

**BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

**CITY OF DYERSVILLE, IOWA**

# CITY OF DYERSVILLE, IOWA

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City of Dyersville  
Officials  
June 30, 2021

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<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
James Heavens	Mayor	December 31, 2021
Michael English	Council Member	December 31, 2023
Jenni Ostwinkle Silva	Council Member	December 31, 2023
Tom Westhoff	Council Member	December 31, 2021
Jim Gibbs	Council Member	December 31, 2021
Mike Oberbroeckling	Council Member	December 31, 2021
	Appointed Officials	
Mick Michel	City Administrator	Appointed
Tricia Maiers	City Clerk/Treasurer	Appointed
Marc Casey (resigned September 30, 2020)	City Attorney	Appointed
Jenny Weiss (effective October 1, 2020)	City Attorney	Appointed

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# HOGAN • HANSEN

*A Professional Corporation*

Certified Public Accountants and Consultants

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying 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, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dyersville as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of IPERS contributions and the schedule of changes in total OPEB liability information on pages 5 through 11 and 48 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the 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 of Dyersville's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the eight years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the two years ended June 30, 2012 (which are not presented herein) were audited by other auditors in accordance with the standards referred to in the second paragraph of this report who expressed unmodified opinions on those financial statements. The supplementary information included on pages 54 through 57 is presented for purposes of additional analysis and is 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 our 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

To the Honorable Mayor and  
Members of the City Council  
City of Dyersville, Iowa  
Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 7, 2022, on our consideration of the City of Dyersville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dyersville's internal control over financial reporting and compliance.

*HOGAN - HANSEN*

HOGAN - HANSEN

Waterloo, Iowa  
February 7, 2022

Basic Financial Statements and  
Supplementary Information  
June 30, 2021  
**City of Dyersville, Iowa**



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, 2021. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

## **2021 FINANCIAL HIGHLIGHTS**

Revenues of the City's governmental and business-type activities increased 22% or approximately \$1,900,000 from fiscal 2020 to fiscal 2021. Overall capital grants and contributions increased approximately \$960,000, operating grants and contributions increased by approximately \$90,000, while charges for services increased \$140,000, and property taxes increased by \$460,000.

Program expenses of the City's governmental activities decreased 15% or approximately \$840,000 in fiscal 2021 from fiscal 2020. Public safety increased \$188,469. Community and economic development decreased by \$84,941. Culture and recreation expenses increased \$70,159, while Public works expense decreased by \$1,147,985 due to additional expenses in 2020 for road repair work, and General government increased \$156,104.

The City's net position increased 10%, or approximately \$3,095,000 from June 30, 2020 to June 30, 2021.

## **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 and information regarding post-employment benefits offered to its employees, Schedule of City's Proportionate Share of the Net Pension Liability of Iowa Public Employees' Retirement System, and Schedule of City Contributions of the Iowa Public Employees' Retirement System.

Other Supplementary Information provides detailed information about the non-major 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 revenues 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, revenues 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 Revenues, 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 Revenues, 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.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 7,142,600	\$ 8,559,125	\$ 515,681	\$ 453,765	\$ 7,658,281	\$ 9,012,890
Capital assets	26,716,206	22,264,375	25,614,463	22,810,186	52,330,669	45,074,561
Total assets	<u>33,858,806</u>	<u>30,823,500</u>	<u>26,130,144</u>	<u>23,263,951</u>	<u>59,988,950</u>	<u>54,087,451</u>
Deferred outflows of resources						
Pension related deferred outflows	233,933	184,790	66,080	55,099	300,013	239,889
Long-term liabilities	9,704,349	9,284,730	10,801,809	8,074,056	20,506,158	17,358,786
Other liabilities	420,744	532,306	2,002,617	2,429,629	2,423,361	2,961,935
Total liabilities	<u>10,125,093</u>	<u>9,817,036</u>	<u>12,804,426</u>	<u>10,503,685</u>	<u>22,929,519</u>	<u>20,320,721</u>
Deferred inflows of resources						
Succeeding year property tax	4,225,668	3,851,162	-	-	4,225,668	3,851,162
Pension related	17,604	110,509	6,832	31,605	24,436	142,114
Total deferred inflows	<u>4,243,272</u>	<u>3,961,671</u>	<u>6,832</u>	<u>31,605</u>	<u>4,250,104</u>	<u>3,993,276</u>
Net Position						
Net investment in capital assets	17,908,765	15,134,487	15,241,715	15,117,190	33,150,480	30,251,677
Restricted	2,957,905	2,230,472	16,657	16,490	2,974,562	2,246,962
Unrestricted	<u>(1,142,296)</u>	<u>(135,376)</u>	<u>(1,873,406)</u>	<u>(2,349,920)</u>	<u>(3,015,702)</u>	<u>(2,485,296)</u>
Total Net Position	<u>\$ 19,724,374</u>	<u>\$ 17,229,583</u>	<u>\$ 13,384,966</u>	<u>\$ 12,783,760</u>	<u>\$ 33,109,340</u>	<u>\$ 30,013,343</u>

### Net Position at Year-end

Net position of governmental activities increased during FY2021 by \$2,494,791 or 14%, and net position of business activities increased from FY2020 by \$601,206, or 5%. 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 \$3,015,000 at the end of this year.

### Changes in Net position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 246,444	\$ 171,625	\$ 2,720,774	\$ 2,656,030	\$ 2,967,218	\$ 2,827,655
Operating grants and contributions	759,812	668,145	-	-	759,812	668,145
Capital grants and contributions	1,181,655	425,379	406,421	203,866	1,588,076	629,245
General revenues						
Property tax levied for:						
General purposes	2,137,682	2,030,048	-	-	2,137,682	2,030,048
Debt service	522,667	170,152	-	-	522,667	170,152
Tax increment financing	1,301,647	1,141,824	-	-	1,301,647	1,141,824
Utility franchise fees	153,093	151,522	-	-	153,093	151,522
Local option sales tax	707,763	602,816	-	-	707,763	602,816
Hotel/motel tax	92,808	80,004	-	-	92,808	80,004
Unrestricted investment earnings	8,453	72,866	-	-	8,453	72,866
Miscellaneous	166,951	134,788	39,778	22,056	206,729	156,844
Total revenues	7,278,975	5,649,169	3,166,973	2,881,952	10,445,948	8,531,121
<b>Program Expenses</b>						
Public safety	1,192,576	1,004,107	-	-	1,192,576	1,004,107
Public works	1,102,509	2,250,494	-	-	1,102,509	2,250,494
Health and social services	-	5,000	-	-	-	5,000
Culture and recreation	1,175,707	1,105,548	-	-	1,175,707	1,105,548
Community and economic development	432,379	517,320	-	-	432,379	517,320
General government	816,024	659,920	-	-	816,024	659,920
Interest on long-term debt	204,764	223,238	-	-	204,764	223,238
Water utility	-	-	856,255	891,781	856,255	891,781
Sewage disposal works	-	-	1,185,609	1,134,429	1,185,609	1,134,429
Solid waste	-	-	384,128	373,070	384,128	373,070
Total expenses	4,923,959	5,765,627	2,425,992	2,399,280	7,349,951	8,164,907
Transfers	139,775	-	(139,775)	-	-	-
Change In Net Position	2,494,791	(116,458)	601,206	482,672	3,095,997	366,214
Net Position Beginning Of Year	17,229,583	17,346,041	12,783,760	12,301,088	30,013,343	29,647,129
Net Position End Of Year	\$ 19,724,374	\$ 17,229,583	\$ 13,384,966	\$ 12,783,760	\$ 33,109,340	\$ 30,013,343

## INDIVIDUAL MAJOR FUND ANALYSIS

### *Governmental Fund Highlights*

As the City of Dyersville completed the year, its governmental funds reported a combined fund balance of \$2,449,880, which is less than the \$3,728,855 total fund balance at June 30, 2020. 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 public safety function by approximately \$84,000 due to increases in police salaries. Culture and recreational expenses decreased approximately \$45,000 due to the curtailment of activities during the pandemic. The General Fund showed a decrease in fund balance of \$165,716 from the prior year to a fund balance of \$741,216, compared to prior year ending fund balance of \$906,932.

The Dyersville Economic Development TIF Fund is used to account for revenues 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 2021 with a \$2,117,189 fund balance compared to the prior year ending fund balance of \$1,597,934. The increase in fund balance is attributable to increases in TIF revenues.

The Local Option Sales Tax 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. The fund ended fiscal year 2021 with a balance of \$223,821, compared to prior year ending fund balance of \$117,014. The fund provided \$423,964 to the Capital Improvements Fund for capital projects.

The Road Use Tax Fund is used to account for road use tax revenues and the expenditures allowed by statute to be paid from the funds received. The fund ended fiscal year 2021 with a fund balance of \$57,785, compared to prior year ending fund balance of \$22,144.

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 2021 with a fund balance of \$630,770. The Capital Improvement Fund ended with a deficit fund balance of \$1,208,425. The fund incurred large expense in 2021 relating to the following projects: 12<sup>th</sup> Avenue Bridge, purchase of a fire truck, Castle Hill and Willow Heights subdivision improvements, and miscellaneous parking lot improvements.

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 2021 with a balance of \$464,562, compared to prior year ending fund balance of \$395,502.

### *Proprietary Fund Highlights*

The Water Utility Fund, which accounts for the operation and maintenance of the City's water system, ended fiscal 2021 with net position of \$6,398,075 compared to the prior year ending net position of \$5,903,446.

The Sewage Disposal Works Fund, which accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system, ended fiscal 2021 with a \$6,964,281 net position balance compared to the prior year ending net position balance of \$6,846,550.

### *Budgetary Highlights*

Over the course of the year, the City of Dyersville amended its budget once. The amendment was done on May 24, 2021. The amendment was needed to adjust expenditures for public safety, public works, culture and recreation, general government, capital projects, and business-type activities.

The City's receipts were \$653,773 more than final budgeted receipts.

Total disbursements were \$490,116 less than budgeted disbursements. The debt service, capital project, and business-type activities 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 \$26,716,206 (net of accumulated depreciation) at June 30, 2021. Capital assets for business-type activities totaled \$25,614,463 (net of accumulated depreciation) at June 30, 2021. See Note 3 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 X49 Reconstruction, Clean Water sustainability projects, Willow Heights and Castle Hill Subdivision payments, and 12<sup>th</sup> Avenue Bridge expenses.

For business-type activities, fiscal year 2021 included large outlays for the Southeast Water Pumping Station and the Southeast Sewer Collection System.

### *Long-Term Debt*

At June 30, 2021, the City had \$8,807,441 in total long-term debt outstanding for governmental activities. Total long-term debt outstanding for business-type activities was \$10,372,748 at June 30, 2021. The long term debt includes capital lease purchase agreements for two trucks with a remaining balance of \$118,923 at June 30, 2021, of which a portion is recorded in governmental activities and a portion is recorded in business-type activities.

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 percent 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 \$24 million. Other obligations include accrued vacation pay, sick leave, net pension liability and total OPEB liability. Additional information about the City's long-term debt is presented in Note 4 to the financial statements. Additional information about the City's Net Pension liability is presented in Note 6 to the financial statements, while information relating to Other Postemployment Benefits are presented in Note 7.

**ECONOMIC FACTORS BEARING ON THE CITY'S FUTURE**

Several economic factors affected decisions made by the City in setting its fiscal 2022 budget. The City's General Fund property tax revenues will remain consistent with prior years.

The tax levy rates per \$1,000 of taxable valuation for fiscal 2022 are provided below:

General levy	\$ 7.93007
Debt Service levy	1.41206
Total	\$ 9.34213

**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 1<sup>st</sup> Avenue East, Dyersville, Iowa 52040.

Basic Financial Statements  
June 30, 2021  
**City of Dyersville, Iowa**



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	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled cash investments	\$ 2,470,495	\$ 25,409	\$ 2,495,904
Receivables			
Property tax			
Delinquent	10,488	-	10,488
Succeeding year	4,225,668	-	4,225,668
Accounts and other	44,785	350,196	394,981
Special assessments	10,494	-	10,494
Due from other governments	199,975	-	199,975
Inventories	-	59,586	59,586
Prepaid expenses	86,068	45,954	132,022
Restricted assets			
Cash and pooled cash investments	94,627	34,536	129,163
Capital assets			
Land and construction in progress	12,862,529	4,507,514	17,370,043
Other capital assets, net of accumulated depreciation	13,853,677	21,106,949	34,960,626
Total Assets	<u>33,858,806</u>	<u>26,130,144</u>	<u>59,988,950</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>233,933</u>	<u>66,080</u>	<u>300,013</u>

See Notes to Financial Statements

City of Dyersville  
Exhibit A – Statement of Net Position  
June 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Checks written in excess of deposits	\$ -	\$ 1,799,704	\$ 1,799,704
Accounts payable	349,969	181,005	530,974
Accrued interest payable	16,821	10,898	27,719
Salaries and benefits payable	53,954	11,010	64,964
<b>Long-term liabilities</b>			
Portion due or payable within one year			
Customer deposits	-	42,248	42,248
Capital lease purchase agreements	8,625	17,250	25,875
General obligation bonds	935,000	470,000	1,405,000
Revenue bonds payable	-	642,000	642,000
Compensated absences	274,369	126,664	401,033
Portion due or payable after one year			
Capital lease purchase agreements	31,016	62,032	93,048
General obligation bonds	7,832,800	2,390,000	10,222,800
Revenue bonds	-	6,791,466	6,791,466
Net pension liability	577,861	245,256	823,117
Total OPEB liability	44,678	14,893	59,571
Total Liabilities	<u>10,125,093</u>	<u>12,804,426</u>	<u>22,929,519</u>
<b>Deferred Inflows of Resources</b>			
Succeeding year property tax	4,225,668	-	4,225,668
Pension related deferred inflows	17,604	6,832	24,436
Total Deferred Inflows of Resources	<u>4,243,272</u>	<u>6,832</u>	<u>4,250,104</u>
<b>Net Position</b>			
Net investment in capital assets	17,908,765	15,241,715	33,150,480
<b>Restricted for</b>			
Economic development	2,117,189	-	2,117,189
Local option sales tax	223,821	-	223,821
Library	94,548	-	94,548
Debt service	464,562	16,657	481,219
Capital Improvements	57,785	-	57,785
Unrestricted	(1,142,296)	(1,873,406)	(3,015,702)
Total Net Position	<u>\$ 19,724,374</u>	<u>\$ 13,384,966</u>	<u>\$ 33,109,340</u>

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	\$ 1,192,576	\$ 13,843	\$ 114,338	\$ -
Public works	1,102,509	32,370	602,581	1,181,655
Culture and recreation	1,175,707	157,731	19,537	-
Community and economic development	432,379	42,500	23,356	-
General government	816,024	-	-	-
Debt service	204,764	-	-	-
Total governmental activities	<u>4,923,959</u>	<u>246,444</u>	<u>759,812</u>	<u>1,181,655</u>
Business-type activities				
Water utility	856,255	988,834	-	331,243
Sewage disposal works	1,185,609	1,358,966	-	75,178
Solid waste	384,128	372,974	-	-
Total business-type activities	<u>2,425,992</u>	<u>2,720,774</u>	<u>-</u>	<u>406,421</u>
Total primary government	<u>\$ 7,349,951</u>	<u>\$ 2,967,218</u>	<u>\$ 759,812</u>	<u>\$ 1,588,076</u>
General revenues				
Property tax and other City tax levied for				
General purposes				
Debt service				
Tax increment financing				
Utility franchise fees				
Local option sales tax				
Hotel/motel tax				
Unrestricted investment earnings				
Gain on sale of capital assets				
Other				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

City of Dyersville  
 Exhibit B – Statement of Activities  
 As of and for the Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,064,395)	\$ -	\$ (1,064,395)
714,097	-	714,097
(998,439)	-	(998,439)
(366,523)	-	(366,523)
(816,024)	-	(816,024)
(204,764)	-	(204,764)
<u>(2,736,048)</u>	<u>-</u>	<u>(2,736,048)</u>
-	463,822	463,822
-	248,535	248,535
<u>-</u>	<u>(11,154)</u>	<u>(11,154)</u>
<u>-</u>	<u>701,203</u>	<u>701,203</u>
<u>(2,736,048)</u>	<u>701,203</u>	<u>(2,034,845)</u>
2,137,682	-	2,137,682
522,667	-	522,667
1,301,647	-	1,301,647
153,093	-	153,093
707,763	-	707,763
92,808	-	92,808
8,453	-	8,453
10,396	-	10,396
156,555	39,778	196,333
139,775	(139,775)	-
<u>5,230,839</u>	<u>(99,997)</u>	<u>5,130,842</u>
2,494,791	601,206	3,095,997
<u>17,229,583</u>	<u>12,783,760</u>	<u>30,013,343</u>
<u>\$ 19,724,374</u>	<u>\$ 13,384,966</u>	<u>\$ 33,109,340</u>

	General	Special Revenue		
		Dyersville Economic Development TIF	Local Option Sales Tax	Road Use Tax
<b>Assets</b>				
Cash and pooled cash investments	\$ 640,558	\$ 2,259,784	\$ 184,524	\$ 13,896
Receivables				
Property tax				
Delinquent	8,160	664	-	-
Succeeding year	2,019,840	1,753,519	-	-
Accounts and other	44,785	-	-	-
Special assessments	-	-	-	-
Due from other governments	44,564	-	39,297	63,479
Prepaid expenditures	86,068	-	-	-
Restricted cash	35,401	-	-	-
<b>Total Assets</b>	<b>\$ 2,879,376</b>	<b>\$ 4,013,967</b>	<b>\$ 223,821</b>	<b>\$ 77,375</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Checks written in excess of deposits	\$ -	\$ -	\$ -	\$ -
Accounts payable	76,162	143,259	-	7,794
Salaries and benefits payable	42,158	-	-	11,796
<b>Total Liabilities</b>	<b>118,320</b>	<b>143,259</b>	<b>-</b>	<b>19,590</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues:				
Succeeding year property tax	2,019,840	1,753,519	-	-
Other	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,019,840</b>	<b>1,753,519</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits)</b>				
Nonspendable				
Prepaid expenditures	86,068	-	-	-
Restricted for				
Economic development	-	2,117,189	-	-
Local option sales tax	-	-	223,821	-
Library	35,401	-	-	-
Debt service	-	-	-	-
Capital improvements	-	-	-	57,785
Unassigned	619,747	-	-	-
<b>Total Fund Balances</b>	<b>741,216</b>	<b>2,117,189</b>	<b>223,821</b>	<b>57,785</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,879,376</b>	<b>\$ 4,013,967</b>	<b>\$ 223,821</b>	<b>\$ 77,375</b>

See Notes to Financial Statements

City of Dyersville  
Exhibit C – Balance Sheet – Governmental Funds  
June 30, 2021

Capital Projects Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total
\$ -	\$ 462,898	\$ -	\$ 3,561,660
-	1,664	-	10,488
-	452,309	-	4,225,668
-	-	-	44,785
10,494	-	-	10,494
52,635	-	-	199,975
-	-	-	86,068
-	-	59,226	94,627
<u>\$ 63,129</u>	<u>\$ 916,871</u>	<u>\$ 59,226</u>	<u>\$ 8,233,765</u>
\$ 1,085,750	\$ -	\$ 5,415	\$ 1,091,165
122,675	-	79	349,969
-	-	-	53,954
<u>1,208,425</u>	<u>-</u>	<u>5,494</u>	<u>1,495,088</u>
-	452,309	-	4,225,668
63,129	-	-	63,129
<u>63,129</u>	<u>452,309</u>	<u>-</u>	<u>4,288,797</u>
-	-	-	86,068
-	-	-	2,117,189
-	-	-	223,821
-	-	59,147	94,548
-	464,562	-	464,562
-	-	-	57,785
(1,208,425)	-	(5,415)	(594,093)
<u>(1,208,425)</u>	<u>464,562</u>	<u>53,732</u>	<u>2,449,880</u>
<u>\$ 63,129</u>	<u>\$ 916,871</u>	<u>\$ 59,226</u>	<u>\$ 8,233,765</u>

City of Dyersville  
 Exhibit D – Reconciliation of the Balance Sheet –  
 Governmental Funds to the Statement of Net Position  
 June 30, 2021

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Total Fund Balances - Governmental Funds		\$ 2,449,880
<p>Amounts reported for governmental activities in the statement of net position is different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.</p>		
Cost of capital assets	34,784,027	
Accumulated depreciation	<u>(8,067,821)</u>	26,716,206
<p>Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds. Those revenues consist of:</p>		
Special assessments	10,494	
Other	<u>52,635</u>	63,129
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>		
General obligation bonds	(8,767,800)	
Capital lease purchase agreement	(39,641)	
Accrued interest	(16,821)	
Compensated absences	(274,369)	
Net pension liability	(577,861)	
OPEB	<u>(44,678)</u>	(9,721,170)
<p>Pension related deferred outflows and inflows are not considered current financial resources and therefore are not part of the governmental fund analysis</p>		
		<u>216,329</u>
Net position of governmental activities		<u><u>\$ 19,724,374</u></u>



	General	Special Revenue		
		Dyersville Economic Development TIF	Local Option Sales Tax	Road Use Tax
<b>Revenues</b>				
Property tax	\$ 2,137,682	\$ -	\$ -	\$ -
Tax increment financing	-	1,301,647	-	-
Other city tax	429,058	-	530,771	-
Licenses and permits	13,392	-	-	-
Use of money and property	129,007	-	-	-
Intergovernmental	133,874	-	-	602,581
Charges for service	141,203	-	-	-
Special assessments	-	-	-	-
Miscellaneous	70,114	-	-	-
<b>Total Revenues</b>	<b>3,054,330</b>	<b>1,301,647</b>	<b>530,771</b>	<b>602,581</b>
<b>Expenditures</b>				
<b>Current</b>				
Public safety	1,028,634	-	-	63,424
Public works	294,129	-	-	503,516
Culture and recreation	974,630	-	-	-
Community and economic development	20,322	412,057	-	-
General government	644,147	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
<b>Total Expenditures</b>	<b>2,961,862</b>	<b>412,057</b>	<b>-</b>	<b>566,940</b>
<b>Revenues Over (Under) Expenditures</b>	<b>92,468</b>	<b>889,590</b>	<b>530,771</b>	<b>35,641</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(258,184)	(370,335)	(423,964)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(258,184)</b>	<b>(370,335)</b>	<b>(423,964)</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>(165,716)</b>	<b>519,255</b>	<b>106,807</b>	<b>35,641</b>
<b>Fund Balances, Beginning of Year</b>	<b>906,932</b>	<b>1,597,934</b>	<b>117,014</b>	<b>22,144</b>
<b>Fund Balances, End of Year</b>	<b>\$ 741,216</b>	<b>\$ 2,117,189</b>	<b>\$ 223,821</b>	<b>\$ 57,785</b>

See Notes to Financial Statements

City of Dyersville  
 Exhibit E – Statement of Revenues, Expenditures, and Changes  
 In Fund Balances (Deficit) – Governmental Funds  
 Year Ended June 30, 2021

<u>Capital Projects</u> Capital Improvements	<u>Debt</u> Service	<u>Nonmajor</u> Governmental Funds	<u>Total</u>
\$ -	\$ 522,667	\$ -	\$ 2,660,349
-	-	-	1,301,647
-	1,268	-	961,097
-	-	-	13,392
600	-	297	129,904
1,033,865	-	42,500	1,812,820
-	-	36,702	177,905
3,957	-	-	3,957
-	-	-	70,114
<u>1,038,422</u>	<u>523,935</u>	<u>79,499</u>	<u>7,131,185</u>
-	-	1,497	1,093,555
-	-	-	797,645
-	-	40,329	1,014,959
-	-	-	432,379
-	-	-	644,147
-	825,210	-	825,210
<u>4,577,040</u>	<u>-</u>	<u>-</u>	<u>4,577,040</u>
<u>4,577,040</u>	<u>825,210</u>	<u>41,826</u>	<u>9,384,935</u>
<u>(3,538,618)</u>	<u>(301,275)</u>	<u>37,673</u>	<u>(2,253,750)</u>
835,000	-	-	835,000
864,423	370,335	-	1,234,758
<u>-</u>	<u>-</u>	<u>(42,500)</u>	<u>(1,094,983)</u>
<u>1,699,423</u>	<u>370,335</u>	<u>(42,500)</u>	<u>974,775</u>
(1,839,195)	69,060	(4,827)	(1,278,975)
<u>630,770</u>	<u>395,502</u>	<u>58,559</u>	<u>3,728,855</u>
<u>\$ (1,208,425)</u>	<u>\$ 464,562</u>	<u>\$ 53,732</u>	<u>\$ 2,449,880</u>

City of Dyersville

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances –  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2021

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Net Change In Fund Balances - Total Governmental Funds		\$ (1,278,975)
<p>Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:</p>		
<p>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:</p>		
Net acquisition of capital assets	\$ 5,172,157	
Depreciation expense	<u>(707,390)</u>	4,464,767
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position</p>		
		(12,937)
<p>Because some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues and are unavailable in the governmental funds, as follows:</p>		
Grants	(397,600)	
Special assessments	<u>(3,946)</u>	(401,546)
<p>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 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:</p>		
Issued	(835,000)	
Repaid	<u>619,393</u>	(215,607)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:</p>		
Compensated absences	(29,853)	
Interest on long-term debt	1,053	
Pension	(27,886)	
OPEB	<u>(4,225)</u>	<u>(60,911)</u>
Change in Net Position of Governmental Activities		<u>\$ 2,494,791</u>

Business-type Activities - Enterprise Funds

	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and pooled cash investments	\$ -	\$ -	\$ 25,409	\$ 25,409
Accounts receivable	130,327	177,230	42,639	350,196
Inventories	54,430	5,156	-	59,586
Prepaid items	17,835	28,119	-	45,954
Total Current Assets	<u>202,592</u>	<u>210,505</u>	<u>68,048</u>	<u>481,145</u>
<b>Noncurrent Assets</b>				
Restricted assets - cash and pooled cash investments	<u>34,536</u>	<u>-</u>	<u>-</u>	<u>34,536</u>
<b>Capital Assets</b>				
Land	75,750	134,530	-	210,280
Improvements other than buildings	355,344	221,022	45,237	621,603
Machinery and equipment	475,999	1,244,404	113,173	1,833,576
Wells	1,597,965	-	-	1,597,965
Distribution system	9,442,231	-	-	9,442,231
Sewer system	-	16,893,990	-	16,893,990
Construction in progress	1,659,602	2,637,632	-	4,297,234
Accumulated depreciation	(4,113,637)	(5,028,274)	(140,505)	(9,282,416)
Net Capital Assets	<u>9,493,254</u>	<u>16,103,304</u>	<u>17,905</u>	<u>25,614,463</u>
Total Noncurrent Assets	<u>9,527,790</u>	<u>16,103,304</u>	<u>17,905</u>	<u>25,648,999</u>
Total Assets	<u>9,730,382</u>	<u>16,313,809</u>	<u>85,953</u>	<u>26,130,144</u>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	<u>29,843</u>	<u>29,843</u>	<u>6,394</u>	<u>66,080</u>

See Notes to Financial Statements

City of Dyersville  
Exhibit G – Statement of Net Position  
Proprietary Funds  
June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Liabilities				
Current Liabilities				
Checks written in excess of deposits	\$ 146,738	\$ 1,652,966	\$ -	\$ 1,799,704
Accounts payable	23,904	132,902	24,199	181,005
Accrued interest payable	3,596	7,302	-	10,898
Salaries and benefits payable	5,301	3,276	2,433	11,010
Capital lease purchase agreement	8,625	8,625	-	17,250
General obligation bonds	215,000	255,000	-	470,000
Revenue bonds	136,000	506,000	-	642,000
Compensated absences	39,610	70,134	16,920	126,664
Total Current Liabilities	<u>578,774</u>	<u>2,636,205</u>	<u>43,552</u>	<u>3,258,531</u>
Current Liabilities Payable				
From Restricted Assets				
Customer deposits payable	42,248	-	-	42,248
Noncurrent Liabilities				
Capital lease purchase agreement	31,016	31,016	-	62,032
General obligation bonds	1,140,000	1,250,000	-	2,390,000
Revenue bonds	1,449,714	5,341,752	-	6,791,466
Net pension liability	110,761	110,761	23,734	245,256
Total OPEB liability	6,552	6,552	1,789	14,893
Total Noncurrent Liabilities	<u>2,738,043</u>	<u>6,740,081</u>	<u>25,523</u>	<u>9,503,647</u>
Total Liabilities	<u>3,359,065</u>	<u>9,376,286</u>	<u>69,075</u>	<u>12,804,426</u>
Deferred Inflows of Resources	3,085	3,085	662	6,832
Net Position				
Net investment in capital assets	6,512,899	8,710,911	17,905	15,241,715
Restricted	-	16,657	-	16,657
Unrestricted	(114,824)	(1,763,287)	4,705	(1,873,406)
Total Net Position	<u>\$ 6,398,075</u>	<u>\$ 6,964,281</u>	<u>\$ 22,610</u>	<u>\$ 13,384,966</u>

City of Dyersville  
Exhibit H – Statement of Revenues, Expenses, and Changes in Fund Net Position –  
Proprietary Funds  
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Operating Revenues				
Charges for sales and services	\$ 988,834	\$ 1,358,966	\$ 372,974	\$ 2,720,774
Other	30,807	8,971	-	39,778
Total Operating Revenues	<u>1,019,641</u>	<u>1,367,937</u>	<u>372,974</u>	<u>2,760,552</u>
Operating Expenses				
Employee expense	224,224	264,979	49,859	539,062
Utilities	85,822	52,235	615	138,672
Repairs and maintenance	73,184	83,134	24,460	180,778
Supplies and services	130,161	194,868	306,932	631,961
Insurance	27,854	33,215	-	61,069
Depreciation	257,418	421,731	2,262	681,411
Total Operating Expenses	<u>798,663</u>	<u>1,050,162</u>	<u>384,128</u>	<u>2,232,953</u>
Operating Income (Loss)	<u>220,978</u>	<u>317,775</u>	<u>(11,154)</u>	<u>527,599</u>
Nonoperating Expenses				
Interest expense	<u>(57,592)</u>	<u>(135,447)</u>	<u>-</u>	<u>(193,039)</u>
Income (Loss) Before Contributions and Transfers	<u>163,386</u>	<u>182,328</u>	<u>(11,154)</u>	<u>334,560</u>
Capital Contributions	331,243	75,178	-	406,421
Transfers Out	<u>-</u>	<u>(139,775)</u>	<u>-</u>	<u>(139,775)</u>
Change In Net Position	494,629	117,731	(11,154)	601,206
Net Position, Beginning	<u>5,903,446</u>	<u>6,846,550</u>	<u>33,764</u>	<u>12,783,760</u>
Net Position, Ending	<u>\$ 6,398,075</u>	<u>\$ 6,964,281</u>	<u>\$ 22,610</u>	<u>\$ 13,384,966</u>

City of Dyersville  
Exhibit I – Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 975,697	\$ 1,341,468	\$ 372,640	\$ 2,689,805
Cash payments to suppliers for goods and services	(363,339)	(482,562)	(329,776)	(1,175,677)
Cash payments to employees for services	(242,253)	(252,294)	(49,714)	(544,261)
Other operating receipts	30,807	8,971	-	39,778
Net Cash Provided By (Used For) Operating Activities	<u>400,912</u>	<u>615,583</u>	<u>(6,850)</u>	<u>1,009,645</u>
Cash Flows From Capital And Related Financing Activities				
Acquisition and construction of capital assets	(1,136,026)	(1,943,241)	-	(3,079,267)
Proceeds from issuance of debt	1,340,714	2,456,452	-	3,797,166
Payment of debt	(355,207)	(762,207)	-	(1,117,414)
Interest paid	(58,026)	(139,588)	-	(197,614)
Net Cash Used For Capital and Related Financing Activities	<u>(208,545)</u>	<u>(388,584)</u>	<u>-</u>	<u>(597,129)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	192,367	87,224	(6,850)	272,741
Cash and Cash Equivalents, Beginning of Year	<u>(304,569)</u>	<u>(1,740,190)</u>	<u>32,259</u>	<u>(2,012,500)</u>
Cash and Cash Equivalents, End of Year	<u>\$ (112,202)</u>	<u>\$ (1,652,966)</u>	<u>\$ 25,409</u>	<u>\$ (1,739,759)</u>

City of Dyersville  
Exhibit I – Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds			Total
	Water Utility	Sewage Disposal Works	Non-Major Solid Waste	
Reconciliation of Operating Income (Loss) to Net				
Cash Provided by (Used For) Operating Activities				
Operating income (loss)	\$ 220,978	\$ 317,775	\$ (11,154)	\$ 527,599
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided By (Used For)				
Operating Activities:				
Depreciation	257,418	421,731	2,262	681,411
Change in assets and liabilities				
Accounts receivable	(19,087)	(17,498)	(334)	(36,919)
Inventory and prepaids	(25,135)	(1,837)	-	(26,972)
Accounts payable	(21,183)	(117,273)	2,231	(136,225)
Deposits payable	5,950	-	-	5,950
Accrued liabilities	(24,269)	6,445	(1,230)	(19,054)
Deferred Outflows	(4,960)	(4,960)	(1,061)	(10,981)
Deferred Inflows	(11,188)	(11,188)	(2,397)	(24,773)
Pension liability	21,768	21,768	4,664	48,200
OPEB	620	620	169	1,409
Total Adjustments	179,934	297,808	4,304	482,046
Net Cash Provided By (Used For) Operating Activities	\$ 400,912	\$ 615,583	\$ (6,850)	\$ 1,009,645
Reconciliation of Cash and Cash				
Equivalents at Year End to				
Specific Assets Included on the				
Statement of Net Position				
Current Assets:				
Cash and pooled investments	\$ -	\$ -	\$ 25,409	\$ 25,409
Restricted Assets:				
Cash and pooled investments	34,536	-	-	34,536
Checks written in excess of deposits	(146,738)	(1,652,966)	-	(1,799,704)
Cash and Cash Equivalents at Year End	\$ (112,202)	\$ (1,652,966)	\$ 25,409	\$ (1,739,759)
Noncash Capital And Related Financing Activities				
Contributions of capital assets				
from governmental funds	\$ 331,243	\$ 75,178	\$ -	\$ 406,421



## **Note 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, Iowa, 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.

### **Reporting Entity**

For financial reporting purposes, the City of Dyersville, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. 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.

## **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 revenues, 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 – result 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 – consist 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 revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and (2) 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 revenues are reported instead as general revenues.

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 revenues 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.

The City reports the following major governmental funds:

#### **General Fund**

The General Fund is the general operating fund of the City. All general tax revenues and other revenues 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.

### **Special Revenue Funds**

The Dyersville Economic Development TIF Fund is used to account for revenues 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.

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 revenues and the expenditures allowed by statute to be paid from the funds received.

### **Capital Projects Funds**

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

### **Debt Service Fund**

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:

### **Enterprise Funds**

The Water Utility Fund is used to account for the operations of the City’s water facilities and services.

The 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. Revenues are 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end.

Property tax, local option sales tax, intergovernmental revenues (shared revenues, 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.

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 revenues. 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 revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds 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 revenues and expenses not meeting this definition are reported as nonoperating revenues 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.

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 at June 30, 2021, 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 revenues 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, 2019, assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021; and reflects tax asking contained in the budget certified by the County Board of Supervisors in March, 2020.

#### **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 revenues, 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.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 5,000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000

Capital assets of the City are depreciated/amortized using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	10 – 50
Building improvements	10 – 20
Infrastructure	15 – 50
Equipment	5 – 20
Vehicles	5 – 15

### Unavailable Revenue

Although certain revenues are measurable, they are 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 sixty 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 at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

### **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, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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 attributable to the governmental activities will be paid primarily by the General Fund.

### **OPEB**

For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

### **Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end. 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 position 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, 2021, disbursements exceeded the amount budgeted in debt service, capital projects, and business-type activities 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.

### **Note 2 - Cash and Pooled Investments**

*Deposits.* The City's deposits in banks at June 30, 2021, 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 or Board of Trustees 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 Governmental Accounting Standards Board Statement No. 72.



**Note 3 - Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,525,987	\$ -	\$ -	\$ 6,525,987
Construction in progress	4,075,245	4,333,484	2,072,187	6,336,542
Total capital assets, not being depreciated	<u>10,601,232</u>	<u>4,333,484</u>	<u>2,072,187</u>	<u>12,862,529</u>
Capital assets, being depreciated				
Buildings	4,172,607	-	-	4,172,607
Improvements other than buildings	2,244,747	2,242,380	-	4,487,127
Machinery and equipment	3,109,156	668,480	82,968	3,694,668
Infrastructure	9,567,096	-	-	9,567,096
Total capital assets, being depreciated	<u>19,093,606</u>	<u>2,910,860</u>	<u>82,968</u>	<u>21,921,498</u>
Less accumulated depreciation for:				
Buildings	2,203,984	84,538	-	2,288,522
Improvements other than buildings	918,629	178,397	-	1,097,026
Machinery and equipment	2,311,001	231,506	70,031	2,472,476
Infrastructure	1,996,848	212,949	-	2,209,797
Total accumulated depreciation	<u>7,430,462</u>	<u>707,390</u>	<u>70,031</u>	<u>8,067,821</u>
Total capital assets being depreciated, net	<u>11,663,144</u>	<u>2,203,470</u>	<u>12,937</u>	<u>13,853,677</u>
Governmental activities capital assets, net	<u>\$ 22,264,376</u>	<u>\$ 6,536,954</u>	<u>\$ 2,085,124</u>	<u>\$ 26,716,206</u>

City of Dyersville  
Notes to the Financial Statements  
June 30, 2021

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 210,280	\$ -	\$ -	\$ 210,280
Construction in progress	1,173,592	3,396,627	272,985	4,297,234
Total capital assets, not being depreciated	<u>1,383,872</u>	<u>3,396,627</u>	<u>272,985</u>	<u>4,507,514</u>
Capital assets, being depreciated				
Improvements other than buildings	45,237	576,366	-	621,603
Equipment and vehicles	1,762,365	71,211	-	1,833,576
Infrastructure, water and sewer network	28,219,717	-	285,531	27,934,186
Total capital assets, being depreciated	<u>30,027,319</u>	<u>647,577</u>	<u>285,531</u>	<u>30,389,365</u>
Less accumulated depreciation for:				
Improvements other than buildings	25,895	29,760	-	55,655
Equipment and vehicles	1,013,465	117,109	-	1,130,574
Infrastructure, water and sewer network	7,561,645	534,542	-	8,096,187
Total accumulated depreciation	<u>8,601,005</u>	<u>681,411</u>	<u>-</u>	<u>9,282,416</u>
Total capital assets being depreciated, net	<u>21,426,314</u>	<u>(33,834)</u>	<u>285,531</u>	<u>21,106,949</u>
Business-type activities capital assets, net	<u>\$ 22,810,186</u>	<u>\$ 3,362,793</u>	<u>\$ 558,516</u>	<u>\$ 25,614,463</u>

Depreciation expense was charged to functions of the City as follows:

<b>Governmental activities:</b>	
Public safety	\$ 101,851
Public works	312,832
Culture and recreation	148,171
General government	<u>144,536</u>
Total depreciation expense - governmental activities	<u>\$ 707,390</u>
<b>Business-type activities:</b>	
Water	\$ 257,418
Sewage disposal works	421,731
Solid waste	<u>2,262</u>
Total depreciation expense - business-type activities	<u>\$ 681,411</u>

**Note 4 - Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities					
General Obligation					
Bonds	\$ 8,495,000	\$ 835,000	\$ 610,000	\$ 8,720,000	\$ 935,000
Premiums	50,986	-	3,186	47,800	-
	<u>\$ 8,545,986</u>	<u>\$ 835,000</u>	<u>\$ 613,186</u>	<u>\$ 8,767,800</u>	<u>\$ 935,000</u>
Direct Placements:					
Capital Lease Purchase					
Agreements	45,848	-	6,207	39,641	8,625
Compensated Absences	244,516	274,369	244,516	274,369	274,369
	<u>\$ 8,836,350</u>	<u>\$ 1,109,369</u>	<u>\$ 863,909</u>	<u>\$ 9,081,810</u>	<u>\$ 1,217,994</u>

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Business-Type Activities					
General Obligation Bonds	\$ 3,335,000	\$ -	\$ 475,000	\$ 2,860,000	\$ 470,000
Direct Placements:					
Revenue Notes	4,266,300	3,797,166	630,000	7,433,466	642,000
Capital Lease Purchase					
Agreements	91,696	-	12,414	79,282	17,250
Compensated Absences	134,222	126,664	134,222	126,664	126,664
	<u>\$ 7,827,218</u>	<u>\$ 3,923,830</u>	<u>\$ 1,251,636</u>	<u>\$ 10,499,412</u>	<u>\$ 1,255,914</u>

**Capital Lease Purchase Agreement**

The City has entered into a capital lease purchase agreement to lease two trucks with historical costs of \$183,801, accumulated depreciation of \$107,217, and a net book value of \$76,584. The lease has interest of 3.75% per annum. The present value of net minimum lease payments under the agreement in effect at June 30, 2021 is as follows:

Governmental Activities:

Year Ending June 30,	Trucks
2022	\$ 10,356
2023	10,356
2024	10,356
2025	10,356
2026	2,587
Total minimum lease payments	44,011
Less amounts representing interest	(4,370)
Present value of net minimum lease payments	\$ 39,641

Business-Type Activities:

Year Ending June 30,	Trucks
2022	\$ 20,712
2023	20,712
2024	20,712
2025	20,712
2026	5,174
Total minimum lease payments	88,022
Less amounts representing interest	(8,740)
Present value of net minimum lease payments	\$ 79,282

**General Obligation Bonds/Notes**

Governmental activities:

Five issues of unmatured general obligation bonds/notes, totaling \$8,720,000, are outstanding at June 30, 2021. General obligation bonds bear interest at rates ranging from 0.55% to 3.60% per annum and mature in varying annual amounts, ranging from \$40,000 to \$420,000, with the final maturities due in the year ending June 30, 2037.

Business-type activities:

Five issues of unmatured general obligation bonds/notes, totaling \$2,860,000, are outstanding at June 30, 2021. General obligation bonds bear interest at rates ranging from 2.00% to 3.60% per annum and mature in varying annual amounts, ranging from \$35,000 to \$160,000, with the final maturities due in the year ending June 30, 2037.

City of Dyersville  
Notes to the Financial Statements  
June 30, 2021

Details of general obligation bonds payable at June 30, 2021, are as follows:

Governmental activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Amount Outstanding End of Year
General obligation bonds:						
Refunding & economic development	08/11/11	0.80 - 3.60%	06/01/26	40,000 - 50,000	\$ 735,000	\$ 215,000
General obligation corp. purpose	01/28/14	2.00 - 3.40%	06/01/29	60,000 - 70,000	1,350,000	525,000
Refunding & economic development	03/15/18	2.10 - 2.90%	06/01/27	270,000 - 295,000	2,487,570	1,720,000
General obligation corp. purpose	06/13/19	2.00-3.00%	06/01/36	175,000 - 420,000	5,680,000	5,425,000
General obligation corp. purpose	06/23/21	0.55%	06/01/37	80,000 - 305,000	835,000	835,000
Total general obligation bonds						<u>\$ 8,720,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 935,000	\$ 223,775	\$ 1,158,775
2023	1,055,000	212,956	1,267,956
2024	1,020,000	192,858	1,212,858
2025	800,000	168,191	968,191
2026	760,000	133,908	893,908
2027-2031	2,390,000	437,760	2,827,760
2032-2036	<u>1,760,000</u>	<u>147,300</u>	<u>1,907,300</u>
Total	<u>\$ 8,720,000</u>	<u>\$ 1,516,748</u>	<u>\$ 10,236,748</u>

Business-type activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Amount Outstanding End of Year
General obligation bonds:						
Sewer improvements	08/11/11	2.90 - 3.60%	06/01/26	100,000 - 120,000	\$ 1,275,000	\$ 555,000
Water improvements	08/11/11	2.90 - 3.60%	06/01/26	35,000 - 40,000	455,000	185,000
Sewer improvements	01/28/14	2.00 - 3.40%	06/01/28	60,000 - 70,000	875,000	440,000
Water improvements	01/28/14	2.00 - 3.40%	06/01/28	35,000 - 40,000	510,000	260,000
Sewer improvements	03/15/18	2.10 - 2.90%	06/01/27	60,000 - 75,000	584,535	405,000
Water improvements	03/15/18	2.10 - 2.90%	06/01/27	145,000 - 160,000	1,322,895	910,000
Sewer improvements	06/13/19	2.00-3.00%	06/01/24	35,000	175,000	105,000
Total general obligation bonds						<u>\$ 2,860,000</u>

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

Years Ending June 30,	Principal	Interest	Total
2022	\$ 470,000	\$ 80,983	\$ 550,983
2023	485,000	69,347	554,347
2024	490,000	56,625	546,625
2025	475,000	43,055	518,055
2026	490,000	28,918	518,918
2027-2031	<u>450,000</u>	<u>17,604</u>	<u>467,604</u>
Total	<u>\$ 2,860,000</u>	<u>\$ 296,532</u>	<u>\$ 3,156,532</u>

### Revenue Bonds

The City has pledged future sewer customer revenues, net of specified operating expenses, to repay approximately \$9,887,729 in sewer revenue bonds issued in August 2001, February 2010, July 2020, and October 2020. Proceeds from the bonds provided financing for the construction of improvements to the sewer treatment plant. 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 is \$6,465,114. For the current year, principal and interest paid and total customer net revenues plus depreciation expense were \$571,323 and \$739,506, respectively. Annual principal and interest payments on the above sewer revenue bonds are expected to require 50 percent of net revenues plus depreciation expense.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$2,540,964 in water revenue bonds issued in February 2002, April 2003, August 2016 and March 2020. Proceeds from the bonds provided financing for the construction of improvements to the water well. 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 \$1,832,353. For the current year, principal and interest paid and total customer net revenues plus depreciation expense were \$149,623 and \$478,396, respectively. Annual principal and interest payments on the above water revenue bonds are expected to require 20 percent of net revenues plus depreciation expense.

Eleven issues of unmatured Iowa Finance Authority revenue bonds, totaling \$7,433,466, are outstanding at June 30, 2021. These bonds bear interest at rates ranging from 0.75% to 1.75% and mature in varying annual amounts, ranging from \$4,000 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:

- 1) 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.
- 2) User rates shall be established at a level which produces and maintains net revenues 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, 2021, the City was in compliance with the revenue bond provisions.

Details of the revenue bonds payable at June 30, 2021, are as follows:

Business-type activities:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Amount Outstanding End of Year
Revenue bonds:						
Sewer improvements	08/01/01	1.75%	06/01/22	\$61,000	\$ 862,751	\$ 61,000
Sewer improvements	08/01/01	1.75%	06/01/22	44,000	627,500	44,000
Sewer improvements	08/01/01	1.75%	06/01/22	31,000	444,749	31,000
Sewer improvements	08/01/01	1.75%	06/01/22	22,000	334,000	22,000
Well improvements	02/08/02	1.75%	06/01/22	51,000	785,000	51,000
Well improvements	04/16/03	1.75%	06/01/22	4,000	64,000	4,000
Sewer improvements	02/10/10	1.75%	06/01/30	60,000 - 78,000	1,192,000	619,000
Sewer improvements	06/05/20	0.75%	06/01/37	91,075 - 208,000	3,626,729	2,869,075
Well Improvements	08/05/16	1.75%	06/01/36	14,000 - 19,000	343,250	248,000
Well Improvements	03/06/20	1.75%	06/01/40	30,714 - 90,000	1,600,000	1,282,714
Sewer improvements	10/09/20	1.75%	06/01/37	10,677 - 158,000	2,800,000	2,201,677
Total revenue bonds						<u>\$ 7,433,466</u>

A summary of the annual revenue bonds principal and interest requirements to maturity by year is as follows:

Years Ending June 30,	Principal	Interest	Total
2022	\$ 642,000	\$ 102,674	\$ 744,674
2023	436,000	98,974	534,974
2024	444,000	92,646	536,646
2025	452,000	86,195	538,195
2026	462,000	79,613	541,613
2027-2031	2,361,000	284,601	2,645,601
2032-2036	2,256,000	116,222	2,372,222
2037-2038	<u>380,466</u>	<u>3,076</u>	<u>383,542</u>
Total	<u>\$ 7,433,466</u>	<u>\$ 864,001</u>	<u>\$ 8,297,467</u>

**Note 5 - Transfers**

Transfer To	Transfer From	Amount
Capital Improvements	General	\$ 258,184
	Local Option Sales Tax	423,964
	Sewer	139,775
	Non-major governmental	42,500
		<u>864,423</u>
Debt Service	Dyersville Economic Development TIF	<u>370,335</u>
Total		<u>\$ 1,234,758</u>

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

**Note 6 - Pension and Retirement Benefits**

**Plan Description** – IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://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 percent 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 percent for each month that the member receives benefits before age 65.

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

### **Disability and Death Benefits**

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

### **Contributions**

Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS' Contribution Rate Funding Policy requires 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 2021, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the City contributed 9.44 percent for a total rate of 15.73 percent. Protective occupation members contributed 6.41 percent of covered payroll and the City contributed 9.61 percent for a total rate of 16.02 percent.

The City's total contributions to IPERS for the year ended June 30, 2021 were \$136,161.

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

At June 30, 2021, the City reported a liability of \$823,117 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the City's collective proportion was .011717 percent which was an increase of .001269 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$176,493. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,354	\$ 19,293
Changes of assumptions	54,387	669
Net difference between projected and actual earnings on pension plan investments	67,653	-
Changes in proportion and differences between City contributions and proportionate share of contributions	36,458	4,474
City contributions subsequent to the measurement date	136,161	-
Total	\$ 300,013	\$ 24,436

\$136,161 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 ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Total
2022	\$ 26,300
2023	32,858
2024	31,991
2025	45,722
2026	2,545
	\$ 139,416

There were no non-employer contributing entities at IPERS.

#### **Actuarial Assumptions**

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	28.0%	-0.29%
Domestic Equity	22.0	4.43%
International Equity	17.5	5.15%
Private Equity/Debt	11.0	6.54%
Private Real Assets	7.5	4.48%
Global smart beta equity	6.0	4.87%
Public Credit	4.0	2.29%
Private Credit	3.0	3.11%
Cash	1.0	-0.78%
	<u>100%</u>	

### Discount Rate

The discount rate used to measure the total pension liability was 7 percent. 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, the pension plan's 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 pension plan 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 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) 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	\$ 1,580,282	\$ 823,117	\$ 188,515

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

**Payables to the Pension Plan**

At June 30, 2021, the City reported payables to the defined benefit pension plan of \$10,651 for legally required employer contributions and \$7,100 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

**Note 7 - Other Postemployment Benefits (OPEB)**

**Plan Description** – The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	20
Total	20

**Total OPEB Liability** – The City’s total OPEB liability of \$59,571 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

**Actuarial Assumptions** – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	3.00 percent per annum
Rates of salary increase (effective June 30, 2020)	3.00 percent per annum, including inflation.
Long-term investment rate of return (effective June 30, 2020)	3.50 percent compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2020)	8.0 percent decreasing to 5.0 percent

**Discount Rate** – The discount rate used to measure the total OPEB liability was 3.50% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the 2012 United States Life Tables. Annual retirement probabilities are based on historical average retirement age for the covered group. Active plan members were assumed to retire at age 62, or the first subsequent year in which the member would qualify for benefits. 10% is the assumed future retiree participation rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

	2021
Change in the Total OPEB Liability	
Total OPEB Liability beginning of year	\$ 53,937
Changes for the Year:	
Service Cost	3,619
Interest	2,015
Differences between expected and actual experiences	-
Changes in assumptions	-
Benefit payments	-
Net Changes	5,634
Total OPEB Liability end of year	\$ 59,571

**Sensitivity of the City’s Total OPEB Liability to Changes in the Discount Rate** – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.50 percent) or 1-percent-point higher (4.50 percent) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 64,648	\$ 59,571	\$ 54,186

**Sensitivity of the City’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percent-point lower (4.0%) or 1-percentage-point higher (6.0%) than the current healthcare cost trend rates.

	1% Decrease (4.0%)	Discount Rate (5.0%)	1% Increase (6.0%)
Total OPEB Liability	\$ 50,858	\$ 59,571	\$ 69,999

The City does not recognize deferred outflows of resources or deferred inflows of resources related to OPEB because the City uses the alternative measurement method allowed under GASB 75.

### **Note 8 - Industrial Development Revenue Bonds**

The City has 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 \$1,493,980 is outstanding at June 30, 2021. 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.

### **Note 9 - 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.

### **Note 10 - Construction Commitments and Subsequent Events**

The City has recognized as a liability only that portion of construction contracts representing construction completed through June 30, 2021. The City has additional commitments for signed construction and engineering contracts of approximately \$250,000 as of June 30, 2021, to be paid as work progresses.

On August 2, 2021, the City accepted a financial assistance award from the United States Department of Commerce's Economic Development Administration in the amount of \$1,500,000 to be used for a water and wastewater extension project. The City's share of the cost of the project will be \$1,010,000 and will be paid for using general obligation bond proceeds.

On August 31, 2021, the City authorized and approved a loan and disbursement agreement providing for the issuance of \$2,885,000 taxable general obligation and refunding bonds, series 2021A for the purpose of paying the costs of various essential and general corporate purpose capital improvements and for refunding the City's outstanding Series 2011 General Obligation Corporate Purpose and Refunding Bonds.

On August 31, 2021, the City authorized and approved a loan and disbursement agreement providing for the issuance of \$1,050,000 taxable general obligation bonds, series 2021B for the purpose of paying the costs of various essential and general corporate purpose capital improvements and for paying the costs to acquire a skid loader and fire truck.

On October 4, 2021, the City amended its \$5,500,000 Assisted and Independent Living Facility Revenue Bond and the related loan agreement thereto.

On October 18, 2021, the City pledged a 15% match estimated at \$37,500 from the general fund, local option sales tax fund and/or in-kind match proceeds, if in fact, the City is awarded a Hazard Mitigation Assistance Grant of \$250,000 that was applied for.

On October 18, 2021, the City approved an agreement for engineering services in the amount of \$717,600 for the design for Dyersville East Road Water Service Extension 2022 Project.

On October 18, 2021, the city approved an agreement for engineering services in the amount of \$520,000 for the design for Dyersville East Road Utilities Extension 2022 Project.

On November 15, 2021, the City approved an agreement for engineering services in the amount of \$117,200 for the design for Heritage Trail Relocation and Paving Project.

On January 3, 2022, the City pledged a 20% match estimated at \$415,680 from tax increment financing funds, general obligation bonds and/or revenue bonds, if in fact, the American Rescue Plan Act Travel, Tourism and Outdoor Recreation grant is awarded for the Dyersville North Fork Maquoketa River Float Park.

Management has evaluated subsequent events through January 19, 2022, the date which the financial statements were available to be issued.

#### **Note 11 - Tax Abatements**

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

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

For the year ended June 30, 2021, the City abated \$412,057 of property tax under the urban renewal and economic development projects.

#### **Note 12 - 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 \$14,716,052.



### **Note 13 - Prospective Accounting Changes**

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

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

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

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

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

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

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued in June 2020, will be effective for fiscal year ending June 30, 2022. The primary objective of this statement is to increase consistency in reporting of defined contribution pension plans, defined contribution OPEB plans, employee benefit plans, and Section 457 plans that meet the definition of a pension plan.

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

**Note 14 - Contingency**

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

**Note 15 - Deficit Fund Balance**

At June 30, 2021, the Capital Improvements fund had a deficit balance of \$1,208,425, and the Special Projects fund had a deficit balance of \$5,415. 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.

Required Supplementary Information  
June 30, 2021  
**City of Dyersville, Iowa**

City of Dyersville

Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – Governmental Funds and Proprietary Funds and Budget to GAAP Reconciliation Required Supplementary Information  
Year Ended June 30, 2021

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original Budget	Final Budget	Variance with Final Budget-Positive (Negative)
<b>Receipts:</b>						
Property tax	2,677,391	-	\$ 2,677,391	\$ 2,521,080	\$ 2,521,080	\$ 156,311
Tax increment financing	1,309,968	-	1,309,968	1,304,409	1,304,409	5,559
Other city tax	939,247	-	939,247	863,518	863,518	75,729
Licenses and permits	14,092	-	14,092	16,700	16,700	(2,608)
Use of money and property	132,720	-	132,720	76,350	76,350	56,370
Intergovernmental	1,817,568	-	1,817,568	796,854	1,238,739	578,829
Charges for service	176,764	2,683,855	2,860,619	2,935,125	2,935,125	(74,506)
Special assessments	3,957	-	3,957	10,000	10,000	(6,043)
Miscellaneous	62,654	45,728	108,382	169,250	244,250	(135,868)
<b>Total receipts</b>	<b>7,134,361</b>	<b>2,729,583</b>	<b>9,863,944</b>	<b>8,693,286</b>	<b>9,210,171</b>	<b>653,773</b>
<b>Disbursements:</b>						
Public safety	1,090,221	-	1,090,221	1,032,913	1,140,298	50,077
Public works	776,805	-	776,805	745,906	870,906	94,101
Health and social services	-	-	-	-	-	-
Culture and recreation	985,384	-	985,384	1,069,027	1,144,027	158,643
Community and economic development	289,120	-	289,120	1,295,776	1,295,776	1,006,656
General government	633,319	-	633,319	540,200	666,200	32,881
Debt service	825,210	-	825,210	503,727	503,727	(321,483)
Capital projects	4,897,640	-	4,897,640	918,000	4,518,000	(379,640)
Business-type activities	-	6,100,233	6,100,233	3,372,586	5,949,114	(151,119)
<b>Total disbursements</b>	<b>9,497,699</b>	<b>6,100,233</b>	<b>15,597,932</b>	<b>9,478,135</b>	<b>16,088,048</b>	<b>490,116</b>
<b>Receipts Over (Under)</b>						
Disbursements	(2,363,338)	(3,370,650)	(5,733,988)	(784,849)	(6,877,877)	1,143,889
Other Financing Sources (Uses), Net	974,775	3,643,391	4,618,166	1,101,000	6,843,000	(2,224,834)
<b>Excess (Deficiency) Of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses</b>	<b>(1,388,563)</b>	<b>272,741</b>	<b>(1,115,822)</b>	<b>316,151</b>	<b>(34,877)</b>	<b>(1,080,945)</b>
Balances Beginning of Year	3,953,685	(2,012,500)	1,941,185	7,879,041	7,879,041	(5,937,856)
<b>Balances End of Year</b>	<b>\$ 2,565,122</b>	<b>(1,739,759)</b>	<b>\$ 825,363</b>	<b>\$ 8,195,192</b>	<b>\$ 7,844,164</b>	<b>\$ (7,018,801)</b>
					<b>Proprietary Funds</b>	
					<b>Enterprise</b>	
<b>Budget To GAAP Reconciliation</b>	<b>Cash Basis</b>	<b>Accrual Adjustments</b>	<b>Modified Accrual Basis</b>	<b>Cash Basis</b>	<b>Accrual Adjustments</b>	<b>Accrual Basis</b>
Revenues	\$ 7,134,361	\$ (3,176)	\$ 7,131,185	\$ 2,729,583	\$ 30,969	\$ 2,760,552
Expenditures/Expenses	9,497,699	(112,764)	9,384,935	6,100,233	(3,674,241)	2,425,992
Net	(2,363,338)	109,588	(2,253,750)	(3,370,650)	3,705,210	334,560
Other Financing Sources, Net	974,775	-	974,775	3,643,391	(3,376,745)	266,646
Beginning Fund Balances/Net Position	3,953,685	(224,830)	3,728,855	(2,012,500)	5,676,786	12,783,760
Ending Fund Balances/Net Position	<b>\$ 2,565,122</b>	<b>\$ (115,242)</b>	<b>\$ 2,449,880</b>	<b>\$ (1,739,759)</b>	<b>\$ 6,005,251</b>	<b>\$ 13,384,966</b>

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 approximately \$6,609,913. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2021, disbursements in the debt service, capital projects, and business-type activities functions exceeded the amounts budgeted.

City of Dyersville  
City's Proportionate Share of IPERS Net Pension Liability  
For Year Ended June 30, 2021

Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered- payroll	City's proportionate share of the net pension liability as a percentage of its covered- payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.011717%	\$ 823,117	\$ 1,267,514	64.94%	82.90%
2020	0.010448%	604,983	1,203,488	50.27%	85.45%
2019	0.010644%	673,605	1,130,916	59.56%	83.62%
2018	0.010939%	728,676	1,124,860	64.78%	82.21%
2017	0.010559%	664,484	1,056,968	62.87%	81.82%
2016	0.009771%	482,753	1,046,526	46.13%	85.19%
2015	0.009269%	367,582	1,019,999	36.04%	87.61%

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

See accompanying independent auditor's report.

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Dyersville  
 IPERS Contributions – Last 10 Fiscal Years  
 For Year Ended June 30, 2021

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered- Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 136,161	\$ 136,161	-	\$ 1,434,728	9.49%
2020	121,512	121,512	-	1,267,514	9.59%
2019	116,443	116,443	-	1,203,488	9.68%
2018	103,984	103,984	-	1,130,916	9.19%
2017	103,724	103,724	-	1,124,860	9.22%
2016	97,313	97,313	-	1,056,968	9.21%
2015	97,306	97,306	-	1,046,526	9.30%
2014	93,029	93,029	-	1,019,999	9.12%
2013	90,571	90,571	-	990,311	9.15%
2012	83,413	83,413	-	965,432	8.64%

### Changes of Benefit Terms

There are no significant changes in benefit terms.

### Changes of Assumptions

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 UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.



City of Dyersville  
Schedule of Changes in Total OPEB Liability, Related Ratios, and Notes  
Year Ended June 30, 2021

	Service cost	Interest cost	Difference between expected and actual	Changes in assumptions	Benefit payments	Net change in total OPEB liability	Total OPEB liability beginning of year	Total OPEB liability end of year	Covered employee payroll	Total OPEB liability as a % of covered- employee payroll
2021	\$ 3,619	\$ 2,015	\$ -	\$ -	\$ -	\$ 5,634	\$ 53,937	\$ 59,571	1,133,474	5.26%
2020	3,516	1,824	6,485	4,265	-	16,090	37,847	53,937	1,133,474	4.76%
2019	2,156	1,353	-	-	(2,620)	889	36,958	37,847	1,380,090	2.74%
2018	2,092	1,321	(2,298)	1,185	(2,496)	(196)	37,154	36,958	1,261,681	2.93%

See Note 7 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB cost, total OPEB obligation, funded status and funding progress.

Notes to Schedule of Changes in Total OPEB Liability and Related Ratios

**Changes of Benefit Terms**

There were no significant changes in benefit terms.

**Changes of Assumptions**

There were no significant changes in assumptions.

**Note:** GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the City will present information for these years for which information is available.

Other Supplementary Information  
June 30, 2021  
**City of Dyersville, Iowa**

# Nonmajor Governmental Funds

## Special Revenue Funds

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**Special Projects** – This fund is used to account for all revenues and expenses funded by special projects or grants.

**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.

City of Dyersville  
Schedule 1 – Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021

	Special Revenues		Total Nonmajor Governmental Funds
	Special Projects	Library Trust	
Assets			
Restricted cash	\$ -	\$ 59,226	\$ 59,226
Liabilities And Fund Balances			
Liabilities			
Checks written in excess of deposits	\$ 5,415	\$ -	\$ 5,415
Accounts payable	-	79	79
Total Liabilities	<u>5,415</u>	<u>79</u>	<u>5,494</u>
Fund Balances			
Restricted for			
Library	-	59,147	59,147
Unassigned	(5,415)	-	(5,415)
Total Fund Balances	<u>(5,415)</u>	<u>59,147</u>	<u>53,732</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ -</u>	<u>\$ 59,226</u>	<u>\$ 59,226</u>

City of Dyersville  
Schedule 2 – Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2021

	Special Revenue		Total Nonmajor Governmental Funds
	Special Projects	Library Trust	
Revenues			
Use of money and property	\$ -	\$ 297	\$ 297
Intergovernmental	42,500	-	42,500
Charges for service	-	36,702	36,702
Total Revenues	<u>42,500</u>	<u>36,999</u>	<u>79,499</u>
Expenditures			
Operating			
Public safety	1,497	-	1,497
Culture and recreation	-	40,329	40,329
Total Expenditures	<u>1,497</u>	<u>40,329</u>	<u>41,826</u>
Revenues over (under) expenditures	41,003	(3,330)	37,673
Other Financing Uses			
Transfers out	<u>(42,500)</u>	-	<u>(42,500)</u>
Net Change In Fund Balances	(1,497)	(3,330)	(4,827)
Fund Balances, Beginning of Year	<u>(3,918)</u>	<u>62,477</u>	<u>58,559</u>
Fund Balances, End of Year	<u>\$ (5,415)</u>	<u>\$ 59,147</u>	<u>\$ 53,732</u>

City of Dyersville  
Schedule 3 – Schedule of Revenues by Source and Expenditures by Function  
All Governmental Funds  
For the Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Property tax	\$ 2,660,349	\$ 2,200,200	\$ 2,211,305	\$ 2,176,537	\$ 2,053,839	\$ 2,170,818	\$ 2,192,886	\$ 1,780,816	\$ 1,605,041	\$ 1,548,543
Tax increment financing	1,301,647	1,141,824	994,589	755,366	955,457	628,651	514,708	828,249	1,112,175	1,289,505
Other city tax	961,097	835,969	805,500	790,735	797,763	807,984	806,905	746,975	700,828	658,198
Licenses and permits	13,392	17,174	16,313	21,412	23,745	21,808	21,189	17,917	24,677	19,988
Use of money and property	129,904	107,014	71,742	68,944	57,437	56,419	49,146	43,873	30,333	35,790
Intergovernmental	1,812,820	827,297	559,622	539,231	658,406	1,131,944	1,028,030	1,106,692	2,516,641	1,747,062
Charges for service	177,905	183,439	262,131	211,439	199,144	193,209	188,371	213,230	203,753	210,754
Special assessments	3,957	4,481	10,007	7,170	5,727	4,445	5,756	16,693	128,626	1,186
Miscellaneous	70,114	144,675	110,652	77,014	54,634	215,815	63,838	89,407	145,267	610,642
<b>Total Revenues</b>	<b>\$ 7,131,185</b>	<b>\$ 5,462,073</b>	<b>\$ 5,041,861</b>	<b>\$ 4,647,848</b>	<b>\$ 4,806,152</b>	<b>\$ 5,231,093</b>	<b>\$ 4,870,829</b>	<b>\$ 4,843,852</b>	<b>\$ 6,467,341</b>	<b>\$ 6,121,668</b>
<b>Expenditures:</b>										
<b>Operating:</b>										
Public safety	\$ 1,093,555	\$ 1,025,535	\$ 946,473	\$ 927,844	\$ 923,469	\$ 995,527	\$ 833,124	\$ 1,126,165	\$ 1,454,666	\$ 2,136,818
Public works	797,645	910,922	754,982	749,145	634,155	504,912	527,001	544,635	561,285	576,256
Health and social services	-	5,000	1,300	1,300	-	1,300	1,300	1,300	900	800
Culture and recreation	1,014,959	1,048,443	1,075,488	958,779	952,063	836,880	843,487	930,238	1,068,962	1,034,830
Community and economic development	432,379	517,320	1,308,832	546,036	406,022	344,543	199,562	445,659	133,852	113,970
General government	644,147	610,743	423,998	435,768	373,278	318,785	296,770	375,424	318,460	322,999
Debt service	825,210	588,562	497,537	529,493	533,932	623,973	729,587	601,501	547,512	793,679
Capital projects	4,577,040	4,405,936	2,574,845	841,192	978,127	942,790	302,574	1,127,594	2,108,306	2,339,545
<b>Total Expenditures</b>	<b>\$ 9,384,935</b>	<b>\$ 9,112,461</b>	<b>\$ 7,583,455</b>	<b>\$ 4,989,557</b>	<b>\$ 4,801,046</b>	<b>\$ 4,568,710</b>	<b>\$ 3,733,405</b>	<b>\$ 5,152,516</b>	<b>\$ 6,193,943</b>	<b>\$ 7,318,897</b>

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# HOGAN • HANSEN

*A Professional Corporation*

Certified Public Accountants and Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dyersville as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated February 7, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Dyersville's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Dyersville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Dyersville'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 a material misstatement of the City of Dyersville's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Honorable Mayor and  
Members of the City Council  
City of Dyersville, Iowa  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Dyersville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in Part II of the accompanying schedule of findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the 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.

### **Purpose of This Report**

The purpose of this report, a public record by law, is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HOGAN - HANSEN*

HOGAN - HANSEN

Waterloo, Iowa  
February 7, 2022



**CITY OF DYERSVILLE, IOWA**  
**SCHEDULE OF FINDINGS**  
**YEAR ENDED JUNE 30, 2021**

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**Part I: Findings Related to the Financial Statements:**

**Instances of Noncompliance**

There were no matters reported.

**Internal Control Deficiencies**

There were no matters reported.

**Part II: Other Findings Related to Statutory Reporting:**

**21-II-A Certified Budget** - Disbursements during the year ended June 30, 2021 exceeded the amounts budgeted in the Debt Service, Capital Projects and Business-Type Activities functions. In addition, disbursements exceeded the amounts budgeted prior to the budget amendment in the General Government, Capital Projects and Business-Type Activities functions. Chapter 384.20 of the Code of Iowa states, in part, “Public moneys may not be expended or encumbered except under an annual or continuing appropriation.”

**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.

**21-II-B Questionable Disbursements** - We noted no expenditures which did not appear to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

**21-II-C Travel Expense** - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

**21-II-D Business Transactions** - Business transactions between the City and City officials or employees are detailed as follows:

<b>Name, Title and Business Connection</b>	<b>Transaction Description</b>	<b>Amount</b>
Michael English, City Council, brother owns and Angela English, Library Secretary, husband owns English Insurance Agency, Inc.	Insurance	\$ 192,652
Mary Klostermann, Board of Adjustment, and Kevin Klostermann, Parks and Recreation, owners of Computer Doctors	Computer work/equipment	31,623
Jon Scherbring, Parks and Recreation, part owner of Ideal Decorating, Inc.	Remodeling	6,465

**CITY OF DYERSVILLE, IOWA**  
**SCHEDULE OF FINDINGS**  
**YEAR ENDED JUNE 30, 2021**

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In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions above may represent a conflict of interest since the transactions exceeded \$6,000 during the fiscal year and were not entered into through competitive bidding.

**Auditor's Recommendation** - The City should consult legal counsel to determine the disposition of this matter.

**City's Response** - The City has consulted with legal counsel regarding this matter and believes it is compliant under Chapter 362.5(3)(j) of the Code of Iowa.

**Auditor's Conclusion** - Response accepted.

**21-II-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.

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

**21-II-G**     **City Council Minutes** - No transactions were found that we believe should have been approved in the City Council minutes but were not.

**21-II-H**     **Revenue Bonds** - No instances of noncompliance with the resolutions providing for the issuance of the water and sewer revenue bonds were noted.

**21-II-I**     **Deposits and Investments** - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

**21-II-J**     **Financial Condition** - As of June 30, 2021, the Special Projects Fund had a deficit fund balance of \$5,415 and the Capital Improvements Fund had a deficit balance of \$1,208,425.

**Auditor's Recommendation** - The City should investigate alternatives to eliminate the deficits to return the funds to sound financial positions.

**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.

**CITY OF DYERSVILLE, IOWA**  
**SCHEDULE OF FINDINGS**  
**YEAR ENDED JUNE 30, 2021**

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**21-II-K Payment of General Obligation Notes** - Certain general obligation notes were paid from the Enterprise, Water Utility and Sewage Disposal Works Funds. Chapter 384.4 of the Code of Iowa states, in part, “Moneys pledged or available to service general obligation notes, and received from sources other than property tax, must be deposited in the debt service fund.”

**Auditor's Recommendation** - The City should transfer funds from the Enterprise, Water Utility and Sewage Disposal Works Funds to the Debt Service Fund for future funding contributions. Payments of the notes should then be disbursed from the Debt Service Fund.

**City's Response** - The City will consider this recommendation.

**Auditor's Conclusion** - Response accepted.

**21-II-L Urban Renewal Annual Report** - The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1. Tax Increment Financing revenue and expenditures reported on the 2019-2020 Annual Urban Renewal Report (AURR) did not agree to the City’s records. Tax Increment Financing revenue on the AURR was understated by \$49,547, rebate expenditures were overstated by \$41,168 and nonrebate expenditures were understated by \$90,715.

**Auditor's Recommendation** - The City should ensure amounts reported on the AURR agree to its cash basis records.

**City's Response** - The City will consult with its financial consultant to ensure that the AURR is properly completed each year.

**Auditor's Conclusion** - Response accepted.

**21-II-M Tax Increment Financing (TIF)** - The Special Revenue, Dyersville Economic Development TIF Fund properly disbursed payments for TIF rebates. Also, the City properly completed the Tax Increment Debt Certificate Forms to request TIF property taxes.