

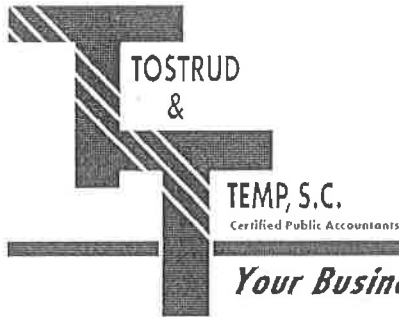
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

EASTERN IOWA REGIONAL UTILITY  
SERVICE SYSTEMS COMMISSION

June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Eastern Iowa Regional Utility Service Systems Commission  
Dubuque, Iowa

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Eastern Iowa Regional Utility Service Systems Commission, Dubuque, Iowa ("Commission"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission'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 business-type activities of the Eastern Iowa Regional Utility Service Systems Commission, Dubuque, Iowa, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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 Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The accompanying combining and individual program financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations 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 statements 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 program financial statements 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024, on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance:

*Trustad & Temp, S.C.*

November 7, 2024

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

The Eastern Iowa Regional Utility Service Systems (EIRUSS) is an organization created by the Cedar, Clinton, Delaware, Jackson, and Jones County Boards of Supervisors under Code of Iowa, Chapter 28E, which allows local governments to establish agreements that enable them to provide joint services and facilities with other agencies and cooperate in other ways of mutual advantage.

The purpose of EIRUSS is to plan, design, develop, finance, construct, own, operate and maintain essential facilities and services including, but not limited to, wastewater treatment systems and water systems for and on behalf of the counties and the cities and unincorporated areas within the counties. East Central Intergovernmental Association (ECIA) is the management agent.

As management agent of EIRUSS, we offer the readers of EIRUSS's financial statements this narrative overview and analysis of the financial activities of EIRUSS for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with EIRUSS's financial statements, which follow this discussion and analysis.

**FINANCIAL HIGHLIGHTS**

- The assets of EIRUSS exceeded its liabilities at June 30, 2024 by \$4,689,975 (net position).
- EIRUSS's net position increased by 31.7%, or \$1,129,202, from June 30, 2023 to June 30, 2024.
- Total operating revenues decreased 2.0%, or approximately \$9,700 from FY 2023 to FY 2024.
- Total operating and depreciation expenses increased 6.8%, or approximately \$47,900 more in FY 2024 than in FY 2023.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to EIRUSS's basic financial statements. The financial statements included in this report are designed to provide readers with a broad overview of EIRUSS's finances, in a manner similar to a private sector business. EIRUSS utilizes the accrual basis of accounting, which recognizes revenues and expenses when earned, regardless of when cash is received or paid. The following statements are included in this report:

- *Statement of Net Position* - This statement presents information on all of EIRUSS's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of EIRUSS is improving or deteriorating.
- All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenditures and Changes in Net Position*. This statement measures the success of EIRUSS's operations. It can be used to determine whether EIRUSS has successfully recovered all its costs through its rates, fees and other revenues. This statement also measures EIRUSS's profitability and credit worthiness.



**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

- *Statement of Cash Flows* – This statement presents the change in cash and cash equivalents during the year. This information can assist the user of the report in determining how EIRUSS financed its activities and how it met its cash requirements.
- *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.
- *Supplemental Financial Information* further explains and supports the financial statements and includes a schedule of Federal Financial Assistance.

**ANALYSIS OF NET POSITION**

As previously noted, net position may serve over time as a useful indicator of EIRUSS's financial position. The analysis that follows focuses on the changes in the components that make up net position.

**CONDENSED STATEMENT OF NET POSITION**

	<b>2024</b>	<b>2023</b>	<b>NET CHANGE</b>	<b>PERCENT CHANGE</b>
Cash and investments	339,923	367,381	(27,458)	(7.5)
Other Current Assets	333,710	1,051,652	(717,942)	(68.3)
Capital Assets	9,346,939	7,877,124	1,469,815	18.7
Total Assets	10,020,572	9,296,157	724,415	7.8
Current Liabilities	919,577	1,875,573	(955,996)	(51.0)
Noncurrent Liabilities	4,411,020	3,859,811	551,209	14.3
Total Liabilities	5,330,597	5,735,384	(404,787)	(7.1)
Net Investment in Capital Assets	4,498,835	3,225,399	1,273,436	39.5
Restricted	320,139	332,847	(12,708)	(3.8)
Unrestricted	(128,999)	2,527	(131,526)	(5204.8)
Total Net Position	4,689,975	3,560,773	1,129,202	31.7

Cash and investments decreased approximately \$27,500 due to increased service fees costs for all systems across the board in FY24. The decrease of \$717,900 in Other Current Assets is due to a grant receivable at June 30, 2023 for the Petersburg project that was received in FY24. The increase of \$1,469,800 in capital assets is due to an increase of \$1,803,200 in Construction in Progress on the Droessler and Petersburg projects and offset due to annual depreciation of \$333,400. Current liabilities decreased approximately \$956,000 primarily due to a \$921,700 payable to the Petersburg project subcontractor at June 30, 2023 paid to the subcontractor in early FY24. Noncurrent liabilities increased \$551,200 due to the borrowing for construction projects and the changes in current maturities of long-term debt from the Petersburg Sewer System \$700,000 bond anticipation note in FY23 being converted to an USDA utility bond in FY24.

**ANALYSIS OF REVENUES AND EXPENDITURES**

The Statement of Revenues, Expenses and Changes in Net Position identifies the various revenue and expense items which affect the change in net position.

**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**CONDENSED STATEMENT OF REVENUES  
EXPENSES AND CHANGES IN NET POSITION**

	2024	2023	NET CHANGE	PERCENT CHANGE
Revenues:				
Grant income	0	35,309	(35,309)	(100.0)
Operating revenues	467,485	437,842	29,643	6.8
Misc Income	14,376	18,376	(4,000)	(21.8)
Interest Income	2,348	225	2,123	943.6
Total Revenue	484,209	491,752	(7,543)	(1.5)
Expenses:				
Operating Expenses	422,499	346,177	76,322	22.0
Depreciation	333,426	361,866	(28,440)	(7.9)
Interest Expense	110,312	94,305	16,007	17.0
Total Expenses	866,237	802,348	63,889	8.0
Capital Grants	1,511,230	1,675,692	(164,462)	-9.8
Change in Net Position	1,129,202	1,365,096	(235,894)	-17.3
Net Position July 1	3,560,773	2,195,677		
Net Position June 30	4,689,975	3,560,773	1,129,202	31.7

Grant income decreased approximately \$35,300 due to no USDA grant funding in FY24. Operating revenue increased \$29,600 primarily due to the Petersburg system starting to bill users in FY24. Miscellaneous income decreased \$4,000 due to the forgiveness of the \$5,000 Clinton County Loan in FY23 for the Andover system. Interest income increased \$2,100 as the restricted reserves bank account was moved to a high yield bank account during FY24.

The operating expense increase of \$76,300 was primarily due to an increase of \$67,800 in service fee costs by all the systems. Center Junction Water service fees increased by \$20,400 in FY24, Fairview service fees increased by \$9,000 in FY24, and Petersburg service fees increased by \$44,100 in FY24. Capital Grants decreased \$164,500 in FY24 due to the completion of the Petersburg system in FY24.

**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**OVERVIEW OF BUDGETS**

EIRUSS annually adopts an operating budget on a basis consistent with generally accepted accounting principles. Construction (development) budgets are established throughout the year as new projects are approved.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2024, EIRUSS had \$9,346,939 invested in capital assets (net of depreciation), including a water treatment building and reservoir in Andover and Center Junction, Iowa, and a lagoon, lift station and collection system in Center Junction, Fairview, Leisure Lake, and Petersburg, Iowa. Also included in capital assets is \$1,255,343 in prepaid development costs on one water system project. Total outstanding debt was \$4,848,104, which represents the outstanding balance of the USDA long-term loans for the Center Junction wastewater system (\$158,942), the Andover water system (\$141,632), the Fairview wastewater system (\$484,625), the Leisure Lake wastewater system (\$2,875,681) and the Petersburg wastewater system (\$700,000); a SRF Loan for the Center Junction water system (\$144,000), and a Water Revenue Bond Anticipation Note for the Droessler water project (\$343,224).

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

EIRUSS's management and the Board of Commissioners considered many factors when setting the fiscal year 2025 development and operating budgets. Construction is scheduled to finish on the Droessler Subdivision/Spruce Creek Park water project in early FY25. Additional projects are dependent on USDA and other funding sources. Decreases in federal funding levels will continue to be a concern in the year ahead.

As we progress into 2025, we will continue to work collaboratively, developing new and building on already successful partnerships, while management remains committed to building strong and healthy communities and making our region a great place to live and work.

**FINANCIAL CONTACT**

These financial statements are designed to provide our member communities, funding agencies and creditors with a general overview of EIRUSS's finances and to show EIRUSS's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to ECIA's Director of Community/Economic Development.

BASIC FINANCIAL STATEMENTS

Eastern Iowa Regional Utility  
Service Systems Commission  
**STATEMENT OF NET POSITION**  
June 30, 2024

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	19,784
Cash and cash equivalents - restricted		320,139
Accounts receivables		36,441
Grants receivable		286,386
Prepaid expense		10,883
Total current assets		673,633

**NONCURRENT ASSETS**

Land		512,864
Plant and equipment		7,500,050
Lift stations		1,456,538
Grinder pumps		2,365,812
Construction in progress		1,255,343
Less accumulated depreciation		(3,743,668)
Total noncurrent assets		9,346,939
Total assets	\$	10,020,572

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable	\$	460,183
Accrued interest		20,833
Unearned revenue		1,477
Current maturity of long-term debt		437,084
Total current liabilities		919,577

**NONCURRENT LIABILITIES**

Notes payable		136,000
Bonds payable		4,275,020
Total noncurrent liabilities		4,411,020
Total liabilities		5,330,597

**NET POSITION**

Net investment in capital assets		4,498,835
Restricted		320,139
Unrestricted		(128,999)
Total net position		4,689,975
Total liabilities and net position	\$	10,020,572

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Utility  
Service Systems Commission  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
Year ended June 30, 2024

**OPERATING REVENUE**

Service fees collected	\$ 467,485
Other income	14,376
Total operating revenue	481,861

**OPERATING EXPENSE**

Administrative expense	20,158
Architect and engineering fees	242,675
Audit fees	5,276
Legal fees	14,960
Insurance	11,277
Subcontractor costs	1,519,173
Other costs	6,380
Bad debt expense	3,339
Depreciation expense	333,426
Service fee costs	402,502
Total operating expense	2,559,166

Less construction in progress and other capitalized costs	1,803,241
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Net operating expense	755,925
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Operating (loss)	(274,064)
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**NONOPERATING REVENUE (EXPENSE)**

Interest income	2,348
Interest expense	(110,312)
Net nonoperating expense	(107,964)

Change in net position before capital grants	(382,028)
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<b>CAPITAL GRANTS</b>	1,511,230
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Change in net position	1,129,202
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<b>NET POSITION AT JULY 1, 2023</b>	3,560,773
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<b>NET POSITION AT JUNE 30, 2024</b>	\$ 4,689,975
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The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Utility  
Service Systems Commission  
**STATEMENT OF CASH FLOWS**  
Year ended June 30, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$	471,072
Miscellaneous income		14,376
Cash payments to vendors		(403,108)
Net cash provided by (used in) operating activities		82,340

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES**

Acquisition of capital assets		(2,437,793)
Cash received from capital grants		2,230,106
Loan proceeds		1,043,224
Principal payments		(846,845)
Interest paid		(100,838)
Net cash provided by (used in) capital and related financing activities		(112,146)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received		2,348
Net decrease in cash and cash equivalents		(27,458)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

367,381

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$ 339,923

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER  
STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION**

Cash and cash equivalents	\$	19,784
Cash and cash equivalents - restricted		320,139
Cash and cash equivalents per Statement of Net Position	\$	339,923

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Utility  
Service Systems Commission  
**STATEMENT OF CASH FLOWS - CONTINUED**  
Year ended June 30, 2024

**RECONCILIATION OF OPERATING INCOME (LOSS) TO  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating (loss)	\$ (274,064)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	333,426
Changes in assets and liabilities:	
(Increase) decrease in assets	
Accounts receivable	3,614
Prepaid expense	(4,548)
Increase (decrease) in liabilities	
Accounts payable	23,939
Unearned revenue	(27)
Net cash provided by (used in) operating activities	<u>\$ 82,340</u>

The accompanying notes are an integral part of this statement.



Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - On February 11, 2005, the Eastern Iowa Regional Utility Service Systems Commission ("Commission") was created as a public body corporate and politic and separate legal entity pursuant to Chapter 28E of the Code of Iowa by the Counties of Cedar, Clinton, Delaware, Jackson and Jones, Iowa. The Commission was created for the purpose of planning, designing, developing, financing, constructing, owning, operating and maintaining essential facilities and services including, but not limited to, wastewater treatment systems and water systems for and on behalf of the counties and the cities and unincorporated areas within the counties. All the programs of the Commission are included in these financial statements. The Commission has no component units.

**Basis of Accounting and Measurement Focus** - The Commission's basic financial statements are prepared on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Commission applies all pronouncements of the Governmental Accounting Standards Board (GASB) as well as U.S. GAAP, as codified by the Financial Accounting Standards Board (FASB).

All activities of the Commission are accounted for within one proprietary (enterprise) fund. A proprietary fund is used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the government body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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 Commission are charges for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with operations are included on the statement of net position. Net position (i.e., total assets net of total liabilities) is segregated into net investment in capital assets, restricted and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, and then unrestricted resources as they are needed.

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Commission considers all highly liquid investments with an initial maturity of three months or less from acquisition to be cash equivalents.

**Cash and Cash Equivalents - Restricted** - Restricted cash is segregated resources for debt service and depreciation reserves.

**Accounts Receivable** - Account receivable are shown at gross amount. No provision for uncollectible accounts receivable has been provided since it is believed that the amount of such allowance would not be material. There is no unbilled revenue at June 30, 2024.

**Prepaid Expenses** - Prepaid expenses represent payments made to vendors for services that will benefit the Commission beyond June 30, 2024.

**Capital Assets** - Buildings and all equipment are carried at cost and depreciated on a straight-line basis over 5 - 40 years. When property is retired or otherwise removed from service, the accumulated provision for depreciation for that asset and its cost are removed from capital assets. Any gain or loss realized from retirement or removal is reported on the Statement of Revenues, Expenses and Changes in Net Position.

Additions to and replacements of utility plant capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to capital assets is added to plant accounts.

Construction period interest is capitalized on utility property as incurred. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest cost is amortized on the same basis as the related asset is depreciated.

**Claims and Judgments** - Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded in the proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

**Grinder Pump Fees** - An additional \$10.00 per household or business is added to the monthly sewer bills of customers in the Fairview North extension of the Fairview Wastewater System for the use of grinder pumps. These funds are used for repair and replacement of the grinder pumps.

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Net Position Classifications** - Net position represents the difference between the total assets and the total liabilities of the Commission. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on use of net assets through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted assets have no restrictions and can be spent at the discretion of the Board.

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

**Construction Projects** - There is a Droessler water construction project in process at June 30, 2024 totaling \$1,255,343. A construction project for a wastewater project for Petersburg totaling \$3,174,690 was completed during the fiscal year ending June 30, 2024.

**Open Loans** - On October 20, 2023, a Water Revenue Bond Anticipation Project Note was approved for engineering, land acquisition and related work on the Droessler water system project for \$817,000. As of June 30, 2024, EIRUSS has drawn \$343,224 from this loan.

**Equity Transfer** - During the fiscal year ended June 30, 2024, the Commission transferred \$2,413,606 from its general program to Petersburg. The transfer consists of the amount of capital grants received for the construction of the wastewater project.

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024

**NOTE B - CASH AND CASH EQUIVALENTS**

The Commission is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally-insured depository institutions approved by the Commission; 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.

At June 30, 2024, the Commission reported cash and cash equivalents as follows:

	Carrying Amount	Bank Balance
Cash and cash equivalents	\$ 19,784	\$ 40,643
Cash and cash equivalents - restricted	320,139	322,329
Total	\$ 339,923	\$ 362,972

**Fair Value of Deposits** - Deposits are reported at fair value. At June 30, 2024, the fair value of the Commission's deposits approximated original cost; therefore, no fair value adjustments were necessary.

**Determining Fair Value** - Fair value of the Commission's deposits are determined by deposits with stated interest rates (operating accounts, savings accounts, certificate of deposit, repurchase agreements, and money market accounts) and are stated at cost.

**Income Allocation** - Interest income is generally allocated to a general operations account and equally to the four operating projects, with Center Junction's share split between water and sewer.

**Custodial Credit Risk - Deposits:** Custodial credit is the risk that, in the event of a bank failure, the Commission's deposits may not be returned. The Commission does not have a deposit policy for custodial risk. As of June 30, 2024, none of the Commission's \$362,972 bank balance was exposed to custodial credit risk. The Commission's deposits in banks were entirely covered by federal depository insurance or by the State Sinking fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 6/30/23	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/24
<b>Andover Water System</b>				
Land (non-depreciated)	\$ 1,292	\$ -	\$ -	\$ 1,292
Depreciated assets:				
Well and well pump	130,191	-	-	130,191
Distribution system	181,724	-	-	181,724
Storage reservoir	81,439	-	-	81,439
Treatment building	129,928	-	-	129,928
Other capitalized costs	109,135	-	-	109,135
	<u>633,709</u>	<u>-</u>	<u>-</u>	<u>633,709</u>
Accumulated depreciation				
Well and well pump	50,004	3,094	-	53,098
Distribution system	63,982	4,543	-	68,525
Storage reservoir	28,673	2,036	-	30,709
Treatment building	45,746	3,248	-	48,994
Other capitalized costs	38,424	2,729	-	41,153
	<u>226,829</u>	<u>15,650</u>	<u>-</u>	<u>242,479</u>
Net capital assets	<u>406,880</u>	<u>(15,650)</u>	<u>-</u>	<u>391,230</u>
<b>Center Junction</b>				
<b>Wastewater System</b>				
Land (non-depreciated)	61,467	-	-	61,467
Depreciated assets:				
Collection system	335,831	-	-	335,831
Lift station	40,000	-	-	40,000
Service lines	61,608	-	-	61,608
Lagoon	193,585	-	-	193,585
Other capitalized costs	213,447	-	-	213,447
	<u>905,938</u>	<u>-</u>	<u>-</u>	<u>905,938</u>
Accumulated depreciation:				
Collection system	118,238	8,395	-	126,633
Lift station	14,083	1,000	-	15,083
Service lines	21,693	1,541	-	23,234
Lagoon	68,157	4,839	-	72,996
Other capitalized costs	75,154	5,336	-	80,490
	<u>297,325</u>	<u>21,111</u>	<u>-</u>	<u>318,436</u>
Net capital assets	<u>608,613</u>	<u>(21,111)</u>	<u>-</u>	<u>587,502</u>

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

NOTE C - CAPITAL ASSETS - CONTINUED

A summary of changes in capital assets is as follows:

	Balance 6/30/23	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/24
<b>Center Junction - continued</b>				
<b>Water System</b>				
Land (non-depreciated)	\$ 20,000	\$ -	\$ -	\$ 20,000
Depreciated assets:				
Well and well pump	36,250	-	-	36,250
Distribution system	285,000	-	-	285,000
Storage reservoir	71,853	-	-	71,853
Treatment building	114,634	-	-	114,634
Other capitalized costs	115,898	-	-	115,898
	<u>643,635</u>	<u>-</u>	<u>-</u>	<u>643,635</u>
Accumulated depreciation:				
Well and well pump	15,200	1,900	-	17,100
Distribution system	57,000	7,125	-	64,125
Storage reservoir	14,370	1,796	-	16,166
Treatment building	22,927	2,866	-	25,793
Other capitalized costs	23,179	2,898	-	26,077
	<u>132,676</u>	<u>16,585</u>	<u>-</u>	<u>149,261</u>
	<u>510,959</u>	<u>(16,585)</u>	<u>-</u>	<u>494,374</u>
Net capital assets	1,119,572	(37,696)	-	1,081,876
<b>Fairview Wastewater</b>				
Land (non-depreciated)	37,762	-	-	37,762
Depreciated assets:				
Equipment	3,959	-	-	3,959
Storage shed	5,825	-	-	5,825
Collection system	101,015	-	-	101,015
Lift station	135,388	-	-	135,388
Grinder pumps	96,943	-	-	96,943
Service lines	282,971	-	-	282,971
Lagoon	311,409	-	-	311,409
Other capitalized costs	302,319	-	-	302,319
	<u>1,277,591</u>	<u>-</u>	<u>-</u>	<u>1,277,591</u>

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

NOTE C - CAPITAL ASSETS - CONTINUED

A summary of changes in capital assets is as follows:

<b>Fairview Wastewater - continued</b>	Balance 6/30/23	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/24
Accumulated depreciation:				
Equipment	\$ 3,959	\$ -	\$ -	\$ 3,959
Storage shed	5,214	453	-	5,667
Collection system	27,567	2,526	-	30,093
Lift station	37,729	3,385	-	41,114
Grinder pumps	86,825	1,575	-	88,400
Service lines	78,830	7,074	-	85,904
Lagoon	89,072	7,785	-	96,857
Other capitalized costs	108,700	10,679	-	119,379
	<u>437,896</u>	<u>33,477</u>	<u>-</u>	<u>471,373</u>
Net capital assets	839,695	(33,477)	-	806,218
<b>Leisure Lake Wastewater</b>				
Land (non-depreciated)	190,343	-	-	190,343
Depreciated assets:				
Collection system	287,001	-	-	287,001
Lift station	1,281,150	-	-	1,281,150
Grinder pumps	1,887,441	-	-	1,887,441
Service lines	150,389	-	-	150,389
Lagoon	437,520	-	-	437,520
Other capitalized costs	965,857	-	-	965,857
	<u>5,199,701</u>	<u>-</u>	<u>-</u>	<u>5,199,701</u>
Accumulated depreciation:				
Collection system	68,162	7,175	-	75,337
Lift station	298,772	32,029	-	330,801
Grinder pumps	1,627,275	108,030	-	1,735,305
Service lines	35,720	3,760	-	39,480
Lagoon	103,911	10,938	-	114,849
Other capitalized costs	181,676	24,146	-	205,822
	<u>2,315,516</u>	<u>186,078</u>	<u>-</u>	<u>2,501,594</u>
Net capital assets	2,884,185	(186,078)	-	2,698,107

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

NOTE C - CAPITAL ASSETS - CONTINUED

A summary of changes in construction in progress is as follows:

Projects	Balances 6/30/23	Additions and Adjustments	Reductions and Adjustments	Balances 6/30/24
<b>Petersburg Wastewater</b>				
Land (non-depreciated)	-	202,000	-	202,000
Depreciated assets:				
Grinder pumps	-	381,428	-	381,428
Service lines	-	976,676	-	976,676
Lagoon	-	928,296	-	928,296
Other capitalized costs	-	686,290	-	686,290
	-	3,174,690	-	3,174,690
Accumulated depreciation:				
Grinder pumps	-	22,250	-	22,250
Service lines	-	14,243	-	14,243
Lagoon	-	13,537	-	13,537
Other capitalized costs	-	10,495	-	10,495
	-	60,525	-	60,525
Net capital assets	-	3,114,165	-	3,114,165
<b>Other projects</b>				
Prepaid development costs capitalized not depreciated	2,626,792	1,803,241	3,174,690	1,255,343
<b>Total net capital assets</b>	<b>\$ 7,877,124</b>	<b>\$ 4,644,505</b>	<b>\$ 3,174,690</b>	<b>\$ 9,346,939</b>
Prepaid development costs capitalized not depreciated				
Droessler	\$ 225,766	\$ 1,029,577	\$ -	\$ 1,255,343
Petersburg	2,401,026	773,664	3,174,690	-
Total construction in progress	<b>\$ 2,626,792</b>	<b>\$ 1,803,241</b>	<b>\$ 3,174,690</b>	<b>\$ 1,255,343</b>



Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024

**NOTE D - RESTRICTED RESERVES**

The Commission secured bonds from the USDA which requires annual deposits to the reserve account for debt service and depreciation. As of June 30, 2024, the reserve balances are as follows:

	Andover	Center Junction	Fairview	Leisure Lake 1	Leisure Lake 2	Petersburg	Total
Debt service	\$ 9,180	\$ 10,440	\$ 22,284	\$ 95,740	\$ 5,198	\$ 1,584	\$ 144,426
Depreciation	22,542	26,491	4,912	96,104	21,000	4,664	175,713
Totals	<u>\$ 31,722</u>	<u>\$ 36,931</u>	<u>\$ 27,196</u>	<u>\$ 191,844</u>	<u>\$ 26,198</u>	<u>\$ 6,248</u>	<u>\$ 320,139</u>

The USDA requires annual deposits for debt service until the projects are fully funded. Annual depreciation deposits are required until the bonds are paid in full.

The future debt service and depreciation deposits required are as follows:

	Andover	Center Junction	Fairview	Leisure Lake 1	Leisure Lake 2	Petersburg	Total
2025	\$ 1,537	\$ 1,766	\$ 2,328	\$ 12,528	\$ 8,356	\$ 9,276	\$ 35,791
2026	1,537	1,766	2,328	12,528	8,356	9,276	35,791
2027	1,537	1,766	2,328	12,528	8,356	9,276	35,791
2028	1,537	1,766	2,328	12,528	8,356	9,276	35,791
2029	1,537	1,766	2,328	12,528	8,356	9,276	35,791
2030-2034	7,685	8,830	11,640	62,640	36,546	44,724	172,065
2035-2039	7,685	8,830	11,640	62,640	35,000	34,500	160,295
2040-2044	7,685	8,830	11,640	62,640	35,000	34,500	160,295
2045-2049	7,685	6,917	11,640	62,640	35,000	34,500	158,382
2050-2054	-	-	9,312	53,244	35,000	34,500	132,056
2055-2059	-	-	-	-	35,000	34,500	69,500
2060-2064	-	-	-	-	1,167	29,900	31,067
Totals	<u>\$ 38,425</u>	<u>\$ 42,237</u>	<u>\$ 67,512</u>	<u>\$ 366,444</u>	<u>\$ 254,493</u>	<u>\$ 293,504</u>	<u>\$ 1,062,615</u>

**NOTE E - NONCURRENT LIABILITIES**

Summary of the Commission's long-term debt are set below:

	Balance 06/30/23	Additions	Reductions	Balance 06/30/24	Current Maturities
Notes payable	\$ 906,400	\$ 343,224	\$ 762,400	\$ 487,224	\$ 351,224
Bonds payable	3,745,325	700,000	84,445	4,360,880	85,860
Totals	<u>\$ 4,651,725</u>	<u>\$ 1,043,224</u>	<u>\$ 846,845</u>	<u>\$ 4,848,104</u>	<u>\$ 437,084</u>

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

**NOTE E - NONCURRENT LIABILITIES - CONTINUED**

Details of the Commission's long-term debt are set forth below:

Detailed Description	Balance at 6/30/24	Due Within One Year
Center Junction \$199,796 sewer revenue bonds financed by the USDA dated June 3, 2009, due in monthly installments of \$870 including interest at 4.125% per annum beginning August 1, 2010 until May 1, 2048.	\$ 158,942	\$ 3,960
Andover \$140,000 utility bonds financed by the USDA dated November 3, 2009, due in monthly installments of \$609, including interest at 4.125% per annum beginning August 1, 2011 until June 1, 2049.	113,906	2,659
Andover \$33,000 utility bonds financed by the USDA dated November 3, 2009, due in monthly installments of \$152, including interest at 4.50% per annum beginning August 1, 2011 until November 1, 2048.	27,076	618
Andover \$1,000 utility bonds financed by the USDA dated November 3, 2009, due in monthly installments of \$4 including interest at 2.50% per annum beginning August 1, 2011 until December 1, 2040.	650	32
Fairview \$373,000 utility bonds financed by the USDA dated July 11, 2014, due in monthly installments of \$1,246 including interest at 2.125% per annum beginning July 1, 2015, until February 2053 with interest only payments for the first two years.	310,222	7,633
Fairview \$210,860 utility bonds financed by the USDA dated July 11, 2014, due in monthly installments of \$663 including interest at 2.00% per annum beginning July 1, 2016 until July 2056 with interest only payments for the first two years.	174,403	4,088
Leisure Lake \$2,656,000 utility bonds financed by the USDA dated November 6, 2014, due in monthly installments of \$8,686 including interest at 2.25% per annum beginning December 6, 2016 until October 2054, with interest only payments for the first two years.	2,287,126	53,385

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

NOTE E - NONCURRENT LIABILITIES - CONTINUED

Details of the Commission's long-term debt are set forth below:

Detailed Description	Balance at 6/30/24	Due Within One Year
Leisure Lake \$221,000 utility bonds financed by the USDA dated November 4, 2014, due in monthly installments of \$739 including interest at 2.375% per annum beginning December 6, 2015 until August 2054, with interest only payments for the first two years.	\$ 190,825	\$ 4,389
Leisure Lake \$435,000 utility bonds financed by the USDA dated August 9 2018, due in monthly installments of \$1,127, including interest at 2.375% per annum beginning September 19, 2020 until September 19, 2061.	397,730	9,096
Petersburg \$700,000 utility bonds financed by the USDA dated October 13, 2023, due in monthly installments of \$1,974 including interest at 1.375% per annum beginning November 13, 2025 until October 13, 2063. Interest only payments are due October 13, 2024 and 2025.	700,000	-
Total bonds	<u>4,360,880</u>	<u>85,860</u>
Center Junction \$216,000 note payable financed by the Iowa Finance Authority dated June 5, 2015, due in annual principal payments of \$8,000-\$10,000 beginning June 1, 2016 until June 2040 and interest at 1.75% per annum payable semi-annually.	144,000	8,000
Droessler Water System \$817,000 Water Revenue Bond Anticipation Note financed by Fidelity Bank and Trust dated October 20, 2023, payable in full on October 1, 2024, at 4.9% interest.	343,224	343,224
Total notes payable	<u>487,224</u>	<u>351,224</u>
Total long-term debt	4,848,104	\$ 437,084
Less current maturities	<u>437,084</u>	
Long-term debt	<u>\$ 4,411,020</u>	

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024

NOTE E - NONCURRENT LIABILITIES - CONTINUED

Maturities of long-term debt at June 30, 2024 are:

	Principal	Interest	Total
2025	\$ 93,860	\$ 107,804	\$ 201,664
2026	105,269	93,008	198,277
2027	112,183	90,642	202,825
2028	114,480	88,205	202,685
2029	116,830	85,697	202,527
2030-2034	626,474	388,890	1,015,364
2035-2039	698,560	315,654	1,014,214
2040-2044	736,423	235,813	972,236
2045-2049	802,281	148,724	951,005
2050-2054	781,885	63,246	845,131
2055-2059	208,504	13,186	221,690
2060-2064	108,131	3,019	111,150
	<u>\$ 4,504,880</u>	<u>\$ 1,633,888</u>	<u>\$ 6,138,768</u>
Total Long-term debt	\$ 4,848,104		
Less: debt not in repayment	(343,224)		
Debt being amortized	<u>\$ 4,504,880</u>		

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024

**NOTE F - RELATED PARTY TRANSACTIONS**

The Eastern Iowa Regional Utility Service Systems Commission, related to the East Central Intergovernmental Association (ECIA) through common management, is provided management services and office space by ECIA. Balances with ECIA at and for the years ended June 30, 2024 and June 30, 2023 are as follows:

	2024	2023
Accounts payable	\$ 35,341	\$ 11,872
Management services	\$ 185,252	\$132,602

**NOTE G - BUDGETS**

The Commission is not required to adopt a formal budget per the existing by-laws. The Commission prepares budgets specific to each project they decide to pursue and utilize them at this level to manage their progress through to completion.

**NOTE H - RISK MANAGEMENT**

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

**NOTE I - NET POSITION**

The following is a summary of individual net position restrictions at June 30, 2024:

<u>Project</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Andover	Reserve Deposits	\$ 31,722
Center Junction	Reserve Deposits	36,931
Fairview	Reserve Deposits	27,196
Leisure Lake	Reserve Deposits	218,042
Petersburg	Reserve Deposits	6,248
		\$ 320,139

**NOTE J - SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through November 7, 2024, the date which the financial statements were available to be issued.

The Commission's Water Revenue Bond Anticipation Project Note maturity date was extended from October 1, 2024 until November 30, 2024.

SUPPLEMENTARY INFORMATION

Eastern Iowa Regional Utility  
Service Systems Commission

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Year ended June 30, 2024

	Andover	Center Junction		Fairview	Leisure Lake	Petersburg	Droessler	Subtotal	General	Total
		Sewer	Water							
<b>OPERATING REVENUE</b>										
Service fees collected	\$ 37,546	\$ 33,171	\$ 44,274	\$ 61,904	\$ 263,041	\$ 27,549	\$ -	\$ 467,485	\$ -	\$ 467,485
Other income	-	75	2,105	3,205	7,550	940	37	13,912	464	14,376
Total operating revenue	<u>37,546</u>	<u>33,246</u>	<u>46,379</u>	<u>65,109</u>	<u>270,591</u>	<u>28,489</u>	<u>37</u>	<u>481,397</u>	<u>464</u>	<u>481,861</u>
<b>OPERATING EXPENSE</b>										
Administrative expense	-	-	-	-	-	2,750	17,302	20,052	106	20,158
Architect and engineering fees	-	-	-	-	-	80,800	161,875	242,675	-	242,675
Audit fees	883	883	882	883	882	863	-	5,276	-	5,276
Legal fees	-	-	-	-	-	5,300	9,660	14,960	-	14,960
Insurance	1,605	97	3,459	549	4,253	1,314	-	11,277	-	11,277
Subcontractor costs	-	-	-	-	-	684,378	834,795	1,519,173	-	1,519,173
Other costs	-	-	-	-	-	435	5,945	6,380	-	6,380
Bad debt expense	-	-	-	-	3,339	-	-	3,339	-	3,339
Depreciation expense	15,650	21,111	16,585	33,477	186,078	60,525	-	333,426	-	333,426
Service fee costs	34,711	44,430	50,875	75,505	151,197	44,109	1,675	402,502	-	402,502
Total operating expense	<u>52,849</u>	<u>66,521</u>	<u>71,801</u>	<u>110,414</u>	<u>345,749</u>	<u>880,474</u>	<u>1,031,252</u>	<u>2,559,060</u>	<u>106</u>	<u>2,559,166</u>
Less construction in progress and other capitalized costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>773,664</u>	<u>1,029,577</u>	<u>1,803,241</u>	<u>-</u>	<u>1,803,241</u>
Net operating expense	<u>52,849</u>	<u>66,521</u>	<u>71,801</u>	<u>110,414</u>	<u>345,749</u>	<u>106,810</u>	<u>1,675</u>	<u>755,819</u>	<u>106</u>	<u>755,925</u>
Operating income (loss)	(15,303)	(33,275)	(25,422)	(45,305)	(75,158)	(78,321)	(1,638)	(274,422)	358	(274,064)
<b>NONOPERATING INCOME (EXPENSE)</b>										
Interest income	-	-	-	-	-	-	-	-	2,348	2,348
Interest expense	(5,995)	(6,109)	(3,169)	(10,204)	(61,130)	(6,871)	(8,419)	(101,897)	(8,415)	(110,312)
Net nonoperating expense	<u>(5,995)</u>	<u>(6,109)</u>	<u>(3,169)</u>	<u>(10,204)</u>	<u>(61,130)</u>	<u>(6,871)</u>	<u>(8,419)</u>	<u>(101,897)</u>	<u>(6,067)</u>	<u>(107,964)</u>
Change in net position before capital grants	(21,298)	(39,384)	(28,591)	(55,509)	(136,288)	(85,192)	(10,057)	(376,319)	(5,709)	(382,028)
<b>CAPITAL GRANTS</b>										
Change in net position	(21,298)	(39,384)	(28,591)	(55,509)	(136,288)	(85,192)	(10,057)	(376,319)	1,511,230	1,129,202
NET POSITION AT JULY 1, 2023	273,928	478,738	332,989	263,365	399,174	-	-	1,748,194	1,812,579	3,560,773
EQUITY TRANSFER	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,413,606</u>	<u>-</u>	<u>2,413,606</u>	<u>(2,413,606)</u>	<u>-</u>
NET POSITION AT JUNE 30, 2024	<u>\$ 252,630</u>	<u>\$ 439,354</u>	<u>\$ 304,398</u>	<u>\$ 207,856</u>	<u>\$ 262,886</u>	<u>\$ 2,328,414</u>	<u>\$ (10,057)</u>	<u>\$ 3,785,481</u>	<u>\$ 904,494</u>	<u>\$ 4,689,975</u>

Eastern Iowa Regional Utility  
Service Systems Commission  
Dubuque, Iowa  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2024

Grantor/Program Title/ Award Name and Number	Assistance Listing Number	Award Amount	Federal Expenditures	Loan Balance
<b>UNITED STATES DEPARTMENT OF</b>				
<b>AGRICULTURE - Direct Programs</b>				
Water and Waste Disposal Systems for Rural Communities	10.760			
Petersburg, Iowa - Wastewater Treatment Facility		\$ 1,163,000	\$ 787,386	\$ 700,000
<b>UNITED STATES DEPARTMENT OF TREASURY</b>				
Passed through Iowa Finance Authority				
Coronavirus State and Local Fiscal Recovery Funds - COVID-19				
22-19	21.027	\$ 1,000,000	278,259	-
<b>UNITED STATES ENVIRONMENTAL</b>				
<b>PROTECTION AGENCY</b>				
Passed through the Iowa Department of Natural Resources				
Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminents Grant Program				
	66.442	\$ 671,000	511,093	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,576,738</b>	<b>\$ 700,000</b>

**NOTE 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Eastern Iowa Regional Utility Service Systems Commission ("Commission") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the financial statements.

**NOTE 2 - Summary of Significant Accounting Policies**

Expenditures presented on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Commission has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance

**NOTE 3 - Subrecipients**

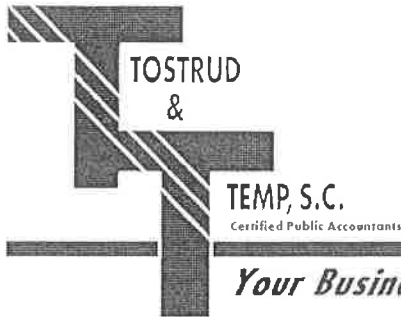
The Commission provided no federal awards to subrecipients during the fiscal year ending June 30, 2024.

**NOTE 4 - Loan Balances**

The Commission has a USDA loan payable with a balance of \$700,000 at June 30, 2024.



OTHER REPORTS



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

Board of Commissioners  
Eastern Iowa Regional Utility Service Systems Commission  
Dubuque, Iowa

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Eastern Iowa Regional Utility Service Systems Commission ("Commission"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon November 7, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission'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.

#### **Compliance and Other Matters**

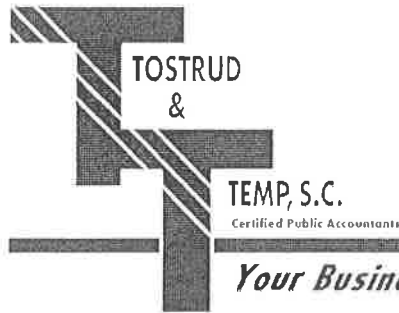
As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

*Tostaud & Temp, S.C.*

November 7, 2024



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

Board of Commissioners  
Eastern Iowa Regional Utility Service Systems Commission  
Dubuque, Iowa

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Eastern Iowa Regional Utility Service Systems Commission's ("Commission") 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 Commission's major federal programs for the year ended June 30, 2024. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission 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 Commission 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 Commission'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 the Commission'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 Commission'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 Commission'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 Commission'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 Commission'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 the Commission'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 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 the 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 may exist that have not been 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.

*Trostred & Terry, S.C.*

November 7, 2024

Eastern Iowa Regional Utility  
Service Systems Commission  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
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:

    Significant deficiency identified?  yes  none reported

    Significant deficiency identified considered to be a material weakness?  yes  no

Noncompliance material to the financial statements?  yes  no

**Federal Awards**

Internal control over compliance:

    Significant deficiency identified?  yes  none reported

    Significant deficiency identified considered to be a material weakness?  yes  no

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 Uniform Guidance?  yes  no

**Identification of Major Federal Programs**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None

**Section III - Federal and State Award Findings and Questioned Costs**

None

**Section IV - Prior-Period Findings**

None