

CITY OF DYERSVILLE, IOWA
FINANCIAL STATEMENTS
JUNE 30, 2023

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Officials

Name	Title	Term Expires
Elected Officials		
Jeff Jacque	Mayor	December 31, 2023
Michael English	Council Member	December 31, 2023
Jenni Ostwinkle Silva	Council Member	December 31, 2023
Tom Westhoff	Council Member	December 31, 2025
Jim Gibbs	Council Member	December 31, 2025
Mike Oberbroeckling	Council Member	December 31, 2025
Appointed Officials		
Mick Michel	City Administrator	Appointed
Tricia Maiers	City Clerk/Treasurer	Appointed
George Davis	City Attorney	Appointed
Jenny Weiss	City Attorney	Appointed

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dyersville
Dyersville, Iowa

Report on the Audit of the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dyersville, Iowa, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the basic financial statements referred to in the first paragraph 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 Dyersville, Iowa, as of June 30, 2023, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The management of the City of Dyersville is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

BerganKDV, Ltd.

Minneapolis, Minnesota
January 8, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Dyersville 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, 2023. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

Revenue of the City's governmental and business-type activities increased 32.8%, or approximately \$4,530,000, from fiscal 2022 to fiscal 2023. Overall capital grants and contributions increased approximately \$4,300,000, operating grants and contributions decreased by approximately \$87,000, while charges for services increased approximately \$90,000 and property taxes increased by approximately \$215,000.

Program expenses of the City's governmental activities increased 44.3%, or approximately \$2,640,000, in fiscal 2023 from fiscal 2022. Public safety decreased \$71,466. Community and economic development increased by \$2,772,662 due to the Field of Dreams project. Culture and recreation expenses increased \$46,154 and public works expense decreased by \$223,937 due to decreases in repairs and maintenance. General government expenses increased \$123,615 due to more expenses related to pension and other post-employment benefits.

The City's net position increased 18%, or approximately \$6,925,000, from June 30, 2022 to June 30, 2023.

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.

Government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about the activities of the City of Dyersville as a whole and present an overall view of the City's finances.

The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements 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.

Required supplementary 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.

Other supplementary information provides detailed information about the nonmajor special revenue funds, as well as a ten-year history of revenues and expenditures for all governmental funds.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "whether the City as a whole is better or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information which helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

The statement of net position presents all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as "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.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The statement of net position and the statement of activities report two kinds of activities:

- Governmental activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and intergovernmental receipts finance most of these activities.
- Business-type activities include the City's utility services, such as waterworks, sanitation and sanitary sewer systems. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

1. Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year end that are available for spending. Governmental funds include: the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenue, expenditures and changes in fund balances.

2. Proprietary funds account for the City's enterprise funds. These funds report services for which the City charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the statement of net position and the statement of activities. The major difference between the proprietary funds and the business-type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. The enterprise funds include the City's utility services, such as water utility, sewage disposal works and solid waste. The City is responsible for ensuring the assets reported in these funds are used only for their intended purposes.

The financial statements required for proprietary funds include a statement of net position, a statement of revenue, expenses and changes in fund net position and a statement of cash flows.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position for governmental and business-type activities.

	Net Position at End of Year					
	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 11,391,952	\$ 9,279,206	\$ (667,951)	\$ 969,009	\$ 10,724,001	\$ 10,248,215
Capital assets	<u>27,334,512</u>	<u>27,064,786</u>	<u>35,524,889</u>	<u>29,620,118</u>	<u>62,859,401</u>	<u>56,684,904</u>
Total Assets	<u>38,726,464</u>	<u>36,343,992</u>	<u>34,856,938</u>	<u>30,589,127</u>	<u>73,583,402</u>	<u>66,933,119</u>
Deferred Outflows of Resources						
Pension-related deferred outflows	<u>207,417</u>	<u>199,329</u>	<u>57,692</u>	<u>52,532</u>	<u>265,109</u>	<u>251,861</u>
Long-term liabilities	10,151,958	9,994,860	8,605,649	10,107,679	18,757,607	20,102,539
Other liabilities	<u>2,531,036</u>	<u>752,972</u>	<u>1,919,809</u>	<u>2,442,532</u>	<u>4,450,845</u>	<u>3,195,504</u>
Total Liabilities	<u>12,682,994</u>	<u>10,747,832</u>	<u>10,525,458</u>	<u>12,550,211</u>	<u>23,208,452</u>	<u>23,298,043</u>
Deferred Inflows of Resources						
Succeeding year property tax	4,889,649	4,416,145	—	—	4,889,649	4,416,145
Pension related	<u>114,908</u>	<u>774,227</u>	<u>26,623</u>	<u>192,107</u>	<u>141,531</u>	<u>966,334</u>
Total Deferred Inflows of Resources	<u>5,004,557</u>	<u>5,190,372</u>	<u>26,623</u>	<u>192,107</u>	<u>5,031,180</u>	<u>5,382,479</u>
Net Position						
Net investment in capital assets	16,894,783	17,385,642	26,616,196	19,934,695	43,510,979	37,320,337
Restricted	4,759,538	3,261,076	—	16,481	4,759,538	3,277,557
Unrestricted	<u>(407,991)</u>	<u>(41,601)</u>	<u>(2,253,647)</u>	<u>(2,051,835)</u>	<u>(2,661,638)</u>	<u>(2,093,436)</u>
Total Net Position	<u>\$ 21,246,330</u>	<u>\$ 20,605,117</u>	<u>\$ 24,362,549</u>	<u>\$ 17,899,341</u>	<u>\$ 45,608,879</u>	<u>\$ 38,504,458</u>

Net position of governmental activities increased during fiscal year 2023 by \$641,213, or 3.11%, and net position of business activities increased from fiscal year 2022 by \$6,463,208, or 36.11%. The largest portion of the City's net position is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is a deficit balance of approximately \$2,660,000 at the end of this year.

A summary version of the statement of activities follows:

	Changes in Net Position for the Year Ended June 30,					
	Governmental Activities		Business-Type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Revenue						
Program Revenue						
Charges for service	\$ 311,268	\$ 246,245	\$ 2,785,012	\$ 2,759,790	\$ 3,096,280	\$ 3,006,035
Operating grants and contributions	722,230	808,868	—	—	722,230	808,868
Capital grants and contributions	2,346,144	—	6,354,659	4,391,055	8,700,803	4,391,055
General Revenue						
Property Tax Levied for						
General purposes	2,205,072	2,130,783	—	—	2,205,072	2,130,783
Debt service	610,824	469,656	—	—	610,824	469,656
Tax increment financing	1,691,806	1,659,090	—	—	1,691,806	1,659,090
Utility franchise fees	182,634	174,170	—	—	182,634	174,170
Local option sales tax	803,001	819,461	—	—	803,001	819,461
Hotel/motel tax	158,956	150,539	—	—	158,956	150,539
Unrestricted investment earnings	69,348	19,666	—	—	69,348	19,666
Miscellaneous	78,595	147,216	17,011	32,656	95,606	179,872
Total Revenue	9,179,878	6,625,694	9,156,682	7,183,501	18,336,560	13,809,195
Program Expenses						
Public safety	1,218,625	1,290,091	—	—	1,218,625	1,290,091
Public works	1,404,998	1,628,935	—	—	1,404,998	1,628,935
Culture and recreation	1,211,179	1,165,025	—	—	1,211,179	1,165,025
Community and economic development	3,811,861	1,039,199	—	—	3,811,861	1,039,199
General government	713,677	590,062	—	—	713,677	590,062
Interest on long-term debt	241,310	246,639	—	—	241,310	246,639
Water utility	—	—	1,048,327	984,147	1,048,327	984,147
Sewage disposal works	—	—	1,151,465	1,080,531	1,151,465	1,080,531
Solid waste	—	—	430,697	389,448	430,697	389,448
Total Expenses	8,601,650	5,959,951	2,630,489	2,454,126	11,232,139	8,414,077
Transfers	62,985	215,000	(62,985)	(215,000)	—	—
Change in Net Position	641,213	880,743	6,463,208	4,514,375	7,104,421	5,395,118
Net Position - Beginning of Year	20,605,117	19,724,374	17,899,341	13,384,966	38,504,458	33,109,340
Net Position - End of Year	\$ 21,246,330	\$ 20,605,117	\$ 24,362,549	\$ 17,899,341	\$ 45,608,879	\$ 38,504,458

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As the City of Dyersville completed the year, its governmental funds reported a combined fund balance of \$5,447,407, which is more than the \$3,730,166 total fund balance as of June 30, 2022. The following are the major reasons for the changes in fund balances of the major governmental funds from the prior year.

The General Fund expenditures increased from the prior year in the culture and recreational function by approximately \$249,000 due to the reinstatement of all activities after the pandemic. Community and economic development expenses decreased approximately \$113,000 which related to the funding of building grants to other organizations in the prior year. The General Fund showed a decrease in fund balance of \$77,401 from the prior year to a fund balance of \$706,706, compared to prior year ending fund balance of \$784,107.

The Special Projects Fund is used to account for all revenue and expenses funded by special projects or grants. The fund started fiscal year 2023 with a deficit fund balance of \$5,774. The Special Projects Fund ended with a deficit balance of \$18,837. The fund incurred large revenue and expenditures in 2023 related to a special project.

The Dyersville Economic Development TIF Fund is used to account for revenue from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects. This fund ended fiscal 2023 with a \$2,820,827 fund balance compared to the prior year ending fund balance of \$2,379,715. The increase in fund balance is attributable to increases in TIF revenue.

The Capital Improvements Fund is used to account for the resources and costs related to infrastructure and building construction and major improvements. This fund started fiscal year 2023 with a deficit fund balance of \$273,842. The Capital Improvement Fund ended with a fund balance of \$645,195. The fund incurred large expenses in 2023 relating to the following projects: Field of Dreams project and miscellaneous repairs and maintenance.

The Debt Service Fund is used to account for the payment of interest and principal on the City's general long-term debt. The fund ended fiscal year 2023 with a balance of \$542,919, compared to prior year ending fund balance of \$487,566.

Proprietary Fund Highlights

The Water Utility Fund, which accounts for the operation and maintenance of the City's water system, ended fiscal 2023 with net position of \$13,209,211 compared to the prior year ending net position of \$10,839,955. The increase in net position is mostly related to grant reimbursements from the Dyersville East project.

The Sewage Disposal Works Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal 2023 with an \$11,207,848 net position balance compared to the prior year ending net position balance of \$7,051,157. The increase in net position is mostly related to grant reimbursements from the Dyersville East project.

Budgetary Highlights

Over the course of the year, the City of Dyersville amended its budget once. The amendment was done on May 15, 2023. The amendment was needed to adjust expenditures for public safety, public works, community and economic development, general government, capital projects and business-type activities.

The City's receipts were \$4,740,305 less than final budgeted receipts.

Total disbursements were \$4,625,508 less than budgeted disbursements. The public works, community and economic development and general government functional expenses were over budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets include land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure. Capital assets for governmental activities totaled \$27,334,512 (net of accumulated depreciation/amortization) as of June 30, 2023. Capital assets for business-type activities totaled \$35,524,889 (net of accumulated depreciation) as of June 30, 2023. See Note 4 to the financial statements for more information about the City's capital assets.

The major capital outlays for governmental activities during the year included expenses for city square pavement project, Heritage Trail expenses, Field of Dreams stormwater wetland project, sanitary sewer extension project, pool upgrades, dugouts and lights for softball and baseball fields and various equipment purchases.

For business-type activities, fiscal year 2023 included large outlays for the Dyersville East road projects.

Long-Term Debt

As of June 30, 2023, the City had \$11,084,924 in total long-term debt outstanding for governmental activities. Total long-term debt outstanding for business-type activities was \$9,508,693 as of June 30, 2023. The long term debt includes equipment purchase agreements for four trucks with a remaining balance of \$356,249 as of June 30, 2023, of which a portion is recorded in governmental activities and a portion is recorded in business-type activities. The long term debt also includes lease agreements for the lease of Commercial Club Park in the amount of \$63,551.

The City does not have a general obligation bond rating assigned by national rating agencies to the City's debt. The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$26.3 million. Other obligations include accrued vacation pay, sick leave and net pension liability. Additional information about the City's long-term debt is presented in Note 5 to the financial statements. Additional information about the City's net pension liability is presented in Note 8 to the financial statements.

ECONOMIC FACTORS BEARING ON THE CITY'S FUTURE

Several economic factors affected decisions made by the City in setting its fiscal 2024 budget. The City's General Fund property tax revenue will remain consistent with prior years.

The tax levy rates per \$1,000 of taxable valuation for fiscal 2024 are provided below:

General levy	\$ 8.02114
Debt service levy	<u>2.58253</u>
Total	<u>\$ 10.60367</u>

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to present our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and operating activities. If you have any questions or require additional information, please contact Mick J. Michel, City Administrator, 340 1st Avenue East, Dyersville, Iowa 52040.

Basic Financial Statements

Statement of Net Position

As of June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and pooled cash investments	\$ 2,131,896	\$ —	\$ 2,131,896
Receivables			
Property Tax			
Delinquent	6,782	—	6,782
Succeeding year	4,889,649	—	4,889,649
Accounts and other	208,160	1,351,298	1,559,458
Due from other governments	688,677	1,089,495	1,778,172
Internal balances	3,270,412	(3,270,412)	—
Inventories	—	49,908	49,908
Prepaid items	110,835	70,374	181,209
Restricted Assets			
Cash and pooled cash investments	85,541	41,386	126,927
Capital Assets			
Land and construction in progress	8,398,601	8,960,919	17,359,520
Other capital assets, net of accumulated depreciation/amortization	18,935,911	26,563,970	45,499,881
Total Assets	<u>38,726,464</u>	<u>34,856,938</u>	<u>73,583,402</u>
 Deferred Outflows of Resources			
Pension-related deferred outflows	<u>207,417</u>	<u>57,692</u>	<u>265,109</u>
 Total Assets and Deferred Outflows of Resources	<u>\$ 38,933,881</u>	<u>\$ 34,914,630</u>	<u>\$ 73,848,511</u>

See accompanying notes to the financial statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	\$ 478,554	\$ 657,075	\$ 1,135,629
Accrued interest payable	64,104	18,882	82,986
Grants received in advance	546,204	—	546,204
Salaries and benefits payable.....	30,138	6,197	36,335
Long-Term Liabilities			
Portion Due Within One Year			
Customer deposits.....	—	50,098	50,098
Equipment purchase and agreements	18,843	53,154	71,997
Lease payable	10,138	—	10,138
General obligation bonds.....	1,030,000	570,000	1,600,000
Revenue notes	—	442,000	442,000
Compensated absences	353,055	122,403	475,458
Portion Due or Payable After One Year			
Equipment purchase agreements	76,104	208,148	284,252
Lease payable	53,413	—	53,413
General obligation bonds.....	9,896,426	2,210,000	12,106,426
Revenue notes	—	6,025,391	6,025,391
Net pension liability.....	126,015	162,110	288,125
Total Liabilities	<u>12,682,994</u>	<u>10,525,458</u>	<u>23,208,452</u>
Deferred Inflows of Resources			
Succeeding year property tax	4,889,649	—	4,889,649
Pension-related deferred inflows	114,908	26,623	141,531
Total Deferred Inflows of Resources.....	<u>5,004,557</u>	<u>26,623</u>	<u>5,031,180</u>
Net Position			
Net investment in capital assets	16,894,783	26,616,196	43,510,979
Restricted for			
Economic development.....	2,820,827	—	2,820,827
Local option sales tax.....	519,730	—	519,730
Library.....	85,252	—	85,252
Debt service	542,919	—	542,919
Capital improvements	790,810	—	790,810
Unrestricted	(407,991)	(2,253,647)	(2,661,638)
Total Net Position.....	<u>21,246,330</u>	<u>24,362,549</u>	<u>45,608,879</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 38,933,881</u>	<u>\$ 34,914,630</u>	<u>\$ 73,848,511</u>

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expense) and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government							
Governmental Activities							
Public safety	\$ 1,218,625	\$ 9,322	\$ 6,450	\$ —	\$ (1,202,853)	\$ —	\$ (1,202,853)
Public works	1,404,998	38,570	619,026	1,143	(746,259)	—	(746,259)
Culture and recreation	1,211,179	263,376	17,882	—	(929,921)	—	(929,921)
Community and economic development	3,811,861	—	78,872	2,345,001	(1,387,988)	—	(1,387,988)
General government	713,677	—	—	—	(713,677)	—	(713,677)
Debt service	241,310	—	—	—	(241,310)	—	(241,310)
Total Governmental Activities	<u>8,601,650</u>	<u>311,268</u>	<u>722,230</u>	<u>2,346,144</u>	<u>(5,222,008)</u>	<u>—</u>	<u>(5,222,008)</u>
Business-Type Activities							
Water utility	1,048,327	1,022,482	—	2,557,216	—	2,531,371	2,531,371
Sewage disposal works	1,151,465	1,394,572	—	3,797,443	—	4,040,550	4,040,550
Solid waste	430,697	367,958	—	—	—	(62,739)	(62,739)
Total Business-Type Activities	<u>2,630,489</u>	<u>2,785,012</u>	<u>—</u>	<u>6,354,659</u>	<u>—</u>	<u>6,509,182</u>	<u>6,509,182</u>
Total Primary Government	<u>\$ 11,232,139</u>	<u>\$ 3,096,280</u>	<u>\$ 722,230</u>	<u>\$ 8,700,803</u>	<u>(5,222,008)</u>	<u>6,509,182</u>	<u>1,287,174</u>
General Revenue (Expense)							
Property Tax Levied for							
General purposes					2,205,072	—	2,205,072
Debt service					610,824	—	610,824
Tax increment financing					1,691,806	—	1,691,806
Utility franchise fees					182,634	—	182,634
Local option sales tax					803,001	—	803,001
Hotel/motel					158,956	—	158,956
Unrestricted investment earnings					69,348	—	69,348
Other					78,595	17,011	95,606
Transfers					62,985	(62,985)	—
Total General Revenue					<u>5,863,221</u>	<u>(45,974)</u>	<u>5,817,247</u>
Change in Net Position					641,213	6,463,208	7,104,421
Net Position - Beginning of Year					20,605,117	17,899,341	38,504,458
Net Position - End of Year					<u>\$ 21,246,330</u>	<u>\$ 24,362,549</u>	<u>\$ 45,608,879</u>

Balance Sheet - Governmental Funds

As of June 30, 2023

		Special Revenue					
	General	Dyersville Economic Development TIF	Special Projects	Capital Projects Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total
Assets							
Cash and pooled cash investments	\$ —	\$ 121,069	\$ 285,974	\$ 603,988	\$ 541,777	\$ 579,088	\$ 2,131,896
Receivables							
Property Tax							
Delinquent	5,025	615	—	—	1,142	—	6,782
Succeeding year	2,037,752	1,990,070	—	—	861,827	—	4,889,649
Accounts and other	108,160	—	—	100,000	—	—	208,160
Due from other governments	55,286	—	538,011	—	—	95,380	688,677
Due from other funds	569,969	2,700,443	—	—	—	—	3,270,412
Prepaid items	110,835	—	—	—	—	—	110,835
Restricted cash	—	—	—	—	—	85,541	85,541
Total Assets	\$ 2,887,027	\$ 4,812,197	\$ 823,985	\$ 703,988	\$ 1,404,746	\$ 760,009	\$ 11,391,952
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 117,197	\$ 1,300	\$ 296,618	\$ 58,793	\$ —	\$ 4,646	\$ 478,554
Grants received in advance	—	—	546,204	—	—	—	546,204
Salaries and benefits payable	25,372	—	—	—	—	4,766	30,138
Total Liabilities	142,569	1,300	842,822	58,793	—	9,412	1,054,896
Deferred Inflows of Resources							
Unavailable Revenue							
Succeeding year property tax	2,037,752	1,990,070	—	—	861,827	—	4,889,649
Fund Balances							
Nonspendable							
Prepaid items	110,835	—	—	—	—	—	110,835
Restricted for							
Economic development	—	2,820,827	—	—	—	—	2,820,827
Local option sales tax	—	—	—	—	—	519,730	519,730
Library	—	—	—	—	—	85,252	85,252
Debt service	—	—	—	—	542,919	—	542,919
Capital improvements	—	—	—	645,195	—	145,615	790,810
Unassigned	595,871	—	(18,837)	—	—	—	577,034
Total Fund Balances	706,706	2,820,827	(18,837)	645,195	542,919	750,597	5,447,407
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,887,027	\$ 4,812,197	\$ 823,985	\$ 703,988	\$ 1,404,746	\$ 760,009	\$ 11,391,952

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

As of June 30, 2023

Total Fund Balances for Governmental Funds \$ 5,447,407

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Cost of capital assets	\$ 37,032,164	
Accumulated depreciation	<u>(9,697,652)</u>	27,334,512

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

General obligation bonds	\$ (10,926,426)	
Equipment purchase agreement	(94,947)	
Lease payables	(63,551)	
Accrued interest	(64,104)	
Compensated absences.....	(353,055)	
Net pension liability	<u>(126,015)</u>	(11,628,098)

Pension-related deferred outflows and inflows are not considered current financial resources and, therefore, are not part of the governmental fund analysis.....

92,509

Net Position of Governmental Activities..... \$ 21,246,330

Statement of Revenue, Expenditures and Changes in Fund Balances -
Governmental Funds

Year Ended June 30, 2023

		Special Revenue					
	General	Dyersville Economic Development TIF	Special Projects	Capital Projects Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total
Revenue							
Property tax	\$ 2,205,072	\$ —	\$ —	\$ —	\$ 610,824	\$ —	\$ 2,815,896
Tax increment financing	—	1,691,806	—	—	—	—	1,691,806
Other city tax	543,164	—	—	—	75	601,751	1,144,990
Licenses and permits.....	16,110	—	—	—	—	—	16,110
Use of money and property	113,769	—	—	236	—	423	114,428
Intergovernmental	29,798	—	2,245,000	101,143	—	619,026	2,994,967
Charges for service	283,603	—	—	—	—	45,922	329,525
Special assessments.....	—	—	—	4,315	—	—	4,315
Miscellaneous.....	64,118	—	—	—	—	—	64,118
Total Revenue	3,255,634	1,691,806	2,245,000	105,694	610,899	1,267,122	9,176,155
Expenditures							
Current							
Public safety.....	1,116,829	1,618	191,415	—	—	63,957	1,373,819
Public works.....	442,132	—	—	—	—	426,145	868,277
Culture and recreation.....	1,394,353	—	—	—	—	34,468	1,428,821
Community and economic development.....	27,864	718,349	2,065,648	1,000,000	—	—	3,811,861
General government	564,261	—	—	—	—	—	564,261
Debt Service							
Principal	—	—	—	—	930,000	—	930,000
Interest and other charges	—	200	—	—	217,197	—	217,397
Capital projects.....	—	—	—	694,627	—	—	694,627
Total Expenditures	3,545,439	720,167	2,257,063	1,694,627	1,147,197	524,570	9,889,063
Revenue Over (Under) Expenditures	(289,805)	971,639	(12,063)	(1,588,933)	(536,298)	742,552	(712,908)
Other Financing Sources (Uses)							
Issuance of debt.....	72,972	—	—	2,285,000	9,192	—	2,367,164
Transfers in	200,217	—	—	423,187	582,459	—	1,205,863
Transfers out	(60,785)	(530,527)	(1,000)	(200,217)	—	(350,349)	(1,142,878)
Total Other Financing Sources (Uses).....	212,404	(530,527)	(1,000)	2,507,970	591,651	(350,349)	2,430,149
Net Change in Fund Balances	(77,401)	441,112	(13,063)	919,037	55,353	392,203	1,717,241
Fund Balances - Beginning of Year	784,107	2,379,715	(5,774)	(273,842)	487,566	358,394	3,730,166
Fund Balances - End of Year	\$ 706,706	\$ 2,820,827	\$ (18,837)	\$ 645,195	\$ 542,919	\$ 750,597	\$ 5,447,407

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2023

Change in Fund Balances - Total Governmental Funds **\$ 1,717,241**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Net acquisition of capital assets	\$ 1,125,397	
Depreciation expense.....	<u>(853,335)</u>	272,062

Because some revenue will not be collected for several months after the City's fiscal year end, it is not considered "available" revenue and is unavailable in the governmental funds, as follows:

Special assessments.....		(4,616)
--------------------------	--	---------

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of the long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The effect of these items is as follows:

Issued	\$ (2,357,972)	
Repaid	<u>939,042</u>	(1,418,930)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:

Compensated absences.....	\$ (37,339)	
Lease liability.....	9,964	
Interest on long-term debt	(46,105)	
Pension expense.....	<u>148,936</u>	<u>75,456</u>

Change in Net Position of Governmental Activities **\$ 641,213**

Statement of Net Position - Proprietary Funds

As of June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Nonmajor Solid Waste	Total
Assets and Deferred Outflows of Resources				
Current Assets				
Accounts receivable	\$ 132,500	\$ 1,177,896	\$ 40,902	\$ 1,351,298
Due from other governments	465,603	623,892	—	1,089,495
Inventories	42,634	7,274	—	49,908
Prepaid items	26,924	43,450	—	70,374
Total Current Assets	667,661	1,852,512	40,902	2,561,075
Noncurrent Assets				
Restricted assets - cash and pooled cash investments	41,386	—	—	41,386
Capital Assets				
Land	75,750	134,530	—	210,280
Improvements other than buildings	380,700	241,156	45,237	667,093
Machinery and equipment	561,571	1,407,552	113,173	2,082,296
Wells	1,597,965	—	—	1,597,965
Distribution system	13,011,815	—	—	13,011,815
Sewer system	—	19,956,705	—	19,956,705
Construction in progress	4,868,054	3,882,585	—	8,750,639
Accumulated depreciation	(4,666,123)	(5,940,752)	(145,029)	(10,751,904)
Net Capital Assets	15,829,732	19,681,776	13,381	35,524,889
Total Noncurrent Assets	15,871,118	19,681,776	13,381	35,566,275
Total Assets	16,538,779	21,534,288	54,283	38,127,350
Deferred Outflows of Resources				
Pension-related deferred outflows	25,958	26,361	5,373	57,692
Total Assets and Deferred Outflows of Resources	\$ 16,564,737	\$ 21,560,649	\$ 59,656	\$ 38,185,042
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable	\$ 483,424	\$ 147,534	\$ 26,117	\$ 657,075
Accrued interest payable	7,105	11,777	—	18,882
Salaries and benefits payable	2,637	2,676	884	6,197
Equipment purchase agreement	18,843	34,311	—	53,154
General obligation bonds	235,000	335,000	—	570,000
Revenue bonds	83,000	359,000	—	442,000
Compensated absences	68,450	34,724	19,229	122,403
Due to other funds	115,942	3,104,163	50,307	3,270,412
Total Current Liabilities	1,014,401	4,029,185	96,537	5,140,123
Current Liabilities Payable				
From Restricted Assets				
Customer deposits payable	50,098	—	—	50,098
Noncurrent Liabilities				
Equipment purchase agreement	76,104	132,044	—	208,148
General obligation bonds	845,000	1,365,000	—	2,210,000
Revenue bonds	1,283,714	4,741,677	—	6,025,391
Net pension liability	74,128	72,739	15,243	162,110
Total Noncurrent Liabilities	2,278,946	6,311,460	15,243	8,605,649
Total Liabilities	3,343,445	10,340,645	111,780	13,795,870
Deferred Inflows of Resources				
Pension-related deferred inflows	12,081	12,156	2,386	26,623
Net Position				
Net investment in capital assets	13,288,071	13,314,744	13,381	26,616,196
Unrestricted	(78,860)	(2,106,896)	(67,891)	(2,253,647)
Total Net Position	13,209,211	11,207,848	(54,510)	24,362,549
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 16,564,737	\$ 21,560,649	\$ 59,656	\$ 38,185,042

See accompanying notes to the financial statements.

Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds

Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Utility</u>	<u>Sewage Disposal Works</u>	<u>Nonmajor Solid Waste</u>	<u>Total</u>
Operating Revenue				
Charges for sales and services	\$ 1,022,482	\$ 1,394,572	\$ 367,958	\$ 2,785,012
Miscellaneous.....	15,159	1,852	—	17,011
Total Operating Revenue	<u>1,037,641</u>	<u>1,396,424</u>	<u>367,958</u>	<u>2,802,023</u>
Operating Expenses				
Employee expense	299,746	285,153	54,343	639,242
Utilities.....	118,903	59,698	729	179,330
Repairs and maintenance.....	91,350	29,771	24,413	145,534
Supplies and services	139,329	105,970	348,950	594,249
Insurance.....	35,373	52,980	—	88,353
Depreciation	302,793	492,299	2,262	797,354
Total Operating Expenses.....	<u>987,494</u>	<u>1,025,871</u>	<u>430,697</u>	<u>2,444,062</u>
Operating Income (Loss)	<u>50,147</u>	<u>370,553</u>	<u>(62,739)</u>	<u>357,961</u>
Nonoperating Expenses				
Interest expense	<u>(60,833)</u>	<u>(125,594)</u>	<u>—</u>	<u>(186,427)</u>
Income (Loss) Before Contributions	<u>(10,686)</u>	<u>244,959</u>	<u>(62,739)</u>	<u>171,534</u>
Capital contributions	2,557,216	3,797,443	—	6,354,659
Transfers in	—	114,289	—	114,289
Transfers out	<u>(177,274)</u>	<u>—</u>	<u>—</u>	<u>(177,274)</u>
Changes in Net Position	2,369,256	4,156,691	(62,739)	6,463,208
Net Position - Beginning of Year	<u>10,839,955</u>	<u>7,051,157</u>	<u>8,229</u>	<u>17,899,341</u>
Net Position - Ending of Year	<u>\$ 13,209,211</u>	<u>\$ 11,207,848</u>	<u>\$ (54,510)</u>	<u>\$ 24,362,549</u>

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Utility</u>	<u>Sewage Disposal Works</u>	<u>Nonmajor Solid Waste</u>	<u>Total</u>
Cash Flows From Operating Activities				
Cash received from customers.....	\$ 1,010,801	\$ 1,379,941	\$ 369,756	\$ 2,760,498
Cash paid to suppliers for goods and services.....	(546,522)	(222,090)	(379,455)	(1,148,067)
Cash paid to employees for services.....	(300,198)	(287,881)	(56,762)	(644,841)
Other operating receipts.....	<u>15,159</u>	<u>1,852</u>	<u>—</u>	<u>17,011</u>
Net Cash Provided by (Used in) Operating Activities.....	<u>179,240</u>	<u>871,822</u>	<u>(66,461)</u>	<u>984,601</u>
Cash Flows From Noncapital Financing Activities				
Advances from other funds.....	115,942	3,104,163	50,307	3,270,412
Net transfers.....	<u>(177,274)</u>	<u>114,289</u>	<u>—</u>	<u>(62,985)</u>
Net Cash Provided By (Used in) Noncapital and Related Financing Activities.....	<u>(61,332)</u>	<u>3,218,452</u>	<u>50,307</u>	<u>3,207,427</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets...	(2,348,387)	(4,353,738)	—	(6,702,125)
Proceeds from issuance of debt	232,972	340,177	—	573,149
Repayment of debt	(307,041)	(692,838)	—	(999,879)
Payment of interest.....	(60,833)	(125,594)	—	(186,427)
Capital grants.....	<u>2,593,098</u>	<u>2,173,551</u>	<u>—</u>	<u>4,766,649</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>109,809</u>	<u>(2,658,442)</u>	<u>—</u>	<u>(2,548,633)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	227,717	1,431,832	(16,154)	1,643,395
Cash and Cash Equivalents - Beginning of Year..	<u>(186,331)</u>	<u>(1,431,832)</u>	<u>16,154</u>	<u>(1,602,009)</u>
Cash and Cash Equivalents - End of Year	<u>\$ 41,386</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41,386</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss).....	\$ 50,147	\$ 370,553	\$ (62,739)	\$ 357,961
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation	302,793	492,299	2,262	797,354
Change in Assets and Liabilities				
Accounts receivable	(15,406)	(14,631)	1,798	(28,239)
Inventory and prepaids	(19,203)	(11,379)	—	(30,582)
Accounts payable	(142,364)	37,708	(5,363)	(110,019)
Deposits payable	3,725	—	—	3,725
Accrued liabilities.....	4,671	4,112	(667)	8,116
Deferred outflows	(2,234)	(2,637)	(289)	(5,160)
Deferred inflows	(74,677)	(74,602)	(16,205)	(165,484)
Pension liability.....	<u>71,788</u>	<u>70,399</u>	<u>14,742</u>	<u>156,929</u>
Total Adjustments.....	<u>129,093</u>	<u>501,269</u>	<u>(3,722)</u>	<u>626,640</u>
Net Cash Provided by (Used in) Operating Activities.....	<u>\$ 179,240</u>	<u>\$ 871,822</u>	<u>\$ (66,461)</u>	<u>\$ 984,601</u>

See accompanying notes to the financial statements.

Statement of Cash Flows - Proprietary Funds

Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			
	Water Utility	Sewage Disposal Works	<u>Nonmajor Solid Waste</u>	Total
Reconciliation of Cash and Cash Equivalents at Year End to Specific Assets Included on the Statement of Net Position				
Restricted Assets				
Cash and pooled investments	<u>\$ 41,386</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 41,386</u>
Noncash Capital and Related Financing Activities				
Contributions of capital assets from grants	<u>\$ 2,593,098</u>	<u>\$ 2,173,551</u>	<u>\$ —</u>	<u>\$ 4,766,649</u>

See accompanying notes to the financial statements.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

The City of Dyersville, Iowa, is a political subdivision of the State of Iowa located in Dubuque and Delaware counties. It was first incorporated in 1872 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 nonpartisan basis. The City provides numerous services to citizens including public safety, public works, culture and recreation, community and economic development and general government services. It also operates and provides water, sewer and sanitation utilities.

The financial statements of the City of Dyersville have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

For financial reporting purposes, the City of Dyersville 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 GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (a) the ability of the City to impose its will on that organization or (b) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. These financial statements present the City of Dyersville (the primary government) excluding the component unit discussed below.

Excluded Component Unit

The Friends of the Library (Iowa nonprofit corporation) is legally separate from the City. Friends of the Library is governed by a separate board but was formed for the direct benefit of the City. Economic resources received by Friends of the Library are used for the direct benefit of the James Kennedy Public Library. Friends of the Library does not prepare financial statements; therefore, audited financial statements are not available. Management has elected to exclude the transactions of Friends of the Library from the City's financial statements as they are not material.

Jointly Governed Organization

The City also participates in jointly governed organizations that provide goods or services to the citizenry of the City but does 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: Bi-County Ambulance, Dubuque County Assessor's Board, Dubuque County Emergency Management Commission and the Dubuque County E911 Board.

(1) Summary of Significant Accounting Policies

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are supported by property tax and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of net position presents the City's nonfiduciary assets, deferred outflows, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Direct expenses are those clearly identifiable with a specific function. Program revenue includes (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Fund Financial Statements

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

(1) Summary of Significant Accounting Policies

The City reports the following major governmental funds:

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

The Special Revenue Fund, Dyersville Economic Development Tax Increment Financing Fund is used to account for revenue from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

The Special Revenue Fund, Special Projects Fund is used to account for all revenue and expenses funded by special projects or grants.

The Capital Improvements Fund is used to account for the resources and costs related to infrastructure and building construction and major improvements.

The Debt Service Fund is utilized to account 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, Water Utility Fund is used to account for the operations of the City's water facilities and services.

The Enterprise, Sewage Disposal Works Fund is used to account for the operations of the City's sewage disposal works and services.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days after year end.

Property tax, local option sales tax, intergovernmental revenue (shared revenue, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

(1) Summary of Significant Accounting Policies

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenue.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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

The City maintains its financial records on the cash basis. The financial statements of the City are prepared by making memorandum adjusting entries to the cash basis financial records.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents

The cash balances of most City funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments consist of money market and savings accounts.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid (including restricted assets) are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable, Including Tax Increment Financing

Property tax, including tax increment financing, in governmental funds is accounted for using the modified accrual basis of accounting.

(1) Summary of Significant Accounting Policies

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City to the County Board of Supervisors. Current year property tax receivable represents taxes collected by the County but not remitted to the City as of June 30, 2023, and unpaid taxes. The succeeding year property tax receivable represents taxes certified by the City to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the City is required to certify its budget to the County Auditor by March 31 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is unavailable in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021, assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023; and reflects tax asking contained in the budget certified by the County Board of Supervisors in March, 2022.

Customer Accounts and Unbilled Usage

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and is recognized as revenue in the period in which the service is provided.

Due From Other Governments

Due from other governments represents amounts due from the State of Iowa, various shared revenue, grants and reimbursements from other governments.

Inventories

Inventories are valued at cost using the first-in/first-out method. Inventories in the Enterprise Funds consist of materials and supplies. Inventories are recorded as expenses when consumed rather than when purchased.

Restricted Assets

Funds set aside for payment of Enterprise Fund revenue notes are classified as restricted assets since their use is restricted by applicable note indentures. Other restricted assets include customer deposits restricted for application to unpaid customer accounts or for refund to customers.

Capital Assets

Capital assets, which include property, equipment and vehicles and infrastructure assets (e.g. roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government) are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the proprietary funds statement of net position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Reportable capital assets are defined by the City as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

Asset Class	Amount
Infrastructure.....	\$ 5,000
Land, buildings and improvements.....	5,000
Equipment and vehicles	5,000

Asset Class	Estimated Useful Lives
Buildings	10 - 50 Years
Building improvements.....	10 - 20 Years
Infrastructure.....	15 - 50 Years
Equipment.....	5 - 20 Years
Vehicles	5 - 15 Years

Right-to-use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Unavailable Revenue

Although certain revenue is measurable, it is not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unavailable revenue consists of the succeeding year property tax receivable, as well as delinquent property tax receivable and other receivables not collected within 60 days after year end.

Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

(1) Summary of Significant Accounting Policies

Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities column in the statement of net position and the proprietary fund statement of net position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (income), information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability (asset) attributable to the governmental activities will be paid primarily by the General Fund.

Leases

When a lease transaction is material, the City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the City is reasonably certain to exercise.

(1) Summary of Significant Accounting Policies

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenue is measurable, it is not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year end. Deferred inflows of resources in the statement of net position consist of succeeding year property tax and tax increment financing receivable that will not be recognized as revenue until the year for which they are levied and the unamortized portion of components of pension expense.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Fund Equity

In the governmental fund financial statements, restrictions of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amount budgeted in public works, community and economic development and general government functions.

Estimates and Assumptions

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, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

(2) Cash and Pooled Investments

The City's deposits as of June 30, 2023 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 and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high-rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City has no investments meeting the disclosure requirements of GASB Statement No. 72.

(3) Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2023 is as follows:

Due From/To	Interfund Receivables	Interfund Payables
General Fund	\$ 569,969	\$ —
Special Revenue Funds		
Dyersville Economic Development TIF	2,700,443	—
Proprietary Funds		
Water Utility	—	115,942
Sewage Disposal Works	—	3,104,163
Solid Waste	—	50,307
	<u>\$ 3,270,412</u>	<u>\$ 3,270,412</u>

These balances result from projects and other uses which resulted in negative cash balances in certain funds at year end. Repayments will be made from future revenue (including grant revenue), debt proceeds and transfers.

Notes to the Financial Statements

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities				
Capital Assets Not Being Depreciated/Amortized				
Land.....	\$ 6,525,987	\$ 482,352	\$ —	\$ 7,008,339
Construction in progress	<u>4,484,986</u>	<u>561,864</u>	<u>3,656,588</u>	<u>1,390,262</u>
Total Capital Assets Not Being Depreciated/ Amortized	<u>11,010,973</u>	<u>1,044,216</u>	<u>3,656,588</u>	<u>8,398,601</u>
Capital Assets Being Depreciated/Amortized				
Buildings	4,249,388	40,348	—	4,289,736
Improvements other than buildings	5,720,884	229,714	—	5,950,598
Right-of-use assets	83,307	—	—	83,307
Machinery and equipment ...	3,702,603	320,882	41,015	3,982,470
Infrastructure	<u>11,182,963</u>	<u>3,144,489</u>	<u>—</u>	<u>14,327,452</u>
Total Capital Assets Being Depreciated/ Amortized	<u>24,939,145</u>	<u>3,735,433</u>	<u>41,015</u>	<u>28,633,563</u>
Less Accumulated Depreciation/ Amortization for				
Buildings	2,376,808	87,347	—	2,464,155
Improvements other than buildings	1,315,383	217,477	—	1,532,860
Right-of-use assets	10,413	10,413	—	20,826
Machinery and equipment ...	2,727,773	228,914	41,015	2,915,672
Infrastructure	<u>2,454,955</u>	<u>309,184</u>	<u>—</u>	<u>2,764,139</u>
Total Accumulated Depreciation/Amortization	<u>8,885,332</u>	<u>853,335</u>	<u>41,015</u>	<u>9,697,652</u>
Net Capital Assets Being Depreciated/Amortized.....	<u>16,053,813</u>	<u>2,882,098</u>	<u>—</u>	<u>18,935,911</u>
Net Governmental Activities Capital Assets	<u>\$ 27,064,786</u>	<u>\$ 3,926,314</u>	<u>\$ 3,656,588</u>	<u>\$ 27,334,512</u>

Notes to the Financial Statements

(4) Capital Assets

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land.....	\$ 210,280	\$ —	\$ —	\$ 210,280
Construction in progress	<u>8,556,475</u>	<u>5,928,087</u>	<u>5,733,923</u>	<u>8,750,639</u>
Total Capital Assets Not Being Depreciated	<u>8,766,755</u>	<u>5,928,087</u>	<u>5,733,923</u>	<u>8,960,919</u>
Capital Assets Being Depreciated				
Improvements other than buildings.....	646,959	20,134	—	667,093
Equipment and vehicles	1,849,147	233,149	—	2,082,296
Infrastructure, water and sewer network.....	<u>28,311,807</u>	<u>6,254,678</u>	<u>—</u>	<u>34,566,485</u>
Total Capital Assets Being Depreciated	<u>30,807,913</u>	<u>6,507,961</u>	<u>—</u>	<u>37,315,874</u>
Less Accumulated Depreciation for Improvements other than buildings.....	76,529	23,711	—	100,240
Equipment and vehicles	1,228,345	125,971	—	1,354,316
Infrastructure, water and sewer network.....	<u>8,649,676</u>	<u>647,672</u>	<u>—</u>	<u>9,297,348</u>
Total Accumulated Depreciation	<u>9,954,550</u>	<u>797,354</u>	<u>—</u>	<u>10,751,904</u>
Net Capital Assets Being Depreciated.....	<u>20,853,363</u>	<u>5,710,607</u>	<u>—</u>	<u>26,563,970</u>
Net Business-Type Activities				
Capital Assets	<u>\$ 29,620,118</u>	<u>\$ 11,638,694</u>	<u>\$ 5,733,923</u>	<u>\$ 35,524,889</u>

Depreciation/amortization expense was charged to functions of the primary government as follows for the year ended June 30, 2023:

Governmental Activities

Public safety	\$ 96,800
Public works	451,700
Culture and recreation	145,344
General government.....	159,491
Total Depreciation/Amortization Expense - Governmental Activities.....	<u>\$ 853,335</u>

Business-Type Activities

Water.....	\$ 302,793
Sewage disposal works	492,299
Solid waste	2,262
Total Depreciation/Amortization Expense - Business-Type Activities	<u>\$ 797,354</u>

Notes to the Financial Statements

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 9,530,000	\$ 2,285,000	\$ 930,000	\$ 10,885,000	\$ 1,030,000
General obligation premiums	44,613	—	3,187	41,426	—
Direct Placements					
Equipment purchase agreements ..	31,016	72,973	9,042	94,947	18,843
Lease agreement	73,515	—	9,964	63,551	10,138
Compensated absences	315,716	37,339	—	353,055	353,055
Net pension liability	(392,456)	518,471	—	126,015	—
Total.....	\$ 9,602,404	\$ 2,913,783	\$ 952,193	\$ 11,563,994	\$ 1,412,036

For the governmental activities, compensated absences are generally liquidated by the General Fund.

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year	Due Within One Year
Business-Type Activities					
General obligation bonds	\$ 2,970,000	\$ 340,000	\$ 530,000	\$ 2,780,000	\$ 570,000
Direct Placements					
Revenue notes	6,903,391	—	436,000	6,467,391	442,000
Equipment purchase agreements ..	62,032	233,150	33,880	261,302	53,482
Compensated absences	120,702	1,701	—	122,403	122,403
Net pension liability	5,181	156,929	—	162,110	—
Total.....	\$ 10,061,306	\$ 731,780	\$ 999,880	\$ 9,793,206	\$ 1,187,885

Equipment Purchase Agreement

The City has entered into an equipment purchase agreement to purchase two trucks with historical costs of \$183,801, accumulated depreciation of \$180,738 and a net book value of \$3,063. The agreement has an interest rate of 3.75% per annum.

During the year ended June 30, 2023, the City entered into two separate equipment purchase agreements to purchase trucks. One has a historical cost of \$87,205, accumulated depreciation of \$15,988 and a net book value of \$71,217. The agreement has an interest rate of 4.99% per annum. The second has a historical cost of \$218,917, accumulated depreciation of \$3,649 and a net book value of \$215,268. The agreement has an interest rate of 5.58% per annum.

Notes to the Financial Statements

(5) Long-Term Liabilities

The present value of net minimum payments under these agreements in effect as of June 30, 2023 is as follows:

Governmental Activities

Year Ending June 30,

2024	\$ 22,902
2025	22,902
2026	15,136
2027	12,547
2028	12,547
2029-2030	<u>25,093</u>
Total Minimum Payments	111,127
Less amount representing interest	<u>(16,180)</u>
Present Value of Net Minimum Payments	<u>\$ 94,947</u>

Business-Type Activities

Year Ending June 30,

2024	\$ 64,564
2025	64,564
2026	49,031
2027	43,853
2028	29,783
2029-2030	<u>50,187</u>
Total Minimum Payments	301,982
Less amount representing interest	<u>(40,680)</u>
Present Value of Net Minimum Payments	<u>\$ 261,302</u>

General Obligation Bonds/Notes

Governmental Activities

Six issues of unmatured general obligation bonds totaling \$10,885,000 were outstanding as of June 30, 2023. General obligation bonds bear interest at rates ranging from 0.60% to 3.80% per annum and mature in varying annual amounts, ranging from \$60,000 to \$420,000, with the final maturities due in the year ending June 30, 2038.

Business-Type Activities

Eleven issues of unmatured general obligation bonds totaling \$2,780,000 were outstanding as June 30, 2023. General obligation bonds bear interest at rates ranging from 0.60% to 3.80% per annum and mature in varying annual amounts, ranging from \$35,000 to \$320,000, with the final maturities due in the year ending June 30, 2038.

Notes to the Financial Statements

(5) Long-Term Liabilities

Details of the City's governmental activities general obligation bonds payable as of June 30, 2023 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding 6-30-23
General obligation corporate purpose	1-28-14	2.50 - 3.40%	6-1-29	\$ 65,000 - \$ 70,000	\$ 1,350,000	\$ 405,000
Refunding and economic development	3-15-18	2.35 - 2.90	6-1-27	285,000 - 295,000	2,487,570	1,165,000
General obligation corporate purpose	6-13-19	2.00 - 3.00	6-1-36	175,000 - 420,000	5,680,000	4,670,000
Refunding and general obligation corporate purpose	8-31-21	1.00 - 1.90	6-1-37	110,000 - 320,000	1,685,000	1,495,000
General obligation corporate purpose	8-31-21	0.60 - 2.30	6-1-37	60,000 - 85,000	920,000	865,000
General obligation corporate purpose	3-7-23	3.00 - 3.80	6-1-38	135,000 - 265,000	2,285,000	2,285,000
Total						<u>\$ 10,885,000</u>

A summary of the general obligation bond principal and interest requirements to maturity by year is as follows:

	Principal	Interest	Total
2024	\$ 1,030,000	\$ 318,408	\$ 1,348,408
2025	1,077,500	272,638	1,350,138
2026	1,107,500	247,318	1,354,818
2027	1,085,000	220,823	1,305,823
2028	805,000	193,383	998,383
2029-2033	3,675,000	642,389	4,317,389
2034-2038	2,105,000	148,518	2,253,518
Total	<u>\$ 10,885,000</u>	<u>\$ 2,043,477</u>	<u>\$ 12,928,477</u>

Details of the City's business-type activities general obligation bonds payable as of June 30, 2023 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding 6-30-23
Sewer improvements...	1-28-14	2.50 - 3.40%	6-1-28	\$ 60,000 - \$ 70,000	\$ 875,000	\$ 320,000
Water improvements ...	1-28-14	2.50 - 3.40	6-1-28	35,000 - 40,000	510,000	190,000
Sewer improvements...	3-15-18	2.35 - 2.90	6-1-27	65,000 - 75,000	584,535	280,000
Water improvements ...	3-15-18	2.35 - 2.90	6-1-27	150,000 - 160,000	1,322,895	620,000
Sewer improvements...	6-13-19	2.00 - 3.00	6-1-24	35,000	175,000	35,000
Refunding water improvements	8-31-21	1.00 - 1.90	6-1-37	110,000 - 320,000	185,000	110,000
Refunding water improvements	8-31-21	1.00 - 1.90	6-1-37	110,000 - 320,000	555,000	340,000
Sewer improvements...	8-31-21	1.00 - 1.90	6-1-37	110,000 - 320,000	460,000	430,000
Sewer improvements...	8-31-21	0.60 - 2.30	6-1-37	60,000 - 85,000	130,000	115,000
Water improvements ...	3-7-23	3.00 - 3.80	6-1-38	135,000 - 265,000	160,000	160,000
Sewer improvements...	3-7-23	3.00 - 3.80	6-1-38	135,000 - 265,000	180,000	180,000
Total						<u>\$ 2,780,000</u>

Notes to the Financial Statements

(5) Long-Term Liabilities

A summary of the general obligation bond principal and interest requirements to maturity by year is as follows:

	Principal	Interest	Total
2024	\$ 570,000	\$ 69,759	\$ 639,759
2025	552,500	54,648	607,148
2026	572,500	42,553	615,053
2027	425,000	29,520	454,520
2028	200,000	17,288	217,288
2029-2033	330,000	32,283	362,283
2034-2037	130,000	6,185	136,185
Total	<u>\$ 2,780,000</u>	<u>\$ 252,236</u>	<u>\$ 3,032,236</u>

Revenue Bonds

The City has pledged future sewer customer revenue, net of specified operating expenses, to repay sewer revenue bonds. The bonds are payable solely from sewer customer net receipts and are payable through 2038. The total principal and interest remaining to be paid on the bonds was \$5,575,619. For the current year, principal and interest paid and total customer net revenue plus depreciation expense was \$427,418 and \$862,853, respectively. Annual principal and interest payments on the above sewer revenue bonds are expected to require 50% of net revenue plus depreciation expense.

The City has pledged future water customer revenue, net of specified operating expenses, to repay water revenue bonds. The bonds are payable solely from water customer net receipts and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$1,559,263. For the current year, principal and interest paid and total customer net revenue plus depreciation expense was \$108,954 and \$352,939, respectively. Annual principal and interest payments on the above water revenue bonds are expected to require 20% of net revenue plus depreciation expense.

Five issues of unmatured Iowa Finance Authority revenue bonds totaling \$6,467,391 were outstanding as of June 30, 2023. These bonds bear interest at 1.75% and mature in varying annual amounts, ranging from \$10,677 to \$208,000, with the final maturity due in the year ending June 30, 2038.

The resolutions providing for the issuance of the revenue bonds include the following provisions:

The bonds will only be redeemed from the future earnings of the enterprise activity, and the bond holders hold a lien on the future earnings of the funds.

User rates shall be established at a level which produces and maintains net revenue at a level not less than 110% of the amount of principal and interest on the bonds falling due in the same year.

During the year ended June 30, 2023, the City was in compliance with the revenue bond provisions.

Notes to the Financial Statements

(5) Long-Term Liabilities

Details of the revenue bonds payable as of June 30, 2023 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding 6-30-23
Sewer improvements...	2-10-10	1.75%	6-1-30	\$ 60,000 - \$ 78,000	\$ 1,192,000	\$ 497,000
Sewer improvements...	4-18-16	1.75	6-1-37	91,075 - 208,000	3,626,729	2,640,000
Well improvements.....	8-5-16	1.75	6-1-36	14,000 - 19,000	343,250	219,000
Well improvements.....	3-6-20	1.75	6-1-38	30,714 - 90,000	1,600,000	1,147,714
Sewer improvements...	10-9-20	1.75	6-1-37	10,677 - 158,000	2,800,000	1,963,677
Total						<u>\$ 6,467,391</u>

A summary of the general obligation bond principal and interest requirements to maturity by year is as follows:

	Principal	Interest	Total
2024	\$ 442,000	\$ 93,888	\$ 535,888
2025	452,000	87,278	539,278
2026	462,000	80,530	542,530
2027	470,000	73,609	543,609
2028	478,000	64,244	542,244
2029-2033	2,287,000	214,286	2,501,286
2034-2038	<u>1,876,391</u>	<u>53,656</u>	<u>1,930,047</u>
Total	<u>\$ 6,467,391</u>	<u>\$ 667,491</u>	<u>\$ 7,134,882</u>

(6) Leases

As of July 1, 2021, the City entered into a lease agreement as lessee for the use of park space. As of June 30, 2023, the value of the lease liability was \$63,551. The City is required to make annual principal and interest payments of \$11,250 through July, 2028. The lease has an interest rate of 1.75%.

(7) Interfund Transfers

Transfer to	Transfer From	Amount
General	Capital Improvements	<u>\$ 200,217</u>
Capital Improvements	General	60,785
	Nonmajor	345,844
	Water	<u>16,558</u>
		<u>423,187</u>
Debt Service	Dyersville Economic Development Tax	
	Increment Financing	530,527
	Nonmajor	5,505
	Water	<u>46,427</u>
		<u>582,459</u>
Sewer	Water	<u>114,289</u>
		<u>\$ 1,320,152</u>

(7) Interfund Transfers

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

(8) 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 IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime 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. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used 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 members' 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 that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

(8) Pension and Retirement Benefits

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. Statute limits the amount rates can increase or decrease each year to one percentage point. IPERS' Contribution Rate Funding Policy requires that 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 2023 pursuant to the required rate, regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protective occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2023 were \$155,620.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2023, the City reported a liability of \$288,125 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to IPERS relative to the contributions of all IPERS participating employers. As of June 30, 2022, the City's proportion was 0.007626% which was a decrease of 0.104554% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension (income) expense of (\$7,029). As of June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to the Financial Statements

(8) Pension and Retirement Benefits

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,364	\$ 6,308
Changes of assumptions	386	32,082
Net difference between projected and actual earnings on IPERS' investments	—	81,221
Changes in proportion and differences between City contributions and proportionate share of contributions	37,739	21,920
City contributions subsequent to the measurement date	155,620	—
Total	<u>\$ 265,109</u>	<u>\$ 141,531</u>

\$155,620 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2024	\$ (56,768)
2025	(41,944)
2026	(88,822)
2027	156,895
2028	(1,403)
Total	<u>\$ (32,042)</u>

There were no nonemployer contributing entities to IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

Notes to the Financial Statements

(8) Pension and Retirement Benefits

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that 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%, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$895,109	\$288,125	(\$245,739)

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.

Payables to IPERS

All legally required employer contributions and legally required employee contributions which had been withheld from employee wages were remitted by the City to IPERS by June 30, 2023.

(9) Industrial Development Revenue Bonds

The City issued a total of \$5,500,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$1,413,265 was outstanding as of June 30, 2023. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The bond principal and interest do not constitute liabilities of the City.

(10) Risk Management

The City of Dyersville 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.

(11) Construction Commitments

The City has recognized as a liability for only that portion of construction contracts representing construction completed through June 30, 2023. The City has additional commitments for signed construction and engineering contracts of approximately \$4,000,000 as of June 30, 2023, to be paid as work progresses.

(12) Tax Abatements

GASB Statement No. 77 defines tax abatements as a reduction in tax revenue 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 revenue 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, 2023, the City abated \$718,349 of property tax under the urban renewal and economic development projects.

(13) 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 \$27,216,078.

(14) Prospective Accounting Changes

The 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. 99, *Omnibus 2022*, issued in May, 2022, will be partially effective for the fiscal year ended June 30, 2023, and partially effective for fiscal year ending June 30, 2024. This Statement was issued 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 and accounting and financial reporting for financial guarantees.

GASB Statement No. 101, *Compensated Absences*, issued in June, 2022, will be effective for the fiscal year ending June 30, 2025. This Statement was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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

(15) Deficit Fund Balance

As of June 30, 2023, the Solid Waste Fund had a deficit balance of \$54,510 and the Special Projects Fund had a deficit balance of \$18,837. The deficit balances are the result of capital projects where permanent financing was not in place. The deficits will be eliminated upon receipt of funding in future periods.

(16) Subsequent Events

Management has evaluated subsequent events through December 6, 2023, the date which the financial statements were available to be issued.

Required Supplementary Information

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

Year Ended June 30, 2023

	Actual			Budgeted Amounts		Over
	Governmental	Enterprise	Total	Original	Final	(Under)
	Funds	Funds				Budget
Receipts						
Property tax	\$ 2,816,027	\$ —	\$ 2,816,027	\$ 2,682,701	\$ 2,682,701	\$ 133,326
Tax increment financing ...	1,691,435	—	1,691,435	1,711,446	1,711,446	(20,011)
Other city tax	1,097,939	2,850	1,100,789	1,062,902	1,082,902	17,887
Licenses and permits	14,327	—	14,327	17,800	17,800	(3,473)
Use of money and property	113,067	—	113,067	61,850	78,850	34,217
Intergovernmental	2,703,859	4,766,650	7,470,509	12,013,024	12,382,024	(4,911,515)
Charges for service	247,952	2,755,775	3,003,727	2,905,553	2,905,553	98,174
Special assessments	4,315	—	4,315	10,000	10,000	(5,685)
Miscellaneous	109,149	22,126	131,275	158,500	214,500	(83,225)
Total Receipts	8,798,070	7,547,401	16,345,471	20,623,776	21,085,776	(4,740,305)
Disbursements						
Public safety	1,366,318	—	1,366,318	1,154,759	1,387,759	(21,441)
Public works	846,805	—	846,805	722,556	846,556	249
Culture and recreation	1,389,627	—	1,389,627	1,398,931	1,398,931	(9,304)
Community and economic development	3,617,255	—	3,617,255	1,348,856	1,363,856	2,253,399
General government	582,853	—	582,853	510,440	560,440	22,413
Debt service	1,152,901	—	1,152,901	1,738,209	1,738,209	(585,308)
Capital projects	940,809	—	940,809	320,000	3,070,000	(2,129,191)
Business-type activities	—	9,332,508	9,332,508	13,288,833	13,488,833	(4,156,325)
Total Disbursements ..	9,896,568	9,332,508	19,229,076	20,482,584	23,854,584	(4,625,508)
Receipts Over (Under)						
Disbursements	(1,098,498)	(1,785,107)	(2,883,605)	141,192	(2,768,808)	(114,797)
Other Financing Sources (Uses), Net	2,357,177	277,015	2,634,192	1,000	2,651,000	(16,808)
Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	1,258,679	(1,508,092)	(249,413)	142,192	(117,808)	(131,605)
Balances - Beginning of Year	4,229,201	(1,720,934)	2,508,267	945,711	2,508,267	—
Balances - End of Year ..	\$ 5,487,880	\$ (3,229,026)	\$ 2,258,854	\$ 1,087,903	\$ 2,390,459	\$ (131,605)

Schedule of Budgetary Comparison - Budget to GAAP Reconciliation

Year Ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	GAAP Basis
Revenue.....	\$ 8,798,070	\$ 378,085	\$ 9,176,155
Expenditures	<u>9,896,568</u>	<u>(7,505)</u>	<u>9,889,063</u>
Net	(1,098,498)	385,590	(712,908)
Other financing sources, net.....	2,357,177	9,987	2,367,164
Beginning fund balances	<u>4,229,201</u>	<u>(499,035)</u>	<u>3,730,166</u>
Ending Fund Balances	<u>\$ 5,487,880</u>	<u>\$ (103,458)</u>	<u>\$ 5,384,422</u>

	Proprietary Funds		
	Cash Basis	Accrual Adjustments	GAAP Basis
Revenue.....	\$ 7,547,401	\$ (4,745,378)	\$ 2,802,023
Expenditures	<u>9,332,508</u>	<u>(6,702,019)</u>	<u>2,630,489</u>
Net	(1,785,107)	1,956,641	171,534
Other financing sources, net.....	277,015	6,014,659	6,291,674
Beginning fund balances	<u>(1,720,934)</u>	<u>19,620,275</u>	<u>17,899,341</u>
Ending Fund Balances	<u>\$ (3,229,026)</u>	<u>\$ 27,591,575</u>	<u>\$ 24,362,549</u>

Notes to Required Supplementary Information - Budgetary Reporting

Year Ended June 30, 2023

The budgetary comparison is presented as required supplementary information in accordance with Government 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. Encumbrances are not recognized on the cash basis budget, and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, 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, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$3,372,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2023, disbursements in the public works, community and economic development and general government functions exceeded the amounts budgeted.

Schedule of Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System

Last Nine Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.007626%	0.112180%	0.011717%	0.010448%	0.010644%	0.010939%	0.010559%	0.009771%	0.009269%
City's proportionate share of the net pension liability	\$288,125	(\$387,275)	\$823,117	\$604,983	\$673,605	\$728,676	\$664,484	\$482,753	\$367,582
City's covered-employee payroll	\$1,475,500	\$1,434,728	\$1,267,514	\$1,203,488	\$1,130,916	\$1,124,860	\$1,056,968	\$1,046,526	\$1,019,999
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll.....	19.53%	(26.99%)	64.94%	50.27%	59.56%	64.78%	62.87%	46.13%	36.04%
Plan fiduciary net position as a percentage of the total pension liability	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

Schedule of Contributions

Iowa Public Employees' Retirement System

Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 155,620	\$ 138,630	\$ 136,161	\$ 121,512	\$ 116,443	\$ 103,984	\$ 103,724	\$ 97,313	\$ 97,306	\$ 93,029
Contributions in relation to the statutorily required contributions.....	<u>(155,620)</u>	<u>(138,630)</u>	<u>(136,161)</u>	<u>(121,512)</u>	<u>(116,443)</u>	<u>(103,984)</u>	<u>(103,724)</u>	<u>(97,313)</u>	<u>(97,306)</u>	<u>(93,029)</u>
Contribution Deficiency (Excess)	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>
City's covered-employee payroll.....	\$ 1,656,000	\$ 1,475,500	\$ 1,434,728	\$ 1,267,514	\$ 1,203,488	\$ 1,130,916	\$ 1,124,860	\$ 1,056,968	\$ 1,046,526	\$ 1,019,999
Contributions as a percentage of covered-employee payroll	9.40%	9.40%	9.49%	9.59%	9.68%	9.19%	9.22%	9.21%	9.30%	9.12%

Notes to Required Supplementary Information - Pension Liability

Iowa Public Employees' Retirement System

Year Ended June 30, 2023

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

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

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

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the unfunded actuarial liability (UAL) 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



Nonmajor Governmental Funds

Library Trust - This fund is used to account for the donations received for the library and for the use of such donations for library equipment and improvements.

Local Option Sales Tax - This fund is used to account for proceeds from the City's 1% local option sales tax. Funds are used to reduce future borrowings and for general property tax relief.

Road Use Tax - This fund is used to account for road use tax revenue and the expenditures allowed by statute to be paid from the funds received.

Combining Balance Sheet - Nonmajor Governmental Funds

As of June 30, 2023

	Special Revenue			
	Library Trust	Local Option Sales Tax	Road Use Tax	Total
Assets				
Cash and pooled cash investments	\$ —	\$ 474,665	\$ 104,423	\$ 579,088
Due from other governments	—	45,065	50,315	95,380
Restricted cash	85,541	—	—	85,541
Total Assets	\$ 85,541	\$ 519,730	\$ 154,738	\$ 760,009
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 289	\$ —	\$ 4,357	\$ 4,646
Salaries and benefits payable	—	—	4,766	4,766
Total Liabilities	289	—	9,123	9,412
Fund Balances				
Restricted for				
Local option sales tax	—	519,730	—	519,730
Library	85,252	—	—	85,252
Capital improvements	—	—	145,615	145,615
Total Fund Balances	85,252	519,730	145,615	750,597
Total Liabilities and Fund Balances	\$ 85,541	\$ 519,730	\$ 154,738	\$ 760,009

Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2023

	Special Revenue			
	Library Trust	Local Option Sales Tax	Road Use Tax	Total
Revenue				
Other city tax	\$ —	\$ 601,751	\$ —	\$ 601,751
Use of money and property	423	—	—	423
Intergovernmental	—	—	619,026	619,026
Charges for service	45,922	—	—	45,922
Total Revenue	<u>46,345</u>	<u>601,751</u>	<u>619,026</u>	<u>1,267,122</u>
Expenditures				
Operating				
Public safety	—	—	63,957	63,957
Public works	—	—	426,145	426,145
Culture and recreation	34,468	—	—	34,468
Total Expenditures	<u>34,468</u>	<u>—</u>	<u>490,102</u>	<u>524,570</u>
Revenue Over (Under)				
Expenditures	11,877	601,751	128,924	742,552
Other Financing Uses				
Transfers out	<u>—</u>	<u>(338,021)</u>	<u>(12,328)</u>	<u>(350,349)</u>
Net Changes in Fund Balances	11,877	263,730	116,596	392,203
Fund Balances - Beginning of Year	<u>73,375</u>	<u>256,000</u>	<u>29,019</u>	<u>358,394</u>
Fund Balances - End of Year	<u>\$ 85,252</u>	<u>\$ 519,730</u>	<u>\$ 145,615</u>	<u>\$ 750,597</u>

Schedule of Revenue by Source and Expenditures by Function -
All Governmental Funds

Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenue										
Property tax	\$ 2,815,896	\$ 2,600,439	\$ 2,660,349	\$ 2,200,200	\$ 2,211,305	\$ 2,176,537	\$ 2,053,839	\$ 2,170,818	\$ 2,192,886	\$ 1,780,816
Tax increment financing	1,691,806	1,659,090	1,301,647	1,141,824	994,589	755,366	955,457	628,651	514,708	828,249
Other city tax	1,144,990	1,147,930	961,097	835,969	805,500	790,735	797,763	807,984	806,905	746,975
Licenses and permits.....	16,110	19,773	13,392	17,174	16,313	21,412	23,745	21,808	21,189	17,917
Use of money and property	114,428	59,475	129,904	107,014	71,742	68,944	57,437	56,419	49,146	43,873
Intergovernmental	2,994,967	777,955	1,812,820	827,297	559,622	539,231	658,406	1,131,944	1,028,030	1,106,692
Charges for service	329,525	273,786	177,905	183,439	262,131	211,439	199,144	193,209	188,371	213,230
Special assessments.....	4,315	4,673	3,957	4,481	10,007	7,170	5,727	4,445	5,756	16,693
Miscellaneous.....	<u>64,118</u>	<u>140,236</u>	<u>70,114</u>	<u>144,675</u>	<u>110,652</u>	<u>77,014</u>	<u>54,634</u>	<u>215,815</u>	<u>63,838</u>	<u>89,407</u>
Total Revenue	<u>\$ 9,176,155</u>	<u>\$ 6,683,357</u>	<u>\$ 7,131,185</u>	<u>\$ 5,462,073</u>	<u>\$ 5,041,861</u>	<u>\$ 4,647,848</u>	<u>\$ 4,806,152</u>	<u>\$ 5,231,093</u>	<u>\$ 4,870,829</u>	<u>\$ 4,843,852</u>
Expenditures										
Operating										
Public safety	\$ 1,373,819	\$ 1,192,974	\$ 1,093,555	\$ 1,025,535	\$ 946,473	\$ 927,844	\$ 923,469	\$ 995,527	\$ 833,124	\$ 1,126,165
Public works.....	868,277	853,898	797,645	910,922	754,982	749,145	634,155	504,912	527,001	544,635
Health and social services	—	—	—	5,000	1,300	1,300	—	1,300	1,300	1,300
Culture and recreation.....	1,428,821	1,121,341	1,014,959	1,048,443	1,075,488	958,779	952,063	836,880	843,487	930,238
Community and economic development...	3,811,861	1,039,199	432,379	517,320	1,308,832	546,036	406,022	344,543	199,562	445,659
General government	564,261	508,943	644,147	610,743	423,998	435,768	373,278	318,785	296,770	375,424
Debt service	1,147,397	1,107,065	825,210	588,562	497,537	529,493	533,932	623,973	729,587	601,501
Capital projects.....	<u>694,627</u>	<u>1,444,651</u>	<u>4,577,040</u>	<u>4,405,936</u>	<u>2,574,845</u>	<u>841,192</u>	<u>978,127</u>	<u>942,790</u>	<u>302,574</u>	<u>1,127,594</u>
Total Expenditures	<u>\$ 9,889,063</u>	<u>\$ 7,268,071</u>	<u>\$ 9,384,935</u>	<u>\$ 9,112,461</u>	<u>\$ 7,583,455</u>	<u>\$ 4,989,557</u>	<u>\$ 4,801,046</u>	<u>\$ 4,568,710</u>	<u>\$ 3,733,405</u>	<u>\$ 5,152,516</u>

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Treasury				
Direct				
Pass-Through Program From Iowa Finance Authority				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ —	\$ 5,511,962
Pass-Through Program from Dubuque County				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		—	2,065,648
U.S. Department of Homeland Security				
Indirect				
Pass-Through Iowa Department of Homeland Security and Emergency Management				
Hazard Mitigation Grant	97.039		—	161,417
Total Expenditures of Federal Awards			\$ —	\$ 7,739,027

Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of the City of Dyersville under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City of Dyersville, it is not intended to and does not present the financial position, changes in financial position or cash flows of the City of Dyersville.

Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of Dyersville has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Indirect Cost Rate

The City of Dyersville has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dyersville
Dyersville, 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 basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dyersville, Iowa as of and for the year ended June 30, 2023, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 8, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's basic 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Audit Finding 2023-001 to be a material weakness.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2023, are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the City. 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 Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BerganKDV, Ltd.

Minneapolis, Minnesota
January 8, 2024

**Report on Compliance for each Major Federal Program
and Report on Internal Control over Compliance Required by
the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Dyersville
Dyersville, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Bergan KDV, Ltd.

Minneapolis, Minnesota
January 8, 2024

City of Dyersville
Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes, Audit Finding 2023-001
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Assistance Listing No.:	21.027
Name of Federal Program or Cluster:	COVID-19 American Rescue Plan
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low risk auditee?	No

City of Dyersville
Schedule of Findings and Questioned Costs

SECTION II – BASIC FINANCIAL STATEMENT FINDINGS

Instances of Noncompliance

There were no reported instances of noncompliance.

Internal Control Deficiencies

Current Internal Control Deficiency

Audit Finding 2023-001

Criteria:

Internal control that supports the City's ability to initiate, record, process and report financial data requires controls to ensure all required adjustments to the financial statements are properly recorded.

Condition:

During the course of our audit, we proposed material audit adjustments that would not have been identified as a result of the City's internal controls, and therefore, could have resulted in a material misstatement of the City's financial statements. In order to ensure financial statements were free from material misstatement, audit adjustments were required to adjust payables, capital contributions and unearned revenues.

Context:

This finding impacts the internal control over financial reporting.

Effect or Potential Effect:

Internal controls that fail to identify necessary adjustments could result in material misstatements to the financial statements.

Cause:

There are a limited number of office employees to identify all necessary adjustments.

Recommendation:

Review City activity and ensure all necessary adjustments to financial data are recorded.

Views of Responsible Officials and Planned Corrective Action:

The City will thoroughly review activity throughout the year and ensure all necessary adjustments to financial data are recorded. The City had a new financial services vendor preparing the financial statements.

Part III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

Instances of Noncompliance

There were no matters reported.

Internal Control Deficiencies

There were no matters reported.

City of Dyersville
Schedule of Findings and Questioned Costs

Part IV: FINDINGS RELATED TO STATUTORY REPORTING:

- 23-IV-A Certified Budget** – Disbursements in the Public Works, Community and Economic Development and General Government functional areas exceeded amounts budgeted during the year.
- Auditor's Recommendation** – The budget should have been amended in accordance with Chapter 384.18 of the *Code of Iowa* before disbursements were allowed to exceed the budget.
- City's Response** – The City has been making efforts to review the receipts and disbursements in a timely manner.
- Auditor's Conclusion** – Response accepted.
- 23-IV-B Questionable Disbursements** – We noted no material expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 23-IV-C Travel Expense** – No disbursements of the City of Dyersville's money for travel expenses of spouses of City officials or employees were noted.
- 23-IV-D Business Transactions** – No business transactions between the City and City officials were noted.
- 23-IV-E Restricted Donor Activity** – No transactions were noted between the City, City officials or City employees and restricted donors in compliance with Chapter 68B of the *Code of Iowa* (Government Ethics and Lobbying Act).
- 23-IV-F Bond Coverage** – Surety bond coverage of the City of Dyersville officials and employees is in accordance with statutory provisions and was reviewed and updated during the year. We recommend that the amount of coverage continue to be reviewed annually to ensure that the coverage is adequate for current operations.
- 23-IV-G Council Minutes** – No transactions were found that we believe should have been approved in the Council minutes but were not.
- 23-IV-H Deposits and Investments** – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the *Code of Iowa* and the City's investment policy.
- 23-IV-I Revenue Bonds** – The City has complied with the provisions of the revenue bond indentures and with the provisions of the tax increment revenue bond issues.
- 23-IV-J Tax Increment Financing** – The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City of Dyersville properly completed the Tax Increment Debt Certificate Forms to request TIF properly taxes.

City of Dyersville
Schedule of Findings and Questioned Costs

Part IV: FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)

23-IV-K Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 as required by Chapter 384.22(2)(a) of the *Code of Iowa* and no exceptions were noted.

23-IV-L Financial Condition – The funds listed below had deficit balances as of June 30, 2023, as noted:

Solid Waste Enterprise Fund	\$ 54,510
Nonmajor Governmental	
Special Projects	18,837

Auditor's Recommendation – The City should investigate alternatives to eliminate these deficits in order to return the funds to a sound financial position.

City's Response – The City anticipates that grant funding, bond proceeds and/or transfers from other funds will eliminate the deficits in future periods.

Auditor's Conclusion – Response accepted.