

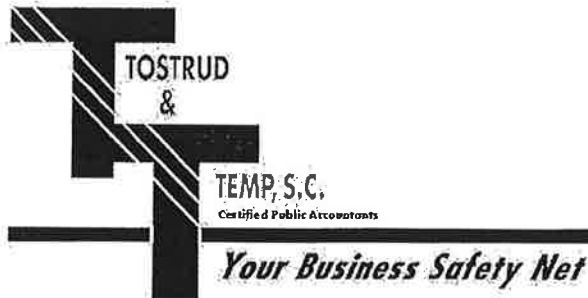
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

EASTERN IOWA REGIONAL UTILITY  
SERVICE SYSTEMS COMMISSION

June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation

of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

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 Commission as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-10 be presented to supplement the basic financial statements. Such information, 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining statement of revenues, expenses, and changes in net position is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining statement of revenues, expenses, and changes in net position is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 statement of revenues, expenses, and changes in net position by program is 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 9, 2021, 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 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 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.

*Torstrud & Temp, S.L.*

November 9, 2021

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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, 2021. We encourage readers to consider the information presented here in conjunction with EIRUSS's financial statements, which follow this discussion and analysis.

The expansion of the Leisure Lake wastewater treatment system in Jackson County was completed in April, 2021, adding 26 new users to that system. Discussions with USDA are ongoing regarding funding for road resurfacing. The project should be closed out in early FY 2022. Engineering work funded by a State Revolving Fund (SRF) loan continued for a wastewater treatment project in Petersburg in Delaware County. A letter of conditions was received from USDA for a loan of \$700,000 and grant of \$1.163 million for this project. Interim financing for this project was secured at a rate of 1.999%. EIRUSS was awarded a Water Infrastructure Improvements for the Nation Act (WIIN) grant through the Iowa Department of Natural Resources for the extension of the water mains and service connections from the City of Bellevue to Droessler Subdivision, Petesch's Mobile Home Park and Spruce Creek Park in Jackson County. The total grant award was \$972,950 and the cost of the project is estimated at \$1.5 million.

**FINANCIAL HIGHLIGHTS**

- The assets of EIRUSS exceeded its liabilities at June 30, 2021 by \$2,400,045 (net position).
- EIRUSS's net position decreased by 7.2%, or \$187,486, from June 30, 2020 to June 30, 2021.
- Total revenues increased 20.4%, or approximately \$81,300 from FY 2020 to FY 2021.
- Total expenditures were 5.6%, or approximately \$35,700 more in FY 2021 than in FY 2020.

**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:

**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- *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.
- *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**

	2021	2020	NET CHANGE	PERCENT CHANGE
Cash and investments	327,092	365,152	(38,060)	(10.4)
Other Current Assets	106,777	48,996	57,781	117.9
Capital Assets	6,633,571	6,434,613	198,958	3.1
Total Assets	7,067,440	6,848,761	218,679	3.2
Current Liabilities	166,081	106,856	59,225	55.4
Noncurrent Liabilities	4,501,314	4,154,374	346,940	8.4
Total Liabilities	4,667,395	4,261,230	406,165	9.5
Net Investment in Capital Assets	2,047,241	2,203,579	(156,338)	(7.1)
Restricted	255,029	222,179	32,850	14.8
Unrestricted	97,775	161,773	(63,998)	(39.6)
Total Net Position	2,400,045	2,587,531	(187,486)	(7.2)



**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

Cash and investments decreased approximately \$38,100 due to the use of general fund cash to cover Droessler project planning expenses as well as payments of \$7,900 on the USDA Loan for the Leisure Lake expansion project prior to the start of billing the new users. The increase of \$57,800 in Other Current Assets is primarily due to an increase in accounts receivable as a result of the WIIN grant for the Droessler water project. The increase of \$199,000 in capital assets is primarily due to an increase of \$117,400 in construction in progress on the Petersburg and Droessler projects and \$423,300 in capitalized expense on the Leisure Lake expansion offset by annual depreciation of \$341,700. Current liabilities increased approximately \$59,200 primarily due to an increase of \$55,800 in accounts payable resulting from contractor retainage for the Leisure Lake project and outstanding invoices for planning and design work for Leisure Lake and Droessler projects, along with an increase of \$8,300 in current maturities of long term debt and an increase of \$1,500 in unearned revenue, offset by a decrease of \$6,400 in customer deposits as the board voted to discontinue the deposit requirement and issue refunds to current customers. Noncurrent liabilities increased \$346,900 due to the addition of a USDA Loan to fund the Leisure Lake expansion (noncurrent balance of \$285,900 at yearend) and SRF loan draws of \$112,400 for the Petersburg sewer project, \$21,000 for the Leisure Lake expansion and \$6,500 for the Droessler water project offset by principal payments made during the fiscal year.

**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.

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

	2021	2020	NET CHANGE	PERCENT CHANGE
Revenues:				
Grant income	66,182	812	65,370	8050.5
Operating revenues	404,669	391,535	13,134	3.4
Misc Income	9,510	6,461	3,049	47.2
Interest Income	251	456	(205)	(45.0)
Total Revenue	480,612	399,264	81,348	20.4
Expenses:				
Operating Expenses	236,962	207,501	29,461	14.2
Depreciation	341,722	335,466	6,256	1.9
Interest Expense	89,414	89,481	(67)	(0.1)
Total Expenses	668,098	632,448	35,650	5.6
Change in Net Position	(187,486)	(233,184)		
Net Position July 1	2,587,531	2,820,715		
Net Position June 30	2,400,045	2,587,531	(187,486)	(7.2)

Grant income increased approximately \$65,400 due to the receipt of the Water Infrastructure Improvements for the Nation Grant (WIIN) for the extension of the water mains and service connections from the City of Bellevue to Droessler Subdivision, Petesch's Mobile Home Park and Spruce Creek Campground. Operating revenue increased \$13,100 due to billings for Leisure Lake service calls of \$6,900 along with and

**EASTERN IOWA REGIONAL UTILITY SERVICE SYSTEMS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

increase of \$6,200 in service fees due to added users. Miscellaneous income increased by approximately \$3,000 due to penalties and assessments by Jackson County on delinquent Leisure Lake customer balances. The operating expense increase of \$29,500 was primarily due to increased grinder pump repairs for customers in the Leisure Lake sewer system.

**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, 2021, EIRUSS had \$6,633,571 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 and Leisure Lake, Iowa. Also included in capital assets is \$508,753 in prepaid development costs on three additional wastewater system projects and one water system project. Total outstanding debt was \$4,586,330, which represents the outstanding balance of the USDA long-term loans for the Center Junction wastewater system (\$169,882), the Andover water system (\$150,770), the Fairview wastewater system (\$520,087) and the Leisure Lake wastewater system (\$2,936,011); SRF Loans for the Center Junction water system (\$166,000), the Droessler water project (\$54,400), the Petersburg sewer project (\$526,880) and the Leisure Lake wastewater system expansion (\$57,300), and a \$5,000 note payable to Clinton County for the benefit of the Andover water system.

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

EIRUSS's management and the Board of Commissioners considered many factors when setting the fiscal year 2022 development and operating budgets. Utility rates were increased for all systems as operating costs continue to increase. The Leisure Lake expansion project will be closed out in FY22 and construction is scheduled to begin on the Petersburg sewer system. The Droessler Subdivision/Spruce Creek Park water project also continues to move forward. 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 2022, 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 Matt Specht, ECIA's Director of Community/Economic Development or Lisa Weinhold, Director of Finance and Administration, 7600 Commerce Park, Dubuque, IA 52002.

**BASIC FINANCIAL STATEMENTS**

Eastern Iowa Regional Utility  
Service Systems Commission  
**STATEMENT OF NET POSITION**  
June 30, 2021

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	72,064
Cash and cash equivalents - restricted		255,029
Accounts receivables		102,068
Prepaid expense		4,708
Total current assets		433,869

**NONCURRENT ASSETS**

Land		310,864
Plant and equipment		4,858,385
Lift stations		1,456,538
Grinder pumps		1,984,383
Construction in progress		710,753
Less accumulated depreciation		(2,687,352)
Total noncurrent assets		6,633,571
Total assets	\$	7,067,440

**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES**

Accounts payable	\$	71,036
Accrued interest		5,891
Unearned revenue		4,138
Customer deposits		-
Current maturity of long-term debt		85,016
Total current liabilities		166,081

**NONCURRENT LIABILITIES**

Notes payable		802,580
Bonds payable		3,698,734
Total noncurrent liabilities		4,501,314
Total liabilities		4,667,395

**NET POSITION**

Net investment in capital assets		2,047,241
Restricted		255,029
Unrestricted		97,775
Total net position		2,400,045
Total liabilities and net position	\$	7,067,440

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, 2021

**OPERATING REVENUE**

Grant income	\$	66,182
Service fees collected		404,669
Other income		9,510
Total operating revenue		480,361

**OPERATING EXPENSE**

Administrative expense		22,717
Architect and engineering fees		149,737 ✓
Audit fees		3,230
Legal fees		3,343
Insurance		5,615
Bad debt expense		338
Depreciation expense		341,722
Service fee costs		226,228
Total operating expense		752,930

Less construction in progress		174,246
Net operating expense		578,684
Operating (loss)		(98,323)

**NONOPERATING REVENUE (EXPENSE)**

Interest income		251
Interest expense		(89,414)
Net nonoperating expense		(89,163)

Change in net position (187,486)

**NET POSITION AT JULY 1, 2020** 2,587,531

**NET POSITION AT JUNE 30, 2021** \$ 2,400,045

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, 2021

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$	408,102
Cash received from grants		1,000
Miscellaneous income		9,510
Cash payments to vendors		<u>(356,350)</u>
Net cash provided by (used in) operating activities		236,508

**CASH FLOWS FROM CAPITAL AND RELATED**

**FINANCING ACTIVITIES**

Acquisition of capital assets		(540,679)
Loan proceeds		443,292
Principal payments		(87,996)
Interest paid		<u>(89,435)</u>
Net cash provided by (used in) capital and related financing activities		(274,818)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received		<u>251</u>
Net decrease in cash and cash equivalents		(38,059)

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

365,152

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

\$ 327,093

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

Cash and cash equivalents	\$	72,064
Cash and cash equivalents - restricted		<u>255,029</u>
Cash and cash equivalents per Statement of Net Position	\$	<u>327,093</u>

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, 2021

**RECONCILIATION OF OPERATING INCOME TO  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating (loss)	\$ (98,323)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Depreciation	341,722
Changes in assets and liabilities:	
(Increase) decrease in assets	
Accounts receivable	(56,802)
Prepaid expense	(979)
Increase (decrease) in liabilities	
Accounts payable	55,837
Unearned revenue	1,453
Customer deposits	<u>(6,400)</u>
Net cash provided by (used in) operating activities	<u>\$ 236,508</u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2021

**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, depreciation reserves and utility deposits.

**Accounts Receivable** - Account receivables 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, 2021.

**Prepaid Expenses** - Prepaid expenses represent payments made to vendors for services that will benefit the Commission beyond June 30, 2021.

**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, 2021

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

**Customer Deposits** - Deposits are required of all Center Junction water system customers having no established credit and of those who have an unacceptable credit record or who have a prior record of unpaid water bills. The board voted in April 2021 to discontinue this requirement and refunded all deposits.

**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 are certain major construction projects in process at June 30, 2021 totaling \$710,753.

**Open loans** - On July 29, 2015, a State of Iowa Revolving Fund planning and design loan was approved for engineering, land acquisition and related work on the Petersburg sewer system project for \$25,000. As of June 30, 2021, EIRUSS has drawn \$25,000 from this loan.

On September 18, 2015, a State of Iowa Revolving Fund planning and design loan was approved for engineering, land acquisition and related work on the Droessler water system project for \$54,400. As of June 30, 2021, EIRUSS has drawn \$54,400 from this loan.

On September 23, 2016, a State of Iowa Revolving Fund planning and design loan was approved for engineering, land acquisition and related work on the Petersburg sewer system project for \$289,500. As of June 30, 2021, EIRUSS has drawn \$289,500 from this loan.

On March 21, 2017, a State of Iowa Revolving Fund planning and design loan was approved for engineering, land acquisition and related work on the Leisure Lake sewer system project for \$57,300. As of June 30, 2021, EIRUSS has drawn \$57,300 from this loan.

On March 20, 2021, a Sewer Revenue Bond Anticipation Project note was issued to the Iowa Finance Authority for the Petersburg Development project for \$264,000. As of June 30, 2021, EIRUSS has drawn \$212,380 from this loan.

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2021

**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, 2021, the Commission reported cash and cash equivalents as follows:

	Carrying Amount	Bank Balance
Cash and cash equivalents	\$ 72,064	\$ 77,360
Cash and cash equivalents - restricted	255,029	255,049
 Total	 \$ 327,093	 \$ 332,409

**Fair Value of Deposits** - Deposits are reported at fair value. At June 30, 2021, 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, 2021, none of the Commission's \$332,409 bank balance was exposed to custodial 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, 2021

**NOTE C - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance 6/30/20	Additions	Reductions	Balance 6/30/21
<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	40,722	3,094	-	43,816
Distribution system	50,353	4,543	-	54,896
Storage reservoir	22,566	2,035	-	24,601
Treatment building	36,001	3,249	-	39,250
Other capitalized costs	30,239	2,727	-	32,966
	<u>179,881</u>	<u>15,648</u>	<u>-</u>	<u>195,529</u>
Net capital assets	453,828	(15,648)	-	438,180
<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	93,053	8,395	-	101,448
Lift station	11,083	1,000	-	12,083
Service lines	17,070	1,541	-	18,611
Lagoon	53,640	4,839	-	58,479
Other capitalized costs	59,143	5,337	-	64,480
	<u>233,989</u>	<u>21,112</u>	<u>-</u>	<u>255,101</u>
Net capital assets	671,949	(21,112)	-	650,837

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2021

**NOTE C - CAPITAL ASSETS - CONTINUED**

A summary of changes in capital assets is as follows:

	Balance 6/30/20	Additions	Reductions	Balance 6/30/21
<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	\$ 9,500	\$ 1,900	\$ -	\$ 11,400
Distribution system	35,625	7,125	-	42,750
Storage reservoir	8,982	1,796	-	10,778
Treatment building	14,329	2,866	-	17,195
Other capitalized costs	14,487	2,898	-	17,385
	<u>82,923</u>	<u>16,585</u>	<u>-</u>	<u>99,508</u>
	<u>560,712</u>	<u>(16,585)</u>	<u>-</u>	<u>544,127</u>
Net capital assets	1,232,661	(37,697)	-	1,194,964
<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, 2021

**NOTE C - CAPITAL ASSETS - CONTINUED**

A summary of changes in capital assets is as follows:

<b>Fairview Wastewater - continued</b>	Balance 6/30/19	Additions	Reductions	Balance 6/30/21
Accumulated depreciation:				
Equipment	3,497	462	-	3,959
Storage shed	3,468	582	-	4,050
Collection system	19,989	2,526	-	22,515
Lift station	27,574	3,385	-	30,959
Grinder pumps	57,740	9,695	-	67,435
Service lines	57,608	7,074	-	64,682
Lagoon	65,717	7,785	-	73,502
Other capitalized costs	76,660	10,680	-	87,340
	<u>312,253</u>	<u>42,189</u>	<u>-</u>	<u>354,442</u>
Net capital assets	965,338	(42,189)		923,149
<b>Leisure Lake Wastewater</b>				
Land (non-depreciated)	190,343	-	-	190,343
Depreciated assets:				
Collection system	287,001	-	-	287,001
Lift station	1,250,800	30,350	-	1,281,150
Grinder pumps	1,684,641	202,800	-	1,887,441
Service lines	150,389	-	-	150,389
Lagoon	437,520	-	-	437,520
Other capitalized costs	725,320	190,133	-	915,453
	<u>4,726,014</u>	<u>423,283</u>	<u>-</u>	<u>5,149,297</u>
Accumulated depreciation:				
Collection system	\$ 46,637	\$ 7,175	\$ -	\$ 53,812
Lift station	203,255	31,460	-	234,715
Grinder pumps	1,076,253	173,534	-	1,249,787
Service lines	24,440	3,760	-	28,200
Lagoon	71,097	10,938	-	82,035
Other capitalized costs	114,902	19,321	-	134,223
	<u>1,536,584</u>	<u>246,188</u>	<u>-</u>	<u>1,782,772</u>
Net capital assets	3,189,430	177,095	-	3,366,525
<b>Other projects</b>				
Prepaid development costs capitalized not depreciated	593,356	540,812	423,415	710,753
<b>Total net capital assets</b>	<u>\$ 6,434,613</u>	<u>\$ 622,373</u>	<u>\$ -</u>	<u>\$ 6,633,571</u>

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2020

**NOTE C - CAPITAL ASSETS - CONTINUED**

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

Projects	Balances 6/30/20	Additions	Reductions	Balances 6/30/21
Prepaid development costs capitalized not depreciated				
Droessler	\$ 75,925	\$ 68,741	\$ -	\$ 144,666
Elvira	8,296	-	-	8,296
Lake Delhi	9,916	-	-	9,916
Leisure Lake	56,718	366,565	423,283	-
Morley	132	-	132	-
Petersburg	442,369	105,506	-	547,875
Total construction in progress	<u>\$ 593,356</u>	<u>\$ 540,812</u>	<u>\$ 423,415</u>	<u>\$ 710,753</u>

Note: Included in the balance of Petersburg is a land purchase of \$202,000.

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2021

**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, 2021, the reserve balances are as follows:

	Andover	Center Junction	Fairview	Leisure Lake 1	Leisure Lake 2	Total
Debt service	\$ 9,180	\$ 10,440	\$ 17,765	\$ 75,440	\$ 1,130	\$ 113,955
Depreciation	17,931	21,193	18,430	83,520	-	141,074
Totals	<u>\$ 27,111</u>	<u>\$ 31,633</u>	<u>\$ 36,195</u>	<u>\$ 158,960</u>	<u>\$ 1,130</u>	<u>\$ 255,029</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	Total
2022	\$ 1,537	\$ 1,766	\$ 4,572	\$ 23,844	\$ 8,356	\$ 40,075
2023	1,537	1,766	4,572	21,512	8,356	37,743
2024	1,537	1,766	2,515	12,528	8,356	26,702
2025	1,537	1,766	2,328	12,528	8,356	26,515
2026	1,537	1,766	2,328	12,528	8,356	26,515
2027-2031	7,685	8,830	11,640	62,640	40,614	131,409
2032-2036	7,685	8,830	11,640	62,640	35,000	125,795
2037-2041	7,685	8,830	11,640	62,640	35,000	125,795
2042-2046	7,685	8,830	11,640	62,640	35,000	125,795
2047-2051	4,611	3,385	11,640	62,640	35,000	117,276
2052-2056	-	-	4,656	28,188	35,000	67,844
2057-2060	-	-	-	-	22,167	22,167
Totals	<u>\$ 43,036</u>	<u>\$ 47,535</u>	<u>\$ 79,171</u>	<u>\$ 424,328</u>	<u>\$ 279,561</u>	<u>\$ 873,631</u>

**NOTE E - NONCURRENT LIABILITIES**

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

	Balance 06/30/20	Additions	Reductions	Balance 06/30/21	Current Maturities
Notes payable	\$ 676,640	\$ 139,940	\$ 7,000	\$ 809,580	\$ 7,000
Bonds payable	3,554,394	303,352	80,996	3,776,750	78,016
Totals	<u>\$ 4,231,034</u>	<u>\$ 443,292</u>	<u>\$ 87,996</u>	<u>\$ 4,586,330</u>	<u>\$ 85,016</u>

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2021

NOTE E - NONCURRENT LIABILITIES - CONTINUED

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

Detailed Description	Balance at 6/30/21	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	\$ 169,882	\$ 3,500
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	121,257	2,350
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	28,772	540
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	741	30
Fairview \$373,000 utility bonds financed by the USDA dated July 11, 2014, due in monthly installments of \$1,246 including interest at 2.375% per annum beginning July 1, 2015, 2015, with interest only payments for the first two years.	332,685	7,108
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, with interest only payments for the first two years.	187,402	3,850
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, with interest only payments for the first two years	2,440,072	49,903



Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2021

NOTE E - NONCURRENT LIABILITIES - CONTINUED

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

Detailed Description	Balance at 6/30/21	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, 2016, with interest only payments for the first two years	203,367	4,088
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.	292,572	6,647
Total bonds	\$ 3,776,750	\$ 78,016
Center Junction \$216,000 note payable financed by the Iowa Finance Authority dated June 5, 2015, due in annual installments beginning June 1, 2016, and interest at 1.75% per annum payable semi-annually.	\$ 166,000	\$ 7,000
Droessler \$54,400 note payable financed by the Iowa Finance Authority dated September 18, 2015, payable as to principal in full on October 4, 2024, at 0% interest.	\$ 54,400	\$ -
Petersburg \$25,000 note payable financed by the Iowa Finance Authority dated September 18, 2015, payable as to principal in full on October 9, 2024, at 0% interest.	25,000	-
Petersburg \$289,500 note payable financed by the Iowa Finance Authority dated September 23, 2016, payable as to principal in full on October 9, 2024, at 0% interest.	289,500	-
Leisure Lake \$57,300 note payable financed by the Iowa Finance Authority dated March 24, 2017, payable as to principal in full on March 24, 2023, at 0% interest.	57,300	-
Petersburg \$264,000 Sewer Revenue Bond Anticipation Project Note issued to the Iowa Finance Authority on March 20, 2020. The note is payable as to principal three years from the project note date.	212,380	-

Eastern Iowa Regional Utility  
Service Systems Commission  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2021

NOTE E - NONCURRENT LIABILITIES - CONTINUED

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

Detailed Description	Balance at 6/30/21	Due Within One Year
\$5,000 note payable with Clinton County, dated October 26, 2011, 0% interest, payable over ten years. No date has been set to begin payments.	5,000	-
Total notes payable	<u>809,580</u>	<u>7,000</u>
Total long-term debt	4,586,330	\$ 85,016
Less current maturities	<u>85,016</u>	
Long-term debt	<u>\$ 4,501,314</u>	

Maturities of long-term debt at June 30, 2020 are:

	Principal	Interest	Total
2022	\$ 85,016	\$ 93,821	\$ 178,837
2023	86,929	91,768	178,697
2024	89,890	89,667	179,557
2025	91,902	87,515	179,417
2026	93,966	85,311	179,277
2027-2031	504,704	391,565	896,269
2032-2036	568,954	327,253	896,207
2037-2041	631,515	253,243	884,758
2042-2046	669,451	174,269	843,720
2047-2051	705,561	87,853	793,414
2052-2056	414,862	26,509	441,371
	<u>\$ 3,942,750</u>	<u>\$ 1,708,774</u>	<u>\$ 5,651,524</u>
Total Long-term debt	\$ 4,586,330		
Less: debt not in repayment	(643,580)		
Debt being amortized	<u>\$ 3,942,750</u>		

Eastern Iowa Regional Utility  
Service Systems Commission  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021

**NOTE F - RELATED PARTY TRANSACTIONS**

The Eastern Iowa Regional Utility Service Systems Commission, related to the East Central Intergovernmental Association through common management, is provided management services and office space. Balances with ECIA at and for the years ended June 30, 2021 and June 30, 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Accounts payable	<u>\$ 8,616</u>	<u>\$ 6,900</u>
Management services	<u>\$ 94,485</u>	<u>\$ 79,042</u>

**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, 2021:

<u>Project</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
Andover	Reserve Deposits	\$ 27,111
Center Junction	Reserve Deposits	31,633
Fairview	Reserve Deposits	36,195
Leisure Lake	Reserve Deposits	<u>160,090</u>
		<u>\$ 255,029</u>

**NOTE J - SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through November 9, 2021, the date which the financial statements were available to be issued. No subsequent events have were identified.

**SUPPLEMENTARY INFORMATION**

Eastern Iowa Regional Utility  
Service Systems Commission  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
Year ended June 30, 2021

	Center Junction					Leisure Lake		Subtotal	General	Total
	Andover	Sewer	Water	Fairview	Lake	Petersburg	Drossler			
<b>OPERATING REVENUE</b>										
Grant income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,182	\$ 66,182
Service fees collected	35,968	35,940	35,831	56,863	240,067	-	-	404,669	-	404,669
Other income	-	646	1,368	690	6,796	-	-	9,500	10	9,510
Total operating revenue	35,968	36,586	37,199	57,553	246,863	-	-	414,169	66,192	480,361
<b>OPERATING EXPENSE</b>										
Administrative expense	-	-	-	-	-	-	-	-	1,131	22,717
Architect and engineering fees	-	-	-	-	-	12,618	-	8,968	-	149,737
Audit fees	646	646	646	646	646	90,384	-	59,353	-	3,230
Legal fees	-	-	-	-	758	2,185	-	400	-	3,343
Insurance	948	103	1,831	291	2,442	-	-	-	-	5,615
Other costs	-	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	20	-	338
Depreciation expense	15,650	21,112	16,584	42,188	246,188	318	-	341,722	-	341,722
Service fee costs	20,852	16,275	24,947	38,545	125,609	-	-	226,228	-	226,228
Total operating expense	38,096	38,136	44,008	81,670	375,643	105,505	-	68,741	1,131	752,930
Less construction in progress	-	-	-	-	-	-	-	68,741	-	174,246
Net operating expense	38,096	38,136	44,008	81,670	375,643	105,505	-	68,741	-	578,684
Operating income (loss)	(2,128)	(1,550)	(6,809)	(24,117)	(128,780)	-	-	(163,384)	65,061	(98,323)
<b>NONOPERATING INCOME (EXPENSE)</b>										
Interest income	22	11	11	23	30	-	-	97	154	251
Interest expense	(6,370)	(7,072)	(3,017)	(10,934)	(62,021)	-	-	(89,414)	-	(89,414)
Net nonoperating expense	(6,348)	(7,061)	(3,006)	(10,911)	(61,991)	-	-	(89,317)	154	(89,163)
Change in net position	(8,476)	(9,611)	(9,815)	(35,028)	(190,771)	-	-	(252,701)	65,215	(187,486)
<b>NET POSITION AT JUNE 30, 2020</b>	311,093	533,105	362,461	379,469	923,697	-	-	2,509,825	77,706	2,587,531
<b>NET POSITION AT JUNE 30, 2021</b>	\$ 302,617	\$ 524,494	\$ 352,646	\$ 344,441	\$ 732,926	\$ -	\$ -	\$ 2,257,124	\$ 142,921	\$ 2,400,045

OTHER REPORT



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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, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon November 6, 2021.

**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.

*Torstrund & Temp, S. Co*

November 9, 2021



Eastern Iowa Regional Utility  
Service Systems Commission  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year ended June 30, 2021

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

Significant deficiency(ies) identified that

are not considered to be material weakness(es)?  Yes  none reported

Noncompliance material to the financial  
statements noted?

yes  no

**Section II - Financial Statement Findings - None**

**Section III - Status of Prior Year Findings - None**

