450</u>
Business-type Activities Capital Assets, Net	<u>\$ 74,892,238</u>	<u>\$ 2,565,014</u>	<u>\$ (1,297,047)</u>	<u>\$ 76,160,205</u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

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

Governmental Activities

General government	\$ 192,929
Public safety	706,574
Public works	6,074,225
Culture and recreation	1,264,320
Community and economic development	160,419
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>23,266</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 8,421,733</u></u>

Business-type Activities

Water	\$ 1,787,898
Sewer	1,287,232
Ambulance	200,058
Nonmajor Enterprise funds	<u>463,083</u>
 Total Depreciation Expense - Business-type Activities	 <u><u>\$ 3,738,271</u></u>

Construction Commitments

The City has active projects as of June 30, 2024. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Collection System Maintenance	\$ 644,675	\$ 155,138
Closed Circuit Televising Project	177,048	137,782
Sewer Nutrient Reduction	375,000	1,125,000
Bike North Iowa	833,533	2,384,929
Street Rehab Project	1,273,145	6,481
Airport Equipment Storage Building	166,587	13,301
Airport Hangar	1,337,259	74,792
Hangar Pavement Rehab Project	419,117	130,540
Terminal Building Improvements	13,045,241	1,178,177
Fire Station Renovation	999,586	3,786,414
Police Building Renovation	<u>810,287</u>	<u>597,962</u>
 Total	 <u><u>\$ 20,081,478</u></u>	 <u><u>\$ 9,590,514</u></u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Discretely Presented Component Unit

Capital asset activity for the Authority for the year ending June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Being Depreciated				
Lease asset	\$ 101,293	\$ -	\$ -	\$ 101,293
Equipment - administration	20,792	-	-	20,792
Vehicle	28,653	-	-	28,653
Total Capital Assets Being Depreciated	150,738	-	-	150,738
Less Accumulated Depreciation	(61,680)	(18,593)	-	(80,273)
Governmental Activities Capital Assets, Net	<u>\$ 89,058</u>	<u>\$ (18,593)</u>	<u>\$ -</u>	<u>\$ 70,465</u>

D. Long-term Debt

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Bonds

These bonds were issued to finance various improvements and will be repaid primarily by ad valorem tax levies. Some issues, however, are partly financed from special assessments levied on the properties benefiting from the improvements.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
General Obligation Bonds, Series 2018	\$ 5,550,000	3.00 %	09/15/18	06/01/28	\$ 2,749,186
General Obligation Bonds, Series 2019B	4,665,000	4.00	04/16/19	06/01/29	2,425,000
General Obligation Bonds, Series 2019C	5,905,000	2.00	09/04/19	06/01/29	1,115,014
General Obligation Bonds, Series 2020A	6,845,000	1.00	09/02/20	06/01/30	3,260,219
General Obligation Bonds, Series 2021A	3,950,000	2.00	07/20/21	06/01/32	2,143,200
General Obligation Bonds, Series 2022A	4,545,000	3.00	08/02/22	06/01/32	3,695,000
General Obligation Bonds, Series 2023A	6,642,700	5.00	08/01/23	06/01/33	6,022,470
General Obligation Bonds, Series 2023B	5,000,000	5.00	08/01/23	06/01/34	<u>4,780,000</u>
Total G.O. Bonds					<u><u>\$ 26,190,089</u></u>

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

Year Ending June 30	General Obligation Bonds		
	Governmental Activities		
	Principal	Interest	Total
2025	\$ 3,595,485	\$ 928,216	\$ 4,523,701
2026	3,816,810	814,505	4,631,315
2027	3,590,952	693,248	4,284,200
2028	3,691,092	571,914	4,263,006
2029	3,202,906	446,832	3,649,738
2030-2032	<u>8,292,844</u>	<u>897,299</u>	<u>9,190,143</u>
Total	<u><u>\$ 26,190,089</u></u>	<u><u>\$ 4,352,014</u></u>	<u><u>\$ 30,542,103</u></u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

General Obligation Tax Increment Bonds

The City issues bonds to finance its contribution to various development projects in the tax increment districts. The principal and interest on the bonds are paid with the additional taxes generated by the various development projects.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Taxable General Obligation Urban Renewal Bonds, Series 2019A	\$ 16,150,000	3.00 - 3.75 %	04/16/19	06/01/38	\$ 13,430,000
Taxable General Obligation Urban Renewal Bonds, Series 2019D	6,115,000	2.00 - 2.90	09/04/19	06/01/39	4,800,000
Taxable General Obligation Urban Renewal Bonds, Series 2021B	8,185,000	2.00 - 2.35	07/20/21	06/01/41	<u>7,885,000</u>
Total G.O. Tax Increment Bonds					<u>\$ 26,115,000</u>

The annual debt service requirements to maturity for general obligation tax increment bonds are as follows:

Year Ending June 30	G.O. Tax Increment Bonds Governmental Activities		
	Principal	Interest	Total
2025	\$ 1,190,000	\$ 752,800	\$ 1,942,800
2026	1,220,000	720,000	1,940,000
2027	1,250,000	686,225	1,936,225
2028	1,330,000	651,155	1,981,155
2029	1,365,000	613,790	1,978,790
2030-2034	8,515,000	2,423,353	10,938,353
2035-2039	9,660,000	997,016	10,657,016
2040-2041	<u>1,585,000</u>	<u>55,655</u>	<u>1,640,655</u>
Total	<u>\$ 26,115,000</u>	<u>\$ 6,899,994</u>	<u>\$ 33,014,994</u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Business-type Activity Debt

General Obligation Revenue Bonds

These bonds were issued to finance capital improvements to the Waterworks, Sewer, Storm Sewer, Ambulance and Cemetery funds. These bonds will be retired from net revenue of these enterprise funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
General Obligation Bonds, Series 2018	\$ 5,550,000	3.00 %	09/15/18	06/01/28	\$ 150,812
General Obligation Bonds, Series 2019C	5,905,000	2.00	09/04/19	06/01/29	2,194,986
General Obligation Bonds, Series 2020A	6,845,000	1.00	09/02/20	06/01/30	1,369,780
General Obligation Bonds, Series 2021A	3,950,000	2.00	07/20/21	06/01/32	898,320
General Obligation Bonds, Series 2023A	2,407,300	5.00	08/01/23	06/01/33	<u>2,182,530</u>
Total G.O. Revenue Bonds					<u>\$ 6,796,428</u>

The annual debt service requirements to maturity for general obligation revenue bonds are as follows:

Year Ending June 30	G.O. Revenue Bonds		
	Business-type Activities		
	Principal	Interest	Total
2025	\$ 1,019,765	\$ 189,215	\$ 1,208,980
2026	1,088,445	164,871	1,253,316
2027	994,245	138,922	1,133,167
2028	1,009,110	113,453	1,122,563
2029	1,072,241	87,381	1,159,622
2029 - 2033	<u>1,612,622</u>	<u>149,870</u>	<u>1,762,492</u>
Total	<u>\$ 6,796,428</u>	<u>\$ 843,712</u>	<u>\$ 7,640,140</u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Revenue Bonds

These bonds were issued to finance capital improvements in the Waterworks and Sewer funds. These bonds will be retired from net revenue of this enterprise fund.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Sewer Revenue Bonds	\$ 9,675,542	3.00 %	08/15/08	06/01/29	<u>\$ 4,066,000</u>

The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30	Revenue Bonds Business-type Activities		
	Principal	Interest	Total
2025	\$ 762,000	\$ 71,155	\$ 833,155
2026	787,000	57,820	844,820
2027	812,000	44,048	856,048
2028	839,000	29,838	868,838
2029	<u>866,000</u>	<u>15,155</u>	<u>881,155</u>
Total	<u>\$ 4,066,000</u>	<u>\$ 218,016</u>	<u>\$ 4,284,016</u>

The G.O. revenue and revenue bonds were issued to finance capital improvements. The bonds are payable from future revenues pledged from the Waterworks, Sewer and Storm Sewer funds and are backed by the full faith and credit of the City. Annual revenues from charges for services, restricted sales tax revenues, principal and interest payments, and percentage of revenue required to cover principal and interest payments are as follows:

	Water	Sewer	Storm Sewer
Revenue	\$ 7,320,448	\$ 5,263,279	\$ 446,096
Principal and Interest	982,221	1,173,469	217,781
Percent of Revenue	13.4%	22.3%	48.8%

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
General obligation bonds	\$ 18,290,939	\$ 11,642,700	\$ (3,743,550)	\$ 26,190,089	\$ 3,595,485
General obligation tax increment bonds	27,230,000	-	(1,115,000)	26,115,000	1,190,000
Bond discount	(136,967)	-	8,960	(128,007)	-
Bond premium	934,749	1,102,702	(261,875)	1,775,576	-
Total Bonds Payable	<u>46,318,721</u>	<u>12,745,402</u>	<u>(5,111,465)</u>	<u>53,952,658</u>	<u>4,785,485</u>
Compensated Absences Payable	<u>1,496,654</u>	<u>1,541,125</u>	<u>(2,073,847)</u>	<u>963,932</u>	<u>260,262</u>
Governmental Activity Long-term Liabilities	<u>\$ 47,815,375</u>	<u>\$ 14,286,527</u>	<u>\$ (7,185,312)</u>	<u>\$ 54,916,590</u>	<u>\$ 5,045,747</u>
Business-type Activities					
Bonds Payable					
General obligation revenue bonds	\$ 5,750,829	\$ 2,407,300	\$ (1,361,701)	\$ 6,796,428	\$ 1,019,765
Revenue bonds	4,804,000	-	(738,000)	4,066,000	762,000
Bond discount	(57,020)	-	9,053	(47,967)	-
Bond premium	163,804	200,658	(49,755)	314,707	-
Total Bonds Payable	<u>10,661,613</u>	<u>2,607,958</u>	<u>(2,140,403)</u>	<u>11,129,168</u>	<u>1,781,765</u>
Compensated Absences Payable	<u>431,184</u>	<u>538,277</u>	<u>(723,620)</u>	<u>245,841</u>	<u>66,377</u>
Business-type Activity Long-term Liabilities	<u>\$ 11,092,797</u>	<u>\$ 3,146,235</u>	<u>\$ (2,864,023)</u>	<u>\$ 11,375,009</u>	<u>\$ 1,848,142</u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

Discretely Presented Component Unit

Lease liability

The Housing Authority entered into a lease agreement in August 2019 for an office building. The agreement has a non-cancelable ten-year term with monthly payments of \$1,100. Required future lease payments are as follows.

<u>Year Ending June 30</u>	Lease Liability		
	<u>Discretely Presented Component Unit</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 10,236	\$ 2,964	\$ 13,200
2026	10,815	2,385	13,200
2027	11,426	1,774	13,200
2028	12,073	1,127	13,200
2029	12,755	445	13,200
2030	1,095	5	1,100
Total	<u>\$ 58,400</u>	<u>\$ 8,700</u>	<u>\$ 67,100</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Discretely Presented Component Unit					
Lease Liability	<u>\$ 68,088</u>	<u>\$ -</u>	<u>\$ (9,688)</u>	<u>\$ 58,400</u>	<u>\$ 10,236</u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 3: Detailed Notes on All Funds (Continued)

E. Fund Balance Classification

At June 30, 2024, a summary of the governmental fund balance classifications are as follows:

	General	Local Option Sales Tax	Debt Service	G.O. Capital Projects	Other Governmental Funds	Total
Fund Balances						
Nonspendable						
Prepaid items	\$ 339,330	\$ -	\$ -	\$ -	\$ 183,201	\$ 522,531
Endowment expenses	-	-	-	-	633,638	633,638
Total Nonspendable	<u>339,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>816,839</u>	<u>1,156,169</u>
Restricted						
Tort liability	653,606	-	-	-	-	653,606
Debt service	-	-	5,738,522	-	-	5,738,522
Road and use tax	-	-	-	-	2,441,252	2,441,252
River City Renaissance	-	-	-	-	3,899,854	3,899,854
Tax increment financing	-	-	-	-	315,599	315,599
Softball complex	-	-	-	-	2,460	2,460
Hotel / motel tax	-	-	-	-	334,310	334,310
Employee benefits	-	-	-	-	4,948,063	4,948,063
Grant programs	-	-	-	-	138,662	138,662
Street and park improvements	-	464,699	-	-	-	464,699
Cemetery perpetual care	-	-	-	-	559,028	559,028
Museum funding	-	-	-	-	514,225	514,225
Capital improvements	-	-	-	550,520	2,007,532	2,558,052
Total Restricted	<u>653,606</u>	<u>464,699</u>	<u>5,738,522</u>	<u>550,520</u>	<u>15,160,985</u>	<u>22,568,332</u>
Committed						
Library services	-	-	-	-	417,827	417,827
MacNider Museum Foundation	-	-	-	-	1,269,503	1,269,503
Softball complex	-	-	-	-	122,434	122,434
Police forfeitures	-	-	-	-	112,810	112,810
Public safety	-	-	-	-	517,703	517,703
Emergency levy	-	-	-	-	2,495	2,495
Corridor Revite Program	-	-	-	-	2,656	2,656
Downtown Revite Program	-	-	-	-	382,948	382,948
Capital projects	-	-	-	-	4,315,979	4,315,979
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,144,355</u>	<u>7,144,355</u>
Assigned						
Airport	717,697	-	-	-	-	717,697
Parks and recreation	428,519	-	-	-	-	428,519
Capital projects	-	-	-	776,533	-	776,533
Total Assigned	<u>1,146,216</u>	<u>-</u>	<u>-</u>	<u>776,533</u>	<u>-</u>	<u>1,922,749</u>
Unassigned	<u>11,317,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,540)</u>	<u>11,194,647</u>
Total Fund Balance	<u>\$ 13,456,339</u>	<u>\$ 464,699</u>	<u>\$ 5,738,522</u>	<u>\$ 1,327,053</u>	<u>\$ 22,999,639</u>	<u>\$ 43,986,252</u>

Note 4: Defined Benefit Pension Plan - Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

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

MFPRSI benefits are established under Chapter 411 of the Code of Iowa and the administrative rules thereunder. Chapter 411 of the Code of Iowa and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – Members with 4 or more years of service are entitled to pension benefits beginning at age 55. Full-service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (i.e., 22 years). Members with less than 4 years of service are entitled to a refund of their contribution only, with interest, for the period of employment.

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

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

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

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

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

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 4: Defined Benefit Pension Plan - Municipal Fire and Police Retirement System of Iowa (MFPRSI) (Continued)

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

Contributions – Member contribution rates are set by state statute. In accordance with Chapter 411 of the Code of Iowa, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2024.

Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1% of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa, the City's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 22.98% for the year ended June 30, 2024.

The City's contributions to MFPRSI for the year ended June 30, 2024 are as follows:

MPRSI Contributions - Primary Government	<u><u>\$ 1,597,426</u></u>
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If approved by the State Legislature, state appropriations may further reduce the City's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State of Iowa, therefore, is considered to be a nonemployer contributing entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans.

There were no state appropriations to MFPRSI during the year ended June 30, 2024.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the MFPRSI relative to the contributions of all MFPRSI participating employers. At June 30, 2023, the City's proportion was as follows, which was an increase from its proportion measured as of June 30, 2022.

	MFPRSI (Primary Government)		
	6/30/2022	Increase/ (Decrease)	6/30/203
Proportionate Share	<u>1.8623</u> %	<u>0.0077</u> %	<u>1.8700</u> %
Net Pension Liability			<u><u>\$ 11,734,645</u></u>
Pension Expense			<u><u>\$ (2,159,057)</u></u>

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 4: Defined Benefit Pension Plan - Municipal Fire and Police Retirement System of Iowa (MFPRSI) (Continued)

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,776,018	\$ 61,081
Changes in Actuarial Assumptions	234,162	67,653
Net Difference Between Projected and Actual Earnings on Plan Investments	1,090,321	-
Changes in Proportion	-	230,416
Contributions Paid Subsequent to the Measurement Date	1,597,426	-
Total	\$ 4,697,927	\$ 359,150

The above amount reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2025	\$ (368,751)
2026	(844,710)
2027	3,139,599
2028	403,976
2029	352,087
Thereafter	59,150

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	3.00%
Salary increases	3.75% to 15.11%, including inflation
Investment Rate of Return	7.5%, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2022.

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

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 4: Defined Benefit Pension Plan - Municipal Fire and Police Retirement System of Iowa (MFPRSI) (Continued)

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

Asset Class	Long-term Expected Real Rate of Return
Broad Fixed Income	4.90 %
Broad U.S. Equity	7.10
Global Equity	7.20
Broad Non-US Equity	7.40
Managed Futures	5.20
Core Real Estate	6.80
Opportunistic Real Estate	11.10
Global Infrastructure	6.90
Private Credit	10.10
Private Equity	12.10

Discount Rate – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed contributions will be made at 9.40% of covered payroll and the City's contributions will be made at rates equal to the difference between actuarially determined rates and the member rate. Based on those assumptions, the MFPRSI's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on MFPRSI's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	MFPRSI	20,551,225	11,734,645

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

Payables to MFPRSI – All legally required City contributions and legally required employee contributions which had been withheld from employee wages were remitted by the City to MFPRSI by June 30, 2024.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 5: Defined Benefit Pension Plan – Iowa Public Employees Retirement System (IPERS)

Plan Description – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO 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.

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 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

**Note 5: Defined Benefit Pension Plan – Iowa Public Employees Retirement System (IPERS)
(Continued)**

The City's and Authority's contributions to IPERS for the year ended June 30, 2024 were as follows:

IPERS Contributions - Primary Government	\$ 1,705,359
IPERS Contributions - Mason City Housing Authority	\$ 24,456

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City and Authority reported the following liability for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's and Authority's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the City's and Authority's proportion was as follows, which was a decrease from its proportion measured as of June 30, 2022.

	IPERS (Primary Government)		
	6/30/2022	Increase/ (Decrease)	6/30/2023
Proportionate Share	0.1165 %	0.0027 %	0.1192 %
Net Pension Liability			\$ 5,497,851
Pension Expense			\$ 435,448

	IPERS (Component Unit - Mason City Housing Authority)		
	6/30/2022	Increase/ (Decrease)	6/30/2023
Proportionate Share	0.0027 %	0.00023 %	0.0029 %
Net Pension Liability			\$ 133,151
Pension Expense			\$ 11,314

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

**Note 5: Defined Benefit Pension Plan – Iowa Public Employees Retirement System (IPERS)
(Continued)**

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

	Primary Government		Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 721,203	\$ 312,723	\$ 11,265	\$ 547
Changes in Actuarial Assumptions	517,648	87	-	2
Net Difference Between Projected and Actual Earnings on Plan Investments	140,939	-	12,331	-
Changes in Proportion	-	-	12,996	8,956
Contributions Paid Subsequent to the Measurement Date	504,893	-	28,447	-
 Total	 <u>\$ 1,884,683</u>	 <u>\$ 312,810</u>	 <u>\$ 65,039</u>	 <u>\$ 9,505</u>

The above deferred outflows of resources related to pensions resulting from City and Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Primary Government	Component Unit
2025	\$ (905,239)	\$ (3,899)
2026	(872,659)	(7,764)
2027	(1,027,340)	30,991
2028	3,646,535	6,361
2029	194,432	1,398
Thereafter	31,251	-

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

**Note 5: Defined Benefit Pension Plan – Iowa Public Employees Retirement System (IPERS)
(Continued)**

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net 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, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. 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 geometric 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	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments 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.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

**Note 5: Defined Benefit Pension Plan – Iowa Public Employees Retirement System (IPERS)
(Continued)**

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

	City Proportionate Share of NPL		
	1 Percent Decrease (6%)	Current (7%)	1 Percent Increase (8%)
IPERS			
Primary Government	\$ 11,689,656	\$ 5,497,851	\$ 309,016
Component Unit - Mason City Housing Authority	283,108	133,151	7,484

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

Note 6: Defined Contribution Plans

The City offers its employees several deferred compensation plans created in accordance with Internal Revenue Code Section 457. These plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency and participation in the plan is optional.

The City does not own or administer the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the basic financial statements.

Note 7: Postemployment Benefits Other Than Pensions

A. Plan Description

The City administers a single-employer health care plan that provides self-insured medical and prescription drug coverage to all employees, retirees and their spouses, and their eligible dependents. 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.

Individuals who are employed by the City 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, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	11
Active Plan Members	217
Total Plan Members	228

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 7: Postemployment Benefits Other Than Pensions (Continued)

B. Actuarial Methods and Assumptions

The City's total OPEB liability of \$916,251 was measured as of June 30, 2024. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of July 1, 2023. Roll forward procedures were used to roll forward the total OPEB liability to the measurement date.

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.75%
20-Year Municipal Bond Yield	4.75%
Inflation Rate	2.75% per IPERS +.25% additional for Insurance Company
Salary Increases	0% (OPEB's directly determined by service years, not salary)
Medical Trend Rate	6.0% claim cost trend per year

The discount rate used to measure the total OPEB liability was 4.75 percent which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

D. Changes in the Total OPEB Liability

Balances at June 30, 2023	<u>\$ 1,057,621</u>
Changes for the Year	
Service cost	55,496
Interest	43,728
Assumption change	(181,537)
Demographic change	7,644
Recognition of deferred inflows/outflows	(36,776)
Benefits	(29,925)
Net Changes	<u>(141,370)</u>
Balances at June 30, 2024	<u><u>\$ 916,251</u></u>

Since the prior measurement date, the following assumptions changed:

- The discount rate was changed from 2.37% to 4.75%.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 7: Postemployment Benefits Other Than Pensions (Continued)

E. Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (3.75 percent) or one-percentage-point higher (5.75 percent) than the current discount rate:

	1 Percent Decrease (3.75%)	Current (4.75%)	1 Percent Increase (5.75%)
Primary Government	\$ 1,006,107	\$ 916,251	\$ 835,655

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using a Healthcare Cost Trend Rates that is one-percentage point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the trend rate:

	1 Percent Decrease (5%)	Healthcare Cost Trend Rates (6%)	1 Percent Increase (7%)
Primary Government	\$ 807,341	\$ 916,251	\$ 1,044,278

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized negative OPEB expense of \$99,224. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,756	\$ 282,642
Changes in Actuarial Assumptions	49,767	504,622
Total	\$ 100,523	\$ 787,264

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2025	\$ (86,443)
2026	(86,443)
2027	(86,443)
2028	(86,443)
2029	(86,443)
Thereafter	(254,526)

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 8: Other Information

A. Risk Management

As of July 1, 1993, the City established a self-insured medical plan for City employees and families. The plan is administered by and an administration fee paid to Bernie Lowe & Associates. The City is responsible for individual participant coverage of up to \$100,000 of claims annually. Individual claims in excess of \$100,000 and aggregate group claims in excess of approximately \$3,510,000 for the year ended June 30, 2024 are covered by commercial insurance.

All funds of the City participate in the program and make payments to the Employee Health Care Fund (an Internal Service Fund) based on premiums recommended by the program administrator based on historical information. The premiums are based on the amounts needed to pay current year claims and provide a reserve for claims incurred but not reported during the current year.

The City has adopted Government Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in fiscal 2024 is as follows:

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claim payments	Ending of fiscal year liability
Current Year	\$ 342,114	\$ 3,927,288	\$ 4,117,010	\$ 152,392
Prior Year	598,643	4,050,183	4,306,712	342,114

In addition to health risks losses, the City is exposed to various other risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City covers these risks through commercial claims-made insurance policies. The costs of this insurance are paid by the general fund and the enterprise funds. There have been no substantial reductions in coverage from prior years.

B. Commitments and Contingencies

The City is a defendant in several lawsuits. The City Attorney estimates that the potential claims not covered by insurance resulting from these claims would not materially affect the financial position of the City.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Sales and payroll taxes collected from customers and employees respectively, are subject to audit by federal and state governments. Any adjustments in these amounts may constitute a liability of the City. The amount of changes, if any, made by federal or state governments cannot be determined at this time.

C. Tax Abatements

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

For the year ended June 30, 2024, the City abated \$610,469 of property tax under the urban renewal and economic development projects.

City of Mason City, Iowa
Notes to the Financial Statements
June 30, 2024

Note 8: Other Information (Continued)

D. Related Party Transactions

The City had material business transactions between the City and City officials, totaling \$2,365,850 during the year ended June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

City of Mason City, Iowa
Required Supplementary Information
For the Year Ended June 30, 2024

Schedule of Employer's Share of Net Pension Liability – Iowa Public Employees Retirement System

Primary Government

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the Primary Government (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/24	0.1192 %	\$ 5,497,851	\$ -	\$ 5,497,851	\$ 11,689,656	47.0 %	90.1 %
06/30/23	0.1165	4,622,452	-	4,622,452	10,275,369	45.0	90.1
06/30/22	0.1157	162,240	-	162,240	9,623,159	1.7	100.8
06/30/21	0.1168	8,150,105	-	8,150,105	9,208,000	88.5	82.9
06/30/20	0.1185	6,905,777	-	6,905,777	8,602,000	80.3	85.5
06/30/19	0.1145	7,242,904	-	7,242,904	8,197,000	88.4	83.6
06/30/18	0.1108	7,312,260	-	7,312,260	7,976,000	91.7	82.2
06/30/17	0.1122	6,994,385	-	6,994,385	7,941,000	88.1	81.8
06/30/16	0.1122	5,727,000	-	5,727,000	7,763,000	73.8	85.2
06/30/15	0.1122	4,704,000	-	4,704,000	7,763,000	60.6	87.6

Discrete Component Unit – Mason City Housing Authority

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/23	0.0029 %	\$ 133,151	\$ -	\$ 133,151	\$ 251,524	52.9 %	90.0 %
06/30/22	0.0027	105,571	-	105,571	251,524	42.0	91.4
06/30/21	0.0028	3,988	-	3,988	230,879	1.7	100.8
06/30/20	0.0027	185,830	-	185,830	204,677	90.8	82.9
06/30/19	0.0027	156,594	-	156,594	216,988	72.2	85.5
06/30/18	0.0032	201,170	-	201,170	205,549	97.9	83.6
06/30/17	0.0031	207,535	-	207,535	227,158	91.4	82.2
06/30/16	0.0031	195,404	-	195,404	214,653	91.0	81.8
06/30/15	0.0030	149,358	-	149,358	222,823	67.0	85.2

Note: These schedules are intended to show 10-year trend. Additional years will be reported as they become available.

City of Mason City, Iowa
 Required Supplementary Information (Continued)
 For the Year Ended June 30, 2024

Schedule of Employer's Contributions - Iowa Public Employees Retirement System

Primary Government

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 1,041,928	\$ 1,041,928	\$ -	\$ 11,037,373	9.4 %
06/30/23	1,009,786	1,009,786	-	10,696,886	9.4
06/30/22	930,203	930,203	-	9,853,845	9.4
06/30/21	886,000	886,000	-	9,623,159	9.2
06/30/20	869,000	869,000	-	9,208,000	9.4
06/30/19	857,000	857,000	-	8,602,000	10.0
06/30/18	768,000	768,000	-	8,197,000	9.4
06/30/17	732,000	732,000	-	7,976,000	9.2
06/30/16	712,000	712,000	-	7,941,000	9.0
06/30/15	709,000	709,000	-	7,763,000	9.1
06/30/14	693,000	693,000	-	7,763,000	8.9

Discrete Component Unit – Mason City Housing Authority

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 28,447	\$ 28,447	\$ -	\$ 297,159	9.57 %
06/30/23	25,210	25,210	-	251,524	10.02
06/30/22	21,795	21,795	-	230,879	9.44
06/30/21	21,817	21,817	-	204,677	9.44
06/30/20	19,428	19,428	-	216,988	8.93
06/30/19	21,336	21,336	-	205,549	8.93
06/30/18	20,768	20,768	-	227,158	8.93
06/30/17	19,898	19,898	-	214,653	8.93
06/30/16	18,485	18,485	-	222,823	8.93

Note: These schedules are intended to show 10-year trend. Additional years will be reported as they become available.

City of Mason City, Iowa
Required Supplementary Information (Continued)
For the Year Ended June 30, 2024

Notes to the Required Supplementary Information - Iowa Public Employees Retirement System

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

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

City of Mason City, Iowa
Required Supplementary Information (Continued)
For the Year Ended June 30, 2024

Schedule of Employer's Share of Net Pension Liability – Municipal Fire and Police Retirement System

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/24	1.8700 %	\$ 11,734,645	\$ -	\$ 11,734,645	\$ 6,795,190	172.7 %	83.5 %
06/30/23	1.8623	10,457,970	-	10,457,970	6,846,215	152.8	93.7
06/30/22	1.8536	4,162,807	-	4,162,807	7,131,646	58.4	93.6
06/30/21	1.8845	15,030,937	-	15,030,937	5,987,000	251.1	76.5
06/30/20	1.9524	11,625,000	-	11,625,000	5,910,000	196.7	79.9
06/30/19	2.0148	11,816,000	-	11,816,000	5,857,000	201.7	81.1
06/30/18	2.0303	11,907,000	-	11,907,000	5,748,000	207.2	80.6
06/30/17	2.0394	12,752,000	-	12,752,000	5,528,000	230.7	78.2
06/30/16	2.0837	9,789,000	-	9,789,000	4,833,000	202.5	83.0
06/30/15	2.0055	7,270,000	-	7,270,000	5,120,000	142.0	86.3

Note: This schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's Contributions - Municipal Fire and Police Retirement System

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
06/30/24	\$ 1,597,426	\$ 1,597,426	\$ -	\$ 6,683,791	23.9 %
06/30/23	1,567,132	1,567,132	-	6,557,037	23.9
06/30/22	1,705,359	1,705,359	-	7,135,393	23.9
06/30/21	1,522,000	1,522,000	-	7,131,646	21.3
06/30/20	1,461,000	1,461,000	-	5,987,000	24.4
06/30/19	1,538,000	1,538,000	-	5,910,000	26.0
06/30/18	1,504,000	1,504,000	-	5,857,000	25.7
06/30/17	1,490,000	1,490,000	-	5,748,000	25.9
06/30/16	1,535,000	1,535,000	-	5,528,000	27.8
06/30/15	1,462,000	1,462,000	-	4,833,000	30.3
06/30/14	1,542,000	1,542,000	-	5,120,000	30.1

Note: This schedule is intended to show 10-year trend. Additional years will be reported as they become available.

City of Mason City, Iowa
Required Supplementary Information (Continued)
For the Year Ended June 30, 2024

Notes to the Required Supplementary Information - Municipal Fire and Police Retirement System

Changes of benefit terms:

There were no significant changes of benefit terms.

Changes of assumptions:

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

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

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

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

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

City of Mason City, Iowa
Required Supplementary Information (Continued)
For the Year Ended June 30, 2024

Schedule of Changes in the City's OPEB Liability and Related Ratios

	2024	2023	2022	2021	2020	2019
Total OPEB Liability						
Service cost	\$ 55,496	\$ 69,540	\$ 69,563	\$ 59,075	\$ 59,088	\$ 98,310
Interest	43,728	25,445	24,734	29,302	28,268	57,792
Changes in assumptions	(181,537)	-	(12,068)	-	(571,544)	-
Demographic change	7,644	-	94,869	-	(207,010)	-
Recognition of deferred inflows/outflows	(36,775)	(30,906)	(25,633)	(38,711)	(35,604)	(54,723)
Benefit payments	(29,925)	(33,944)	(41,788)	(17,558)	(19,466)	(35,561)
Net Change in Total OPEB Liability	(141,369)	30,135	109,677	32,108	(746,268)	65,818
*Total OPEB Liability - Beginning	1,057,620	1,027,485	917,808	885,700	1,631,968	1,472,163
Total OPEB Liability - Ending	<u>\$ 916,251</u>	<u>\$ 1,057,620</u>	<u>\$ 1,027,485</u>	<u>\$ 917,808</u>	<u>\$ 885,700</u>	<u>\$ 1,537,981</u>
Covered-Employee Payroll	\$ 7,775,549	\$ 7,775,549	\$ 7,775,549	\$ 16,264,823	\$ 15,968,169	\$ 16,015,839
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	11.78 %	13.60 %	13.21 %	5.64 %	5.55 %	9.60 %

Note: This schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Notes to the Required Supplementary Information – OPEB Liability

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in Assumptions:

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

- Year ended June 30, 2023 4.75%
- Year ended June 30, 2022 2.37%
- Year ended June 30, 2021 3.15%
- Year ended June 30, 2020 3.15%
- Year ended June 30, 2019 3.72%

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

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

	Nonmajor Special Revenue	Nonmajor Capital Project Fund LOSST Capital Projects	Nonmajor Permanent Funds	Total
Assets				
Cash and investments	\$ 15,568,238	\$ 6,990,662	\$ 1,706,891	\$ 24,265,791
Receivables				
Property taxes	41,572	-	-	41,572
Noncurrent special assessments	114,483	-	-	114,483
Succeeding year property taxes	1,474,888	-	-	1,474,888
Due from other governments	487,569	84,511	-	572,080
Prepaid items	183,201	-	-	183,201
	<u>17,869,951</u>	<u>7,075,173</u>	<u>1,706,891</u>	<u>26,652,015</u>
Total Assets	\$ 17,869,951	\$ 7,075,173	\$ 1,706,891	\$ 26,652,015
Liabilities				
Accounts payable	\$ 490,614	\$ 751,662	\$ -	\$ 1,242,276
Due to other funds	150,055	-	-	150,055
Due to other governments	739	-	-	739
Accrued salaries payable	50,373	-	-	50,373
Unearned revenue	603,582	-	-	603,582
Total Liabilities	1,295,363	751,662	-	2,047,025
Deferred Inflows of Resources				
Unavailable revenue - taxes	15,980	-	-	15,980
Unavailable revenue - special assessments	114,483	-	-	114,483
Succeeding year property tax	1,474,888	-	-	1,474,888
Total Deferred Inflows of Resources	1,605,351	-	-	1,605,351
Fund Balances				
Nonspendable	183,201	-	633,638	816,839
Restricted	12,080,200	2,007,532	1,073,253	15,160,985
Committed	2,828,376	4,315,979	-	7,144,355
Unassigned	(122,540)	-	-	(122,540)
Total Fund Balances	14,969,237	6,323,511	1,706,891	22,999,639
	<u>17,869,951</u>	<u>7,075,173</u>	<u>1,706,891</u>	<u>26,652,015</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,869,951	\$ 7,075,173	\$ 1,706,891	\$ 26,652,015

City of Mason City, Iowa
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Nonmajor Special Revenue	Nonmajor Capital Project Fund LOSST Capital Projects	Nonmajor Permanent Funds	Total
Revenues				
Taxes				
Property taxes	\$ 1,824,137	\$ -	\$ -	\$ 1,824,137
Tax increment	1,464,025	-	-	1,464,025
Other taxes	4,683,561	-	-	4,683,561
Special assessments	15,744	-	-	15,744
Intergovernmental	2,198,868	234,511	-	2,433,379
Charges for services	-	-	9,496	9,496
Use of money and property	507,408	293,485	26,488	827,381
Miscellaneous	934,270	21,566	74,800	1,030,636
Total Revenues	<u>11,628,013</u>	<u>549,562</u>	<u>110,784</u>	<u>12,288,359</u>
Expenditures				
Current				
General government	848,516	-	-	848,516
Public safety	1,787,470	-	-	1,787,470
Public works	3,414,051	-	-	3,414,051
Health and social services	8,748	-	-	8,748
Culture and recreation	348,258	-	-	348,258
Community and economic development	6,722,256	-	-	6,722,256
Capital outlay				
General government	2,089	-	-	2,089
Public safety	1,044,264	-	-	1,044,264
Public works	-	4,918,574	-	4,918,574
Culture and recreation	2,296	-	-	2,296
Community and economic development	26,900	-	-	26,900
Bond issuance costs	-	44,989	-	44,989
Total Expenditures	<u>14,204,848</u>	<u>4,963,563</u>	<u>-</u>	<u>19,168,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,576,835)</u>	<u>(4,414,001)</u>	<u>110,784</u>	<u>(6,880,052)</u>
Other Financing Sources (Uses)				
Transfers in	949,323	1,108,150	-	2,057,473
Bonds issued	-	6,149,350	-	6,149,350
Premium on bonds issued	-	584,907	-	584,907
Transfers out	(2,567,260)	(103,706)	(70,000)	(2,740,966)
Total Other Financing Sources (Uses)	<u>(1,617,937)</u>	<u>7,738,701</u>	<u>(70,000)</u>	<u>6,050,764</u>
Net Change in Fund Balances	<u>(4,194,772)</u>	<u>3,324,700</u>	<u>40,784</u>	<u>(829,288)</u>
Fund Balances, July 1 as previously presented	8,127,079	2,998,811	1,666,107	12,791,997
Change within financial reporting entity (major to nonmajor fund)	<u>11,036,930</u>	<u>-</u>	<u>-</u>	<u>11,036,930</u>
Fund Balances, July 1 as adjusted	<u>19,164,009</u>	<u>2,998,811</u>	<u>1,666,107</u>	<u>23,828,927</u>
Fund Balances, June 30	<u>\$ 14,969,237</u>	<u>\$ 6,323,511</u>	<u>\$ 1,706,891</u>	<u>\$ 22,999,639</u>

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

	Business-type Activities - Enterprise Funds		
	070	620	640
	Cemetery	Storm Sewer	Solid Waste
Assets			
Current Assets			
Cash and investments	\$ -	\$ -	\$ 457,119
Receivables			
Accounts, net of allowance	3,015	60,128	215,158
Property taxes	1,414	-	-
Special assessments	-	-	836
Intergovernmental	-	43	4
Prepaid items	1,865	-	56,279
Total Current Assets	6,294	60,171	729,396
Noncurrent Assets			
Capital assets			
Land	-	-	-
Buildings and structures	40,080	-	461,278
Infrastructure and improvements	773,991	-	-
Machinery and equipment	288,372	9,280,102	1,234,073
Construction in progress	908,956	205,749	-
Less accumulated depreciation	(796,954)	(4,254,474)	(896,983)
Total Capital Assets	1,214,445	5,231,377	798,368
(Net of Accumulated Depreciation)			
Total Assets	1,220,739	5,291,548	1,527,764
Deferred Outflows of Resources			
Deferred pension resources	40,086	-	128,212
Deferred other postemployment benefit resources	1,369	-	5,762
Total Deferred Outflows of Resources	41,455	-	133,974

Business-type Activities - Enterprise Funds

650	630	670	
Golf Course	Parking Lots	RCR Arena	Total
\$ 18,791	\$ 41,935	\$ -	\$ 517,845
-	-	-	278,301
-	-	-	1,414
-	815	-	1,651
-	-	-	47
6,039	-	-	64,183
<u>24,830</u>	<u>42,750</u>	<u>-</u>	<u>863,441</u>
196,813	4,143,120	-	4,339,933
793,729	-	-	1,295,087
128,176	2,584,991	-	3,487,158
599,450	-	-	11,401,997
-	-	-	1,114,705
<u>(1,009,729)</u>	<u>(2,584,991)</u>	<u>-</u>	<u>(9,543,131)</u>
<u>708,439</u>	<u>4,143,120</u>	<u>-</u>	<u>12,095,749</u>
<u>733,269</u>	<u>4,185,870</u>	<u>-</u>	<u>12,959,190</u>
25,802	5,185	12,978	212,263
1,123	145	293	8,692
<u>26,925</u>	<u>5,330</u>	<u>13,271</u>	<u>220,955</u>

City of Mason City, Iowa
Combining Statement of Net Position (Continued)
Nonmajor Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds		
	70	620	640
	Cemetery	Storm Sewer	Solid Waste
Liabilities			
Current Liabilities			
Accounts payable	\$ 2,130	\$ 18,982	\$ 29,337
Due to other funds	8,077	430,022	-
Due to other governments	-	-	-
Accrued interest payable	449	1,699	-
Accrued salaries payable	9,995	1,874	29,251
Compensated absences	2,995	-	10,035
Other postemployment benefit obligation	281	-	1,181
Unearned revenue	17,041	-	-
Bonds payable - current	4,250	170,313	-
Total Current Liabilities	<u>45,218</u>	<u>622,890</u>	<u>69,804</u>
Noncurrent Liabilities			
Compensated absences	8,097	-	27,133
Other postemployment benefit obligation	12,196	-	51,340
Net pension liability	116,937	-	374,009
Bonds payable	23,030	809,578	-
Total Noncurrent Liabilities	<u>160,260</u>	<u>809,578</u>	<u>452,482</u>
Total Liabilities	<u>205,478</u>	<u>1,432,468</u>	<u>522,286</u>
Deferred Inflows of Resources			
Deferred pension resources	6,653	-	21,280
Deferred other post employment benefit resources	10,720	-	45,127
Total Deferred Inflows of Resources	<u>17,373</u>	<u>-</u>	<u>66,407</u>
Net Position			
Net investment in capital assets	1,187,165	4,242,214	798,368
Unrestricted	<u>(147,822)</u>	<u>(383,134)</u>	<u>274,677</u>
Total Net Position	<u>\$ 1,039,343</u>	<u>\$ 3,859,080</u>	<u>\$ 1,073,045</u>

Business-type Activities - Enterprise Funds

650	630	670	
Golf Course	Parking Lots	RCR Arena	Total
\$ 13,332	\$ 156	\$ 26,093	\$ 90,030
-	-	-	438,099
7,943	-	168	8,111
-	-	-	2,148
12,049	1,410	2,548	57,127
1,836	-	1,088	15,954
230	30	60	1,782
-	-	210,516	227,557
-	-	-	174,563
<u>35,390</u>	<u>1,596</u>	<u>240,473</u>	<u>1,015,371</u>
4,964	-	2,942	43,136
10,005	1,289	2,609	77,439
75,268	15,124	37,858	619,196
-	-	-	832,608
<u>90,237</u>	<u>16,413</u>	<u>43,409</u>	<u>1,572,379</u>
<u>125,627</u>	<u>18,009</u>	<u>283,882</u>	<u>2,587,750</u>
4,283	861	2,154	35,231
8,794	1,134	2,293	68,068
<u>13,077</u>	<u>1,995</u>	<u>4,447</u>	<u>103,299</u>
708,439	4,143,120	-	11,079,306
(86,949)	28,076	(275,058)	(590,210)
<u>\$ 621,490</u>	<u>\$ 4,171,196</u>	<u>\$ (275,058)</u>	<u>\$ 10,489,096</u>

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City of Mason City, Iowa
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds						Total
	070 Cemetery	620 Storm Sewer	640 Solid Waste	650 Golf Course	630 Parking Lots	670 RCR Arena	
Operating Revenues							
Charges for services	\$ 212,839	\$ 454,157	\$ 1,864,173	\$ 594,999	\$ 49,730	\$ 199,037	\$ 3,374,935
Operating Expenses							
Personal services	240,336	107,489	776,243	250,158	54,692	95,708	1,524,626
Supplies and maintenance	70,589	23,160	128,889	210,388	1,073	81,273	515,372
Other services and charges	32,141	147,244	422,801	155,827	28,609	531,687	1,318,309
Depreciation	36,599	284,720	91,368	50,396	-	-	463,083
Total Operating Expenses	<u>379,665</u>	<u>562,613</u>	<u>1,419,301</u>	<u>666,769</u>	<u>84,374</u>	<u>708,668</u>	<u>3,821,390</u>
Operating Income (Loss)	<u>(166,826)</u>	<u>(108,456)</u>	<u>444,872</u>	<u>(71,770)</u>	<u>(34,644)</u>	<u>(509,631)</u>	<u>(446,455)</u>
Nonoperating Revenues (Expenses)							
Property taxes	195,518	-	-	-	-	-	195,518
Intergovernmental	-	96,210	-	-	-	-	96,210
Use of money and property	36,878	8,102	18,510	(712)	-	3	62,781
Other income	10,925	-	2,419	27,737	-	86,312	127,393
Interest expense and other	(594)	(18,674)	-	-	-	-	(19,268)
Bond premium amortization	180	-	-	-	-	-	180
Total Nonoperating Revenues (Expenses)	<u>242,907</u>	<u>85,638</u>	<u>20,929</u>	<u>27,025</u>	<u>-</u>	<u>86,315</u>	<u>462,814</u>
Income (Loss) Before Capital Contributions and Transfers	76,081	(22,818)	465,801	(44,745)	(34,644)	(423,316)	16,359
Transfers In	-	-	-	13,304	27,951	412,472	453,727
Capital Contributions	627,304	-	-	-	-	-	627,304
Transfers Out	(900)	(141,120)	-	-	-	-	(142,020)
Change in Net Position	702,485	(163,938)	465,801	(31,441)	(6,693)	(10,844)	955,370
Net Position, July 1	<u>336,858</u>	<u>4,023,018</u>	<u>607,244</u>	<u>652,931</u>	<u>4,177,889</u>	<u>(264,214)</u>	<u>9,533,726</u>
Net Position, June 30	<u>\$ 1,039,343</u>	<u>\$ 3,859,080</u>	<u>\$ 1,073,045</u>	<u>\$ 621,490</u>	<u>\$ 4,171,196</u>	<u>\$ (275,058)</u>	<u>\$ 10,489,096</u>

City of Mason City, Iowa
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds		
	070 Cemetery	620 Storm Sewer	640 Solid Waste
Cash Flows from Operating Activities			
Receipts from customers	\$ 221,276	\$ 446,096	\$ 1,874,507
Other receipts	10,925	-	2,419
Payments to vendors and suppliers	(110,905)	(160,708)	(609,694)
Payments to and on behalf of employees	(339,758)	(108,801)	(1,110,732)
Net Cash Provided (Used) by Operating Activities	<u>(218,462)</u>	<u>176,587</u>	<u>156,500</u>
Cash Flows from Noncapital Financing Activities			
Transfers out	(900)	(141,120)	-
Transfers in	-	-	-
Increase (decrease) in due to other funds	(8,882)	229,908	-
Property taxes received	196,175	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>186,393</u>	<u>88,788</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	-	(151,906)	(204,860)
Capital grant received	-	96,210	-
Principal paid on long-term debt	(4,208)	(193,062)	-
Interest paid on long-term debt	(601)	(24,719)	-
Net Cash Used by Capital and Related Financing Activities	<u>(4,809)</u>	<u>(273,477)</u>	<u>(204,860)</u>
Cash Flows from Investing Activities			
Interest received on investments	<u>36,878</u>	<u>8,102</u>	<u>18,510</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(29,850)
Cash and Cash Equivalents, July 1	<u>-</u>	<u>-</u>	<u>486,969</u>
Cash and Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457,119</u>
Cash and Cash Equivalents, Reported on Statement of Net Position as Follows			
Unrestricted cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457,119</u>

Business-type Activities - Enterprise Funds

650		630		670		Total	
Golf Course		Parking		RCR Arena			
\$	594,999	\$	49,780	\$	219,537	\$	3,406,195
	27,737		-		86,312		127,393
	(377,125)		(29,744)		(624,368)		(1,912,544)
	<u>(303,375)</u>		<u>(40,174)</u>		<u>(117,840)</u>		<u>(2,020,680)</u>
	<u>(57,764)</u>		<u>(20,138)</u>		<u>(436,359)</u>		<u>(399,636)</u>
	-		-		-		(142,020)
	13,304		27,951		412,472		453,727
	-		-		-		221,026
	-		-		-		196,175
	<u>13,304</u>		<u>27,951</u>		<u>412,472</u>		<u>728,908</u>
	-		-		-		(356,766)
	-		-		-		96,210
	-		-		-		(197,270)
	-		-		-		<u>(25,320)</u>
	-		-		-		<u>(483,146)</u>
	<u>(712)</u>		-		3		62,781
	(45,172)		7,813		(23,884)		(91,093)
	<u>63,963</u>		<u>34,122</u>		<u>23,884</u>		<u>608,938</u>
\$	<u>18,791</u>	\$	<u>41,935</u>	\$	-	\$	<u>517,845</u>
\$	<u>18,791</u>	\$	<u>41,935</u>	\$	-		<u>517,845</u>

City of Mason City, Iowa
Combining Statement of Cash Flows (Continued)
Nonmajor Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds		
	070 Cemetery	620 Storm Sewer	640 Solid Waste
Reconciliation of Operating Income to Net Cash			
Provided by Operating Activities			
Operating income (loss)	\$ (166,826)	\$ (108,456)	\$ 444,872
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Other income related to operations	10,925	-	2,419
Depreciation and amortization	36,599	284,720	91,368
(Increase) decrease in assets			
Accounts receivable	8,500	(8,018)	10,338
Due from other governments	-	(43)	(4)
Prepaid items	(281)	-	(55,058)
(Increase) decrease in deferred outflows of resources			
Deferred pension resources	(522)	-	153
Deferred other postemployment benefit resources	196	-	482
Increase (decrease) in liabilities			
Accounts payable	(7,894)	9,696	(2,946)
Due to other governments	-	-	-
Accrued salaries payable	3,015	(1,312)	8,769
Compensated absences	(6,216)	-	(31,583)
Other postemployment benefit obligation	(2,138)	-	(5,797)
Pension liability	19,374	-	57,465
Unearned revenue	(63)	-	-
Increase (decrease) in deferred inflows of resources			
Deferred pension resources	(114,514)	-	(371,849)
Deferred other postemployment benefit resources	1,383	-	7,871
Net Cash Provided (Used) by Operating Activities	<u>\$ (218,462)</u>	<u>\$ 176,587</u>	<u>\$ 156,500</u>
Schedule of Noncash Investing, Capital and Financing Activities			
Capital assets acquired on account	\$ -	\$ 9,272	\$ -
Capital assets contributed by (to) other funds	\$ 627,304	\$ -	\$ -
Amortization of bond (premium) discount	\$ (180)	\$ (5,696)	\$ -

Business-type Activities - Enterprise Funds

650	630	670	
Golf Course	Parking	RCR Arena	Total
\$ (71,770)	\$ (34,644)	\$ (509,631)	\$ (446,455)
27,737	-	86,312	127,393
50,396	-	-	463,083
-	50	20,500	31,370
-	-	-	(47)
(1,974)	-	-	(57,313)
(1,132)	(5,185)	(1,666)	(8,352)
15	(145)	41	589
(9,092)	(62)	(10,446)	(20,744)
156	-	(962)	(806)
4,596	1,410	937	17,415
(1,469)	-	1,231	(38,037)
(393)	1,319	(449)	(7,458)
14,433	15,124	9,963	116,359
-	-	-	(63)
(71,271)	861	(32,490)	(589,263)
2,004	1,134	301	12,693
<u>\$ (57,764)</u>	<u>\$ (20,138)</u>	<u>\$ (436,359)</u>	<u>\$ (399,636)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,272</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 627,304</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,876)</u>

City of Mason City, Iowa
 Nonmajor Special Revenue Funds
 Combining Balance Sheet (Continued on the Following Pages)
 June 30, 2024

	110	130	120	117	114	116
	Road and Use Tax	Unified TIF	Hotel & Motel Tax	Medical costs	Police Retirement	Fire Retirement
Assets						
Cash and investments	\$ 2,240,935	\$ 305,899	\$ 208,577	\$ 678,214	\$ 2,228,827	\$ 2,008,828
Receivables						
Property taxes	-	5,267	-	900	4,508	2,996
Succeeding year property taxes	-	-	-	102,306	385,612	256,092
Due from other governments	311,063	-	125,733	-	-	-
Special assessment	114,483	-	-	-	-	-
Prepaid items	112,371	-	-	-	-	-
Total Assets	<u>\$ 2,778,852</u>	<u>\$ 311,166</u>	<u>\$ 334,310</u>	<u>\$ 781,420</u>	<u>\$ 2,618,947</u>	<u>\$ 2,267,916</u>
Liabilities						
Accounts payable	\$ 64,504	\$ -	\$ -	\$ 765	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Accrued salaries payable	46,242	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	<u>110,746</u>	<u>-</u>	<u>-</u>	<u>765</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue - taxes	-	4	-	-	1,064	709
Succeeding year property tax	-	-	-	102,306	385,612	256,092
Unavailable revenue - special assessments	114,483	-	-	-	-	-
Total Deferred Inflows of Resources	<u>114,483</u>	<u>4</u>	<u>-</u>	<u>102,306</u>	<u>386,676</u>	<u>256,801</u>
Fund Balances						
Nonspendable	112,371	-	-	-	-	-
Restricted	2,441,252	311,162	334,310	678,349	2,232,271	2,011,115
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>2,553,623</u>	<u>311,162</u>	<u>334,310</u>	<u>678,349</u>	<u>2,232,271</u>	<u>2,011,115</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,778,852</u>	<u>\$ 311,166</u>	<u>\$ 334,310</u>	<u>\$ 781,420</u>	<u>\$ 2,618,947</u>	<u>\$ 2,267,916</u>

112	510		127	131
Employee Retirement	Library Trust	MacNider Museum Foundation	Forest Park TIF District	Downtown Reinvestment
\$ 21,566	\$ 421,478	\$ 1,269,503	\$ 4,437	\$ 21,074
9,631	-	-	-	6,559
730,878	-	-	-	-
-	-	-	-	-
-	-	70,830	-	-
<u>\$ 762,075</u>	<u>\$ 421,478</u>	<u>\$ 1,340,333</u>	<u>\$ 4,437</u>	<u>\$ 27,633</u>
\$ -	\$ 3,651	\$ -	\$ -	\$ -
-	-	-	-	150,055
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>3,651</u>	<u>-</u>	<u>-</u>	<u>150,055</u>
4,869	-	-	-	118
730,878	-	-	-	-
-	-	-	-	-
<u>735,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118</u>
-	-	70,830	-	-
26,328	-	-	4,437	-
-	417,827	1,269,503	-	-
-	-	-	-	(122,540)
<u>26,328</u>	<u>417,827</u>	<u>1,340,333</u>	<u>4,437</u>	<u>(122,540)</u>
<u>\$ 762,075</u>	<u>\$ 421,478</u>	<u>\$ 1,340,333</u>	<u>\$ 4,437</u>	<u>\$ 27,633</u>

City of Mason City, Iowa
 Nonmajor Special Revenue Funds
 Combining Balance Sheet (Continued)
 June 30, 2024

	132	142	144	146	147	149	152	530	535
	Southside Gateway	City Administered Grant	FEMA Grant	ADDI	Housing Fund	ESGP Grant Fund	22nd Street SE Buyout	Softball Trust	Youth Softball Complex
Assets									
Cash and investments	\$ -	\$ 22,652	\$ -	\$ -	\$ 121,400	\$ -	\$ 1,846	\$ 4,265	\$ 126,516
Receivables									
Property taxes	8,444	-	-	-	-	-	-	-	-
Succeeding year property taxes	-	-	-	-	-	-	-	-	-
Due from other governments	-	24,642	-	-	-	-	-	-	-
Special assessment	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 8,444</u>	<u>\$ 47,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,400</u>	<u>\$ -</u>	<u>\$ 1,846</u>	<u>\$ 4,265</u>	<u>\$ 126,516</u>
Liabilities									
Accounts payable	\$ -	6,711	\$ -	\$ -	\$ -	\$ -	\$ -	1,657	\$ 3,491
Due to other funds	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	148	591
Accrued salaries payable	-	199	-	-	326	-	-	-	-
Unearned revenue	-	24,642	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>31,552</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>-</u>	<u>-</u>	<u>1,805</u>	<u>4,082</u>
Deferred Inflows of Resources									
Unavailable revenue - taxes	8,444	-	-	-	-	-	-	-	-
Succeeding year property tax	-	-	-	-	-	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>8,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	15,742	-	-	121,074	-	1,846	2,460	-
Committed	-	-	-	-	-	-	-	-	122,434
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>15,742</u>	<u>-</u>	<u>-</u>	<u>121,074</u>	<u>-</u>	<u>1,846</u>	<u>2,460</u>	<u>122,434</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances									
	<u>\$ 8,444</u>	<u>\$ 47,294</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,400</u>	<u>\$ -</u>	<u>\$ 1,846</u>	<u>\$ 4,265</u>	<u>\$ 126,516</u>

540	119	154	155	310	541	542	315	543	156	
Police Forfeitures	Emergency Levy	Corridor Revite Program	Downtown Revite Program	RC Renaissance	Pending Forfeitures	Police Task Force	ARPA	Police Task Force Equipment	Life Safety Program	Total
\$ 67,838	\$ -	\$ 2,656	\$ 412,948	\$ 3,948,147	\$ 44,972	\$ 9,975	\$ 885,403	\$ 40,734	\$ 469,548	\$ 15,568,238
-	3,267	-	-	-	-	-	-	-	-	41,572
-	-	-	-	-	-	-	-	-	-	1,474,888
-	-	-	-	26,131	-	-	-	-	-	487,569
-	-	-	-	-	-	-	-	-	-	114,483
-	-	-	-	-	-	-	-	-	-	183,201
<u>\$ 67,838</u>	<u>\$ 3,267</u>	<u>\$ 2,656</u>	<u>\$ 412,948</u>	<u>\$ 3,974,278</u>	<u>\$ 44,972</u>	<u>\$ 9,975</u>	<u>\$ 885,403</u>	<u>\$ 40,734</u>	<u>\$ 469,548</u>	<u>\$ 17,869,951</u>
\$ -	\$ -	\$ -	\$ 30,000	\$ 70,818	\$ -	\$ 2,554	\$ 306,463	\$ -	\$ -	\$ 490,614
-	-	-	-	-	-	-	-	-	-	150,055
-	-	-	-	-	-	-	-	-	-	739
-	-	-	-	3,606	-	-	-	-	-	50,373
-	-	-	-	-	-	-	578,940	-	-	603,582
-	-	-	30,000	74,424	-	2,554	885,403	-	-	1,295,363
-	772	-	-	-	-	-	-	-	-	15,980
-	-	-	-	-	-	-	-	-	-	1,474,888
-	-	-	-	-	-	-	-	-	-	114,483
-	772	-	-	-	-	-	-	-	-	1,605,351
-	-	-	-	-	-	-	-	-	-	183,201
-	-	-	-	3,899,854	-	-	-	-	-	12,080,200
67,838	2,495	2,656	382,948	-	44,972	7,421	-	40,734	469,548	2,828,376
-	-	-	-	-	-	-	-	-	-	(122,540)
<u>67,838</u>	<u>2,495</u>	<u>2,656</u>	<u>382,948</u>	<u>3,899,854</u>	<u>44,972</u>	<u>7,421</u>	<u>-</u>	<u>40,734</u>	<u>469,548</u>	<u>14,969,237</u>
<u>\$ 67,838</u>	<u>\$ 3,267</u>	<u>\$ 2,656</u>	<u>\$ 412,948</u>	<u>\$ 3,974,278</u>	<u>\$ 44,972</u>	<u>\$ 9,975</u>	<u>\$ 885,403</u>	<u>\$ 40,734</u>	<u>\$ 469,548</u>	<u>\$ 17,869,951</u>

City of Mason City, Iowa
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 (Continued on the Following Pages)
 For the Year Ended June 30, 2024

	110	130	120	117	114	116
	Road and Use Tax	Unified TIF	Hotel & Motel Tax	Medical Costs	Police Retirement	Fire Retirement
Revenues						
Taxes						
Property taxes	\$ -	\$ -	\$ -	\$ 100,232	\$ 457,017	\$ 303,745
Tax increment	-	729,229	-	-	-	-
Other taxes	3,865,388	-	776,617	2,280	10,412	6,920
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Use of money and property	79,410	(157)	-	(7,383)	-	-
Miscellaneous	70,787	18,779	-	17,237	-	-
Total Revenues	<u>4,015,585</u>	<u>747,851</u>	<u>776,617</u>	<u>112,366</u>	<u>467,429</u>	<u>310,665</u>
Expenditures						
Current						
General government	-	-	655,527	-	-	-
Public safety	-	-	-	91,533	783,329	626,961
Public works	3,350,443	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Capital outlay						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Total Expenditures	<u>3,350,443</u>	<u>-</u>	<u>655,527</u>	<u>91,533</u>	<u>783,329</u>	<u>626,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>665,142</u>	<u>747,851</u>	<u>121,090</u>	<u>20,833</u>	<u>(315,900)</u>	<u>(316,296)</u>
Other Financing Sources (Uses)						
Transfers in	-	66,992	-	-	-	-
Transfers out	(835,661)	(496,237)	(80,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(835,661)</u>	<u>(429,245)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(170,519)</u>	<u>318,606</u>	<u>41,090</u>	<u>20,833</u>	<u>(315,900)</u>	<u>(316,296)</u>
Fund Balances, July 1 as previously presented	-	(7,444)	293,220	657,516	2,548,171	2,327,411
Change within financial reporting entity (major to nonmajor fund)	2,724,142	-	-	-	-	-
Fund Balances, July 1 as adjusted	<u>2,724,142</u>	<u>(7,444)</u>	<u>293,220</u>	<u>657,516</u>	<u>2,548,171</u>	<u>2,327,411</u>
Fund Balances, June 30	<u>\$ 2,553,623</u>	<u>\$ 311,162</u>	<u>\$ 334,310</u>	<u>\$ 678,349</u>	<u>\$ 2,232,271</u>	<u>\$ 2,011,115</u>

112	510		127	131
Employee Retirement	Library Trust	MacNider Museum Foundation	Forest Park TIF District	Downtown Reinvestment
\$ 632,035	\$ -	\$ -	\$ -	\$ -
-	-	-	-	485,860
14,401	-	-	-	-
-	-	-	-	-
-	19,937	-	-	-
-	57,251	267,796	-	-
<u>646,436</u>	<u>77,188</u>	<u>267,796</u>	<u>-</u>	<u>485,860</u>
192,989	-	-	-	-
232,301	-	-	-	-
63,608	-	-	-	-
8,748	-	-	-	-
144,074	83,127	75,304	-	-
58,014	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>699,734</u>	<u>83,127</u>	<u>75,304</u>	<u>-</u>	<u>-</u>
<u>(53,298)</u>	<u>(5,939)</u>	<u>192,492</u>	<u>-</u>	<u>485,860</u>
-	-	-	-	-
-	(57,230)	-	-	(535,225)
-	(57,230)	-	-	(535,225)
<u>(53,298)</u>	<u>(63,169)</u>	<u>192,492</u>	<u>-</u>	<u>(49,365)</u>
79,626	480,996	1,147,841	4,437	(73,175)
-	-	-	-	-
<u>79,626</u>	<u>480,996</u>	<u>1,147,841</u>	<u>4,437</u>	<u>(73,175)</u>
<u>\$ 26,328</u>	<u>\$ 417,827</u>	<u>\$ 1,340,333</u>	<u>\$ 4,437</u>	<u>\$ (122,540)</u>

City of Mason City, Iowa
 Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 (Continued on the Following Pages)
 For the Year Ended June 30, 2024

	132	142	144	146	147	149	152	310
	Southside Gateway	City Administered Grant	FEMA Grant	ADDI	Housing Fund	ESGP Grant Fund	22nd Street SE Buyout	RC Renaissance
Revenues								
Taxes								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax increment	248,936	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	78,731	-	-	65,651	-	-	175,739
Use of money and property	-	440	-	-	2,206	-	-	282,674
Miscellaneous	-	-	-	-	27,550	-	-	187,091
Total Revenues	<u>248,936</u>	<u>79,171</u>	<u>-</u>	<u>-</u>	<u>95,407</u>	<u>-</u>	<u>-</u>	<u>645,504</u>
Expenditures							75,662	
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community and economic development	250,749	69,874	-	-	128,237	-	-	4,848,695
Capital outlay								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Total Expenditures	<u>250,749</u>	<u>69,874</u>	<u>-</u>	<u>-</u>	<u>128,237</u>	<u>-</u>	<u>-</u>	<u>4,848,695</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,813)</u>	<u>9,297</u>	<u>-</u>	<u>-</u>	<u>(32,830)</u>	<u>-</u>	<u>-</u>	<u>(4,203,191)</u>
Other Financing Sources (Uses)								
Transfers in	35,368	6,580	-	-	25,835	-	-	-
Transfers out	(66,992)	-	-	-	-	-	-	(130,000)
Total Other Financing Sources (Uses)	<u>(31,624)</u>	<u>6,580</u>	<u>-</u>	<u>-</u>	<u>25,835</u>	<u>-</u>	<u>-</u>	<u>(130,000)</u>
Net Change in Fund Balances	<u>(33,437)</u>	<u>15,877</u>	<u>-</u>	<u>-</u>	<u>(6,995)</u>	<u>-</u>	<u>-</u>	<u>(4,333,191)</u>
Fund Balances, July 1 as previously presented	33,437	(135)	-	-	128,069	-	1,846	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	-	-	8,233,045
Fund Balances, July 1 as adjusted	<u>33,437</u>	<u>(135)</u>	<u>-</u>	<u>-</u>	<u>128,069</u>	<u>-</u>	<u>1,846</u>	<u>8,233,045</u>
Fund Balances, June 30	<u>\$ -</u>	<u>\$ 15,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,074</u>	<u>\$ -</u>	<u>\$ 1,846</u>	<u>\$ 3,899,854</u>

530	535	540	119	154	155	541	542	315	543	156	Total
Softball Trust	Youth Softball Complex	Police Forfeitures	Emergency Levy	Corridor Revite Program	Downtown Revite Program	Pending Forfeitures	Police Task Force	ARPA	Police Task Force Equipment	Life Safety Program	
\$ -	\$ -	\$ -	\$ 331,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,824,137
-	-	-	-	-	-	-	-	-	-	-	1,464,025
-	-	-	7,543	-	-	-	-	-	-	-	4,683,561
3,201	12,543	-	-	-	-	-	-	-	-	-	15,744
-	-	-	-	-	-	-	21,313	1,857,434	-	-	2,198,868
-	(1,361)	2,317	-	2,917	12,607	1,531	1,101	110,283	886	-	507,408
8,778	31,036	-	-	10,714	-	1,800	44,363	151,240	39,848	-	934,270
<u>11,979</u>	<u>42,218</u>	<u>2,317</u>	<u>338,651</u>	<u>13,631</u>	<u>12,607</u>	<u>3,331</u>	<u>66,777</u>	<u>2,118,957</u>	<u>40,734</u>	<u>-</u>	<u>11,628,013</u>
-	-	-	-	-	-	-	-	-	-	-	848,516
-	-	-	-	-	-	-	53,346	-	-	-	1,787,470
-	-	-	-	-	-	-	-	-	-	-	3,414,051
-	-	-	-	-	-	-	-	-	-	-	8,748
11,412	34,341	-	-	-	-	-	-	-	-	-	348,258
-	-	-	-	175,975	64,200	-	-	1,126,512	-	-	6,722,256
-	-	-	-	-	-	-	-	2,089	-	-	2,089
-	-	-	-	-	-	-	-	1,044,264	-	-	1,044,264
1,224	1,072	-	-	-	-	-	-	-	-	-	2,296
-	-	-	-	-	-	-	26,900	-	-	-	26,900
<u>12,636</u>	<u>35,413</u>	<u>-</u>	<u>-</u>	<u>175,975</u>	<u>64,200</u>	<u>-</u>	<u>80,246</u>	<u>2,172,865</u>	<u>-</u>	<u>-</u>	<u>14,204,848</u>
<u>(657)</u>	<u>6,805</u>	<u>2,317</u>	<u>338,651</u>	<u>(162,344)</u>	<u>(51,593)</u>	<u>3,331</u>	<u>(13,469)</u>	<u>(53,908)</u>	<u>40,734</u>	<u>-</u>	<u>(2,576,835)</u>
-	-	-	-	105,000	240,000	-	-	-	-	469,548	949,323
-	-	-	(340,080)	-	-	-	-	(25,835)	-	-	(2,567,260)
-	-	-	(340,080)	105,000	240,000	-	-	(25,835)	-	469,548	(1,617,937)
<u>(657)</u>	<u>6,805</u>	<u>2,317</u>	<u>(1,429)</u>	<u>(57,344)</u>	<u>188,407</u>	<u>3,331</u>	<u>(13,469)</u>	<u>(79,743)</u>	<u>40,734</u>	<u>469,548</u>	<u>(4,194,772)</u>
3,117	115,629	65,521	3,924	60,000	194,541	41,641	20,890	-	-	-	8,127,079
-	-	-	-	-	-	-	-	79,743	-	-	11,036,930
<u>3,117</u>	<u>115,629</u>	<u>65,521</u>	<u>3,924</u>	<u>60,000</u>	<u>194,541</u>	<u>41,641</u>	<u>20,890</u>	<u>79,743</u>	<u>-</u>	<u>-</u>	<u>19,164,009</u>
<u>\$ 2,460</u>	<u>\$ 122,434</u>	<u>\$ 67,838</u>	<u>\$ 2,495</u>	<u>\$ 2,656</u>	<u>\$ 382,948</u>	<u>\$ 44,972</u>	<u>\$ 7,421</u>	<u>\$ -</u>	<u>\$ 40,734</u>	<u>\$ 469,548</u>	<u>\$ 14,969,237</u>

City of Mason City, Iowa
 Budget and Actual
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Road and Use Tax
 For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,745,440	\$ 3,745,440	\$ 3,865,388	\$ 119,948
Intergovernmental	15,000	15,000	-	(15,000)
Use of money and property	-	-	79,410	79,410
Miscellaneous	60,000	115,000	70,787	(44,213)
Total Revenues	<u>3,820,440</u>	<u>3,875,440</u>	<u>4,015,585</u>	<u>140,145</u>
Expenditures				
Capital outlay				
Public works	<u>4,031,476</u>	<u>4,172,302</u>	<u>3,350,443</u>	<u>821,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(211,036)	(296,862)	665,142	962,004
Other Financing Sources (Uses)				
Transfers out	<u>(248,000)</u>	<u>(829,651)</u>	<u>(835,661)</u>	<u>(6,010)</u>
Net Change in Fund Balances	(459,036)	(1,126,513)	(170,519)	955,994
Fund Balances, July 1	<u>2,724,142</u>	<u>2,724,142</u>	<u>2,724,142</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ (459,036)</u></u>	<u><u>\$ (1,126,513)</u></u>	<u><u>\$ 2,553,623</u></u>	<u><u>\$ 955,994</u></u>

City of Mason City, Iowa
Unified TIF Special Revenue fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Taxes			
Tax increment	\$ 803,982	\$ 729,229	\$ (74,753)
Use of money and property	-	(157)	(157)
Miscellaneous	-	18,779	18,779
Total Revenues	803,982	747,851	(56,131)
Expenditures			
Current			
Community and economic development	551,526	-	551,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	252,456	747,851	495,395
Other Financing Sources (Uses)			
Transfers in	66,992	66,992	-
Transfers out	(855,000)	(496,237)	358,763
Total Other Financing Sources (Uses)	(788,008)	(429,245)	358,763
Net Change in Fund Balances	(535,552)	318,606	854,158
Fund Balances, July 1	(7,444)	(7,444)	-
Fund Balances, June 30	\$ (542,996)	\$ 311,162	\$ 854,158

City of Mason City, Iowa
 Hotel / Motel Tax Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Other taxes	\$ 915,000	\$ 776,617	\$ (138,383)
Expenditures			
Current			
General government	<u>695,000</u>	<u>655,527</u>	<u>39,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,000	121,090	(98,910)
Other Financing Sources (Uses)			
Transfers out	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Net Change in Fund Balances	140,000	41,090	(98,910)
Fund Balances, July 1	<u>293,220</u>	<u>293,220</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 433,220</u></u>	<u><u>\$ 334,310</u></u>	<u><u>\$ (98,910)</u></u>

City of Mason City, Iowa
 Medical Costs Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Taxes			
Property taxes	\$ 100,000	\$ 100,232	\$ 232
Other taxes	2,258	2,280	22
Use of money and property	-	(7,383)	(7,383)
Miscellaneous	-	17,237	17,237
Total Revenues	102,258	112,366	10,108
Expenditures			
Current			
Public safety	225,000	91,533	133,467
Net Change in Fund Balances	(122,742)	20,833	143,575
Fund Balances, July 1	657,516	657,516	-
Fund Balances, June 30	\$ 534,774	\$ 678,349	\$ 143,575

City of Mason City, Iowa
Police Retirement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Property taxes	\$ 456,625	\$ 457,017	\$ 392
Other taxes	10,310	10,412	102
Use of money and property	10,000	-	(10,000)
Total Revenues	<u>476,935</u>	<u>467,429</u>	<u>(9,506)</u>
Expenditures			
Current			
Public safety	<u>955,940</u>	<u>783,329</u>	<u>172,611</u>
Net Change in Fund Balances	(479,005)	(315,900)	163,105
Fund Balances, July 1	<u>2,548,171</u>	<u>2,548,171</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 2,069,166</u></u>	<u><u>\$ 2,232,271</u></u>	<u><u>\$ 163,105</u></u>

City of Mason City, Iowa
 Fire Retirement Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Taxes			
Property taxes	\$ 303,486	\$ 303,745	\$ 259
Other taxes	6,852	6,920	68
Use of money and property	10,000	-	(10,000)
Total Revenues	320,338	310,665	(9,673)
Expenditures			
Current			
Public safety	635,346	626,961	8,385
Net Change in Fund Balances	(315,008)	(316,296)	(1,288)
Fund Balances, July 1	2,327,411	2,327,411	-
Fund Balances, June 30	\$ 2,012,403	\$ 2,011,115	\$ (1,288)

City of Mason City, Iowa
Employee Retirement Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Property taxes	\$ 631,503	\$ 632,035	\$ 532
Other taxes	14,258	14,401	143
Total Revenues	<u>645,761</u>	<u>646,436</u>	<u>675</u>
Expenditures			
Current			
General government	156,516	192,989	(36,473)
Public safety	239,463	232,301	7,162
Public works	68,488	63,608	4,880
Health and social	12,269	8,748	3,521
Culture and recreation	174,699	144,074	30,625
Community and economic development	49,247	58,014	(8,767)
Total Expenditures	<u>700,682</u>	<u>699,734</u>	<u>948</u>
Net Change in Fund Balances	(54,921)	(53,298)	1,623
Fund Balances, July 1	<u>79,626</u>	<u>79,626</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 24,705</u>	<u>\$ 26,328</u>	<u>\$ 1,623</u>

City of Mason City, Iowa
Library Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Use of money and property	\$ 15,000	\$ 19,937	\$ 4,937
Miscellaneous	65,100	57,251	(7,849)
Total Revenues	<u>80,100</u>	<u>77,188</u>	<u>(2,912)</u>
Expenditures			
Current			
Culture and recreation	<u>60,952</u>	<u>83,127</u>	<u>(22,175)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,148	(5,939)	19,263
Other Financing Sources (Uses)			
Transfers out	<u>(32,113)</u>	<u>(57,230)</u>	<u>25,117</u>
Net Change in Fund Balances	(12,965)	(63,169)	(50,204)
Fund Balances, July 1	<u>480,996</u>	<u>480,996</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 468,031</u>	<u>\$ 417,827</u>	<u>\$ (50,204)</u>

City of Mason City, Iowa
 Mason City Downtown Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Taxes			
Tax increment	\$ 535,778	\$ 485,860	\$ (49,918)
Other Financing Sources (Uses)			
Transfers out	<u>(535,225)</u>	<u>(535,225)</u>	<u>-</u>
Net Change in Fund Balances	553	(49,365)	(49,918)
Fund Balances, July 1	<u>(73,175)</u>	<u>(73,175)</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ (72,622)</u></u>	<u><u>\$ (122,540)</u></u>	<u><u>\$ (49,918)</u></u>

City of Mason City, Iowa
 Southside Gateway Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Tax increment	\$ 276,487	\$ 248,936	\$ (27,551)
Expenditures			
Current			
Community and economic development	<u>261,303</u>	<u>250,749</u>	<u>(10,554)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,184</u>	<u>(1,813)</u>	<u>(16,997)</u>
Other Financing Sources (Uses)			
Transfers in	-	35,368	(35,368)
Transfers out	<u>(66,992)</u>	<u>(66,992)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(66,992)</u>	<u>(31,624)</u>	<u>(35,368)</u>
Net Change in Fund Balances	(51,808)	(33,437)	18,371
Fund Balances, July 1	<u>-</u>	<u>33,437</u>	<u>33,437</u>
Fund Balances, June 30	<u>\$ (51,808)</u>	<u>\$ -</u>	<u>\$ 51,808</u>

City of Mason City, Iowa
 City Administered Grants Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental	\$ 100,000	\$ 78,731	\$ (21,269)
Use of money and property	200	440	240
Total Revenues	<u>100,200</u>	<u>79,171</u>	<u>(21,029)</u>
Expenditures			
Current			
Community and economic development	<u>106,781</u>	<u>69,874</u>	<u>36,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,581)	9,297	15,638
Other Financing Sources (Uses)			
Transfers in	<u>6,580</u>	<u>6,580</u>	<u>-</u>
Net Change in Fund Balances	(1)	15,877	15,878
Fund Balances, July 1	<u>(135)</u>	<u>(135)</u>	<u>-</u>
Fund Balances, June 30	<u>\$ (136)</u>	<u>\$ 15,742</u>	<u>\$ 15,878</u>

City of Mason City, Iowa
 Housing Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Intergovernmental	\$ 209,934	\$ 65,651	\$ (144,283)
Use of money and property	4,200	2,206	(1,994)
Miscellaneous	-	27,550	27,550
Total Revenues	<u>214,134</u>	<u>95,407</u>	<u>(118,727)</u>
Expenditures			
Current			
Community and economic development	<u>770,679</u>	<u>128,237</u>	<u>642,442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(556,545)	(32,830)	523,715
Other Financing Sources (Uses)			
Transfers in	<u>4,000</u>	<u>25,835</u>	<u>21,835</u>
Net Change in Fund Balances	(552,545)	(6,995)	545,550
Fund Balances, July 1	<u>128,069</u>	<u>128,069</u>	<u>128,069</u>
Fund Balances, June 30	<u><u>\$ (424,476)</u></u>	<u><u>\$ 121,074</u></u>	<u><u>\$ 673,619</u></u>

City of Mason City, Iowa
Softball Improvement Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Special assessments	\$ 1,700	\$ 3,201	\$ 1,501
Miscellaneous	9,800	8,778	(1,022)
Total Revenues	<u>11,500</u>	<u>11,979</u>	<u>479</u>
Expenditures			
Current			
Culture and recreation	10,900	11,412	(512)
Capital outlay			
Culture and recreation	600	1,224	(624)
Total Expenditures	<u>11,500</u>	<u>12,636</u>	<u>(1,136)</u>
Net Change in Fund Balances	-	(657)	(657)
Fund Balances, July 1	<u>3,117</u>	<u>3,117</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 3,117</u>	<u>\$ 2,460</u>	<u>\$ (657)</u>

City of Mason City, Iowa
Youth Softball Complex Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Special assessments	\$ 10,888	\$ 12,543	\$ 1,655
Use of money and property	-	(1,361)	(1,361)
Miscellaneous	25,700	31,036	5,336
Total Revenues	<u>36,588</u>	<u>42,218</u>	<u>5,630</u>
Expenditures			
Current			
Culture and recreation	33,288	34,341	(1,053)
Capital outlay			
Culture and recreation	3,300	1,072	2,228
Total Expenditures	<u>36,588</u>	<u>35,413</u>	<u>1,175</u>
Net Change in Fund Balances	-	6,805	6,805
Fund Balances, July 1	<u>115,629</u>	<u>115,629</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 115,629</u>	<u>\$ 122,434</u>	<u>\$ 6,805</u>

City of Mason City, Iowa
Police Forfeitures Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Use of money and property	\$ 1,000	\$ 2,317	\$ 1,317
Miscellaneous	10,000	-	(10,000)
Total Revenues	<u>11,000</u>	<u>2,317</u>	<u>(8,683)</u>
Expenditures			
Current			
Public safety	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,000)	2,317	(48,683)
Other Financing Sources (Uses)			
Transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net Change in Fund Balances	(19,000)	2,317	21,317
Fund Balances, July 1	<u>65,521</u>	<u>65,521</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 46,521</u>	<u>\$ 67,838</u>	<u>\$ 21,317</u>

City of Mason City, Iowa
 Emergency Levy Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Taxes			
Property taxes	\$ 330,826	\$ 331,108	\$ 282
Other taxes	7,469	7,543	74
Total Revenues	<u>338,295</u>	<u>338,651</u>	<u>356</u>
Other Financing Sources (Uses)			
Transfers out	<u>(338,295)</u>	<u>(340,080)</u>	<u>(1,785)</u>
Net Change in Fund Balances	-	(1,429)	(1,429)
Fund Balances, July 1	<u>3,924</u>	<u>3,924</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 3,924</u></u>	<u><u>\$ 2,495</u></u>	<u><u>\$ (1,429)</u></u>

City of Mason City, Iowa
Corridor Revitalization Program Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
For the Year Ended June 30, 2024

	Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Use of money and property	\$ 3,000	\$ 2,917	\$ (83)
Miscellaneous	-	10,714	10,714
Total Revenues	<u>3,000</u>	<u>13,631</u>	<u>10,631</u>
Expenditures			
Current			
Community and economic development	<u>189,000</u>	<u>175,975</u>	<u>13,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,000)	(162,344)	(2,394)
Other Financing Sources (Uses)			
Transfers in	<u>100,000</u>	<u>105,000</u>	<u>5,000</u>
Net Change in Fund Balances	(86,000)	(57,344)	28,656
Fund Balances, July 1	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ (26,000)</u></u>	<u><u>\$ 2,656</u></u>	<u><u>\$ 28,656</u></u>

City of Mason City, Iowa
 Downtown Revitalization Program Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget to Actual
 For the Year Ended June 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Use of money and property	\$ -	\$ 12,607	\$ 12,607
Expenditures			
Current			
Housing and economic development	<u>180,000</u>	<u>64,200</u>	<u>115,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,000)	(51,593)	(103,193)
Other Financing Sources (Uses)			
Transfers in	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Net Change in Fund Balances	60,000	188,407	128,407
Fund Balances, July 1	<u>194,541</u>	<u>194,541</u>	<u>-</u>
Fund Balances, June 30	<u><u>\$ 254,541</u></u>	<u><u>\$ 382,948</u></u>	<u><u>\$ 128,407</u></u>

City of Mason City, Iowa
 Nonmajor Permanent Funds
 Combining Balance Sheet
 June 30, 2024

	500	520	
	Cemetery Prepetual Care	Museum Trust	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ 559,028	\$ 1,147,863	\$ 1,706,891
	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Nonspendable	\$ -	\$ 633,638	\$ 633,638
Restricted	559,028	514,225	1,073,253
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>\$ 559,028</u>	<u>\$ 1,147,863</u>	<u>\$ 1,706,891</u>

City of Mason City, Iowa
 Nonmajor Permanent Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2024

	500	520	
	Cemetery Prepetual Care	Museum Trust	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Charges for services	\$ 9,496	\$ -	\$ 9,496
Use of money and property	(6,239)	32,727	26,488
Miscellaneous	-	74,800	74,800
Total Revenues	<u>3,257</u>	<u>107,527</u>	<u>110,784</u>
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Net Change in Fund Balances	3,257	37,527	40,784
Fund Balances, July 1	<u>555,771</u>	<u>1,110,336</u>	<u>1,666,107</u>
Fund Balances, June 30	<u><u>\$ 559,028</u></u>	<u><u>\$ 1,147,863</u></u>	<u><u>\$ 1,706,891</u></u>

City of Mason City, Iowa
Internal Service Funds
Combining Statement of Net Position
For the Year Ended June 30, 2024

	800	820	840	
	Employee Health care	Central Services	Unemployment Self-Insurance	Total
Assets				
Current Assets				
Cash and investments	\$ 3,101,542	\$ 53,670	\$ 89,276	\$ 3,244,488
Receivables				
Property taxes	10,076	-	-	10,076
Succeeding year property taxes	1,145,772	-	-	1,145,772
Intergovernmental	-	78	-	78
Prepaid items	-	266	-	266
Total Current Assets	4,257,390	54,014	89,276	4,400,680
Capital Assets				
Machinery and equipment	-	257,362	-	257,362
Improvements	-	21,546	-	21,546
Less accumulated depreciation	-	(157,350)	-	(157,350)
Total Capital Assets	-	121,558	-	121,558
Total Assets	4,257,390	175,572	89,276	4,522,238
Liabilities				
Current Liabilities				
Accounts payable	170,238	793	486	171,517
Accrued salaries payable	-	6,909	-	6,909
Compensated absences	-	3,328	-	3,328
Total Current Liabilities	170,238	11,030	486	181,754
Noncurrent Liabilities				
Compensated absences	-	1,231	-	1,231
Total Liabilities	170,238	12,261	486	182,985
Deferred Inflows of Resources				
Succeeding year property taxes	1,145,772	-	-	1,145,772
Net Position				
Investment in capital assets	-	121,558	-	121,558
Unrestricted	2,941,380	41,753	88,790	3,071,923
Total Net Position	\$ 2,941,380	\$ 163,311	\$ 88,790	\$ 3,193,481

City of Mason City, Iowa
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

	800 Employee Health care	820 Central Services	840 Unemployment Self-Insurance	Total
Operating Revenues				
Charges for services	\$ -	\$ 267,642	\$ 49,145	\$ 316,787
Health insurance contributions	4,249,206	-	-	4,249,206
Total Operating Revenues	<u>4,249,206</u>	<u>267,642</u>	<u>49,145</u>	<u>4,565,993</u>
Operating Expenses				
Personal services	-	219,690	-	219,690
Supplies and maintenance	31,237	41,424	-	72,661
Medical and dental claims	3,929,977	-	-	3,929,977
Other services and charges	-	11,845	8,228	20,073
Depreciation	-	23,266	-	23,266
Total Operating Expenses	<u>3,961,214</u>	<u>296,225</u>	<u>8,228</u>	<u>4,265,667</u>
Operating Income (Loss)	<u>287,992</u>	<u>(28,583)</u>	<u>40,917</u>	<u>300,326</u>
Nonoperating Revenues				
Property taxes	1,488,470	-	-	1,488,470
Other taxes	30,906	-	-	30,906
Use of money and property	94,178	-	1,866	96,044
Other income	297,605	757	-	298,362
Total Nonoperating Revenues	<u>1,911,159</u>	<u>757</u>	<u>1,866</u>	<u>1,913,782</u>
Income (Loss) Before Transfers	2,199,151	(27,826)	42,783	2,214,108
Transfers Out	<u>(1,280,000)</u>	<u>-</u>	<u>-</u>	<u>(1,280,000)</u>
Change in Net Position	919,151	(27,826)	42,783	934,108
Net Position, July 1	<u>2,022,229</u>	<u>191,137</u>	<u>46,007</u>	<u>2,259,373</u>
Net Position, June 30	<u>\$ 2,941,380</u>	<u>\$ 163,311</u>	<u>\$ 88,790</u>	<u>\$ 3,193,481</u>

City of Mason City, Iowa
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2024

	800	820	840	
	Employee Health care	Central Services	Unemployment Self-Insurance	Total
Cash Flows from Operating Activities				
Receipts from interfund services provided	\$ 4,249,206	\$ 267,642	\$ 49,145	\$ 4,565,993
Other receipts	297,605	679	-	298,284
Payments to vendors and suppliers	(4,263,010)	(53,447)	(7,742)	(4,324,199)
Payments to and on behalf of employees	-	(226,619)	-	(226,619)
Net Cash Provided (Used) by Operating Activities	<u>283,801</u>	<u>(11,745)</u>	<u>41,403</u>	<u>313,459</u>
Cash Flows from Noncapital Financing Activities				
Transfers out	(1,280,000)	-	-	(1,280,000)
Property taxes received	1,527,361	-	-	1,527,361
Net Cash Provided by Noncapital Financing Activities	<u>247,361</u>	<u>-</u>	<u>-</u>	<u>247,361</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	-	(12,730)	-	(12,730)
Cash Flows from Investing Activities				
Interest received on investments	94,178	-	1,866	96,044
Net Increase (Decrease) in Cash and Cash Equivalents	625,340	(24,475)	43,269	644,134
Cash and Cash Equivalents, July 1	<u>2,476,202</u>	<u>78,145</u>	<u>46,007</u>	<u>2,600,354</u>
Cash and Cash Equivalents, June 30	<u>\$ 3,101,542</u>	<u>\$ 53,670</u>	<u>\$ 89,276</u>	<u>\$ 3,244,488</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 287,992	\$ (28,583)	\$ 40,917	\$ 300,326
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Other income related to operations	297,605	757	-	298,362
Depreciation	-	23,266	-	23,266
(Increase) decrease in assets				
Due from other governments	-	(78)	-	(78)
Prepaid items	-	(1)	-	(1)
Increase (decrease) in liabilities				
Accounts payable	(301,796)	(177)	486	(301,487)
Accrued salaries payable	-	2,241	-	2,241
Compensated absences payable	-	(9,170)	-	(9,170)
Net Cash Provided (Used) by Operating Activities	<u>\$ 283,801</u>	<u>\$ (11,745)</u>	<u>\$ 41,403</u>	<u>\$ 313,459</u>

STATISTICAL SECTION
(UNAUDITED)

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

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STATISTICAL SECTION (UNAUDITED)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	<u>Pages</u>
Financial Trends	163 - 173
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	175 - 181
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	182 - 188
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	189 - 191
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	192 - 196
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

City of Mason City, Iowa
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2024	2023	2022	2021
Governmental Activities				
Net investment in capital assets	\$ 112,610,518	\$ 99,033,677	\$ 94,244,550	\$ 88,686,867
Restricted	20,119,613	24,469,294	23,479,902	2,125,806
Unrestricted	<u>(14,010,359)</u>	<u>(26,526,294)</u>	<u>(22,369,804)</u>	<u>(5,148,251)</u>
Total Governmental Activities Net Position	<u>118,719,772</u>	<u>96,976,677</u>	<u>95,354,648</u>	<u>85,664,422</u>
Business-type Activities				
Net investment in capital assets	66,747,486	64,230,625	59,863,200	57,668,962
Restricted	-	-	-	-
Unrestricted	<u>2,622,961</u>	<u>4,125,034</u>	<u>8,311,171</u>	<u>8,748,963</u>
Total Business-type Activities Net Position	<u>69,370,447</u>	<u>68,355,659</u>	<u>68,174,371</u>	<u>66,417,925</u>
Primary Government				
Net investment in capital assets	179,358,004	163,264,302	154,107,750	146,355,829
Restricted	20,119,613	24,469,294	23,479,902	2,125,806
Unrestricted	<u>(11,387,398)</u>	<u>(22,401,260)</u>	<u>(14,058,633)</u>	<u>3,600,712</u>
Total Primary Government Net Position	<u>\$ 188,090,219</u>	<u>\$ 165,332,336</u>	<u>\$ 163,529,019</u>	<u>\$ 152,082,347</u>

Source: Financial Statements

Table 1

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 90,438,337	\$ 73,970,246	\$ 89,707,598	\$ 90,307,081	\$ 86,127,886	\$ 84,727,602
1,986,332	23,488,941	1,743,138	1,686,875	1,533,460	1,512,350
(11,616,038)	(2,324,177)	6,742,339	6,567,726	11,079,651	11,111,707
<u>80,808,631</u>	<u>95,135,010</u>	<u>98,193,075</u>	<u>98,561,682</u>	<u>98,740,997</u>	<u>97,351,659</u>
56,662,601	57,410,331	56,757,952	54,903,077	53,212,613	49,472,024
-	-	2,749,609	2,719,918	2,783,610	2,861,234
5,227,088	2,359,227	(165,251)	(330,714)	(579,255)	1,324,665
<u>61,889,689</u>	<u>59,769,558</u>	<u>59,342,310</u>	<u>57,292,281</u>	<u>55,416,968</u>	<u>53,657,923</u>
147,100,938	131,380,577	146,465,550	145,210,158	139,340,499	134,199,626
1,986,332	23,488,941	4,492,747	4,406,793	4,317,070	4,373,584
(6,388,950)	35,050	6,577,088	6,237,012	10,500,396	12,436,372
<u>\$ 142,698,320</u>	<u>\$ 154,904,568</u>	<u>\$ 157,535,385</u>	<u>\$ 155,853,963</u>	<u>\$ 154,157,965</u>	<u>\$ 151,009,582</u>

City of Mason City, Iowa
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2024	2023	2022	2021
Expenses				
Governmental Activities				
General government	\$ 2,642,602	\$ 5,183,675	\$ 4,073,039	\$ 2,991,173
Public safety	8,517,523	18,174,927	9,131,740	11,718,887
Public works	10,120,316	12,020,785	10,486,854	11,367,141
Health and social services	195,670	509,897	378,880	515,411
Culture and recreation	4,674,909	6,173,283	4,872,161	4,934,891
Community and economic development	8,109,361	4,887,499	4,211,814	3,912,220
Interest on long-term debt	1,686,528	1,291,302	1,468,642	1,255,332
Total Governmental Activities Expenses	35,946,909	48,241,368	34,623,130	36,695,055
Business-type Activities				
Water	5,793,054	7,080,767	6,313,249	5,790,532
Sewer	3,849,583	4,443,265	4,089,580	3,860,404
Ambulance	1,725,362	2,989,507	1,677,886	2,442,905
Cemetery	376,138	550,153	464,265	444,609
Storm sewer	581,287	338,412	251,440	230,236
Sold waste	1,402,712	1,960,347	1,859,634	1,650,409
Golf course	663,536	701,249	434,763	524,476
Parking lots	83,958	33,938	77,267	121,032
RCR Arena	707,826	851,672	1,225,007	540,683
Total Business-type Activities Expenses	15,183,456	18,949,310	16,393,091	15,605,286
Total Primary Government Expenses	\$ 51,130,365	\$ 67,190,678	\$ 51,016,221	\$ 52,300,341
Program Revenues				
Governmental Activities				
Charges for services				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	732,702	1,188,644	934,237	507,259
Public works	520,733	917,725	768,481	-
Health and social services	26,349	32,012	31,421	-
Culture and recreation	1,133,197	1,126,948	949,652	134,103
Community and economic development	-	18,946	586	-
Other activities	-	-	-	790,110
Operating grants and contributions	4,753,242	2,836,357	2,259,186	9,115,987
Capital grants and contributions	11,521,297	7,426,729	6,005,701	3,261,853
Total Governmental Activities Program Revenues	18,687,520	13,547,361	10,949,264	13,809,312

Table 2

						Fiscal Year					
2020		2019		2018		2017		2016		2015	
\$	3,383,662	\$	2,884,048	\$	2,691,821	\$	2,683,181	\$	2,506,268	\$	2,518,372
	10,957,695		11,127,573		11,480,697		11,199,350		10,754,469		10,241,427
	10,312,487		9,574,719		9,106,466		8,485,842		9,511,930		10,250,497
	411,439		401,381		391,249		390,046		413,573		439,606
	4,694,894		4,522,392		4,416,702		4,149,309		4,258,749		4,149,775
	17,929,749		7,670,240		2,326,652		2,717,656		2,054,156		2,289,522
	1,318,715		809,206		600,722		623,661		686,189		755,292
	<u>49,008,641</u>		<u>36,989,559</u>		<u>31,014,309</u>		<u>30,249,045</u>		<u>30,185,334</u>		<u>30,644,491</u>
	5,220,900		5,513,438		4,953,457		5,146,266		5,193,904		4,975,418
	3,863,136		4,047,256		3,914,179		3,725,216		3,739,623		3,749,185
	2,162,857		2,103,937		2,021,967		2,017,871		1,907,191		1,721,519
	384,870		368,898		390,888		352,923		356,153		311,137
	216,945		231,183		205,456		192,538		189,771		166,928
	1,529,463		1,507,834		1,406,757		1,384,561		1,337,596		1,439,651
	451,683		468,268		436,977		457,069		467,724		445,611
	135,022		126,024		126,708		141,304		134,594		128,181
	269,799		-		-		-		-		-
	<u>14,234,675</u>		<u>14,366,838</u>		<u>13,456,389</u>		<u>13,417,748</u>		<u>13,326,556</u>		<u>12,937,630</u>
\$	<u>63,243,316</u>	\$	<u>51,356,397</u>	\$	<u>44,470,698</u>	\$	<u>43,666,793</u>	\$	<u>43,511,890</u>	\$	<u>43,582,121</u>
\$	-	\$	-	\$	330,740	\$	348,218	\$	372,314	\$	344,976
	472,643		382,540		342,490		336,785		809,878		354,664
	-		-		-		-		-		-
	-		-		-		-		-		-
	80,072		69,662		529,384		537,921		558,680		542,348
	-		-		-		-		-		-
	872,446		1,038,401		186,455		237,072		240,179		175,344
	5,176,790		5,392,457		5,230,279		4,969,902		4,638,840		4,357,766
	1,260,562		1,005,405		1,359,323		1,425,444		2,139,435		1,387,300
	<u>7,862,513</u>		<u>7,888,465</u>		<u>7,978,671</u>		<u>7,855,342</u>		<u>8,759,326</u>		<u>7,162,398</u>

City of Mason City, Iowa
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2024	2023	2022	2021
Program Revenues (Continued)				
Business-type Activities				
Charges for services				
Water	\$ 7,320,448	\$ 7,518,751	\$ 7,054,308	\$ 6,676,613
Sewer	5,263,279	5,171,415	4,919,133	4,732,656
Ambulance	2,302,176	2,891,071	2,666,612	-
Cemetery	212,839	199,186	229,785	-
Storm sewer	454,157	457,359	437,114	-
Sold waste	1,864,173	1,853,981	1,786,665	-
Golf course	594,999	583,411	478,951	-
Parking lots	49,730	36,754	33,663	-
RCR Arena	199,037	306,959	163,211	-
Other activities	-	-	-	5,168,237
Operating grants and contributions	424,769	366,859	474,656	73,500
Capital grants and contributions	-	-	246,704	-
Total Business-type Activities Program Revenues	<u>18,685,607</u>	<u>19,385,746</u>	<u>18,490,802</u>	<u>16,651,006</u>
 Total Primary Government Program Revenues	<u>\$ 37,373,127</u>	<u>\$ 32,933,107</u>	<u>\$ 29,440,066</u>	<u>\$ 30,460,318</u>
 Net (Expense)/Revenue				
Governmental activities	\$ (17,259,389)	\$ (34,694,007)	\$ (23,673,866)	\$ (22,885,743)
Business-type activities	<u>3,502,151</u>	<u>436,436</u>	<u>2,097,711</u>	<u>1,045,720</u>
 Total Primary Government Net Expense	<u>\$ (13,757,238)</u>	<u>\$ (34,257,571)</u>	<u>\$ (21,576,155)</u>	<u>\$ (21,840,023)</u>
 General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes, levied for general purposes	\$ 18,409,678	\$18,395,339	\$18,164,436	\$16,490,075
Property taxes, levied for debt service	4,001,817	3,389,816	3,324,629	-
Other Taxes				
Tax increments	1,464,025	1,539,066	1,548,436	2,034,793
Local option sales tax	6,660,659	6,686,203	6,259,486	3,703,784
Hotel/motel tax	776,617	1,124,525	826,097	587,833
Airport Passenger facility charge	20,564	25,965	36,166	-
Grants and contributions not restricted to specific programs	2,139,305	2,063,277	1,477,344	25,107
Use of money and property(loss)	2,102,813	1,662,390	423,008	911,618
Miscellaneous	400,976	635,295	384,942	98,134
Gain on sale of capital assets	149	8,269	5,700	-
Transfers	3,653,185	1,365,513	1,852,358	125,560
Total Governmental Activities	<u>39,629,788</u>	<u>36,895,658</u>	<u>34,302,602</u>	<u>23,976,904</u>
 General Revenues and Other Changes in Net Position				
Business-type Activities				
Property taxes, levied for general purposes	195,518	187,966	182,716	1,537,844
Grants and contributions not restricted to specific programs	-	-	-	(170,757)
Unrestricted Use of money and property	275,549	342,777	23,495	146,963
Miscellaneous	-	-	-	255,191
Gain on sale of capital assets	67,451	-	14,996	-
Transfers	(3,653,185)	(1,365,513)	(1,852,358)	(125,560)
Total Business-type Activities	<u>(3,114,667)</u>	<u>(834,770)</u>	<u>(1,631,151)</u>	<u>1,643,681</u>
 Total Primary Government	<u>\$ 36,515,121</u>	<u>\$ 36,060,888</u>	<u>\$ 32,671,451</u>	<u>\$ 25,620,585</u>
 Changes in Net Position				
Governmental Activities	\$ 22,370,399	\$ 2,201,651	\$ 10,628,736	\$ 1,091,161
Business-type Activities	<u>387,484</u>	<u>(398,334)</u>	<u>466,560</u>	<u>2,689,401</u>
 Total Primary Government	<u>\$ 22,757,883</u>	<u>\$ 1,803,317</u>	<u>\$ 11,095,296</u>	<u>\$ 3,780,562</u>

Source: Financial Statements

Table 2 (Continued)

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 6,256,701	\$ 5,864,705	\$ 6,174,746	\$ 5,932,570	\$ 5,813,383	\$ 5,672,000
4,616,733	4,714,109	4,677,780	4,597,032	4,295,594	4,261,982
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,801,700	4,126,819	3,969,041	4,030,533	4,062,132	4,173,545
643,684	170,878	-	7,740	-	-
-	133,960	310,461	232,870	471,576	-
<u>16,318,818</u>	<u>15,010,471</u>	<u>15,132,028</u>	<u>14,800,745</u>	<u>14,642,685</u>	<u>14,107,527</u>
<u>\$ 24,181,331</u>	<u>\$ 22,898,936</u>	<u>\$ 23,110,699</u>	<u>\$ 22,656,087</u>	<u>\$ 23,402,011</u>	<u>\$ 21,269,925</u>
\$ (41,146,128)	\$ (29,101,094)	\$ (23,035,638)	\$ (22,393,703)	\$ (21,426,008)	\$ (23,482,093)
2,084,143	643,633	1,675,639	1,382,997	1,316,129	1,169,897
<u>\$ (39,061,985)</u>	<u>\$ (28,457,461)</u>	<u>\$ (21,359,999)</u>	<u>\$ (21,010,706)</u>	<u>\$ (20,109,879)</u>	<u>\$ (22,312,196)</u>
\$15,906,115	\$15,233,666	\$14,188,247	\$13,614,345	\$13,607,115	\$13,290,267
-	-	-	-	-	-
1,681,991	1,961,441	1,318,034	1,213,704	1,474,317	1,573,744
2,118,739	2,867,243	3,047,432	2,924,260	3,850,232	2,892,998
742,929	753,871	696,889	728,860	624,796	686,826
-	-	-	-	-	-
294,180	1,844	1,279	96,887	-	6,460
1,111,188	1,427,195	467,468	368,943	1,013,796	682,226
77,704	96,351	14,184	75,967	130,946	52,321
-	-	-	-	-	-
597,808	858,455	(75,385)	62,622	(54,818)	(121,215)
<u>22,530,654</u>	<u>23,200,066</u>	<u>19,658,148</u>	<u>19,085,588</u>	<u>20,646,384</u>	<u>19,063,627</u>
1,482,066	1,308,598	1,270,814	1,224,846	1,323,298	1,354,668
(170,316)	(164,279)	(156,448)	147,450	148,886	137,372
263,233	269,283	44,603	214,361	105,188	86,078
194,412	208,508	157,165	193,122	134,024	164,043
-	-	-	-	-	-
(589,973)	(858,455)	(75,385)	(62,622)	54,818	121,215
<u>1,179,422</u>	<u>763,655</u>	<u>1,240,749</u>	<u>1,717,157</u>	<u>1,766,214</u>	<u>1,863,376</u>
<u>\$ 23,710,076</u>	<u>\$ 23,963,721</u>	<u>\$ 20,898,897</u>	<u>\$ 20,802,745</u>	<u>\$ 22,412,598</u>	<u>\$ 20,927,003</u>
\$ (18,615,474)	\$ (5,901,028)	\$ (3,377,490)	\$ (3,308,115)	\$ (779,624)	\$ (4,418,466)
3,263,565	1,407,288	2,916,388	3,100,154	3,082,343	3,033,273
<u>\$ (15,351,909)</u>	<u>\$ (4,493,740)</u>	<u>\$ (461,102)</u>	<u>\$ (207,961)</u>	<u>\$ 2,302,719</u>	<u>\$ (1,385,193)</u>

City of Mason City, Iowa
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2024	2023	2022	2021	2020
General Fund					
Nonspendable	\$ 339,330	\$ 260,064	\$ 214,952	\$ 182,464	\$ 173,670
Restricted	653,606	917,148	970,041	783,614	643,272
Assigned	1,146,216	2,558,420	828,626	1,233,276	721,468
Unassigned	11,317,187	10,594,760	10,616,365	8,658,060	5,531,846
Total General Fund	<u>\$ 13,456,339</u>	<u>\$ 14,330,392</u>	<u>\$ 12,629,984</u>	<u>\$ 10,857,414</u>	<u>\$ 7,070,256</u>
All Other Governmental Funds					
Nonspendable	\$ 816,839	\$ 721,495	\$ 713,807	\$ 651,067	\$ 649,596
Restricted	21,914,726	22,831,955	25,675,772	16,626,440	13,429,444
Committed	7,144,355	5,062,490	-		
Assigned	776,533	971,831	1,722,850	1,793,772	1,517,685
Unassigned	(122,540)	(80,754)	(299,390)	20,012	422,773
Total All Other Governmental Funds	<u>\$ 30,529,913</u>	<u>\$ 29,507,017</u>	<u>\$ 27,813,039</u>	<u>\$ 19,091,291</u>	<u>\$ 16,019,498</u>

Source: Financial Statements

Table 3

Fiscal Year				
2019	2018	2017	2016	2015
\$ 155,281	\$ 165,990	\$ 154,615	\$ 139,659	\$ 150,431
615,001	669,691	764,810	902,107	1,041,256
837,357	578,860	555,113	1,340,521	244,094
4,746,555	4,318,537	3,807,449	4,477,546	5,531,032
<u>\$ 6,354,194</u>	<u>\$ 5,733,078</u>	<u>\$ 5,281,987</u>	<u>\$ 6,859,833</u>	<u>\$ 6,966,813</u>
\$ 649,198	\$ 648,345	\$ 706,119	\$ 573,521	\$ 547,542
21,487,577	9,826,300	9,385,578	11,657,353	12,698,720
1,457,329	1,346,304	1,311,686	1,199,497	1,154,724
286,983	961,675	259,100	88,029	32,253
<u>\$ 23,881,087</u>	<u>\$ 12,782,624</u>	<u>\$ 11,662,483</u>	<u>\$ 13,518,400</u>	<u>\$ 14,433,239</u>

City of Mason City, Iowa
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2024	2023	2022	2021
Revenues				
Taxes	\$ 29,780,362	\$ 29,614,614	\$ 28,741,925	\$ 25,349,889
Special assessments	15,744	13,741	34,487	17,133
Licenses and permits	7,962	9,245	8,515	661,865
Intergovernmental revenue	17,513,618	11,799,283	9,127,436	11,160,811
Charges for services	1,438,483	1,626,452	1,382,833	672,767
Fines and forfeits	26,458	67,530	48,475	79,707
Use of money and property	2,006,769	1,549,316	381,190	853,403
Refunds	97,789	41,461	105,990	140,673
Miscellaneous	1,836,454	1,704,403	1,304,081	891,135
Total Revenues	52,723,639	46,426,045	41,134,932	39,827,383
Expenditures				
General government	3,372,908	2,948,606	3,018,955	2,543,243
Public safety	12,755,563	12,747,686	11,921,140	10,782,049
Public works	4,768,808	1,198,180	1,205,544	4,251,672
Health and social services	297,024	363,982	389,456	416,585
Culture and recreation	4,147,786	4,120,736	3,710,544	3,319,691
Community and economic development	8,132,170	3,550,098	2,344,347	3,588,200
Capital outlay	30,017,932	19,270,598	17,912,414	7,644,944
Debt service				
Principal	4,858,550	4,773,607	4,292,304	4,269,000
Interest	1,812,594	1,421,838	1,378,428	1,185,055
Bond issuance costs	90,197	-	146,930	74,993
Total Expenditures	70,253,532	50,395,331	46,320,062	38,075,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,529,893)	(3,969,286)	(5,185,130)	1,751,951
Other Financing Sources (Uses)				
Sale of capital assets	149	17,269	129,406	6,591,535
Transfers in	16,997,147	18,650,570	6,647,310	(5,428,861)
Transfers out	(12,063,962)	(16,005,057)	(3,494,952)	4,665,000
Bonds issued	11,642,700	4,545,000	10,967,850	124,873
Premium on bonds issued	1,102,702	155,890	247,707	-
Total Other Financing Sources (Uses)	17,678,736	7,363,672	14,497,321	5,952,547
Net Change in Fund Balances	\$ 148,843	\$ 3,394,386	\$ 9,312,191	\$ 7,704,498
Debt Service as a Percentage of Noncapital Expenditures	16.42%	17.24%	16.75%	18.17%

Source: Financial Statements

* The capital outlay is broken down in the ACFR's by function of government but consolidated on this table.

Table 4

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 23,666,702	\$ 22,762,871	\$ 21,094,400	\$ 20,464,382	\$ 20,820,512	\$ 20,386,685
12,981	15,996	16,622	16,125	17,561	22,988
703,669	617,470	559,895	571,825	594,415	580,014
6,148,561	5,848,277	5,893,042	5,912,079	6,025,276	5,207,187
659,145	809,729	761,359	834,127	894,300	754,598
49,366	47,708	51,193	37,919	74,775	59,722
1,055,724	1,358,680	473,217	361,485	984,474	660,836
2,342	4,295	5,112	10,048	27,189	11,077
726,980	732,328	712,928	712,928	917,396	643,736
<u>33,025,470</u>	<u>32,197,354</u>	<u>29,567,768</u>	<u>28,920,918</u>	<u>30,355,898</u>	<u>28,326,843</u>
3,087,109	2,737,217	2,613,006	2,580,027	2,438,650	2,454,268
10,424,238	10,607,328	11,159,565	10,092,328	10,309,925	10,068,835
4,034,783	4,289,697	4,011,891	3,665,692	3,429,410	3,488,692
372,354	379,095	374,804	374,330	398,199	439,271
3,323,169	3,362,668	3,300,474	3,110,549	3,222,303	3,184,421
2,291,716	2,055,858	2,224,006	2,643,901	2,825,572	2,228,117
22,022,560	14,787,630	5,748,868	8,447,797	6,355,203	4,103,833
3,219,000	8,134,000	3,299,000	3,425,000	3,330,000	3,446,922
1,268,535	574,358	545,933	587,989	653,668	693,901
48,680	179,050	57,654	42,211	37,374	62,138
<u>50,092,144</u>	<u>47,106,901</u>	<u>33,335,201</u>	<u>34,969,824</u>	<u>33,000,304</u>	<u>30,170,398</u>
<u>(17,066,674)</u>	<u>(14,909,547)</u>	<u>(3,767,433)</u>	<u>(6,048,906)</u>	<u>(2,644,406)</u>	<u>(1,843,555)</u>
4,049,108	3,933,607	2,590,109	2,852,026	2,505,126	2,488,068
(2,411,300)	(2,175,152)	(1,808,777)	(1,989,404)	(2,359,944)	(2,309,238)
7,920,000	25,725,000	3,020,000	1,410,000	1,335,000	3,185,000
91,650	495,055	93,324	379	30,853	128,026
-	-	-	-	-	-
<u>9,649,458</u>	<u>27,978,510</u>	<u>3,894,656</u>	<u>2,273,001</u>	<u>1,511,035</u>	<u>3,491,856</u>
<u>\$ (7,417,216)</u>	<u>\$ 13,068,963</u>	<u>\$ 127,223</u>	<u>\$ (3,775,905)</u>	<u>\$ (1,133,371)</u>	<u>\$ 1,648,301</u>
10.17%	22.35%	13.67%	15.31%	15.09%	15.84%

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City of Mason City, Iowa
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

Table 5

Fiscal Year	Property Taxes		Tax Increments	Local Option Sales Tax	Hotel-Motel Tax	Airport Passanger Facility Charge	Total
	Levied for General Purposes	Levied for Debt Service					
2024	\$ 18,409,678	\$ 4,001,817	\$ 1,464,025	\$ 6,660,659	\$ 776,617	\$ 20,564	\$ 31,333,360
2023	18,395,339	3,389,816	1,539,066	6,686,203	1,124,525	25,965	31,160,914
2022	18,164,436	3,324,629	1,548,436	6,259,486	826,097	-	30,123,084
2021	16,490,075	-	2,034,793	3,703,784	587,833	-	22,816,485
2020	15,906,115	-	1,681,991	2,118,739	742,929	-	20,449,774
2019	15,233,666	-	1,961,441	2,867,243	753,871	-	20,816,221
2018	14,188,247	-	1,318,034	3,047,432	696,889	-	19,250,602
2017	13,614,345	-	1,213,704	2,924,260	728,860	-	18,481,169
2016	13,607,115	-	1,474,317	3,850,232	624,796	-	19,556,460
2015	13,290,267	-	1,573,744	2,892,998	686,826	-	18,443,835

Source: Financial Statements

City of Mason City, Iowa
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Utilities
2024	\$ 1,635,769,490	\$ 532,078,812	\$ 136,338,290	\$ 19,154,890	\$ 185,053,595
2023	1,713,117,516	530,162,929	126,948,000	18,715,680	185,048,406
2022	1,437,164,860	483,684,155	116,576,320	9,837,110	177,687,621
2021	1,216,615,090	446,194,874	106,972,910	9,662,650	174,681,446
2020	1,168,132,290	448,981,605	103,658,180	13,478,120	156,987,665
2019	1,103,186,780	442,166,319	104,191,500	13,535,280	106,961,652
2018	1,098,783,110	384,732,057	106,730,550	15,291,110	70,558,190
2017	1,091,398,550	352,091,031	99,274,430	15,455,130	63,509,283
2016	1,090,626,518	385,599,158	106,395,280	18,155,250	63,978,505
2015	1,084,170,413	375,551,210	99,342,061	12,935,557	51,062,791

Source: City Assessor

Note:

- (1) State mandated rollbacks have been applied to each class of property
- (2) Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Table 6

Total Taxable Assessed Value	Estimated ^{(1) (2)} Actual Taxable Value	Total Direct Tax Rate
\$ 2,508,395,077	\$ 2,925,864,096	13.988
2,573,992,531	2,782,814,029	13.998
2,224,950,066	2,393,667,826	14.026
1,954,126,970	1,219,248,761	17.226
1,891,237,860	1,326,806,601	15.985
1,770,041,531	1,219,655,794	16.141
1,676,095,017	1,145,774,966	16.173
1,621,728,424	1,084,921,577	16.456
1,664,754,711	1,132,555,552	16.170
1,623,062,032	1,106,330,731	16.756

City of Mason City, Iowa
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Mason City				Overlapping Rates County		
	Operating	Debt Service	Retirement	Total City	Operating	Debt Service	Total County
2024	8.485	2.910	2.594	13.988	5.189	0.274	5.463
2023	8.485	2.527	2.986	13.998	5.189	0.284	5.473
2022	8.591	2.528	2.908	14.026	5.492	0.292	5.784
2021	8.578	2.839	2.970	17.226	5.816	0.318	6.134
2020	8.468	2.264	2.990	15.985	5.847	0.352	6.199
2019	8.489	2.313	3.026	16.141	5.847	0.352	6.200
2018	8.428	2.470	2.805	16.173	5.688	0.545	6.233
2017	8.412	2.744	2.557	16.456	5.688	0.561	6.249
2016	8.331	2.652	2.535	16.170	5.842	0.408	6.249
2015	8.379	2.905	2.567	16.756	5.833	0.403	6.236

Source: Cerro Gordo County Auditor

Note: The City's general fund maximum property tax rate may only be \$8.10 per \$1,000 of valuation. The remaining portion of the operating rate and the rates for debt service and retirement are set based on each year's requirements.

Table 7

Overlapping Rates				Total Direct Rates	Total Overlapping Rates	Total Direct and Overlapping Rates
School District			Special Districts			
Operating	Debt Service	Total School				
12.800	2.163	14.962	3.004	13.988	23.429	37.417
15.017	1.849	16.866	3.004	13.998	25.343	39.341
15.997	1.000	16.997	3.004	14.026	25.784	39.811
12.028	2.391	14.420	3.004	17.226	23.557	40.783
12.553	1.644	14.197	3.004	15.985	23.400	39.385
12.648	1.616	14.264	3.004	16.141	23.467	39.608
12.697	1.433	14.130	3.004	16.173	23.367	39.540
12.516	1.435	13.951	3.004	16.456	23.204	39.660
11.327	1.871	13.198	3.004	16.170	22.451	38.622
11.047	-	11.047	3.004	16.756	20.286	37.043

City of Mason City, Iowa
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Golden Grain Energy LLC	\$ 37,577,420	1	0.23 %	\$ 19,194,660	1	0.18 %
FF Portfolio 2 LLC (Fleetfarm)	16,248,430	2	0.10	-		
Lehigh Portland Cement Company	15,320,440	3	0.10	15,041,400	2	0.14
Wal-Mart Real Estate Business Trust	14,889,380	4	0.09	11,599,630	4	0.11
Mason City Hotel Associates LLC/Kineth Hospitality	14,861,990	5	0.09	-		
General Foods/Kraft Heinz Foods Co.	13,572,820	6	0.08	-		
Russell & Joanne Hardy/River City Development	12,307,760	7	0.08	7,506,501	10	0.07
Dayton Hudson Corp.	12,283,470	8	0.08	7,789,770	8	0.07
Mason City Shopping Center LP	12,004,000	9	0.07	8,517,130	7	0.08
Tierney Properties/Brick & Tile LLC	11,781,890	10	0.07	7,676,710	9	0.07
Interstate Power Company				-		
Mills Fleet Farm				12,346,517	3	0.11
AADG Inc.				10,208,480	5	0.09
Principal Mutual Life Insurance Co.				-		
Sunny Fresh Foods Inc.				8,528,010	6	0.08
Total	<u>\$ 160,847,600</u>		<u>1.00 %</u>	<u>\$ 108,408,808</u>		<u>1.00 %</u>

Source: City Assessor

City of Mason City, Iowa
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 9

Fiscal Year Ended June 30,	Total Tax Levy for 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
2024	\$ 18,046,976	\$ 18,036,885	99.94 %	\$ -	\$ 18,036,885	99.94 %
2023	17,692,060	17,683,863	99.95	-	17,683,863	99.95
2022	17,668,314	17,656,894	99.94	-	17,656,894	99.94
2021	17,211,655	16,338,318	94.93	853,678	17,191,996	99.89
2020	16,403,537	13,945,957	85.02	2,457,580	16,403,537	100.00
2019	15,677,119	15,284,729	97.50	392,390	15,677,119	100.00
2018	15,006,783	14,680,773	97.83	326,010	15,006,783	100.00
2017	14,287,266	13,945,957	97.61	341,309	14,287,266	100.00
2016	14,019,135	13,731,010	97.94	288,125	14,019,135	100.00
2015	14,405,234	14,101,474	97.89	303,760	14,405,234	100.00

Source: Cerro Gordo County Auditor

City of Mason City, Iowa
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities	
	General Obligation Bonds	General Obligation Tax Increment Bonds (1)	General Obligation Revenue Bonds	Revenue Bonds
2024	\$ 27,891,607	\$ 26,061,051	\$ 7,111,135	\$ 4,018,033
2023	19,147,272	27,171,449	5,914,633	4,746,980
2022	18,271,974	28,251,844	7,089,222	6,457,477
2021	39,817,467	-	6,941,001	8,115,167
2020	39,348,347	-	6,798,171	9,812,000
2019	33,977,000	-	4,073,000	11,381,000
2018	16,386,000	-	4,454,000	12,904,000
2017	16,665,000	-	5,200,000	14,735,000
2016	18,680,000	-	5,818,000	16,512,000
2015	20,675,000	-	6,785,000	18,231,000

(1) During years 2021 - 2015, Tax Increment Bonds were reported with General Obligation Bonds.

Table 10

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$ 65,081,826	6.32 %	\$ 2,381
56,980,334	3.78	2,116
60,070,517	4.14	2,214
54,873,635	3.98	2,007
55,958,518	4.18	2,078
49,431,000	3.86	1,824
33,744,000	2.73	1,232
36,600,000	3.07	1,337
41,010,000	3.57	1,499
45,691,000	3.45	1,627

City of Mason City, Iowa
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	General Obligation Tax Increment Bonds ⁽²⁾	Revenue Bonds	Less: Amounts Paid from Proprietary Revenue	Less: Amounts Available in Debt Service Fund
2024	\$ 35,002,742	\$ 26,061,051	\$ 4,018,033	\$ 11,129,168	\$ 5,738,522
2023	25,061,905	27,171,449	4,746,980	10,661,613	4,059,769
2022	25,361,196	28,251,844	6,457,477	13,546,699	2,986,610
2021	46,758,468	-	8,115,167	15,056,168	948,780
2020	46,146,518	-	9,812,000	16,610,171	802,369
2019	38,050,000	-	11,381,000	15,454,000	702,475
2018	20,840,000	-	12,904,000	17,358,000	431,183
2017	21,865,000	-	14,735,000	19,935,000	266,664
2016	24,498,000	-	16,512,000	22,330,000	231,420
2015	27,460,000	-	18,231,000	25,016,000	202,580

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Table 6 for property value data.

⁽²⁾ During years 2021 - 2015, Tax Increment Bonds were reported with General Obligation Bonds.

Table 11

Total	Percentage of Total Taxable Assessed ⁽¹⁾ Value of Property	Per Capita
\$ 48,214,136	1.92 %	\$ 1,764
42,258,952	1.64	1,570
43,537,208	1.96	1,604
38,868,687	1.99	1,422
38,545,978	1.97	1,431
33,274,525	1.76	1,228
15,954,817	0.90	582
16,398,336	0.98	599
18,448,580	1.14	674
20,472,420	1.23	729

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City of Mason City, Iowa
 Computation of Direct and Overlapping Governmental Activities Debt
 June 30, 2024

Table 12

Governmental Unit	Debt Outstanding ⁽¹⁾	Estimated Percentage Applicable ⁽²⁾	Estimated Share of Overlapping Debt
Direct Debt			
City of Mason City (1)	\$ 53,952,658	100.00 %	\$ 53,952,658
Overlapping Debt (2):			
Mason City Community School District	40,247,865	88.60	35,658,988
Cerro Gerdo County	1,941,250	39.40	764,853
North Iowa Area Community College	42,720,000	0.00	-
Total Overlapping Debt	<u>84,909,115</u>		<u>36,423,841</u>
Total Direct and Overlapping Debt	<u>\$ 138,861,773</u>		<u>\$ 90,376,499</u>

Source: Information provided by individual unit.

(1) Excluding general obligation debt reported in the Enterprise Funds

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

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

City of Mason City, Iowa
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assessed Value (See Table 6)	\$ 2,508,395,077	\$ 2,573,992,531	\$ 2,224,950,066	\$ 1,954,126,970
Legal Debt Limit Debt limit (5% of assessed value)	125,419,754	128,699,627	111,247,503	97,706,349
Debt Applicable to Limit: (See Table 10)				
General Obligation Bonds	27,891,607	19,147,272	18,271,974	39,817,467
Less: Amount reserved for repayment of general obligation debt	(5,738,522)	(4,059,769)	(2,986,610)	(948,780)
Total Net Debt Applicable to Limit	<u>22,153,085</u>	<u>15,087,503</u>	<u>15,285,364</u>	<u>38,868,687</u>
Legal Debt Margin	<u>\$ 103,266,669</u>	<u>\$ 113,612,124</u>	<u>\$ 95,962,139</u>	<u>\$ 58,837,662</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.66%	11.72%	13.74%	39.78%

Table 13

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,891,237,860	\$ 1,770,041,531	\$ 1,676,095,017	\$ 1,621,728,424	\$ 1,664,754,711	\$ 1,623,062,032
94,561,893	88,502,077	83,804,751	81,086,421	83,237,736	81,153,102
39,348,347	33,977,000	16,386,000	16,665,000	18,680,000	20,675,000
<u>(802,369)</u>	<u>(702,475)</u>	<u>(431,183)</u>	<u>(266,664)</u>	<u>(231,420)</u>	<u>(202,580)</u>
<u>38,545,978</u>	<u>33,274,525</u>	<u>15,954,817</u>	<u>16,398,336</u>	<u>18,448,580</u>	<u>20,794,384</u>
<u>\$ 56,015,915</u>	<u>\$ 55,227,552</u>	<u>\$ 67,849,934</u>	<u>\$ 64,688,085</u>	<u>\$ 64,789,156</u>	<u>\$ 60,358,718</u>
40.76%	37.60%	19.04%	20.22%	22.16%	25.62%

City of Mason City, Iowa
Pledged-Revenue Coverage
Last Ten Fiscal Years

Table 14

Sewer ⁽¹⁾						
Year	Operating Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
2024	\$ 5,263,279	\$ 3,738,225	\$ 1,525,054	\$ 1,043,059	\$ 130,410	1.30
2023	5,120,216	4,316,946	803,270	917,007	121,043	0.77
2022	4,877,506	3,951,495	926,011	827,778	131,666	0.97
2021	4,851,311	2,386,172	2,465,139	671,000	120,435	3.11
2020	4,840,407	2,393,147	2,447,260	649,000	131,793	3.13
2019	4,749,793	2,451,636	2,298,157	629,000	244,800	2.63
2018	4,786,771	2,305,877	2,480,894	609,000	280,770	2.79
2017	4,695,450	2,037,107	2,658,343	590,000	280,770	3.05
2016	4,370,454	1,971,813	2,398,641	571,000	297,000	2.76
2015	4,335,092	1,978,379	2,356,713	883,000	327,360	1.95

Waterworks ⁽¹⁾						
Year	Operating Revenues	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
2024	\$ 7,320,448	\$ 5,726,660	\$ 1,593,788	\$ 847,877	\$ 134,344	1.62
2023	7,433,840	7,012,910	420,930	1,756,375	84,758	0.23
2022	6,993,378	6,208,119	785,259	1,874,880	114,308	0.39
2021	6,725,541	3,942,019	2,783,522	948,000	51,275	2.79
2020	6,352,552	3,508,550	2,844,002	920,000	67,375	2.88
2019	5,971,626	3,803,926	2,167,700	894,000	83,020	2.22
2018	6,250,304	3,246,149	3,004,155	867,000	98,193	3.11
2017	5,992,973	3,376,976	2,615,997	1,187,000	141,638	1.97
2016	5,858,228	3,333,041	2,525,187	1,148,000	149,038	1.95
2015	5,706,729	3,114,612	2,592,117	1,109,000	196,048	1.99

Source: City of Mason City Financial Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Mason City, Iowa
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 15

Fiscal Year	Population ⁽¹⁾	Personal Income	Per Capita (2) Personal Income	Medium Age (2)	School ⁽³⁾ Enrollment (K-12)	Unemployment Rate ⁽⁴⁾
2024	27,338	\$ 1,029,467,066	\$ 37,657	43	3,351	3.4 %
2023	26,924	1,507,986,316	56,009	43	3,405	3.3
2022	27,138	1,449,332,028	53,406	42	3,404	2.9
2021	27,338	1,377,753,000	50,397	43	3,625	8.4
2020	26,931	1,337,286,000	49,656	42	3,593	2.6
2019	27,093	1,280,767,000	47,273	43	3,639	2.9
2018	27,399	1,238,243,000	45,193	43	3,744	3.5
2017	27,366	1,191,105,000	43,525	43	3,737	3.7
2016	27,366	1,149,618,000	42,009	42	3,746	4.5
2015	28,079	1,322,633,000	47,104	44	3,725	4.8

Source:

- (1) U.S. Census Bureau decennial census
- (2) Department of Economic Development, State Demographer
- (3) Mason City Community School District
- (4) Iowa Workforce Development

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City of Mason City, Iowa
Principal Employers
2024 and Nine Years Ago

Table 16

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mercy One North Iowa	1,943	1	11.81 %	2,650	1	20.50 %
Curries Manufacturing Company	649	2	3.95	600	2	4.60
Mason City Schools	595	3	3.62	530	4	4.10
Good Shepherd	321	4	1.95	320	7	2.50
Principal Financial Group	316	5	1.92	460	5	3.60
Cargill Kitchens Solutions	273	6	1.66	-		-
City of Mason City	260	7	1.58	259	10	2.00
Smithfield	249	8	1.51	-		-
Cerro Gordo County	238	9	1.45	-		-
NIACC	219	10	1.33	-		-
Hy-Vee Food Stores	-		-	548	3	4.20
Graham Manufacturing	-		-	300	9	2.30
Wal-Mart Stores	-		-	387	6	3.00
Armour-Eckrich Meats	-		-	300	8	2.30
Total	5,063		30.78 %	6,354		49.10 %

Source:

North Iowa Corridor Economic Development Corporation
Mason City Chamber of Commerce
Iowa Workforce Development

City of Mason City, Iowa
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30			
	2024	2023	2022	2021
Public Safety				
Police - sworn	42.00	41.00	42.00	41.00
Police – civilian	6.00	6.00	5.00	8.00
Fire - sworn	48.00	46.00	47.00	44.00
Fire – civilian	1.00	1.00	1.00	1.00
Building Inspection	1.00	1.00	1.00	1.00
Plumbing/Electrical Inspection Public works:	2.00	2.00	2.00	2.00
Public Works				
Airport	7.00	7.00	6.00	6.00
Street	16.00	22.00	21.00	19.00
Arborist	9.00	6.00	6.00	6.00
Engineer	7.00	7.00	7.00	7.00
Health and social services:				
Youth Task Force	2.00	3.00	4.00	4.00
Health	1.00	1.00	1.00	1.00
Human Rights	-	-	-	-
Culture and recreation:				
Parks	6.00	6.00	6.00	6.00
Recreation	4.00	4.00	4.00	4.00
RCR Arena	1.00	1.00	1.00	1.00
Library	14.00	14.00	15.00	15.00
Museum	7.00	7.00	7.00	7.00
Community and economic development:				
Neighborhood Services	3.00	3.00	3.00	3.00
Growth Development and Planning	4.00	4.00	4.00	4.00
Transit	17.00	13.00	19.00	17.00
General government:				
Administrator	2.00	2.00	2.00	2.00
Finance	11.00	11.00	9.00	10.00
Clerk	1.00	1.00	1.00	1.00
Personnel/Safety	2.00	2.00	2.00	2.00
Business-type activities:				
Water	18.00	18.00	18.00	2.00
Sewer	16.00	16.00	15.00	17.00
Sanitation	12.00	12.00	12.00	15.00
Cemetery	3.00	3.00	3.00	12.00
Golf course	2.00	2.00	2.00	3.00
Total	<u>265.00</u>	<u>262.00</u>	<u>266.00</u>	<u>261.00</u>

Table 17

Full-time Equivalent Employees as of June 30

2020	2019	2018	2017	2016	2015
42.00	47.00	46.00	46.00	50.00	47.00
5.00	5.00	5.00	5.00	5.00	5.00
47.00	44.00	46.00	44.00	44.00	44.00
1.00	1.00	1.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
6.00	5.00	5.00	5.00	5.00	5.00
21.00	22.00	20.00	23.00	21.00	21.00
6.00	4.00	4.00	1.00	1.00	1.00
7.00	7.00	7.00	7.00	7.00	7.00
4.00	4.00	4.00	4.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	-
6.00	6.00	6.00	6.00	6.00	6.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	-	-	-	-	-
15.00	15.00	15.00	15.00	15.00	17.00
7.00	7.00	7.00	6.00	6.00	7.00
3.00	3.00	3.00	3.00	4.00	4.00
4.00	4.00	4.00	4.00	3.00	3.00
19.00	16.00	16.00	16.00	16.00	17.00
2.00	2.00	2.00	2.00	2.00	2.00
9.00	10.00	10.00	10.00	10.00	10.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	18.00	18.00	18.00	18.00	18.00
18.00	15.00	15.00	15.00	15.00	15.00
15.00	12.00	12.00	12.00	12.00	11.00
12.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	2.00
<u>266.00</u>	<u>264.00</u>	<u>263.00</u>	<u>261.00</u>	<u>262.00</u>	<u>261.00</u>

City of Mason City, Iowa
 Operating Indicators By Function/Program
 Last Ten Fiscal Years

	2024	2023	2022	2021
Police				
Physical arrests	1,800.00	1,148.00	1,172.00	1,263.00
Parking violations	2,046.00	1,868.00	820.00	2,440.00
Traffic violations	3,727.00	2,734.00	1,626.00	1,709.00
Fire				
Fire calls answered	801.00	802.00	724.00	731.00
Ambulance calls answered	5,108.00	5,847.00	5,853.00	5,571.00
Inspections	2,198.00	2,818.00	2,465.00	27,180.37
Highways and streets				
Street Resurfacing (miles)	3.01	1.13	2.03	0.37
Potholes repaired	6,000.00	6,000.00	6,000.00	6,000.00
Sanitation:				
Refuse Collected	37.20	37.20	38.60	37.45
Recyclables Collected	3.77	3.77	4.19	4.04
Culture and recreation				
Aquatic Center admissions	29,869.00	35,569.00	32,303.00	12,263.00
Water:				
New connections	17.00	25.00	14.00	22.00
Water main breaks	12.00	20.00	30.00	18.00
Average daily consumption (thousands of gallons)	3,659.00	4,717.00	4,377.00	4,140.00
Wastewater:				
Average daily sewage treatment (thousands of gallons)	5,034.00	5,284.00	5,331.00	4,337.00
Total				

Table 18

2020	2019	2018	2017	2016	2015
1,998.00	2,021.00	2,673.00	3,110.00	3,032.00	2,904.00
3,133.00	4,978.00	3,589.00	2,414.00	2,101.00	2,596.00
2,656.00	3,387.00	3,442.00	3,568.00	3,675.00	3,497.00
667.00	671.00	1,072.00	1,109.00	676.00	609.00
5,247.00	5,214.00	4,847.00	4,771.00	4,962.00	5,068.00
22,830.04	553.00	2,241.38	645.00	1,735.00	1,113.00
0.04	-	1.38	-	-	0.79
6,000.00	6,000.00	6,000.00	6,000.00	5,550.00	5,300.00
36.04	35.80	30.63	30.76	30.08	31.93
3.79	3.76	3.82	3.95	4.21	4.43
26,747.00	28,305.00	31,337.00	31,984.00	35,799.00	32,791.00
2.00	17.00	27.00	29.00	32.00	39.00
16.00	18.00	17.00	12.00	8.00	11.00
4,141.00	4,174.00	4,365.00	4,336.00	4,249.00	4,528.00
6,918.00	8,702.00	6,801.00	7,995.00	6,747.00	6,311.00

City of Mason City, Iowa
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

	2024	2023	2022	2021
Public safety				
Police stations	1.00	1.00	1.00	1.00
Fire stations	1.00	1.00	1.00	1.00
Public works				
Street miles				
paved	154.15	154.35	154.35	154.21
unpaved	41.26	40.93	40.93	40.93
Streetlights	1,948.00	1,948.00	1,948.00	1,945.00
Culture and recreation:				
Parks	41.00	41.00	41.00	41.00
Acreage	639.00	639.00	639.00	639.00
Playgrounds	23.00	23.00	23.00	23.00
Baseball/softball diamonds	12.00	12.00	12.00	12.00
Golf courses	1.00	1.00	1.00	1.00
Swimming pools	1.00	1.00	1.00	1.00
Tennis courts	4.00	7.00	7.00	7.00
Pickleball courts	12.00	6.00	6.00	6.00
Business-type activities:				
Sewer miles:				
storm	50.90	50.90	50.90	50.83
sanitary	165.71	165.71	165.71	165.58
Cemetery				
Facilities	1.00	1.00	1.00	1.00
Acreage	74.12	74.12	74.12	74.12

Table 19

2020	2019	2018	2017	2016	2015
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
153.89	153.37	153.37	153.16	152.49	452.32
40.93	40.93	40.93	40.93	40.93	40.93
1,931.00	1,818.00	1,788.00	1,784.00	1,770.00	1,770.00
41.00	41.00	41.00	41.00	41.00	41.00
639.00	639.00	639.00	639.00	639.00	639.00
23.00	23.00	12.00	12.00	12.00	12.00
12.00	12.00	12.00	12.00	12.00	12.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	11.00	1.00	1.00
7.00	7.00	7.00	7.00	7.00	7.00
6.00	6.00	6.00	6.00	-	-
50.50	50.16	50.14	50.12	49.35	49.01
165.44	165.44	165.32	165.18	164.99	164.57
1.00	1.00	1.00	1.00	1.00	1.00
74.12	74.12	74.12	74.12	74.12	74.12

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SINGLE AUDIT AND OTHER REQUIRED REPORTS

CITY OF MASON CITY
MASON CITY, IOWA

FOR THE YEAR ENDED
JUNE 30, 2024

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

Honorable Mayor and City Council
City of Mason City, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Mason City, Iowa (the City), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or *Iowa legal compliance 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
December 30, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and City Council
City of Mason City, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Mason City, Iowa (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses and Questioned Costs.

In our opinion, the City 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, 2024.

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 the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City'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 City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City'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 the judgment made by a reasonable user of the report on compliance about the City'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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City'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 that 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 weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



Abdo
Minneapolis, Minnesota
December 30, 2024



City of Mason City, Iowa
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Awarding Agency	Pass-through Entity	Program Name	Domestic Assistance Number	State or Other Contract Number	Federal Program Clusters	Amount Expended
U. S. Department of Treasury	Iowa Department of Revenue	Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027C	N/A		\$ 1,857,434
U. S. Department of Transportation	Iowa Department of Transportation	Highway Planning and Construction	20.205	N/A		974,933
U. S. Department of Transportation	Iowa Department of Transportation	State and Community Highway Safety	20.600	402-MOPT, Task 29-00-00	<u>2,397</u>	
	Total Highway Safety Cluster					2,397
U. S. Department of Housing and Urban Development	Iowa Department of Economic Development	COVID-19 Community Development Block Grant	14.228C	20-CVN-005		65,651
U. S. Department of Justice	Iowa Department of Justice	Violence Against Women Formula Grants	16.588	VS-22-46-LE		14,743
U. S. Department of Justice	Direct	Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A		21,313
U. S. Department of Justice	Direct	Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2019-MO-BX-0049		143,600
U. S. Department of Justice	Direct	Bullet Proof Vest Program	16.607			7,755
U. S. Department of Transportation	Iowa Department of Transportation	Airport Improvement Program	20.106	3-19-0059-46, 48, 51, 53		9,969,089
U. S. Department of Transportation	Iowa Department of Transportation	COVID-19 Airport Improvement Program	20.106C	3-19-0059-47-2019		9,143
U. S. Department of Transportation	Iowa Department of Transportation	Formula Grants for Rural Areas	20.509	2020-010-00, 01		624,447
Environmental Protection Agency	Direct	City Brownfields Community Wide Assessment Grant	66.818			85,167
U. S. Department of Homeland Security	Iowa Department of Homeland Security and Emergency Management	Disasster Grants - Public Assistance	97.036			18,206
U. S. Department of Homeland Security	Direct	Law Enforcement-Based Victim Specialist Program	16.582			65,478
U. S. Department of Homeland Security	Direct	Staffing for Adequate Fire and Emergency Response	97.044	EMW-2018-FH-00366		<u>86,707</u>
Total Federal Expenditures						<u>\$ 13,946,063</u>

City of Mason City, Iowa
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Mason City, Iowa (the City) under programs of the federal government for the year ended June 30, 2024. The City's reporting entity is defined in Note 1A to the City's financial statements. 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 operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit-Organizations, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Pass-through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

4. Subrecipients

There were no expenditures in the current year provided to subrecipients.

5. Indirect Cost Rate

During the year ended June 30, 2024, the City did not elect to use the 10 percent de minimis indirect cost rate.

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City of Mason City, Iowa
 Schedule of Findings, Responses and Questioned Costs
 For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a) of the Uniform Guidance.	No

Identification of Major Programs/Clusters

CFDA No.

Airport Improvement Program	20.106
Airport Improvement Program - Covid-19	20.106C
Community Development Block Grants	14.228
Community Development Block Grants - Covid-19	14.228C
Highway Planning and Construction	20.205
Dollar threshold used to distinguish between Type A and Type B Programs	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None.

Section III - Major Federal Award Findings and Questioned Costs

There are no significant deficiencies, material weaknesses or instances of noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

Section IV - Schedule of Prior Year Audit Findings

There were prior year findings and they are included in the Schedule of Prior Year Audit Findings.

City of Mason City, Iowa
 Schedule of Findings, Responses and Questioned Costs (Continued)
 For the Year Ended June 30, 2024

Finding Description

Other Matters Related to Required Statutory Reporting

- IV-A-21 Official Depositories - A resolution naming official depositories has been adopted by the City Council.
- IV-B-21 Certified Budget – Disbursements during the year ended June 30, 2024, did not exceed the amounts budgeted.
- IV-C-21 Questionable Disbursements - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-D-21 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- IV-E-21 Business Transactions – No material business transactions appear to represent conflict of interests. Business Transactions between the City and City officials or employees were in accordance with Chapter 362.5 of the Code of Iowa.
- IV-G-21 Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-H-21 Deposits and Investments - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.
- IV-I-21 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.
- IV-J-21 Revenue Bonds – No instances of noncompliance with water or sewer revenue note provisions were noted.
- IV-K-21 Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- IV-L-21 Financial Condition – At June 30, 2024, the City had deficit balances in the following funds:

Fund	Amount
Nonmajor Funds	
Special Revenue	
Downtown Reinvestment	\$ 122,540

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

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

Conclusion – Response accepted.

City of Mason City, Iowa
Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

2023-001 Reconciliation of Bank and Investment Balances to the General Ledger

Condition: It was noted the year-end and monthly bank and investment reconciliations were prepared, however, the detailed reconciliations did not balance to the general ledger.

Criteria: Internal controls and procedures should be in place to provide reasonable assurance over the reliability of financial records and reporting.

Cause: Timing of cash transactions have not been properly recorded.

Effect: Without bank and investment reconciliations completed, the accuracy of monthly financial information may not be accurate and allow for errors or incomplete information to go unnoticed longer.

Recommendation: We recommend that the City correctly reconcile the bank statement to the general ledger every month and account for any unknown differences.

Management Response:

City staff is aware of this issue and will work to resolve it as soon as possible.

Current Status

During 2024, the City took appropriate steps to remedy the bank reconciliation deficiencies.

<u>Finding</u>	<u>Description</u>
----------------	--------------------

2023-002	Timely Reporting of Expenditures on the Schedule of Expenditures of Federal Awards.
-----------------	--

<i>Condition:</i>	During our audit, we noted errors related to calculations of federal expenditures on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	Uniform Guidance requires proper reporting of federal expenditures.
<i>Cause:</i>	Federal grant reimbursement requests were not submitted timely. Management did not have the information needed to prepare the Schedule of Expenditures of Federal Awards.
<i>Effect:</i>	By not submitting timely reimbursement requests for federal grants, the Schedule of Expenditures of Federal Awards did not reflect the correct amount of federal expenditures.
<i>Recommendation:</i>	We recommend that the Organization implement a review process to ensure correct reporting on the Schedule of Expenditures of Federal Awards prior to the audit, including a reconciliation between the Schedule of Expenditures of Federal Awards and the accounting system. We also recommend updating the federal grant tracking spreadsheet to track expenditures by fiscal year.

Management Response:

City staff is aware of this issue and will work to resolve it as soon as possible.

Current Status

During the 2024 audit, the City was able to properly report all information necessary for a complete Schedule of Expenditures of Federal Awards.