

**Eastern Iowa Regional Utility  
Service Systems Commission**

**Financial Statements and  
Report on Compliance with  
*Government Auditing Standards***

**June 30, 2025**

**East Iowa Regional Utility Service Systems Commission  
Table of Contents**

<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis</b>	5
<b>Basic Financial Statements</b>	
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Net Position	11
Statement of Cash Flows	12
Notes to Basic Financial Statements	13
<b>Supplementary Information</b>	
Combining Schedule of Revenues, Expenses, and Changes in Net Position	26
<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	29



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the business-type activities of the Eastern Iowa Regional Utility Service Systems Commission (the Commission) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Eastern Iowa Regional Utility Service Systems Commission as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Other Matter**

The financial statements of the Commission for the year ended June 30, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on November 7, 2024.

#### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of the Commission's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota  
January 28, 2026

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## Eastern Iowa Regional Utility Service Systems Management's Discussion and Analysis

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

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

As management agent of EIRUSS, we offer the readers of EIRUSS's financial statements this narrative overview and analysis of the financial activities of EIRUSS for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with EIRUSS's financial statements, which follow this discussion and analysis.

### FINANCIAL HIGHLIGHTS

- The assets of EIRUSS exceeded its liabilities at June 30, 2025 by \$4,572,318 (net position).
- EIRUSS's net position decreased by 2.5%, or \$117,657, from June 30, 2024 to June 30, 2025.
- Total revenues increased 19.6%, or \$94,674, from FY 2024 to FY 2025.
- Total expenses increased 10.1%, or \$87,522, from FY 2024 to FY 2025.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

- *Statement of Net Position* - This statement presents information on all of EIRUSS's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of EIRUSS is improving or deteriorating.
- All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenditures, and Changes in Net Position*. This statement measures the success of EIRUSS's operations. It can be used to determine whether EIRUSS has successfully recovered all its costs through its rates, fees and other revenues. This statement also measures EIRUSS's profitability and credit worthiness.
- *Statement of Cash Flows* - This statement presents the change in cash and cash equivalents during the year. This information can assist the user of the report in determining how EIRUSS financed its activities and how it met its cash requirements.
- *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

**Eastern Iowa Regional Utility Service Systems  
Management's Discussion and Analysis**

**ANALYSIS OF NET POSITION**

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

**Condensed Statement of Net Position**

	2025	2024	Net Change	Percent Change
Cash and investments	\$ 283,235	\$ 339,923	\$ (56,688)	-16.7%
Other current assets	55,899	333,710	(277,811)	-83.2%
Capital assets	9,511,533	9,346,939	164,594	1.8%
Total assets	<u>9,850,667</u>	<u>10,020,572</u>	<u>(169,905)</u>	<u>-1.7%</u>
Current liabilities	196,475	919,577	(723,102)	-78.6%
Noncurrent liabilities	5,081,874	4,411,020	670,854	15.2%
Total liabilities	<u>5,278,349</u>	<u>5,330,597</u>	<u>(52,248)</u>	<u>-1.0%</u>
Net investment in capital assets	4,323,009	4,498,835	(175,826)	-3.9%
Restricted	246,232	320,139	(73,907)	-23.1%
Unrestricted	<u>3,077</u>	<u>(128,999)</u>	<u>132,076</u>	<u>-102.4%</u>
Total net position	<u><u>4,572,318</u></u>	<u><u>4,689,975</u></u>	<u><u>(117,657)</u></u>	<u><u>-2.5%</u></u>

Cash and investments decreased approximately \$56,700 due to increased service fees and costs for all systems across the board in FY25. The decrease of \$277,800 in other current assets is due to grants receivable at June 30, 2024 for the Petersburg and Droessler projects that were received in FY25. The increase of \$164,600 in capital assets is due to an increase of \$501,000 for costs on the Droessler project completion and partially offset by annual depreciation of \$336,400. Current liabilities decreased approximately \$723,100 due to a decrease of \$388,300 in accounts payable from FY24 to FY25 as there were no construction invoices payable at June 30, 2025 compared to \$394,400 in construction related payables at June 30, 2024; and due to a decrease of \$330,400 in current maturities of long-term debt from FY24 to FY25 mainly related to the payment of the Droessler Water System Bond Anticipation Note in FY25 which was repaid with proceeds of the Droessler Water System USDA utility bonds of \$778,000 in FY25, which is the primary driver for the increase in noncurrent liabilities.

**Eastern Iowa Regional Utility Service Systems  
Management's Discussion and Analysis**

**ANALYSIS OF REVENUES AND EXPENDITURES**

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

**Condensed Statement of Revenues  
Expenses and Changes in Net Position**

	2025	2024	Net Change	Percent Change
<b>Revenues</b>				
Service fees	\$ 550,591	\$ 467,485	\$ 83,106	17.8%
Miscellaneous income	19,028	14,376	4,652	32.4%
Interest income	9,264	2,348	6,916	294.5%
Total revenue	<u>578,883</u>	<u>484,209</u>	<u>94,674</u>	<u>19.6%</u>
<b>Expenses</b>				
Operating expenses	498,603	422,499	76,104	18.0%
Depreciation	336,435	333,426	3,009	0.9%
Interest expense	118,721	110,312	8,409	7.6%
Total expenses	<u>953,759</u>	<u>866,237</u>	<u>87,522</u>	<u>10.1%</u>
Capital grants	257,219	1,511,230	(1,254,011)	-83.0%
Change in net position	(117,657)	1,129,202	(1,246,859)	-110.4%
Net position - July 1	<u>4,689,975</u>	<u>3,560,773</u>		
Net position - June 30	<u>\$ 4,572,318</u>	<u>\$ 4,689,975</u>	<u>\$ (117,657)</u>	<u>2.5%</u>

Service Fees increased \$83,100 in FY25 due to the Petersburg system billing users for a full year in FY25 compared to a partial year in FY24 as well as the Droessler Water System starting to bill users in July 2024 upon completion of that project. Miscellaneous income increased \$4,650 due to the proceeds of \$5,900 for the insurance settlement for a shed in Petersburg that was blown over by high winds in FY25. Interest income increased \$6,900 as the restricted reserves bank account was in a high yield bank account for the entire FY25 compared to a couple of months for FY24.

The operating expenses increase of \$76,100 was primarily due to service costs incurred upon the completion of the Droessler Water System at the start of FY25 of \$60,300 as well as an increase in service costs for the Leisure Lake System of \$32,600 in FY25. Capital Grants decreased \$1,254,000 in FY25 due to the completion of the Petersburg system in FY24 and the completion of the Droessler Water System in early FY25.

## **Eastern Iowa Regional Utility Service Systems Management's Discussion and Analysis**

### **OVERVIEW OF BUDGETS**

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

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2025, EIRUSS had \$9,511,533 invested in capital assets (net of depreciation), including a water treatment building and reservoir in Andover and Center Junction, Iowa, and a lagoon, lift station and collection system in Center Junction, Fairview, Leisure Lake, and Petersburg, Iowa as well as the Droessler Water System in Bellevue. Total outstanding debt was \$5,188,524, which represents the outstanding balance of the USDA long-term loans for the Center Junction wastewater system (\$154,984), the Andover water system (\$138,323), the Fairview wastewater system (\$472,305), the Leisure Lake wastewater system (\$2,808,884), the Petersburg wastewater system (\$700,000), and the Droessler water system (\$778,028); and a SRF Loan for the Center Junction Water System (\$136,000).

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

EIRUSS's management and the Board of Commissioners considered many factors when setting the fiscal year 2026 development and operating budgets. Additional projects are dependent on USDA and other funding sources. Decreases in federal funding levels will continue to be a concern in the year ahead.

As we progress into 2026, we will continue to work collaboratively, developing new and building on already successful partnerships, while management remains committed to building strong and healthy communities and making our region a great place to live and work.

### **FINANCIAL CONTACT**

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

## **BASIC FINANCIAL STATEMENTS**

Eastern Iowa Regional Utility Service Systems Commission  
Statement of Net Position  
June 30, 2025

<b>Current Assets</b>	
Cash and cash equivalents	\$ 37,003
Cash and cash equivalents - restricted	246,232
Accounts receivable	44,559
Prepaid expense	11,340
Total current assets	339,134
<b>Noncurrent Assets</b>	
Land	512,864
Plant and equipment	9,256,423
Lift stations	1,456,538
Grinder pumps	2,365,811
Less: accumulated depreciation	(4,080,103)
Total noncurrent assets	9,511,533
Total assets	9,850,667
<b>Current Liabilities</b>	
Accounts payable	71,839
Accrued interest	16,336
Unearned revenue	1,650
Current maturities of long-term debt	106,650
Total current liabilities	196,475
<b>Noncurrent Liabilities</b>	
Notes payable	128,000
Bonds payable	4,953,874
Total noncurrent liabilities	5,081,874
Total liabilities	5,278,349
<b>Net Position</b>	
Net investment in capital assets	4,323,009
Restricted	246,232
Unrestricted	3,077
Total net position	\$ 4,572,318

**Eastern Iowa Regional Utility Service Systems Commission**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Year Ended June 30, 2025**

<b>Operating Revenues</b>	
Service fees	\$ 550,591
Other income	19,028
Total operating revenues	<u>569,619</u>
<b>Operating Expenses</b>	
Administrative	5,493
Audit fees	5,400
Legal fees	50
Insurance	16,049
Repairs and maintenance	231,684
Utilities	33,801
Depreciation	336,435
Other service costs	206,126
Total operating expenses	<u>835,038</u>
Operating loss	<u>(265,419)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	9,264
Interest expense	(118,721)
Net non-operating revenues (expenses)	<u>(109,457)</u>
Change in net position before capital grants	(374,876)
Capital Grants	<u>257,219</u>
Change in net position	(117,657)
Net Position - Beginning of Year	<u>4,689,975</u>
Net Position - End of Year	<u><u>\$ 4,572,318</u></u>

Eastern Iowa Regional Utility Service Systems Commission  
Statement of Cash Flows  
Year Ended June 30, 2025

**Cash Flows - Operating Activities**

Cash received from customers	\$ 542,016
Miscellaneous income	19,028
Cash payments to vendors	<u>(492,328)</u>
Net cash flows - operating activities	68,716

**Cash Flows - Capital and Related Financing Activities**

Acquisition of capital assets	(895,475)
Cash received from capital grants	543,605
Debt proceeds	778,028
Principal payments	(437,608)
Interest paid	<u>(123,218)</u>
Net cash flows - capital and related financing activities	(134,668)

**Cash Flows - Investing Activities**

Interest received	<u>9,264</u>
Net change in cash and cash equivalents	(56,688)

**Cash and Cash Equivalents - Beginning of Year**

339,923

**Cash and Cash Equivalents - End of Year**

\$ 283,235

**Reconciliation of Cash and Cash Equivalents Per  
Statement of Cash Flows to the Statement of Net Position**

Cash and cash equivalents	\$ 37,003
Cash and cash equivalents - restricted	<u>246,232</u>
Cash and cash equivalents per Statement of Net Position	<u><u>\$ 283,235</u></u>

**Reconciliation of Operating Loss to Net Cash Flows**

**- Operating Activities**

Operating loss	\$ (265,419)
Adjustments to reconcile operating loss to net cash flows - operating activities:	
Depreciation	336,435
Changes in operating assets and liabilities:	
Accounts receivable	(8,118)
Prepaid expense	(457)
Accounts payable	6,102
Unearned revenue	<u>173</u>
Net cash flows - operating activities	<u><u>\$ 68,716</u></u>

**Noncash Investing and Financing Activities**

Capital additions included in accounts payable in the prior year	\$ 394,446
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**Eastern Iowa Regional Utility Service Systems Commission**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

**B. Basis of Accounting and Measurement Focus**

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

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

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

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

**C. Cash and Cash Equivalentents**

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with an initial maturity of three months or less from acquisition to be cash equivalentents.

**D. Cash and Cash Equivalentents - Restricted**

Restricted cash is segregated resources for debt service and depreciation reserves.

**Eastern Iowa Regional Utility Service Systems Commission**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Accounts Receivable**

Account receivable are shown at the gross amount. No provision for uncollectible accounts receivable has been provided since it is believed that the amount of such allowance would not be material. There is no unbilled revenue at June 30, 2025.

**F. Prepaid Expenses**

Prepaid expenses represent payments made to vendors for services that will benefit the Commission beyond June 30, 2025.

**G. Capital Assets**

Building and all equipment are carried at cost and depreciated on a straight-line basis over 5-40 years. When property is retired or otherwise removed from service, the accumulated provision for depreciation for that asset and its cost are removed from capital assets. Any gain or loss realized from retirement or removal is reported on the Statement of Revenues, Expenses, and Changes in Net Position. Additions to and replacements of utility plant capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to capital assets is added to plant accounts.

**H. Claims and Judgments**

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

**I. Grinder Pump Fees**

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

**J. Net Position Classifications**

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

**K. Use of Estimates**

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

**Eastern Iowa Regional Utility Service Systems Commission  
Notes to Basic Financial Statements**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

As of June 30, 2025, the Commission reported cash and cash equivalents as follows:

	Carrying Amount	Bank Balance
Cash and cash equivalents	\$ 37,003	\$ 38,758
Cash and cash equivalents - restricted	246,232	255,462
Total	\$ 283,235	\$ 294,220

**A. Fair Value of Deposits**

At June 30, 2025, the fair value of the Commission's deposits approximated original cost; therefore, no fair value adjustments were necessary.

**B. Determining Fair Value**

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

**C. Income Allocation**

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

**D. Custodial Credit Risk - Deposits**

Custodial credit is the risk that, in the event of a bank failure, the Commission's deposits may not be returned. The Commission does not have a deposit policy for custodial risk. As of June 30, 2025, none of the Commission's \$294,220 bank balance was exposed to custodial credit risk. The Commission's deposits in banks were entirely covered by federal depository insurance or by the State Sinking fund in accordance with Chapter 12C of the *Code of Iowa*. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

**Eastern Iowa Regional Utility Service Systems Commission**  
**Notes to Basic Financial Statements**

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance 6/30/24	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/25
<b>Andover Water System</b>				
Land (non-depreciated)	\$ 1,292	\$ -	\$ -	\$ 1,292
Depreciated assets				
Well and well pump	130,191	-	-	130,191
Distribution system	181,724	-	-	181,724
Storage reservoir	81,439	-	-	81,439
Treatment building	129,928	-	-	129,928
Other capitalized costs	109,135	-	-	109,135
Total	<u>633,709</u>	<u>-</u>	<u>-</u>	<u>633,709</u>
Accumulated depreciation				
Well and well pump	53,098	3,094	-	56,192
Distribution system	68,525	4,543	-	73,068
Storage reservoir	30,709	2,036	-	32,745
Treatment building	48,994	3,248	-	52,242
Other capitalized costs	41,153	2,729	-	43,882
Total	<u>242,479</u>	<u>15,650</u>	<u>-</u>	<u>258,129</u>
Net capital assets	<u>391,230</u>	<u>(15,650)</u>	<u>-</u>	<u>375,580</u>
<b>Center Junction</b>				
<b>Wastewater System</b>				
Land (non-depreciated)	61,467	-	-	61,467
Depreciated assets				
Collection system	335,831	-	-	335,831
Lift station	40,000	-	-	40,000
Service lines	61,608	-	-	61,608
Lagoon	193,585	-	-	193,585
Other capitalized costs	213,447	-	-	213,447
Total	<u>905,938</u>	<u>-</u>	<u>-</u>	<u>905,938</u>
Accumulated depreciation				
Collection system	126,633	8,396	-	135,029
Lift station	15,083	1,000	-	16,083
Service lines	23,234	1,540	-	24,774
Lagoon	72,996	4,840	-	77,836
Other capitalized costs	80,490	5,336	-	85,826
Total	<u>318,436</u>	<u>21,112</u>	<u>-</u>	<u>339,548</u>
Net capital assets	<u>587,502</u>	<u>(21,112)</u>	<u>-</u>	<u>566,390</u>

**Eastern Iowa Regional Utility Service Systems Commission**  
**Notes to Basic Financial Statements**

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

	Balance 6/30/24	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/25
<b>Center Junction (Continued)</b>				
Water System				
Land (non-depreciated)	\$ 20,000	\$ -	\$ -	\$ 20,000
Depreciated assets	-	-	-	-
Well and well pump	36,250	-	-	36,250
Distribution system	285,000	-	-	285,000
Storage reservoir	71,853	-	-	71,853
Treatment building	114,634	-	-	114,634
Other capitalized costs	115,898	-	-	115,898
Total	<u>643,635</u>	<u>-</u>	<u>-</u>	<u>643,635</u>
Accumulated depreciation				
Well and well pump	17,100	1,900	-	19,000
Distribution system	64,125	7,125	-	71,250
Storage reservoir	16,166	1,796	-	17,962
Treatment building	25,793	2,866	-	28,659
Other capitalized costs	26,077	2,898	-	28,975
Total	<u>149,261</u>	<u>16,585</u>	<u>-</u>	<u>165,846</u>
Net capital assets	<u>494,374</u>	<u>(16,585)</u>	<u>-</u>	<u>477,789</u>
<b>Fairview Wastewater</b>				
Land (non-depreciated)	37,762	-	-	37,762
Depreciated assets				
Equipment	3,959	-	-	3,959
Storage shed	5,825	-	-	5,825
Collection system	101,015	-	-	101,015
Lift station	135,388	-	-	135,388
Grinder pumps	96,943	-	-	96,943
Service lines	282,971	-	-	282,971
Lagoon	311,409	-	-	311,409
Other capitalized costs	302,319	-	-	302,319
Total	<u>1,277,591</u>	<u>-</u>	<u>-</u>	<u>1,277,591</u>

**Eastern Iowa Regional Utility Service Systems Commission**  
**Notes to Basic Financial Statements**

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

	Balance 6/30/24	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/25
<b>Fairview Wastewater (Continued)</b>				
Accumulated depreciation				
Equipment	\$ 3,959	\$ -	\$ -	\$ 3,959
Storage shed	5,667	156	-	5,823
Collection system	30,093	2,526	-	32,619
Lift station	41,114	3,385	-	44,499
Grinder pumps	88,400	1,575	-	89,975
Services lines	85,904	7,074	-	92,978
Lagoon	96,857	7,785	-	104,642
Other capitalized costs	119,379	7,556	-	126,935
Total	<u>471,373</u>	<u>30,057</u>	<u>-</u>	<u>501,430</u>
Net capital assets	806,218	(30,057)	-	776,161
<b>Leisure Lake Wastewater</b>				
Land (non-depreciated)	190,343	-	-	190,343
Depreciated assets				
Collection system	287,001	-	-	287,001
Lift station	1,281,150	-	-	1,281,150
Grinder pumps	1,887,441	-	-	1,887,441
Service lines	150,389	-	-	150,389
Lagoon	437,520	-	-	437,520
Other capitalized costs	965,857	-	-	965,857
Total	<u>5,199,701</u>	<u>-</u>	<u>-</u>	<u>5,199,701</u>
Accumulated depreciation				
Collection system	75,337	7,175	-	82,512
Lift station	330,801	32,029	-	362,830
Grinder pumps	1,735,305	27,316	-	1,762,621
Service lines	39,480	3,760	-	43,240
Lagoon	114,849	10,938	-	125,787
Other capitalized costs	205,822	24,145	-	229,967
Total	<u>2,501,594</u>	<u>105,363</u>	<u>-</u>	<u>2,606,957</u>
Net capital assets	2,698,107	(105,363)	-	2,592,744

**Eastern Iowa Regional Utility Service Systems Commission**  
**Notes to Basic Financial Statements**

**NOTE 3 - CAPITAL ASSETS (CONTINUED)**

Projects	Balance 6/30/24	Additions and Adjustments	Reductions and Adjustments	Balance 6/30/25
<b>Petersburg Wastewater</b>				
Land (non-depreciated)	\$ 202,000	\$ -	\$ -	\$ 202,000
Depreciated assets				
Grinder pumps	381,428	-	-	381,428
Service lines	976,676	-	-	976,676
Lagoon	928,296	-	-	928,296
Other capitalized costs	686,290	35,105	-	721,395
Total	<u>3,174,690</u>	<u>35,105</u>	<u>-</u>	<u>3,209,795</u>
Accumulated depreciation				
Grinder pumps	22,250	38,143	-	60,393
Service lines	14,243	24,417	-	38,660
Lagoon	13,537	23,207	-	36,744
Other capitalized costs	10,495	18,868	-	29,363
Total	<u>60,525</u>	<u>104,635</u>	<u>-</u>	<u>165,160</u>
Net capital assets	<u>3,114,165</u>	<u>(69,530)</u>	<u>-</u>	<u>3,044,635</u>
<b>Droessler Water</b>				
Depreciated assets				
Water system	-	1,239,699	-	1,239,699
Other capitalized costs	-	481,566	-	481,566
Total	<u>-</u>	<u>1,721,265</u>	<u>-</u>	<u>1,721,265</u>
Accumulated depreciation				
Water system	-	30,992	-	30,992
Other capitalized costs	-	12,039	-	12,039
<b>Construction in Progress</b>				
Development costs capitalized but not yet being depreciated	<u>1,255,343</u>	<u>465,922</u>	<u>1,721,265</u>	<u>-</u>
Total net capital assets	<u>\$ 9,346,939</u>	<u>\$ 1,885,859</u>	<u>\$ 1,721,265</u>	<u>\$ 9,511,533</u>

**Eastern Iowa Regional Utility Service Systems Commission  
Notes to Basic Financial Statements**

**NOTE 4 - RESTRICTED RESERVES**

The Commission secured bonds from the USDA which requires annual deposits to the reserve account for debt service and depreciation. As of June 30, 2025, the reserve balances are as follows:

	Andover	Center Junction	Fairview	Leisure Lake 1	Leisure Lake 2	Petersburg	Droessler	Total
Debt service	\$ 9,180	\$ 10,440	\$ 22,284	\$ 99,510	\$ 6,554	\$ 3,960	\$ 1,100	\$ 153,028
Depreciation	19,579	6,091	2,240	25,632	28,000	11,662	-	93,204
<b>Totals</b>	<b>\$ 28,759</b>	<b>\$ 16,531</b>	<b>\$ 24,524</b>	<b>\$ 125,142</b>	<b>\$ 34,554</b>	<b>\$ 15,622</b>	<b>\$ 1,100</b>	<b>\$ 246,232</b>

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

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

Year Ending June 30,	Andover	Center Junction	Fairview	Leisure Lake 1	Leisure Lake 2	Petersburg	Droessler	Total
2026	\$ 1,272	\$ 1,800	\$ 1,700	\$ 11,505	\$ 8,356	\$ 9,276	\$ 3,300	\$ 37,209
2027	1,272	1,800	1,700	11,505	8,356	9,276	3,300	37,209
2028	1,272	1,800	1,700	11,505	8,356	9,276	3,300	37,209
2029	1,272	1,800	1,700	11,505	8,356	9,276	3,300	37,209
2030	1,272	1,800	1,700	11,505	8,356	9,276	3,300	37,209
2031-2035	6,360	9,000	8,500	57,524	35,190	42,348	15,352	174,274
2036-2040	6,360	9,000	8,500	57,524	35,000	34,500	-	150,884
2041-2045	6,360	9,000	8,500	57,524	35,000	34,500	-	150,884
2046-2050	5,088	5,101	8,500	57,524	35,000	34,500	-	145,713
2051-2055	-	-	5,100	37,340	35,000	34,500	-	111,940
2056-2060	-	-	-	-	29,167	34,500	-	63,667
2061-2064	-	-	-	-	-	23,000	-	23,000
<b>Totals</b>	<b>\$ 30,528</b>	<b>\$ 41,101</b>	<b>\$ 47,600</b>	<b>\$ 324,961</b>	<b>\$ 246,137</b>	<b>\$ 284,228</b>	<b>\$ 31,852</b>	<b>\$ 1,006,407</b>

**NOTE 5 - NONCURRENT LIABILITIES**

Summary of the Commission's long-term debt is as follows:

	Balance 6/30/24	Additions	Reductions	Balance 6/30/25	Current Maturities
Notes payable	\$ 487,224	\$ -	\$ 351,224	\$ 136,000	\$ 8,000
Bonds payable	4,360,880	778,028	86,384	5,052,524	98,650
<b>Totals</b>	<b>\$ 4,848,104</b>	<b>\$ 778,028</b>	<b>\$ 437,608</b>	<b>\$ 5,188,524</b>	<b>\$ 106,650</b>

**Eastern Iowa Regional Utility Service Systems Commission  
Notes to Basic Financial Statements**

**NOTE 5 - NONCURRENT LIABILITIES (CONTINUED)**

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

Detailed Description	Balance at 06/30/25	Due Within One Year
Center Junction \$199,796 sewer revenue bonds financed by the USDA dated June 3, 2009, due in monthly installments of \$870 including interest at 4.125% per annum beginning August 1, 2010 until May 1, 2048.	\$ 154,984	\$ 4,097
Andover \$140,000 utility bonds financed by the USDA dated November 3, 2009, due in monthly installments of \$609, including interest at 4.125% per annum beginning August 1, 2011 until June 1, 2049.	111,247	2,780
Andover \$33,000 utility bonds financed by the USDA dated November 3, 2009, due in monthly installments of \$152, including interest at 4.50% per annum beginning August 1, 2011 until November 1, 2048.	26,458	647
Andover \$1,000 utility bonds financed by the USDA dated November 3, 2009, due in monthly installments of \$4 including interest at 2.50% per annum beginning August 1, 2011 until December 1, 2040.	618	33
Fairview \$373,000 utility bonds financed by the USDA dated July 11, 2014, due in monthly installments of \$1,246 including interest at 2.125% per annum beginning July 1, 2015, until February 2053 with interest only payments for the first two years.	302,411	7,979
Fairview \$210,860 utility bonds financed by the USDA dated July 11, 2014, due in monthly installments of \$663 including interest at 2.00% per annum beginning July 1, 2016 until July 2056 with interest only payments for the first two years.	169,894	4,600
Leisure Lake \$2,656,000 utility bonds financed by the USDA dated November 6, 2014, due in monthly installments of \$8,686 including interest at 2.25% per annum beginning December 5, 2016 until October 2054, with interest only payments for the first two years.	2,233,809	54,496

**Eastern Iowa Regional Utility Service Systems Commission  
Notes to Basic Financial Statements**

**NOTE 5 - NONCURRENT LIABILITIES (CONTINUED)**

Detailed Description	Balance at 06/30/25	Due Within One Year
Leisure Lake \$221,000 utility bonds financed by the USDA dated November 4, 2014, due in monthly installments of \$739 including interest at 2.375% per annum beginning December 6, 2015 until August 2054, with interest only payments for the first two years.	\$ 186,441	\$ 4,485
Leisure Lake \$435,000 utility bonds financed by the USDA dated August 9, 2018, due in monthly installments of \$1,127, including interest at 2.375% per annum beginning September 19, 2020 until September 19, 2061.	388,634	9,202
Petersburg \$700,000 utility bonds financed by the USDA dated October 13, 2023, due in monthly installments of \$1,974 including interest at 1.375% per annum beginning November 13, 2025 until October 13, 2063. Interest only payments are due October 13, 2024 and 2025.	700,000	9,876
Droessler \$615,000 utility bonds financed by the USDA dated April 9, 2025, due in monthly installments of \$1,938, including interest at 2.125% per annum beginning May 9, 2026 until April 9, 2065.	615,000	455
Droessler \$163,028 utility bonds financed by the USDA dated April 9, 2025, due in monthly installments of \$653 including interest at 3.625% per annum beginning May 9, 2026 until April 9, 2065.	163,028	-
Total bonds payable	5,052,524	98,650
Center Junction \$216,000 note payable financed by the Iowa Finance Authority dated June 5, 2015, due in annual principal payments of \$8,000-\$10,000 beginning June 1, 2016 until June 2040 and interest at 1.75% per annum payable semi-annually.	136,000	8,000
Total notes payable	\$ 136,000	\$ 8,000

**Eastern Iowa Regional Utility Service Systems Commission  
Notes to Basic Financial Statements**

**NOTE 5 - NONCURRENT LIABILITIES (CONTINUED)**

Maturities of long-term debt at June 30, 2025 are:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 106,650	\$ 110,858	\$ 217,508
2027	124,914	108,634	233,548
2028	127,491	105,917	233,408
2029	130,130	103,138	233,268
2030	133,834	100,294	234,128
2031-2035	712,102	456,175	1,168,277
2036-2040	795,403	373,762	1,169,165
2041-2045	833,755	282,569	1,116,324
2046-2050	902,325	183,234	1,085,559
2051-2055	804,434	87,855	892,289
2056-2060	301,054	36,653	337,707
2061-2065	216,432	10,580	227,012
Total	<u>\$ 5,188,524</u>	<u>\$ 1,959,669</u>	<u>\$ 7,148,193</u>

**NOTE 6 - RELATED PARTY TRANSACTIONS**

The Commission, related to the East Central Intergovernmental Association (ECIA) through common management, is provided management services and office space by ECIA. The amount due to ECIA at June 30, 2025 was \$62,857, which is included in accounts payable. For the year ended June 30, 2025, the Commission paid \$181,613 to ECIA for various services and office space.

**NOTE 7 - BUDGETS**

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

**NOTE 8 - RISK MANAGEMENT**

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

**Eastern Iowa Regional Utility Service Systems Commission  
Notes to Basic Financial Statements**

**NOTE 9 - NET POSITION**

The following is a summary of individual net position restrictions at June 30, 2025:

<u>Project</u>	<u>Purpose</u>	<u>Amount</u>
Andover	Reserve Deposits	\$ 28,759
Center Junction	Reserve Deposits	16,531
Fairview	Reserve Deposits	24,524
Leisure Lake	Reserve Deposits	159,696
Petersburg	Reserve Deposits	15,622
Droessler	Reserve Deposits	<u>1,100</u>
Total		<u><u>\$ 246,232</u></u>

**NOTE 10 - SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through January 28, 2026, the date which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**Eastern Iowa Regional Utility Service Systems Commission**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2025**

	Andover	Center Junction		Fairview
		Sewer	Water	
<b>Operating Revenues</b>				
Service fees	\$ 38,022	\$ 32,510	\$ 44,725	\$ 62,088
Other income	-	-	2,465	2,355
Total operating revenues	<u>38,022</u>	<u>32,510</u>	<u>47,190</u>	<u>64,443</u>
<b>Operating Expenses</b>				
Administrative	-	-	333	8
Audit fees	381	460	492	317
Legal fees	25	-	25	-
Insurance	1,942	117	4,185	661
Depreciation	15,650	21,112	16,585	30,058
Other service costs	<u>38,275</u>	<u>27,317</u>	<u>67,988</u>	<u>50,524</u>
Total operating expenses	<u>56,273</u>	<u>49,006</u>	<u>89,608</u>	<u>81,568</u>
Operating loss	<u>(18,251)</u>	<u>(16,496)</u>	<u>(42,418)</u>	<u>(17,125)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest income	-	-	-	-
Interest expense	<u>(5,860)</u>	<u>(6,482)</u>	<u>(2,495)</u>	<u>(9,950)</u>
Net non-operating revenues (expense)	<u>(5,860)</u>	<u>(6,482)</u>	<u>(2,495)</u>	<u>(9,950)</u>
Change in net position before capital grants	(24,111)	(22,978)	(44,913)	(27,075)
<b>Capital Grants</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(24,111)	(22,978)	(44,913)	(27,075)
<b>Net Pension at July 1, 2024</b>	<u>252,630</u>	<u>439,354</u>	<u>304,398</u>	<u>207,856</u>
<b>Net Position at June 30, 2025</b>	<u>\$ 228,519</u>	<u>\$ 416,376</u>	<u>\$ 259,485</u>	<u>\$ 180,781</u>

<u>Leisure Lake</u>	<u>Petersburg</u>	<u>Droessler</u>	<u>Subtotal</u>	<u>General</u>	<u>Total</u>
\$ 262,968	\$ 50,117	\$ 60,161	\$ 550,591	\$ -	\$ 550,591
5,948	7,838	422	19,028	-	19,028
<u>268,916</u>	<u>57,955</u>	<u>60,583</u>	<u>569,619</u>	<u>-</u>	<u>569,619</u>
45	4,813	-	5,199	294	5,493
2,718	510	522	5,400	-	5,400
-	-	-	50	-	50
5,147	3,997	-	16,049	-	16,049
105,363	104,635	43,032	336,435	-	336,435
183,783	43,409	60,315	471,611	-	471,611
<u>297,056</u>	<u>157,364</u>	<u>103,869</u>	<u>834,744</u>	<u>294</u>	<u>835,038</u>
<u>(28,140)</u>	<u>(99,409)</u>	<u>(43,286)</u>	<u>(265,125)</u>	<u>(294)</u>	<u>(265,419)</u>
-	-	-	-	9,264	9,264
<u>(59,738)</u>	<u>(9,425)</u>	<u>(4,264)</u>	<u>(98,214)</u>	<u>(20,507)</u>	<u>(118,721)</u>
<u>(59,738)</u>	<u>(9,425)</u>	<u>(4,264)</u>	<u>(98,214)</u>	<u>(11,243)</u>	<u>(109,457)</u>
<u>(87,878)</u>	<u>(108,834)</u>	<u>(47,550)</u>	<u>(363,339)</u>	<u>(11,537)</u>	<u>(374,876)</u>
-	-	-	-	257,219	257,219
<u>(87,878)</u>	<u>(108,834)</u>	<u>(47,550)</u>	<u>(363,339)</u>	<u>245,682</u>	<u>(117,657)</u>
<u>262,886</u>	<u>2,328,414</u>	<u>(10,057)</u>	<u>3,785,481</u>	<u>904,494</u>	<u>4,689,975</u>
<u>\$ 175,008</u>	<u>\$ 2,219,580</u>	<u>\$ (57,607)</u>	<u>\$ 3,422,142</u>	<u>\$ 1,150,176</u>	<u>\$ 4,572,318</u>

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**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***

**Independent Auditor's Report**

To the Board of Commissioners  
Eastern Iowa Regional Utility Service Systems Commission  
Dubuque, 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 (*Government Auditing Standards*), the financial statements of the Eastern Iowa Regional Utility Service Systems Commission (the Commission), as of and for the year ending June 30, 2025, and the related notes to basic financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 28, 2026.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

BerganKDV, Ltd.

Minneapolis, Minnesota  
January 28, 2026