



Financial Statements
June 30, 2020

City of Peosta, Iowa

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City of Peosta, Iowa
(Unaudited) Officials
June 30, 2020

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jim Merten	Mayor	December 2021
Gerry Hess	Council Member	December 2023
Kathy Orr	Council Member	December 2021
John Kraft	Council Member	December 2021
Doug Hughes	Council Member	December 2023
Karen Lyons	Council Member	December 2021
Whitney Baethke	City Administrator	Appointed
Karen Snyder	City Clerk	Appointed
A. Theodore Huinker	Attorney	Appointed



Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Peosta, Iowa

Report on Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peosta, Iowa, as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the City'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 the cash basis of accounting as described in Note 1 to the financial statements. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 City'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 City'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Peosta, Iowa, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with the cash basis of accounting as described in Note 1 to the financial statements.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting used in the preparation of the financial statements. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the cash basis financial statements that collectively comprise the City's basic financial statements. The supplementary information included in schedules 4 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information included in schedules 4 through 6 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. Such 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 State of America. In our opinion, the supplementary information included in schedules 4 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplementary information related to the year ended June 30, 2020 included in the Schedule of Receipts by Source and Disbursements by Function (schedule 7) 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. Such 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 State of America. In our opinion, the supplementary information related to the year ended June 30, 2020 included in schedule 7 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The summarized comparative information presented in the Schedule of Receipts by Source and Disbursements by Function (schedule 7), for the years ended June 30, 2011 through June 30, 2019, is from unaudited financial information, has not been audited, reviewed, or compiled and, accordingly, we express no opinion on it.

The other information, Management’s Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the City’s Proportionate Share of IPERS Net Pension Liability, the Schedule of IPERS Contributions, and the Notes to Other Information – Pension Liability on pages 5 through 12 and 30 through 33, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2020 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
September 15, 2020

The City of Peosta provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2020. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

This discussion and analysis is intended to be an easily readable analysis of the City's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the audited financial statements.

2020 Financial Highlights

Receipts of the City's governmental activities decreased 2% or approximately \$52,000 from fiscal year 2019 to fiscal year 2020. The largest contributor to the decrease was the reduction in charges for services due to the reduction in capacity of the Community Center related to COVID-19.

Disbursements of the City's governmental activities decreased 7%, or approximately \$200,000 from fiscal year 2019 to fiscal year 2020. The decrease was primarily due to less capital project disbursements and a change in accounting for business-type activity debt service.

Receipts of the City's business-type activities increased 51% or approximately \$523,000 from fiscal year 2019 to fiscal year 2020. The increase was caused by the receipt of debt proceeds and greater charges for services for sewer and water.

Disbursements of the City's business-type activities increased 45%, or approximately \$431,000 from fiscal year 2019 to fiscal year 2020. The increase was primarily due to more capital project disbursements and a change in accounting for business-type activity debt service.

The City's total cash basis net position decreased 2%, or approximately \$54,000 from June 2019 to June 2020. Of this amount, the governmental activities increased approximately \$141,000 and the business-type activities decreased approximately \$195,000.

Using This Annual Report

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Cash Basis Statement of Activities and Net Position. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year, the City's proportionate share of the net pension liability and related contributions.

Supplementary Information provides detailed information about the nonmajor governmental funds and the City's indebtedness.

Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the City's Financial Activities

Government-wide Financial Statement

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Cash Basis Statement of Activities and Net Position reports information which helps answer the question.

The Cash Basis Statement of Activities and Net Position present the City's net position. Over time, increases or decreases in the City's Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Governmental funds account for most of the City's basic services and are funded primarily through tax revenues. The City's proprietary funds account for the enterprise funds. Enterprise funds are used to report business-type activities.

The Cash Basis Statement of Activities and Net Position is divided into two kinds of activities - Governmental Activities and Business-type (Proprietary) Activities.

Governmental Activities include:

Public Safety – includes police operations, civil service, emergency management, fire protection, ambulance service and building inspections.

Public Works – includes roads, sidewalks, equipment, street lighting, traffic safety and snow removal.

Culture and Recreation – includes library services, community center, and parks and recreation.

Community and Economic Development – includes community betterment, economic development and planning and zoning.

General Government – includes mayor, city council, city administrator, city clerk, elections, legal services, city hall, insurance and general administration.

Debt Service – includes general obligation and tax increment financing debt.

Capital Projects – includes sidewalks, right of way acquisition, street improvements, community services campus, storm water, and park improvement projects.

The required financial statements for governmental funds include a Statement of Cash Receipts, Disbursements, and Changes in Cash Balances.

Business-type Activities include the sewer, water, and solid waste utilities.

The required financial statements for proprietary funds include a Statement of Cash Receipts, Disbursements, and Changes in Cash Balances.

Governmental Activities

For the year ended June 30, 2020, the City's governmental activities were funded as follows:

Receipts of the City's governmental activities decreased 2% or approximately \$52,000 from fiscal year 2019 to fiscal year 2020. The largest contributor to the decrease was the reduction in charges for services due to the reduction in capacity of the Community Center related to COVID-19. Both recreation programming revenue and special event revenue were significantly impacted by the closures mandated as a result of the pandemic.

Disbursements of the City's governmental activities decreased 7%, or approximately \$200,000 from fiscal year 2019 to fiscal year 2020. The decrease was primarily due to less capital project disbursements and a change in accounting for business-type activity debt service. Additionally, there were budgeted expenditures not incurred due to the decreased recreational and special event activity.

Changes in Cash Basis Net Position of Governmental Activities		
	Year Ended June 30,	
	2020	2019
Program Receipts:		
Charges for service	\$ 597,599	\$ 697,005
Operating grants and contributions	184,670	197,292
General Receipts:		
Property tax	1,242,164	1,181,794
Tax increment financing	152,305	156,002
Commercial/industrial tax replacement	72,242	73,803
Local option sales tax	178,096	166,241
Other City tax	55,813	56,888
Unrestricted interest on investments	28,026	26,070
Other general receipts	27,221	35,004
Total receipts	2,538,136	2,590,099
Program Disbursements:		
Public safety	406,433	447,694
Public works	281,430	230,118
Health and social services	-	560
Culture and recreation	826,787	797,192
Community and economic development	185,717	158,821
General government	381,177	323,500
Debt service	323,284	501,290
Capital projects	342,217	487,840
Total disbursements	2,747,045	2,947,015
Change in Cash Basis Net Position Before Transfers	(208,909)	(356,916)
Transfers, Net	350,000	271,158
Change in Cash Basis Net Position	141,091	(85,758)
Cash Basis Net Position Beginning of Year	1,575,149	1,660,907
Cash Basis Net Position End of Year	\$ 1,716,240	\$ 1,575,149

Business-type Activities

For the year ended June 30, 2020, the City's business-type activities receipts and disbursements were as follows:

Changes in Cash Basis Net Position of Business-Type Activities

	Year Ended June 30,	
	2020	2019
Receipts:		
Program receipts:		
Charges for service:		
Sewer utility	\$ 416,763	\$ 355,269
Water	554,181	521,888
Solid waste	107,155	99,067
General receipts:		
Unrestricted interest on investments	21,339	22,168
Bond Proceeds	437,250	-
Miscellaneous	3,999	19,008
	<u>1,540,687</u>	<u>1,017,400</u>
Program Disbursements:		
Sewer utility	811,697	563,720
Water	460,153	291,804
Solid waste	113,640	99,014
	<u>1,385,490</u>	<u>954,538</u>
Change in Cash Basis Net Position Before Transfers	155,197	62,862
Transfers, Net	<u>(350,000)</u>	<u>(271,157)</u>
Change in Cash Basis Net Position	(194,803)	(208,295)
Cash Basis Net Position Beginning of Year	<u>1,266,202</u>	<u>1,474,497</u>
Cash Basis Net Position End of Year	<u>\$ 1,071,399</u>	<u>\$ 1,266,202</u>

Receipts of the City's business-type activities increased 51% or approximately \$523,000 from fiscal year 2019 to fiscal year 2020. The increase was caused by the receipt of debt proceeds, greater charges for services for sewer and water and residential utility growth.

Disbursements of the City's business-type activities increased 45%, or approximately \$431,000 from fiscal year 2019 to fiscal year 2020. The increase was primarily due to more capital project disbursements and a change in accounting for business-type activity debt service.

Individual Major Fund Analysis

As of June 30, 2020, the City had cash balances on hand of \$1,716,240 in governmental funds and \$1,071,399 in proprietary funds. The governmental funds increased \$141,091 and proprietary funds decreased \$194,803, during fiscal year 2019-2020.

The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$14,692 from the prior year to \$1,343,002. This is a result of some cost-savings measures and decisions employed throughout the course of the year.
- The Special Revenue Fund, Road Use Tax Fund cash balance increased \$39,932 to \$182,377. The balance increase is the result of some budgeted supply purchases and overtimes costs that were not incurred.
- The Capital Project Fund cash balance increased \$53,042 to \$17,890. The short delay on some of our smaller projects resulted in expenditures being pushed into fiscal year 2021.
- The Debt Service Fund cash balance increased \$6,476 to \$ 17,102.

Individual Major Business Type Fund Analysis

- The Enterprise, Sewer Utility Fund cash balance decreased \$297,240 to \$449,819. This decrease is due to the funding of an urban renewal project. Excess funds in the Sewer Utility Fund were transferred through an internal loan to the capital project fund to support the Industrial Drive project. Funds will be returned to the Sewer Utility Fund through tax increment collections.
- The Enterprise, Water Fund cash balance increased \$108,611 to \$606,937. With no large capital expenditures planned for fiscal year 2020, the fund balance increased to support the further construction of the water system and the installation of radio-read water meters, budgeted for fiscal year 2021.

Budgetary Highlights

Over the course of the year, the City amended its budget two times. The amendments were to adjust for the revised construction schedule of capital projects and some additional large-scale planning efforts undertaken by the city.

For the year ended June 30, 2020, total actual receipts were \$53,994 under the final budget while total actual disbursements were \$487,001 under the final budget. The large difference for budgeted and actual disbursements occurred because of capital projects for road improvements and utility projects that were budgeted, but not completed in the current fiscal year. Actual receipts and disbursements were also affected by the drastic shift in business procedures caused by COVID-19.

Debt Outstanding

At June 30, 2020, the City had \$ 3,591,250 debt outstanding compared to \$3,680,000 in 2019, as shown below.

	Outstanding Debt at Year-End	
	June 30,	
	2020	2019
General Obligation Bonds:		
2012 A GO Refunding Bond	\$ 100,000	\$ 290,000
2013 GO Street Bond	775,000	775,000
2015 GO Water Bond	344,000	425,000
2017 GO Water, Sewer, Street	1,375,000	1,530,000
Total General Obligation Bonds	2,594,000	3,020,000
Sewer Revenue Bonds:		
2018 Planning & Design WWTF	697,250	260,000
Other Debt:		
2019 General Building Loan	300,000	400,000
Total	\$ 3,591,250	\$ 3,680,000

The City as of June 30, 2020 is at 29% of its bonding capacity. The City's outstanding general obligation debt limit was \$12,210,170.

Economic Factors

While property taxes are important to the City, they represent approximately 34% of revenue sources excluding other financing sources. TIF revenues comprise 4% of total revenues. Charges for services comprise 45% of total revenues. The City continues to grow and add residential housing at a robust pace. This has added to the property tax base and increased the number of utility users in the community.

Next Year's Budget and Rates

For the year ending June 30, 2021, the City will be well into the construction of three major utility capital projects: the wastewater treatment facility, extension of utility to annexed territories and the Highway 20 lift station reconstruction. The City will perform the annual review of the Capital Improvement Plan. All future plans will require the City Council and Mayor to balance the growth of the community with an appropriate tax levy and charge for services. These projects will be financed with a combination of revenue and general obligation bonds. The City had a tax levy rate of \$8.13055 in 2020. The Fiscal Year 2021 tax levy rate increased slightly to \$8.13500.

Financial Contact

The City's financial statements are designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City Administrator at 7896 Burds Road, Peosta, IA 52068, telephone 563-556-8755 or email wbaethke@cityofpeosta.org.

Whitney Baethke
City Administrator



Basic Financial Statements
June 30, 2020

City of Peosta, Iowa

City of Peosta, Iowa
Exhibit A – Statement of Activities and Net Position – Cash Basis
As of and for the Year Ended June 30, 2020

	Program Receipts				Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
	Disbursements	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
Public safety	\$ 406,433	\$ 38,975	\$ 6,773	\$ -	\$ (360,685)	\$ -	\$ (360,685)
Public works	281,430	-	176,997	-	(104,433)	-	(104,433)
Culture and recreation	826,787	557,170	900	-	(268,717)	-	(268,717)
Community and economic development	185,717	-	-	-	(185,717)	-	(185,717)
General government	381,177	1,454	-	-	(379,723)	-	(379,723)
Debt service	323,284	-	-	-	(323,284)	-	(323,284)
Capital projects	342,217	-	-	-	(342,217)	-	(342,217)
Total governmental activities	2,747,045	597,599	184,670	-	(1,964,776)	-	(1,964,776)
Business-type activities:							
Sewer utility	811,697	416,763	-	-	-	(394,934)	(394,934)
Water	460,153	554,181	-	-	-	94,028	94,028
Solid waste	113,640	107,155	-	-	-	(6,485)	(6,485)
Total business-type activities	1,385,490	1,078,099	-	-	-	(307,391)	(307,391)
Total	\$ 4,132,535	\$ 1,675,698	\$ 184,670	\$ -	(1,964,776)	(307,391)	(2,272,167)
General Receipts and Transfers:							
Property tax levied for:							
General purposes					1,026,503	-	1,026,503
Debt service					215,661	-	215,661
Tax increment financing					152,305	-	152,305
Commercial/industrial tax replacement					72,242	-	72,242
Local option sales tax					178,096	-	178,096
Other City tax					55,813	-	55,813
Unrestricted interest on investments					28,026	21,339	49,365
Issuance of bonds					-	437,250	437,250
Other general receipts					27,221	3,999	31,220
Transfers, net					350,000	(350,000)	-
Total general receipts and transfers					2,105,867	112,588	2,218,455
Change in Cash Basis Net Position					141,091	(194,803)	(53,712)
Cash Basis Net Position Beginning of Year					1,575,149	1,266,202	2,841,351
Cash Basis Net Position End of Year					\$ 1,716,240	\$ 1,071,399	\$ 2,787,639
Cash Basis Net Position							
Restricted:							
Road improvements					\$ 182,377	\$ -	\$ 182,377
Capital projects					153,992	-	153,992
Debt service					17,102	-	17,102
Urban renewal purposes					1,877	-	1,877
Special projects					17,890	-	17,890
Unrestricted					1,343,002	1,071,399	2,414,401
Total cash basis net position					\$ 1,716,240	\$ 1,071,399	\$ 2,787,639

City of Peosta, Iowa

Exhibit B – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Governmental Funds
As of and for the Year Ended June 30, 2020

	General	Road Use Tax	Capital Project	Debt Service	Other Nonmajor Governmental Funds	Total
Receipts:						
Property tax	\$ 1,026,503	\$ -	\$ -	\$ 215,661	\$ -	\$ 1,242,164
Tax increment financing	-	-	-	-	152,305	152,305
Other City tax	55,053	-	-	760	178,096	233,909
Licenses and permits	39,608	-	-	-	-	39,608
Use of money and property	24,591	-	-	1,200	2,235	28,026
Intergovernmental	64,676	176,997	-	12,139	-	253,812
Charges for service	573,678	-	-	-	-	573,678
Miscellaneous	14,634	-	-	-	-	14,634
Total receipts	1,798,743	176,997	-	229,760	332,636	2,538,136
Disbursements:						
Operating:						
Public safety	406,433	-	-	-	-	406,433
Public works	144,365	137,065	-	-	-	281,430
Culture and recreation	826,787	-	-	-	-	826,787
Community and economic development	24,554	-	-	-	161,163	185,717
General government	381,177	-	-	-	-	381,177
Debt service:						
Principal	-	-	-	301,036	-	301,036
Interest and fiscal charges	-	-	-	22,248	-	22,248
Capital projects	-	-	342,217	-	-	342,217
Total disbursements	1,783,316	137,065	342,217	323,284	161,163	2,747,045
Excess (Deficiency) of Receipts over (Under) Disbursements	15,427	39,932	(342,217)	(93,524)	171,473	(208,909)
Other Financing Sources (Uses):						
Transfers in	44,524	-	395,259	100,000	-	539,783
Transfers out	(45,259)	-	-	-	(144,524)	(189,783)
Total other financing sources (uses)	(735)	-	395,259	100,000	(144,524)	350,000
Net Change in Cash Balances	14,692	39,932	53,042	6,476	26,949	141,091
Cash Balances Beginning of Year	1,328,310	142,445	(35,152)	10,626	128,920	1,575,149
Cash Balances End of Year	\$ 1,343,002	\$ 182,377	\$ 17,890	\$ 17,102	\$ 155,869	\$ 1,716,240
Cash Basis Fund Balances						
Restricted	\$ -	\$ 182,377	\$ 17,890	\$ 17,102	\$ 155,869	\$ 373,238
Assigned	555,534	-	-	-	-	555,534
Unassigned	787,468	-	-	-	-	787,468
Total cash basis fund balances	\$ 1,343,002	\$ 182,377	\$ 17,890	\$ 17,102	\$ 155,869	\$ 1,716,240

City of Peosta, Iowa

Exhibit C – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Proprietary Funds
As of and for the Year Ended June 30, 2020

	Enterprise Funds			Total
	Sewer Utility	Water	Non-major Solid Waste	
Operating Receipts:				
Charges for service	\$ 416,763	\$ 554,181	\$ 107,155	\$ 1,078,099
Use of money and property	10,187	10,841	311	21,339
Miscellaneous	257	3,742	-	3,999
Total operating receipts	<u>427,207</u>	<u>568,764</u>	<u>107,466</u>	<u>1,103,437</u>
Operating Disbursements:				
Business-type activities:				
Salaries and wages	64,318	68,778	4,814	137,910
Employee benefits and costs	27,186	28,547	1,908	57,641
Staff development	1,905	1,224	-	3,129
Repair, maintenance, and utilities	85,413	85,311	1,118	171,842
Contractual services	44,594	43,065	99,627	187,286
Commodities	32,994	25,273	6,173	64,440
Capital outlay	469,096	17,338	-	486,434
Total operating disbursements	<u>725,506</u>	<u>269,536</u>	<u>113,640</u>	<u>1,108,682</u>
Excess of Operating Receipts over (under) Operating Disbursements	(298,299)	299,228	(6,174)	(5,245)
Non-Operating Disbursements:				
Debt service	<u>(86,191)</u>	<u>(190,617)</u>	<u>-</u>	<u>(276,808)</u>
Excess of Receipts over (under) Disbursements	(384,490)	108,611	(6,174)	(282,053)
Other Financing Sources (Uses):				
Bond proceeds	437,250	-	-	437,250
Transfers out	<u>(350,000)</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>
Total other financing sources (uses)	<u>87,250</u>	<u>-</u>	<u>-</u>	<u>87,250</u>
Net Change in Cash Balances	(297,240)	108,611	(6,174)	(194,803)
Cash Balances Beginning of Year	<u>747,059</u>	<u>498,326</u>	<u>20,817</u>	<u>1,266,202</u>
Cash Balances End of Year	<u>\$ 449,819</u>	<u>\$ 606,937</u>	<u>\$ 14,643</u>	<u>\$ 1,071,399</u>
Cash Basis Fund Balances				
Unrestricted	<u>\$ 449,819</u>	<u>\$ 606,937</u>	<u>\$ 14,643</u>	<u>\$ 1,071,399</u>

Note 1 - Significant Accounting Policies

The City of Peosta, Iowa, is a political subdivision of the State of Iowa located in Dubuque County. It was first incorporated in 1933 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, and general government services. The City also provides water, sewer, and solid waste utilities for its citizens.

Reporting Entity

For financial reporting purposes, the City of Peosta, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Dubuque County Joint E911 Service Board and DMATS Policy Committee.

Basis of Presentation

Government-wide Financial Statement

The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary Net Position. Net Position is reported in two categories:

Restricted net position results when constraints placed on the use of cash balances are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of assets not meeting the definition of the preceding category. Unrestricted net position often has constraints on resources imposed by management, which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges, and the capital improvement costs not paid from other funds.

Special Revenue

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

Capital Project

Capital Project funds are used to account for receipts that finance capital improvements.

Debt Service

The Debt Service Fund is utilized to account for property tax and other receipts to be used for the payment of interest and principal on the City's general long-term debt.

The City reports the following major proprietary funds:

The Enterprise, Sewer Utility Fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

Measurement Focus and Basis of Accounting

The City maintains its financial records on the cash basis of accounting, and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with accounting principles generally accepted in the United States of America.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

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

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

Property Tax Receipts

Property taxes are levied as of July 1 on property values assessed as of January 1 of the previous year. The tax levy is divided into two billings. The first billing is mailed on July 1 and the second billing is mailed on January 1. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending three months after the tax bill mailing. On these dates (September 30 and March 31), the bill becomes delinquent, and penalties and interest may be assessed by the government.

Fund Equity

The City classifies fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable - The non-spendable classification contains amounts legally or contractually required to be maintained intact.

Restricted - Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or laws or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the City Council and it takes an ordinance to establish a fund balance commitment.

Assigned - Amounts intended to be used for specific purposes are assigned as needed by the City Administrator. Assignments should not cause deficits in the unassigned fund balance.

Unassigned - Unassigned fund balance is the residual classification for the general fund.

When committed, assigned, and unassigned resources are available for use, it is the government's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

Note 2 - Cash and Investments

The City's deposits in banks at June 30, 2020, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City had no investments during the year ended June 30, 2020.

Interest Rate Risk

The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

Note 3 - Bonds and Notes Payable

Changes in long-term debt obligations for the year ended June 30, 2020, are as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 1,173,936	\$ -	\$ 201,036	\$ 972,900	\$ 181,036
Direct borrowings					
General building loan	<u>400,000</u>	<u>-</u>	<u>100,000</u>	<u>300,000</u>	<u>100,000</u>
Total	<u><u>\$ 1,573,936</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 301,036</u></u>	<u><u>\$ 1,272,900</u></u>	<u><u>\$ 281,036</u></u>
Business-type activities:					
General obligation bonds	\$ 1,421,064	\$ -	\$ 143,964	\$ 1,277,100	\$ 143,964
Direct borrowings					
General obligation bonds	425,000	-	81,000	344,000	83,000
Sewer revenue bonds	<u>260,000</u>	<u>437,250</u>	<u>-</u>	<u>697,250</u>	<u>383,055</u>
	<u><u>\$ 2,106,064</u></u>	<u><u>\$ 437,250</u></u>	<u><u>\$ 224,964</u></u>	<u><u>\$ 2,318,350</u></u>	<u><u>\$ 610,019</u></u>

Annual debt service requirements to maturity for general obligation bonds and direct borrowings and placements are as follows:

Years Ending June 30,	Governmental activities		Governmental activities		Business-type activities	
	General Obligation Bonds		General Building Loan-Direct		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 181,036	\$ 20,743	\$ 100,000	\$ -	\$ 143,964	\$ 35,387
2022	181,392	17,062	100,000	-	148,608	32,508
2023	186,748	13,774	100,000	-	153,252	29,535
2024	191,748	9,922	-	-	153,252	24,939
2025	192,460	5,699	-	-	162,540	20,341
2026-2030	<u>39,516</u>	<u>2,392</u>	<u>-</u>	<u>-</u>	<u>515,484</u>	<u>31,208</u>
	<u><u>\$ 972,900</u></u>	<u><u>\$ 69,592</u></u>	<u><u>\$ 300,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,277,100</u></u>	<u><u>\$ 173,918</u></u>

Years Ending June 30,	Business-type activities		Business-type activities		Total	
	GO Bonds-Direct		Sewer Revenue Bonds-Direct		Principal	Interest
	Principal	Interest	Principal	Interest		
2021	\$ 83,000	\$ 7,740	\$ 383,055	\$ 13,945	\$ 891,055	\$ 77,815
2022	85,000	5,873	314,195	6,284	829,195	61,727
2023	87,000	3,960	-	-	527,000	47,269
2024	89,000	2,002	-	-	434,000	36,863
2025	-	-	-	-	355,000	26,040
2026-2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,000</u>	<u>33,600</u>
	<u><u>\$ 344,000</u></u>	<u><u>\$ 19,575</u></u>	<u><u>\$ 697,250</u></u>	<u><u>\$ 20,229</u></u>	<u><u>\$ 3,591,250</u></u>	<u><u>\$ 283,314</u></u>

Revenue Bonds

The City is in the process of finalizing a loan agreement with the Iowa Finance Authority for the Wastewater Treatment Facility. Sewer revenue bond proceeds are drawn as construction progresses. The Wastewater Treatment Facility is expected to be completed during fiscal year 2021. The City is authorized to borrow up to \$6,500,000. Once the loan is finalized, a Sewer Rate covenant will be in effect for the City in which net revenues of the Sewer Utility Fund will need to exceed 110% of the debt service requirements of the fund.

Note 4 - Pension and Retirement Benefits

Plan Description - IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012, will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

Protection occupation members may retire at normal retirement age, which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29% of payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protection occupation members contributed 6.61% of covered payroll and the City contributed 9.91% of covered payroll, for a total rate of 16.52%.

The City's contributions to IPERS for the year ended June 30, 2020 were \$70,219.

Collective Net Pension Liabilities

At June 30, 2020, the City reported a liability for its proportionate share of the collective net pension liability totaled \$433,788. The collective net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the collective net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2019, the City's proportion was 0.0074912%, which was an increase of 0.0006494% from its proportion measured as of June 30, 2018.

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent compounded annually, net of investment expense including inflation.
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real rate of Return</u>
Core Plus Fixed Income	27.00%	1.71%
Domestic Equity	22.00%	5.60%
International Equity	15.00%	6.08%
Private Equity/Debt	11.00%	10.13%
Private Real Assets	7.50%	4.76%
Public Real Assets	7.00%	2.81%
Public Credit	3.50%	3.32%
Private Credit	3.00%	3.01%
Global smart beta equity	3.00%	5.82%
Cash	1.00%	-0.21%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$ 879,687	\$ 433,788	\$ 59,909

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

Note 5 - Other Postemployment Benefits (OPEB)

Plan Description – The City provides a fully insured single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and the plan members range from \$765 for single coverage to \$1,944 for family coverage. For the year ended June 30, 2020, the City contributed \$163,329 and the plan members eligible for benefits contributed \$6,630 to the plan. At June 30, 2020, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service.

Note 6 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020, is as follows:

Transfer to	Transfer from	Amount
General	Nonmajor governmental: Local Option Sales Tax	\$ 44,524
Capital Projects	General Fund Sewer	45,259 <u>350,000</u>
		<u>395,259</u>
Debt Service	Nonmajor governmental: Local Option Sales Tax	<u>100,000</u>
		<u><u>\$ 539,783</u></u>

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

Note 7 - Risk Management

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

Note 8 - Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 9 - Commitments

The City had active construction projects at June 30, 2020. At year end the City's commitments with contractors are as follows:

Project	Total Contract	Payments-to-Date	Remaining Commitment
WWTF Design & Management	\$ 1,267,000	\$ 689,229	\$ 577,771
Pat Simon/Industrial Drive	60,450	56,382	4,068
WWTF Construction	7,649,000	-	7,649,000
Brady/Deerwood Construction	392,830	-	392,830
Brady/Deerwood Street Construction Management	8,600	-	8,600
Network 2 Storm & Street Improvements	184,000	110,400	73,600
Pat Simon/Industrial Drive	244,085	170,066	74,019
Parks, Trails and Comp Plan	59,030	-	59,030
Website Redesign	44,450	-	44,450
Sewer & Water Annexation Extension	58,200	4,028	54,172
Conceptual for Burds Green Acres Sewer Extension	4,900	635	4,265

Note 10 - Tax Abatements

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

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

For the year ended June 30, 2020, the City abated \$153,116 of property tax under the urban renewal and economic development projects.

Note 11 - Urban Renewal Development Agreements

The City has entered into tax increment financing agreements. The City agreed to assist in urban renewal projects by rebating incremental taxes paid by the participating companies with respect to the improvements set forth in the urban renewal plan. The incremental taxes to be received by the City under Chapter 403.19 of the Code of Iowa from the participating companies will be rebated beginning with the tax year in which the property taxes on the completed value of the improvements are first paid. The City has agreed to provide tax increment payments in a total amount not exceeding \$1,359,000.

Note 12 - Fund Balance Reporting

The detail of the City's cash basis governmental fund balances at June 30, 2020, is as follows:

	General	Road Use Tax	Capital Project	Debt Service	Nonmajor	Total
Restricted For						
Road improvements	\$ -	\$ 182,377	\$ -	\$ -	\$ -	\$ 182,377
TIF	-	-	-	-	1,877	1,877
Capital projects	-	-	-	-	153,992	153,992
Debt service	-	-	-	17,102	-	17,102
Special projects	-	-	17,890	-	-	17,890
Total restricted	<u>-</u>	<u>182,377</u>	<u>17,890</u>	<u>17,102</u>	<u>155,869</u>	<u>373,238</u>
Assigned To						
Road improvements	290,293	-	-	-	-	290,293
Parks	123,047	-	-	-	-	123,047
Community center	97,194	-	-	-	-	97,194
Police	45,000	-	-	-	-	45,000
Total assigned	<u>555,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,534</u>
Unassigned	<u>787,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>787,468</u>
Total Fund Balances	<u>\$ 1,343,002</u>	<u>\$ 182,377</u>	<u>\$ 17,890</u>	<u>\$ 17,102</u>	<u>\$ 155,869</u>	<u>\$ 1,716,240</u>

Note 13 - Prospective Accounting Changes

The Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City. The statements which might impact the City are as follows:

GASB Statement No. 84, *Fiduciary Activities*, issued January 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the City beginning with its fiscal year ending June 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*, issued August 2018, will be effective for the City beginning with its fiscal year ending June 30, 2021. The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the City beginning with its fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the City beginning with its fiscal year ending June 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the City beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

The City's management has not yet determined the effect these statements will have on the City's financial statements.

Note 14 - Contingency

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the City, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the City's operations and finances.



Other Information
June 30, 2020

City of Peosta, Iowa

City of Peosta, Iowa

Schedule 1 – Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Cash Balances –
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Other Information

Year Ended June 30, 2020

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
				Original	Final	
				Receipts:		
Property tax	\$ 1,242,164	\$ -	\$ 1,242,164	\$ 1,245,571	\$ 1,245,571	\$ (3,407)
Tax increment financing	152,305	-	152,305	150,000	150,000	2,305
Other City tax	233,909	-	233,909	209,244	209,244	24,665
Licenses and permits	39,608	-	39,608	35,600	38,400	1,208
Use of money and property	28,026	21,339	49,365	28,261	28,261	21,104
Intergovernmental	253,812	-	253,812	231,858	267,178	(13,366)
Charges for service	573,678	1,078,099	1,651,777	1,686,228	1,723,713	(71,936)
Miscellaneous	14,634	3,999	18,633	5,600	33,200	(14,567)
Total receipts	2,538,136	1,103,437	3,641,573	3,592,362	3,695,567	(53,994)
Operating Disbursements:						
Public safety	406,433	-	406,433	403,442	427,847	21,414
Public works	281,430	-	281,430	209,699	372,463	91,033
Health and social services	-	-	-	550	550	550
Culture and recreation	826,787	-	826,787	918,629	1,009,330	182,543
Community and economic development	185,717	-	185,717	175,215	194,526	8,809
General government	381,177	-	381,177	351,771	385,206	4,029
Debt service	223,284	276,808	500,092	500,075	500,075	(17)
Capital projects	442,217	-	442,217	295,320	543,544	101,327
Business-type activities	-	1,108,682	1,108,682	1,024,845	1,185,995	77,313
Total operating disbursements	2,747,045	1,385,490	4,132,535	3,879,546	4,619,536	487,001
Excess (Deficiency) of Receipts over (Under) Disbursements	(208,909)	(282,053)	(490,962)	(287,184)	(923,969)	433,007
Other Financing Sources, Net	350,000	87,250	437,250	300,000	450,000	(12,750)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses	141,091	(194,803)	(53,712)	12,816	(473,969)	420,257
Balances Beginning of Year	1,575,149	1,266,202	2,841,351	2,421,733	2,841,352	(1)
Balances End of Year	\$ 1,716,240	\$ 1,071,399	\$ 2,787,639	\$ 2,434,549	\$ 2,367,383	\$ 420,256

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon eight major classes of disbursements known as functions, not by fund. These eight functions are: public safety, public works, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, and the Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. In addition, several reclass adjustments, from the amounts reported in Exhibits B and C, were needed to report expenditures within the functions budgeted. During the year, two budget amendments increased budgeted disbursements by \$739,990. The budget amendments are reflected in the final budgeted amounts.

Disbursements at June 30, 2020 did not significantly exceed the amended budget amounts.

City of Peosta, Iowa
 Schedule 2 - City's Proportionate Share of IPERS Net Pension Liability
 Schedule 3 - IPERS Contributions
 June 30, 2020

Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered-payroll	City's proportionate share of the net pension liability as a percentage of its covered-payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.007491%	\$ 433,788	\$ 749,404	57.88%	85.45%
2019	0.006842%	432,967	682,191	63.47%	83.62%
2018	0.006468%	430,864	631,028	68.28%	82.21%
2017	0.006654%	418,760	629,827	66.49%	81.82%
2016	0.006021%	297,464	597,240	49.81%	85.19%
2015	0.006195%	213,763	595,937	35.87%	87.61%

The amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

GASB 68 requires reporting of the 10 most recent years of data to be presented. The City will present information for periods as they become available.

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered-Payroll	Contributions as a Percentage of Covered Payroll
2020	\$ 70,219	\$ 70,219	-	\$ 735,936	9.54%
2019	71,988	71,988	-	749,404	9.61%
2018	62,439	62,439	-	682,191	9.15%
2017	57,782	57,782	-	631,028	9.16%
2016	57,733	57,733	-	629,827	9.17%
2015	55,220	55,220	-	597,240	9.25%
2014	55,461	55,461	-	595,937	9.31%
2013	41,445	41,445	-	449,511	9.22%
2012	40,504	40,504	-	441,031	9.18%
2011	38,705	38,705	-	421,321	9.19%

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of Assumptions:

The 2018 valuation, which is used to determine the contribution rates effective July 1, 2019, incorporated the following refinements after a demographic assumption study:

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

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

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

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

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



Supplementary Information
June 30, 2020
City of Peosta, Iowa

City of Peosta, Iowa

Schedule 4 – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2020

	Special Revenue Funds		Total
	Local Option Sales Tax	Tax Increment Financing (TIF)	
Receipts:			
Tax increment financing collections	\$ -	\$ 152,305	\$ 152,305
Other City tax	178,096	-	178,096
Use of money and property	1,655	580	2,235
Total receipts	179,751	152,885	332,636
Disbursements:			
Operating:			
Community and economic development	-	161,163	161,163
Excess (Deficiency) of Receipts over (Under) Disbursements	179,751	(8,278)	171,473
Other Financing Sources (Uses):			
Transfers out	(144,524)	-	(144,524)
Net Change in Cash Balances	35,227	(8,278)	26,949
Cash Balances Beginning of Year	118,765	10,155	128,920
Cash Balances End of Year	\$ 153,992	\$ 1,877	\$ 155,869
Cash Basis Fund Balances Restricted	\$ 153,992	\$ 1,877	\$ 155,869

City of Peosta, Iowa
Schedule 5 – Schedule of Indebtedness
June 30, 2020

Obligation	Date of Issue	Interest Rates	Amount Originally Issued	Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
General Obligation Bonds:									
2012 A GO Refunding Bond	1/26/2012	2.00%	\$ 1,615,000	\$ 290,000	\$ -	\$ 190,000	\$ 100,000	\$ 6,000	\$ -
2013 GO Street Bond	4/15/2013	1.80%-2.30%	775,000	775,000	-	-	775,000	15,830	-
2015 GO Water Bond	11/19/2015	2.25%	700,000	425,000	-	81,000	344,000	9,563	-
2017 GO Water, Sewer, Street	11/29/2017	2.00-3.00%	1,795,000	1,530,000	-	155,000	1,375,000	41,200	-
Total General Obligation Bonds				3,020,000	-	426,000	2,594,000	72,593	-
Sewer Revenue Bonds:									
2018 Planning & Design WWTF	10/12/2018	2.00%	1,105,500	260,000	437,250	-	697,250	-	-
Other Debt:									
2019 General Building Loan	2/15/2019	0%	400,000	400,000	-	100,000	300,000	-	-
Total				\$ 3,680,000	\$ 437,250	\$ 526,000	\$ 3,591,250	\$ 72,593	\$ -

City of Peosta, Iowa
Schedule 6 – Bond and Note Maturities
June 30, 2020

Year Ending June 30,	General Obligation Bonds					
	2012 GO A		2013 GO		2015 GO	
	Issued January 26, 2012		Issued April 15, 2013		Issued November 19, 2015	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2021	2.00%	100,000	1.80%	70,000	2.25%	83,000
2022		-	1.80%	170,000	2.25%	85,000
2023		-	2.00%	175,000	2.25%	87,000
2024		-	2.15%	180,000	2.25%	89,000
2025		-	2.30%	180,000		-
2026		-		-		-
2027		-		-		-
2028		-		-		-
		<u>\$ 100,000</u>		<u>\$ 775,000</u>		<u>\$ 344,000</u>

Year Ending June 30,	General Obligation Bonds		
	2017 GO		
	Issued November 29, 2017		
Interest Rates	Amount	Total	
2021	2.00%	155,000	408,000
2022	2.00%	160,000	415,000
2023	3.00%	165,000	427,000
2024	3.00%	165,000	434,000
2025	3.00%	175,000	355,000
2026	3.00%	180,000	180,000
2027	3.00%	185,000	185,000
2028	3.00%	190,000	190,000
		<u>\$ 1,375,000</u>	<u>\$ 2,594,000</u>

Year Ending June 30,	Sewer Revenue Bonds		Other Debt		
	Planning & Design WWTF		General Building Loan		
	Issued October 12, 2018		Issued February 15, 2019		
	Interest Rates	Amount	Interest Rates	Amount	Total
2021	2.00%	383,055	0.00%	100,000	891,055
2022	2.00%	314,195	0.00%	100,000	829,195
2023		-	0.00%	100,000	527,000
2024		-		-	434,000
2025		-		-	355,000
2026		-		-	180,000
2027		-		-	185,000
2028		-		-	190,000
		<u>\$ 697,250</u>		<u>\$ 300,000</u>	<u>\$ 3,591,250</u>

City of Peosta, Iowa
Schedule 7 – Schedule of Receipts by Source and Disbursements by Function
All Governmental Funds
For the Last Ten Years

	<u>2020</u>	<u>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>	<u>2011*</u>
Receipts:										
Property tax	\$ 1,242,164	\$ 1,181,794	\$ 1,082,054	\$ 1,020,441	\$ 959,022	\$ 945,410	\$ 906,774	\$ 838,024	\$ 780,754	\$ 789,950
Delinquent property taxes			250	575	322	180	647	315	136	460
Tax increment financing	152,305	156,002	245,968	228,171	294,535	348,722	332,400	276,031	323,460	338,272
Other City tax	233,909	223,129	211,025	195,370	177,660	162,040	158,004	165,031	147,011	118,504
Licenses and permits	39,608	47,689	41,478	45,220	26,484	23,959	32,377	18,831	15,669	11,234
Use of money and property	28,026	26,070	28,709	15,992	8,204	1,023	4,945	6,070	8,441	8,549
Intergovernmental	253,812	261,534	251,015	244,281	249,882	183,041	469,039	138,989	199,734	116,719
Charges for service	573,678	670,490	660,335	630,630	602,012	561,897	554,149	580,578	615,806	539,340
Miscellaneous	14,634	23,391	22,993	27,235	8,284	11,409	36,500	48,765	17,782	26,871
Total receipts	<u>\$ 2,538,136</u>	<u>\$ 2,590,099</u>	<u>\$ 2,543,827</u>	<u>\$ 2,407,915</u>	<u>\$ 2,326,405</u>	<u>\$ 2,237,681</u>	<u>\$ 2,494,835</u>	<u>\$ 2,072,634</u>	<u>\$ 2,108,793</u>	<u>\$ 1,949,899</u>
Disbursements:										
Operating:										
Public safety	\$ 406,433	\$ 447,694	\$ 407,531	\$ 349,578	\$ 367,449	\$ 351,001	\$ 377,764	\$ 343,281	\$ 247,317	\$ 182,106
Public works	281,430	230,118	305,093	316,121	165,907	155,372	335,916	196,224	242,484	97,974
Health and social services	-	560	550	550	550	550	250	250	250	250
Culture and recreation	826,787	797,192	742,052	688,512	681,825	655,844	640,140	648,220	707,539	731,171
Community and economic development	185,717	158,821	135,912	155,710	149,394	172,034	343,161	152,859	170,501	160,225
General government	381,177	323,500	212,870	196,558	196,322	193,752	178,453	177,219	162,853	99,316
Debt service	323,284	501,290	550,598	405,330	457,143	402,655	1,950,133	403,120	436,043	379,850
Capital projects	342,217	487,840	957,894	82,251	-	20,576	500,858	365,004	366,308	12,581
Total disbursements	<u>\$ 2,747,045</u>	<u>\$ 2,947,015</u>	<u>\$ 3,312,500</u>	<u>\$ 2,194,610</u>	<u>\$ 2,018,590</u>	<u>\$ 1,951,784</u>	<u>\$ 4,326,675</u>	<u>\$ 2,286,177</u>	<u>\$ 2,333,295</u>	<u>\$ 1,663,473</u>

* Unaudited



**Independent Auditor’s Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and Members of the City Council
City of Peosta, 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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Peosta, Iowa (City), as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated September 15, 2020. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) 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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2020-001 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2020-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2020, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part III of the accompanying Schedule of Findings and Responses. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City's Responses to Findings

The City's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dubuque, Iowa
September 15, 2020

Part I: Findings Related to the Financial Statements:

Material Weakness

2020-001 Preparation of Financial Statements

Criteria: A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements and accompanying notes to the financial statements by internal personnel of the entity.

Condition: As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Cause: We recognize that with a limited number of office employees, preparation of the financial statements is difficult.

Effect: The effect of this condition is that the year-end financial reporting is prepared by a party outside of the City. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.

Recommendation: We recommend that City officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances to enable staff to draft the financial statements internally.

Views of Responsible Officials: The City agrees with the finding.

Significant Deficiency

2020-002 Segregation of Duties

Criteria: Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition: The City is unable to fully segregate receipt and posting functions, disbursement preparation and posting functions and reconciliation functions from receipt and disbursement functions.

Cause: The City has limited time and staffing constraints.

Effect: Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation: We recommend that City staff review operating procedures in order to obtain the maximum internal controls possible.

Views of Responsible Officials: The City agrees with the finding.

Part II: Findings and Questioned Costs for Federal Awards

Single audit did not apply for fiscal year 2020.

Part III: Other Findings Related to Statutory Reporting:

2020-IA-A Certified Budget – Disbursements during year ended June 30, 2020 did not significantly exceed the amounts budgeted.

2020-IA-B Questionable Disbursements – We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

2020-IA-C Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

2020-IA-D Business Transactions – No business transactions between the City and City officials or employees were noted.

2020-IA-E Restricted Donor Activity – No transactions were noted between the City, City officials, City employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2020-IA-F Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2020-IA-G Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

2020-IA-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.

2020-IA-I Revenue Bonds and Notes – No instances of noncompliance with the revenue bond and note resolutions were noted.

2020-IA-J Annual Urban Renewal Report – The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1, 2019.