

**East Central Intergovernmental Association
Dubuque, Iowa**

**Financial Statements and
Supplementary Information**

June 30, 2025

**East Central Intergovernmental Association
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Independent Auditor's Report

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of East Central Intergovernmental Association (the Association) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Association as of June 30, 2025, and the respective changes in financial position 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 Association 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 Matters

The financial statements of the Association as of and for the year ended June 30, 2024 were audited by other auditors whose report dated November 8, 2024, expressed an unmodified opinion on those financial statements.

As discussed in Note 10 to the financial statements, the Association has restated beginning net position/fund balance as of July 1, 2024, to correct errors related to the accounting for certain loans receivable and compensated absences.

We were not engaged to audit, review, or apply any procedures to the 2024 financial statements other than with respect to the restatement adjustments described in Note 10. Accordingly, we do not express an opinion or any other form of assurance on the June 30, 2024, financial statements taken as a whole.

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.

Responsibilities of Management for the Financial Statements (Continued)

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 Association'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 Association'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, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The supplementary information included as listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026, on our consideration of the Association'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 Association's internal control over financial reporting and compliance.

BerganKDV, Ltd.

Minneapolis, Minnesota
March 18, 2026

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East Central Intergovernmental Association Management's Discussion and Analysis (MD&A)

This section of the East Central Intergovernmental Association's (the Association) annual financial report presents our management's discussion and analysis of the Association's financial performance during the fiscal year ended June 30, 2025. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

The Association is a membership supported organization of local governmental bodies in Cedar, Clinton, Delaware, Dubuque, and Jackson Counties in eastern Iowa. The purpose of ECIA is to provide management and technical assistance to local government staff and elected officials.

The Association exists because of a need for local governments facing similar problems to cooperate in finding solutions. This cooperative effort, through ECIA membership, provides greater resources to local governments than they would be able to afford individually. The sharing of resources and discussion of common concerns vastly improves the quality and consistency of solutions to local and regional problems. Costs are held at a level that allows all local governments in the region to participate. The Association strives to provide "A Regional Response to Local Needs."

As management of the Association, we offer the readers of the financial statements this narrative overview and analysis of the financial activities of the Association for the year ended June 30, 2025. The financial statements of the Association consist of the operations of East Central Intergovernmental Association (a planning agency), East Central Development Corporation (ECDC) (a 501(c)3 blended component unit focusing on the development of affordable housing), Community Solutions of Eastern Iowa (CSEI) (a 501(c)3 blended component unit focusing on assisting individuals and families in Dubuque and Delaware Counties who are homeless or at risk of becoming homeless) and Prosperity Eastern Iowa (PEI) (a 501(c)3 blended component unit focusing on achieving efficiencies, utilizing our natural, cultural and physical assets to strive for the economic prosperity of the region). The financial statements do not include ECIA Business Growth, Inc., the Eastern Iowa Regional Utility Service Systems (EIRUSS), the Eastern Iowa Regional Housing Authority (EIRHA) or the Delaware, Dubuque and Jackson County Regional Transit Authority (RTA), which have been formed as separate and distinct entities. Copies of the audit reports of these affiliated entities can be found at www.ecia.org. We encourage readers to consider the information presented here in conjunction with the Association's financial statements, which follow this discussion and analysis.

Throughout fiscal year 2025, the Association sought out new programs and partnerships to increase the services offered within the region and advance its mission to make Eastern Iowa a better place to live and work. The Association continued to administer the regional HUD Lead Grant, the Clinton and Maquoketa HUD lead grant to reduce lead-based paint hazards in homes with small children, the Healthy Homes Grant and the HUD Older Adults Home Modification Grant for the purpose of making safety and functional home modifications and limited repairs to meet the needs of low-income elderly homeowners. The Association continued coaching efforts in 31 rural communities through the Keep Iowa Beautiful Hometown Pride program and continued providing training to our lower income communities through the USDA RCDI program.

**East Central Intergovernmental Association
Management's Discussion and Analysis (MD&A)**

FINANCIAL HIGHLIGHTS

The term "net position" refers to the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources.

- The Association's total net position as of June 30, 2025, was \$886,974. The net position increased by \$229,926 from the prior year, excluding the impact of the restatement to beginning net position of \$417,690.
- Revenues for the Association were \$12,365,035 for the year ended June 30, 2025. This increased \$1,457,386 or 13.4% from the prior year.
- Expenses for the Association were \$12,135,109 for the year ended June 30, 2025. This increased \$1,491,830 or 14.0% from the prior year.
- The collective fund balance of the governmental funds totaled \$1,859,434 as compared to restated beginning fund balance of \$1,641,111. The general fund portion at June 30, 2025 totaled \$1,552,390.
- Modified accrual expenditures for the governmental funds increased by 11.8% compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Association's basic financial statements. The financial statements included in this report are designed to provide readers with a broad overview of the Association's finances, in a manner similar to a private sector business.

- **Statement of Net Position** - This statement presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the those reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Association is improving or deteriorating.
- **Statement of Activities** - This statement is prepared on the accrual basis of accounting and presents expenses by function offset by revenue sources that are directly related.
- **Balance Sheet - Governmental Funds** - This statement is prepared on the current financial resources measurement focus that generally only includes current assets and current liabilities.
- **A reconciliation between the Balance Sheet-Governmental Funds and the Statement of Net Position.**
- **Statement of Revenues, Expenditures, and Changes in Fund Balance** - This statement is prepared on the modified accrual basis of accounting and reports the Association's operating revenue by major source, along with operating expenses.

**East Central Intergovernmental Association
Management's Discussion and Analysis (MD&A)**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

- A reconciliation between the full accrual basis accounting statement (Statement of Activities) and the modified accrual basis statement (Statement of Revenues, Expenses and Changes in Fund Balance).
- Notes to Financial Statements - This section provides additional information that is essential to a full understanding of the data provided in the financial statements.
- Supplementary Information - In addition to the basic financial statements and accompanying notes, this section of the report presents certain required supplementary information, providing detailed information by program and by project, as well as the schedule of expenditures of federal awards.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table below, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$886,974 at the close of the year ended June 30, 2025, up from \$239,358 at the end of fiscal year 2024. The increase in net position was mostly due to the reasons noted below.

1. There was a need to restate the beginning net position as of July 1, 2024 in order to properly reflect the carrying value of the Brownfields revolving loan fund on statement of net position. The disbursement of loans in prior years was shown as an expense but should instead have been reflected as loans receivable. The impact of this change was \$417,690.
2. The fiscal year 2025 change in net position (excluding the restatement noted above) of \$229,926 was primarily driven by optimizing the use of grant funding available to the Association.

**East Central Intergovernmental Association
Management's Discussion and Analysis (MD&A)**

FINANCIAL ANALYSIS (CONTINUED)

CONDENSED STATEMENTS OF NET POSITION

	FY 2025	FY 2024	Dollar Change	Percent Change
Current and other assets	\$ 2,494,404	\$ 2,016,908	\$ 477,496	23.7%
Non-current assets and deferred outflows	2,770,896	1,923,681	847,215	44.0%
Total assets and deferred outflows	<u>5,265,300</u>	<u>3,940,589</u>	<u>1,324,711</u>	<u>33.6%</u>
Current liabilities	1,327,050	1,139,396	187,654	16.5%
Non-current liabilities and deferred inflows	3,051,276	2,561,835	489,441	19.1%
Total liabilities and deferred inflows	<u>4,378,326</u>	<u>3,701,231</u>	<u>677,095</u>	<u>18.3%</u>
Net Position				
Net investment in capital assets	643,479	571,601	71,878	12.6%
Restricted	651,166	-	651,166	100.0%
Unrestricted	<u>(407,671)</u>	<u>(332,243)</u>	<u>(75,428)</u>	<u>22.7%</u>
Total net position	<u>\$ 886,974</u>	<u>\$ 239,358</u>	<u>\$ 647,616</u>	<u>270.6%</u>

While the Statement of Net Position shows the composition of items at a point in time, the Statement of Activities provides information as to the nature and source of the changes in net position that occurred during the fiscal year. The details of that statement are reflected on the following page.

**East Central Intergovernmental Association
Management's Discussion and Analysis (MD&A)**

FINANCIAL ANALYSIS (CONTINUED)

As can be seen in the table below, total revenues increased by \$1,457,386 (13.4%) due to the reasons noted below the table.

CONDENSED STATEMENTS OF ACTIVITIES

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Charges for services	\$ 3,642,516	\$ 4,194,782	\$ (552,266)	-13.2%
Grants	8,706,863	6,650,261	2,056,602	30.9%
General revenues				
Interest	310	264	46	17.4%
Miscellaneous	15,346	62,342	(46,996)	-75.4%
Total revenues	<u>12,365,035</u>	<u>10,907,649</u>	<u>1,457,386</u>	<u>13.4%</u>
Expenses	<u>12,135,109</u>	<u>10,643,279</u>	<u>1,491,830</u>	<u>14.0%</u>
Change in net position	229,926	264,370	(34,444)	-13.0%
Beginning net position (as restated for 2025)	<u>657,048</u>	<u>(25,012)</u>	<u>682,060</u>	
Ending net position	<u>\$ 886,974</u>	<u>\$ 239,358</u>	<u>\$ 647,616</u>	

1. SMART grant for the Metro Dubuque Traffic Data Aggregation for Connected Vehicles project totaling approximately \$1 million in FY 2025.
2. Emergency rental assistance grant via pandemic relief funding for the CSEI blended component unit.

Total expenses increased by \$1,491,830 (14.0%) related to expenses for the purposes of the grant funding noted above.

BUDGETARY HIGHLIGHTS AND RESULTS OF OPERATIONS

The Association annually adopts a budget on a modified accrual basis, consistent with governmental accounting standards. Budgets are adopted for the general fund and appropriations lapse at fiscal year-end. During the fiscal year, the budget may be amended to adjust the estimates that are used to prepare the original budget once exact information is available or to recognize new funding amounts from external sources, such as Federal and State grants. The ECIA Council approved budget amendments in May 2025. The actual general fund revenues of \$10,651,637 exceeded the amended budget of \$9,805,925 by \$845,712 (or 8.6%). The actual general fund expenditures of \$10,503,293 exceeded the amended budget of \$9,781,192 by \$722,101 (or 7.4%). The variances were primarily related to the timing of grant funded activities, particularly related to the SMART grant noted previously.

**East Central Intergovernmental Association
Management's Discussion and Analysis (MD&A)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2025, the Association had \$1,029,627 invested in capital assets and right-of-use assets (net of depreciation and amortization), including a building, land, office furniture and equipment, solar energy system, and agency vehicles. Total principal outstanding on notes and leases payable, and related accrued interest, was \$386,148, which represents the outstanding balance of the Economic Development Revenue Note used to fund the building and three loans used to purchase agency vehicles and a lease payable for a copier.

Additional information on the Association's debt can be found in the notes to the financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Association's management and Council considered many factors when setting the fiscal year 2026 budget and the fees that will be charged for services, endeavoring to keep costs low for our members while covering staff and overhead costs. Local, State and Federal economic conditions are key indicators for resource availability and the Association will continue to monitor these conditions through the next fiscal year.

Membership fees increased to \$0.78 per capita in fiscal year 2026. The standard hourly billing rate for staff increased by 2.0% to keep pace with increases in staffing and overhead costs. Management will continue to closely monitor the cost of health insurance and seek alternatives to reduce future health insurance costs and liability.

As we continue through fiscal year 2026, we will continue to work collaboratively, developing new and building on already successful partnerships, while the staff at the Association remains committed to building strong and healthy communities and making our region a great place to live and work.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Steve Stoffel
Director of Finance and Administration
East Central Intergovernmental Association
7600 Commerce Park
Dubuque, Iowa 52002

BASIC FINANCIAL STATEMENTS

East Central Intergovernmental Association
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 894,906
Accounts receivable	206,660
Grants receivable	1,102,421
Due from related parties	270,285
Loans receivable, net of allowance	365,904
Prepaid items	20,132
Capital assets, net of depreciation	1,028,696
Right-of-use assets, net of amortization	931
Total assets	3,889,935
Deferred Outflows of Resources	
Other postemployment benefits	19,597
Pension plan	1,355,768
Total deferred outflows of resources	1,375,365
Total assets and deferred outflows of resources	\$ 5,265,300
Liabilities	
Accounts payable	\$ 656,219
Accrued liabilities	344,655
Long-term liabilities due within one year	
Notes payable	107,916
Leases payable	986
Compensated absences	217,274
Long-term liabilities due in more than one year	
Interest payable	1,111
Notes payable	276,135
Compensated absences	217,274
Net pension liability	1,553,278
Other postemployment benefits liability	170,028
Total liabilities	3,544,876
Deferred Inflows of Resources	
Pension plan	833,450
Net Position	
Net investment in capital assets	643,479
Restricted	651,166
Unrestricted (deficit)	(407,671)
Total net position	\$ 886,974

**East Central Intergovernmental Association
Statement of Activities
Year Ended June 30, 2025**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities				Governmental Activities	
General government	\$ 45,134	\$ 136,650	\$ -	\$ -	\$ 91,516
Community/economic development	1,976,197	697,280	1,463,720	-	184,803
Housing	7,418,898	1,849,534	5,503,349	-	(66,015)
Transit	2,513,692	777,439	1,626,174	113,620	3,541
Utilities / infrastructure	181,188	181,613	-	-	425
Total governmental activities	<u>\$ 12,135,109</u>	<u>\$ 3,642,516</u>	<u>\$ 8,593,243</u>	<u>\$ 113,620</u>	<u>214,270</u>
General revenues					
Interest					310
Miscellaneous					15,346
Total general revenues					<u>15,656</u>
Change in net position					<u>229,926</u>
Net position, beginning of year (as previously reported)					239,358
Prior period adjustment					417,690
Net position, beginning of year (as restated)					<u>657,048</u>
Net position, end of year					<u>\$ 886,974</u>

**East Central Intergovernmental Association
Balance Sheet
Governmental Funds
June 30, 2025**

	General Fund	Special Revenue Funds			Total Governmental Funds
		ECDC	CSEI	PEI	
Assets					
Cash and cash equivalents	\$ 618,198	\$ 73,568	\$ 191,283	\$ 11,857	\$ 894,906
Accounts receivable	169,993	-	36,667	-	206,660
Grants receivable	1,076,875	-	25,546	-	1,102,421
Due from related parties	270,285	-	-	-	270,285
Loans receivable, net of allowance	365,904	-	-	-	365,904
Prepaid items	20,132	-	-	-	20,132
Total assets	\$ 2,521,387	\$ 73,568	\$ 253,496	\$ 11,857	\$ 2,860,308
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 624,342	\$ -	\$ 26,877	\$ 5,000	\$ 656,219
Accrued liabilities					
Payroll related	208,120	-	-	-	208,120
Other	136,535	-	-	-	136,535
Total liabilities	968,997	-	26,877	5,000	1,000,874
Fund Balances					
Nonspendable	20,132	-	-	-	20,132
Restricted for					
Brownfields revolving loan fund	417,690	-	-	-	417,690
Programming	-	-	226,619	6,857	233,476
Committed for					
Building maintenance	110,000	-	-	-	110,000
Unassigned	1,004,568	73,568	-	-	1,078,136
Total fund balances	1,552,390	73,568	226,619	6,857	1,859,434
Total liabilities and fund balances	\$ 2,521,387	\$ 73,568	\$ 253,496	\$ 11,857	\$ 2,860,308

**East Central Intergovernmental Association
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2025**

Total fund balances - governmental funds	\$ 1,859,434
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	1,029,627
Certain other items related to pensions and other postemployment benefits are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	(1,181,391)
Some liabilities (such as notes payable, accrued interest, leases payable, and compensated absences) are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position.	<u>(820,696)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 886,974</u>

East Central Intergovernmental Association
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Special Revenue Funds			Total Governmental Funds
		ECDC	CSEI	PEI	
Revenues					
Grants					
Federal	\$ 5,892,709	\$ -	\$ 1,408,434	\$ -	\$ 7,301,143
State of Iowa	246,609	-	55,530	-	302,139
State of Illinois	129,287	-	-	-	129,287
Private	774,153	-	206,229	43,000	1,023,382
Membership fees	126,260	-	-	-	126,260
Fees and assessments	275,973	-	-	-	275,973
Grant administration	53,916	-	-	-	53,916
Agency service billings	3,075,772	-	-	-	3,075,772
Interest	105	82	94	29	310
Miscellaneous	76,853	-	-	-	76,853
Total revenues	<u>10,651,637</u>	<u>82</u>	<u>1,670,287</u>	<u>43,029</u>	<u>12,365,035</u>
Expenditures					
General government	54,543	-	-	-	54,543
Community /economic development	1,940,473	-	-	36,218	1,976,691
Housing	5,812,851	6,000	1,601,201	-	7,420,052
Transit	2,514,221	-	-	-	2,514,221
Utilities / infrastructure	181,205	-	-	-	181,205
Total expenditures	<u>10,503,293</u>	<u>6,000</u>	<u>1,601,201</u>	<u>36,218</u>	<u>12,146,712</u>
Net change in fund balances	148,344	(5,918)	69,086	6,811	218,323
Fund balances, beginning of year (as previously reported)	736,406	79,486	157,533	46	973,471
Prior period adjustments	667,640	-	-	-	667,640
Fund balances, beginning of year (as restated)	<u>1,404,046</u>	<u>79,486</u>	<u>157,533</u>	<u>46</u>	<u>1,641,111</u>
Fund balances, end of year	<u>\$ 1,552,390</u>	<u>\$ 73,568</u>	<u>\$ 226,619</u>	<u>\$ 6,857</u>	<u>\$ 1,859,434</u>

**East Central Intergovernmental Association
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures, and Changes in Fund Balances to the Statement of Activities
 Year Ended June 30, 2025**

Net change in fund balances - total governmental funds:	\$ 218,323
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays \$29,496 was less than depreciation \$67,325 in the current period.	(37,829)
Governmental funds report payment of debt principal and compensated absences as an expenditure. In contrast, the Statement of Activities treats such payments as a reduction in the related long-term liabilities.	(46,887)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Non-cash expenses related to the IPERS pension plan and other postemployment benefits	<u>96,319</u>
Change in net position of governmental activities	<u><u>\$ 229,926</u></u>

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**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES

A. Reporting Entity

East Central Intergovernmental Association (the Association) is organized pursuant to the provisions of Chapters 473A and 28E of the Code of Iowa as a regional planning organization designed to assist local governments in cooperating with one another. The Association consists of a council of thirty locally elected and appointed officials from the counties of Cedar, Clinton, Delaware, Dubuque, and Jackson. This council, along with ECIA staff, seeks to coordinate relationships among local municipalities, improve communications with federal and state governments and to provide planning and programming assistance.

For financial reporting purposes, the Association has included all of its funds, organizations, agencies, and boards. The Association 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 Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Association 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 Association.

1. Blended Component Units

The accompanying financial statements include the financial activity of certain legally separate entities that are reported as blended component units in accordance with the criteria established by the GASB.

Blended component units are legally separate organizations for which the governing body is substantively the same as that of the primary government, or whose relationship with the primary government is such that the component unit's activities are, in substance, the same as those of the primary government. Accordingly, the financial data of these entities are reported as though they were part of the primary government and are included in the appropriate funds and activities within the accompanying financial statements. Although legally separate, the blended component units provide services entirely, or almost entirely, for the benefit of the primary government and are under the oversight of the primary government's governing body. As a result, separate financial statements for these entities are not presented apart from the primary government in these financial statements. Additional information regarding the nature and purpose of the blended component units, if applicable, is available from the Association upon request.

The financial statements of the Association include the following blended component units: East Central Development Corporation (ECDC) (an Iowa non-profit corporation administering housing rehabilitation and developing a pocket neighborhood), Community Solutions of Eastern Iowa, Inc. (CSEI) (an Iowa non-profit corporation administrating housing and related programs for the homeless) and Prosperity Eastern Iowa, Inc. (PEI) (an Iowa non-profit corporation providing for social, economic and community betterment).

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

2. Related Organizations

The Association provides certain administrative, fiscal, and program management services to various legally separate organizations. These services include accounting, grant administration, loan servicing, and other administrative support functions.

These organizations operate under their own governing boards, adopt their own budgets, and maintain responsibility for their financial and operational decisions. The Association does not appoint a voting majority of the governing boards of these organizations and does not have the ability to impose its will on their operations. In addition, the Association is not financially accountable for these entities, nor does it have a financial benefit or burden relationship with them as defined by the criteria established by the GASB.

Accordingly, these organizations are not included in the Association's financial reporting entity, and their financial activity is not reflected in the accompanying financial statements. The Association's involvement with these entities is limited to providing administrative or programmatic support services under contractual or cooperative arrangements.

Based on the above, the financial statements presented herein do not include E.C.I.A. Business Growth, Inc., Eastern Iowa Regional Housing Authority, the Eastern Iowa Regional Utility Service Systems Commission, or the Delaware, Dubuque and Jackson County Regional Transit Authority.

B. Basis of Presentation of Association-Wide and Fund Financial Statements

1. Association-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Association's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of significant internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Association has no business-type activities or fiduciary funds. However, such activities or funds would be included in these financial statements if they existed.

The Statement of Activities presents a comparison between direct/ indirect expenses and revenues for each program of the Association's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular program/grant. Indirect expenses are common entity-wide expenses allocated to programs based on direct labor costs. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation of Association-Wide and Fund Financial Statements (Continued)

2. Fund Financial Statements

The fund statements provide information about the Association's funds. Separate statements for each fund category - governmental, proprietary, and fiduciary, as applicable - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, as applicable, with each displayed in a separate column. All remaining governmental and enterprise funds, as applicable, are aggregated and reported as non-major funds. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Association reports the following major governmental funds.

Description of Funds:

Major Governmental Funds:

General Fund - This is the Association's primary operating fund. All financial activities not required to be accounted for in another fund are accounted for in the general fund.

Special Revenue Fund - East Central Development Corporation, Inc. (ECDC) - This fund accounts for activities associated with providing housing rehabilitation and establishment of a pocket neighborhood. Revenue sources consist of contributions received from local governmental entities, private businesses and grants.

Special Revenue Fund - Community Solutions of Eastern Iowa, Inc. (CSEI) - This fund accounts for activities associated with providing housing for the homeless and other services. Revenue sources consist of contributions received from local governmental entities, private businesses and grants.

Special Revenue Fund - Prosperity Eastern Iowa, Inc. (PEI) - This fund accounts for activities associated with providing for social, economic and community betterment. Revenue sources consist of contributions received from local governmental entities, private businesses and grants.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Association considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. The funding equivalent provided by new lease arrangements is reported as other financing sources.

Under the terms of grant agreements, the Association may fund certain programs by a combination of specific cost-reimbursement grants, service fees, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the Association's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

The Association, although not legally required to do so, annually adopts a budget on a basis consistent with accounting principles generally accepted in the United States of America. A budget is adopted for the general fund and special revenue funds annually and is amended upon Board approval. Appropriations lapse at fiscal year-end. The adopted budgets and budgetary expenditure control are exercised at the expenditure type level (salaries, rent, etc.).

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Cash Equivalents

The Association's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Association's investment policy permits investment of available cash balances in time deposits at any bank or credit union in the State of Iowa, U.S. Treasury obligations, U.S. agency issues and certain repurchase agreements. All cash equivalents are stated at cost plus accrued interest, which approximates fair value.

2. Receivables

Receivables are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be significant.

3. Capital Assets

Capital assets are reported at actual cost. Estimated cost is used when actual cost is not determinable. Donated assets are reported at estimated fair market value on the date received. Repairs and maintenance are recorded as expenditures; replacements and betterments that extend an asset's life by greater than one year are capitalized. The Association utilizes a threshold of \$10,000 for determining which individual or group acquisitions to capitalize.

The Association provides for depreciation of capital assets over their estimated useful lives using the straight-line method.

Estimated useful lives are as follows:

Land and building improvements	5 - 20 years
Building	40 years
Furniture and equipment	3 - 10 years
Vehicles	4 years

4. Pension Plan

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.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

5. Other Postemployment Benefits (OPEB) Liability

For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the Association's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

6. Compensated Absences

Association employees accumulate a limited amount of earned but unused vacation, sick leave, comp time, paid time off, holidays, parental leave, bereavement leave and sabbatical leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure) until then. The Association has items related to the IPERS pension plan and OPEBs that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents a consumption of net position which applies to or is unavailable until future periods and so will not be recognized as an inflow of resources (revenue) until then. The Association has one item that qualifies related to the IPERS pension plan for reporting in this category.

8. Net Position Classifications

The Association classified its net position as follows:

- a. Net investment in capital assets represents the net depreciated value of capital assets less any remaining debt owed that was incurred to finance the acquisition of such assets.
- b. Restricted net position indicates the portion of net position whose use by the Association is subject to externally imposed stipulations that can be fulfilled by actions of the Association pursuant to those stipulations or that expire by the passage of time.
- c. Unrestricted net position indicates the portion of net position that is not subject to externally imposed stipulations. Resources may be designated for specific purposes by action of management or by the governing body.

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

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 1 - SUMMARY OF SIGNICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

9. Fund Balance Classifications

The Association classifies its fund balance as follows:

- a. Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.
- b. Assigned fund balances include amounts that can be spent only for specific purposes stipulated by representatives designated by the governing body.
- c. Committed fund balances include amounts that can be spent only for specific purposes approved by the governing body.
- d. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use).
- e. Nonspendable fund balances include amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Such amounts are typically for prepaid items and inventories.

When an expenditure is incurred for purposes for which multiple classifications of fund balance are available, it is the Association’s policy to use restricted fund balance first, followed by committed, assigned, and then unassigned fund balance.

This order of spending reflects the Association’s policy to utilize the most constrained resources before using less constrained resources.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 consist of the following:

	Carrying Amount	Bank Balance
Checking and savings accounts	\$ 894,906	\$ 907,044

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED))

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Association's deposits might not be recovered. At June 30, 2025, \$199,434 of the Association's deposits were in excess of FDIC insurance were covered by a multiple financial institution collateral pool 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. Amounts in excess of FDIC insurance varied during the year.

NOTE 3 - RECEIVABLES

At June 30, 2025, the Association had the following receivables outstanding:

Accounts Receivable and Due from Related Parties- ECIA	
Eastern Iowa Regional Housing Authority	\$ 85,923
Eastern Iowa Regional Housing Corp.	13,500
E.I.R.U.S.S.	62,857
Local contract charges	66,743
E.C.I.A. Business Growth, Inc.	66,202
Regional Transit Authority	41,803
Other	103,250
	440,278
Accounts Receivable - CSEI	
Other	36,667
	36,667
Total accounts receivable and due from related parties	\$ 476,945

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 3 - RECEIVABLES (CONTINUED)

Grants Receivable - ECIA		
Iowa DOT	\$	501,131
Illinois DOT		52,204
USDA - RCDI		39,664
Economic Development		4,575
Brownfields Loan Program		13,766
Healthy Homes Grant		190,542
Regional Lead and Healthy Homes Grant		222,575
Older Home Modification Grant		20,532
Clinton HUD Lead Grant		31,886
		1,076,875
Grants Receivable - CSEI		
Iowa Finance Authority		25,546
Total grants receivable	\$	1,102,421

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 is as follows:

	Balance as of July 1, 2024	Additions	Deletions	Balance as of June 30, 2025
Non-depreciable				
Land	\$ 214,432	\$ -	\$ -	\$ 214,432
	214,432	-	-	214,432
Land improvements	154,262	-	-	154,262
Building and building improvements	1,064,382	-	-	1,064,382
Equipment and furniture	394,351	29,495	46,277	377,569
Subtotal	1,827,427	29,495	46,277	1,810,645
Less accumulated depreciation				
Land improvements	63,726	8,555	-	72,281
Building and building improvements	421,244	31,614	-	452,858
Equipment and furniture	275,931	27,156	46,277	256,810
	760,901	67,325	46,277	781,949
Total	\$ 1,066,526	\$ (37,830)	\$ -	\$ 1,028,696

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 5 - PENSION PLAN

A. Plan Description

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

IPERS benefits are established under *Iowa Code* Chapter 97B and the administrative rules thereunder. Chapter 978 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.

B. Pension Benefits

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

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

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.

C. 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.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 5 - PENSION PLAN (CONTINUED)

D. Contributions

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Association contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Association's total contributions to IPERS for the year ended June 30, 2025 were \$380,282.

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

At June 30, 2025, the Association reported a liability of \$1,553,278 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Association's proportion of the net pension liability was based on the Association's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the Association's collective proportion was .042062%, which was a decrease of 0.000389% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Association recognized pension expense of \$178,528. At June 30, 2025, the Association 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	\$ 123,596	\$ 965
Changes of assumptions	-	22
Net difference between projected and actual earnings on pension plan investments	851,890	832,463
Association contributions subsequent to the measurement date	380,282	-
Total	\$ 1,355,768	\$ 833,450

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 5 - PENSION PLAN (CONTINUED)

E. Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$380,282 reported as deferred outflows of resources related to pensions resulting from the Association contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2026	\$ (203,346)
2027	379,086
2028	16,479
2029	(50,465)
2030	281
Total	\$ 142,035

There were no non-employer contributing entities to IPERS.

F. Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

Key Methods and Assumptions Used in Valuation of Total Pension Liability

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 5 - PENSION PLAN (CONTINUED)

G. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0 %	3.52 %
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core-plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
	<hr/>	
Total	<u>100.0 %</u>	

H. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Association will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 5 - PENSION PLAN (CONTINUED)

I. Sensitivity of the Association's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Association's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Association's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate.

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Association's proportionate share of the net position liability	\$ 3,811,717	\$ 1,533,278	\$ (338,176)

J. 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.

K. Payable to the Pension Plan

At June 30, 2025, the Association reported payables to the defined benefit pension plan of \$29,257 for legally required employer contributions and \$19,494 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

NOTE 6 - SHORT-TERM BORROWING

The Association has a \$300,000 line of credit dated January 14, 2025, that matures January 14, 2027, with interest at 1% below the Wall Street Journal Prime Rate. The interest rate at June 30, 2025, was 6.5%. There was no balance due on the line of credit at June 30, 2025. The Association borrowed and repaid \$25,000 in March 2025, incurring \$27 of interest on the loan in fiscal year 2025.

NOTE 7 - LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2025 was as follows:

	Balance as of July 1, 2024	Additions	Deletions	Balance as of June 30, 2025
Notes payable	\$ 498,089	\$ -	\$ 114,038	\$ 384,051
Leases payable	3,231	-	2,245	986
Compensated absences	274,723	159,825	-	434,548
Net pension liability	1,958,768	-	405,490	1,553,278
Other post-employment benefits	164,851	5,177	-	170,028
Total	\$ 2,899,662	\$ 165,002	\$ 521,773	\$ 2,542,891

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

Long-term notes payable at June 30, 2025 are comprised of the following:

Description	Balance at June 30, 2025	Due Within One Year
\$25,673 commercial loan from DuTrac Community Credit Union dated March 31, 2024 and due in monthly installments of \$563, including interest at 2.44% per annum until April 2026.	\$ 5,514	\$ 5,514
\$25,673 commercial loan from DuTrac Community Credit Union dated March 31, 2024 and due in monthly installments of \$563, including interest at 2.44% per annum until April 2026.	5,514	5,514
\$25,673 commercial loan from DuTrac Community Credit Union dated March 31, 2024 and due in monthly installments of \$563, including interest at 2.44% per annum until April 2026.	5,514	5,514
\$1,392,281 Economic Development Revenue Note, Series 2007 dated October 5, 2007, due in monthly installments including interest at 3.5% per annum until April 1, 2029.	367,509	91,374
Total	<u>\$ 384,051</u>	<u>\$ 107,916</u>

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

The annual payment requirements of the notes payable as of June 30, 2025 are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 107,916	\$ 11,590	\$ 119,506
2027	94,625	8,156	102,781
2028	97,990	4,791	102,781
2029	83,520	1,335	84,855
Total	<u>\$ 384,051</u>	<u>\$ 25,872</u>	<u>\$ 409,923</u>

Current maturities of long-term obligations consist of:

Notes payable	\$ 107,916
Lease payable	986
Total	<u>\$ 108,902</u>

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

The Association administers a single-employer defined benefit healthcare plan. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the Association's group health insurance plan. The plan covers both active and retired participants. As of the actuarial valuation date, there were 48 active participants and 2 retirees in the plan. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

Employees who retire at age 55 or older with 10 years of service and already participating in the health insurance plan at retirement, may remain on the Association's health insurance until the employee is eligible for Medicare. Retirees pay the full cost of the insurance premium with no surviving spouse provisions.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Funding Policy

The Association has not established a trust fund to finance the cost of its OPEB. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required by the GASB in the Association-wide statements. There is no obligation on the part of the Association to fund these benefits in advance.

C. Net Other Post-Employment Benefit Liability

The net other post-employment benefit liability (NOL) was measured as of June 30, 2025 and the total other post-employment benefit liability was determined by an actuarial valuation using the alternate measurement method as of July 1, 2024.

D. Actuarial Methods and Assumptions

The Association engaged an actuary to perform a valuation using the alternative measurement method as of June 30, 2025 using the entry age normal, level percent of salary method.

The total other post-employment benefit liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Discount rate	4.21% for 2024 and 5.20% for 2025
General wage inflation	3.25% as of June 30, 2024 (includes 2.6% general inflation plus 0.65% real wage inflation)
Annual premium increase rate	8.00% in 2026, decreasing 0.25% per year until leveling off at 4.50% in 2040 and thereafter

All of the demographic assumptions used (i.e. salary, payroll growth, turnover rates and mortality rates) are approximately the same as those used in the Iowa Public Employees' Retirement System June 30, 2024 Actuarial Valuation for state employees.

Retirement rates were calculated based on age and years of service. 30% of active employees with current coverage were assumed to elect medical coverage and no active employees without coverage were assumed to elect medical coverage. Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled and those with family coverage before retirement are assumed to maintain family coverage in the future.

The discount rate used to measure the total other post-employment benefit liabilities was 5.20%, based on the expected long-term yield on 20-year tax-exempt general obligation bonds with an average rating of AA/Aa or higher.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

E. Change in the OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2024	\$ 164,851
Changes for the year	
Service cost	9,112
Interest	6,916
Changes in assumptions	3,058
Differences between expected and actual experience	5,688
Benefit payments	<u>(19,597)</u>
Net changes	<u>5,177</u>
Balance at June 30, 2025	<u><u>\$ 170,028</u></u>

F. Sensitivity to OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rates

The following represents the net other post-employment benefit liability (NOL) of the Association, calculated using the discount rate of 5.20%, as well as what the Association's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate.

Total OPEB Liability/(Asset)		
1% Decrease in Discount Rate (4.2%)	Current Discount Rate (5.2%)	1% Increase in Discount Rate (6.2%)
\$ 180,549	\$ 170,028	\$ 160,143

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

**F. Sensitivity to OPEB Liability to Changes in the Discount and Healthcare Cost Trend Rates
(Continued)**

The following presents the net other post-employment benefit liability (NOL) of the Association, calculated using the healthcare cost trend rate of 8.0% decreasing to 4.5%, as well as what the Association's NOL would be if it was calculated using a trend rate that is 1-percentage-point lower (7.0% graded down to 3.5% or 1-percentage-point higher (9.0% graded down to 5.5%) than the current rate:

Total OPEB Liability/(Asset)		
1% Decrease in Trend Rate (7.0% Decreasing to 3.5%)	Current Trend Rate (8.0% Decreasing to 4.5%)	1% Increase in Trend Rate (9.0% Decreasing to 5.5%)
\$ 155,633	\$ 170,028	\$ 186,610

NOTE 9 - RISK MANAGEMENT

The Association is exposed for 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - PRIOR PERIOD ADJUSTMENTS

The Association identified certain errors in the previously issued financial statements that required restatement of beginning balances. Accordingly, beginning net position and fund balance, as applicable, have been restated to correct the following matters.

Brownfields Revolving Loan Fund

In prior years, amounts disbursed under the Brownfields Revolving Loan Fund program were recorded as expenditures at the time the loans were issued. Upon further review, it was determined that these disbursements represent loans receivable that should have been recognized as assets rather than expenditures. As a result, beginning net position of the governmental activities and the beginning fund balance of the General Fund have been increased to recognize the outstanding loan receivable balance and a related party receivable as of the beginning of the year.

Compensated Absences

The Association also determined that an accrual for compensated absences had been recorded in the General Fund in the prior year governmental funds financial statements. Under the modified accrual basis of accounting used for governmental funds, liabilities for compensated absences are generally recognized only when they are due and payable. Accordingly, the previously recorded liability did not meet the recognition criteria for governmental fund reporting and should have been reported only in the government-wide Statement of Net Position. Beginning fund balance of the General Fund has therefore been increased to remove the previously recorded liability.

**East Central Intergovernmental Association
Notes to Basic Financial Statements**

NOTE 10 - PRIOR PERIOD ADJUSTMENTS (CONTINUED)

The effect of these prior period adjustments on beginning balances is summarized below:

Description	Association- Wide	General Fund
Increase in loans receivable	\$ 373,371	\$ 373,371
Increase in allowance for uncollectable loans	(7,467)	(7,467)
Increase in amount due from related parties	51,786	51,786
Decrease in accrued liabilities	-	249,950
Increase in net position	417,690	-
Increase in fund balance	-	667,640

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REQUIRED SUPPLEMENTARY INFORMATION

**East Central Intergovernmental Association
Schedule of Changes in Total OPEB Liability
and Related Ratios
Year Ended June 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability				
Service cost	\$ 9,112	\$ 8,243	\$ 7,943	\$ 8,412
Interest	6,916	5,585	5,250	2,864
Differenced between expected and actual experience	5,688	19,166	1,454	1,603
Changes of assumptions	3,058	9,410	(308)	(11,566)
Benefit payments	(19,597)	(8,962)	(6,627)	-
Net change in total OPEB liability	<u>5,177</u>	<u>33,442</u>	<u>7,712</u>	<u>1,313</u>
Beginning of year	<u>164,851</u>	<u>131,409</u>	<u>123,697</u>	<u>122,384</u>
End of Year	<u>\$ 170,028</u>	<u>\$ 164,851</u>	<u>\$ 131,409</u>	<u>\$ 123,697</u>
Covered-employee payroll	\$ 4,077,935	\$ 3,810,199	\$ 3,942,717	\$ 3,753,812
Net OPEB liability as a percentage of covered-employee payroll	4.2%	4.3%	3.3%	3.3%

Notes:

Change in benefit terms:

There were no significant changes to benefit terms.

Change in assumptions:

Changes in assumptions and other inputs reflect changes in the discount rate each period. The following are the discount rates used in each period:

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%

This schedule is intended to show a ten-year trend. Additional years will be reported as they become available. See notes to required supplementary information.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 8,336	\$ 7,710	\$ 7,346	\$ 11,793
3,460	5,077	5,320	6,590
(14,352)	(34,278)	(9,076)	(66,448)
3,210	6,283	3,227	5,889
-	-	-	-
654	(15,208)	6,817	(42,176)
121,730	136,938	130,121	172,297
\$ 122,384	\$ 121,730	\$ 136,938	\$ 130,121
\$ 3,376,911	\$ 3,237,893	\$ 2,850,593	\$ 2,774,906
3.6%	3.8%	4.8%	4.7%

**East Central Intergovernmental Association
Schedule of Association's Proportionate Share
of Net Pension Liability
Iowa Public Employees' Retirement System
Last Ten Years**

Fiscal Year Ended June 30,	Association's Proportionate Share (Percentage) of the Net Pension Liability	Association's Proportionate Share (Amount) of the Net Pension Liability	Association's Covered- Employee Payroll	Association's Proportionate Share of the Net Pension Liability as a Percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.039708%	\$ 1,974,053	\$ 2,737,381	72.11%	85.19%
2017	0.037105%	2,313,963	2,638,937	87.69%	81.82%
2018	0.037115%	2,472,299	2,770,525	89.24%	82.21%
2019	0.036376%	2,301,990	2,734,080	84.20%	83.62%
2020	0.037271%	2,168,987	2,850,593	76.09%	85.45%
2021	0.039639%	2,765,122	3,123,898	88.52%	82.90%
2022	0.040438%	56,691	3,282,034	1.73%	99.65%
2023	0.040906%	1,623,599	3,462,731	46.89%	91.40%
2024	0.042451%	1,958,768	3,811,078	51.40%	90.13%
2025	0.042062%	1,553,278	3,935,955	39.46%	92.30%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

**East Central Intergovernmental Association
Schedule of Association Contributions
Iowa Public Employees' Retirement System
Last Ten Years**

Fiscal Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Association's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ 235,631	\$ 235,631	\$ -	\$ 2,638,937	8.93%
2017	247,399	247,399	-	2,770,525	8.93%
2018	244,149	244,149	-	2,734,080	8.93%
2019	269,096	269,096	-	2,850,593	9.44%
2020	294,896	294,896	-	3,123,898	9.44%
2021	309,824	309,824	-	3,282,034	9.44%
2022	326,883	326,883	-	3,462,731	9.44%
2023	359,765	359,765	-	3,811,078	9.44%
2024	371,554	371,554	-	3,935,955	9.44%
2025	380,282	380,282	-	4,028,411	9.44%

**East Central Intergovernmental Association
Notes to Required Supplementary Information -
Iowa Public Employees' Retirement System
Year Ended June 30, 2025**

Changes of Assumptions

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

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

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

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

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

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

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

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

**East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Amended		
Revenues				
Grants				
Federal	\$ 5,721,190	\$ 5,679,349	\$ 5,892,709	\$ 213,360
State of Iowa	20,588	20,588	246,609	226,021
State of Illinois	-	142,261	129,287	(12,974)
Private	107,963	155,461	774,153	618,692
Membership fees	152,915	152,915	126,260	(26,655)
Fees and assessments	379,500	407,717	275,973	(131,744)
Grant administration	86,279	82,712	53,916	(28,796)
Agency service billings	3,375,907	3,103,525	3,075,772	(27,753)
Interest	100	73	105	32
Miscellaneous	91,000	61,324	76,853	15,529
Total revenues	<u>9,935,442</u>	<u>9,805,925</u>	<u>10,651,637</u>	<u>845,712</u>
Expenditures				
General government	51,529	50,793	54,543	3,750
Community / economic development	1,833,252	1,807,066	1,940,473	133,407
Housing	5,491,662	5,413,218	5,812,851	399,633
Transit	2,375,298	2,341,368	2,514,221	172,853
Utilities / infrastructure	171,193	168,747	181,205	12,458
Total expenditures	<u>9,922,934</u>	<u>9,781,192</u>	<u>10,503,293</u>	<u>722,101</u>
 Net change in fund balance	 <u>\$ 12,508</u>	 <u>\$ 24,733</u>	 148,344	 <u>\$ 123,611</u>
Fund Balance				
Beginning of year, as previously reported			736,406	
Prior period adjustments			667,640	
Beginning of year, as restated			<u>1,404,046</u>	
End of year			<u>\$ 1,552,390</u>	

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SUPPLEMENTARY INFORMATION

East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and Changes
in Fund Balances
By Program - General Fund
Year Ended June 30, 2025

	30	39	40	42
	FWHA and Section 8 Transportation	Nuisance Abatement	General Technical Assistance	Grant Wood Mississippi River Region
Totals				
Revenues				
Grants				
Federal	\$ 6,054,946	\$ 1,524,619	\$ -	\$ 435,960
State of Iowa	20,588	-	-	-
State of Illinois	15,667	15,667	-	-
Private	217,979			
Membership fees	192,218	-	4,663	-
Fees and assessments	625,853	3,298	273,363	2,199
Economic development set-aside and CDBG grant administration	53,916	-	-	-
Agency service billings				
ECIA Business Growth	209,045	-	-	-
EIRHA/EIRHC	1,902,344	-	-	-
CSEI/ECDC	379,517	-	-	-
EIRH Tax Credit Corp.	1,808	-	-	-
Regional Transit Authority	719,531	-	-	-
EIRUSS	181,613	-	-	-
Interest	105	-	-	-
Proceeds from sale of equipment	15,000	-	-	-
Miscellaneous	61,507	-	-	-
Total revenues	<u>10,651,637</u>	<u>1,540,286</u>	<u>3,298</u>	<u>713,986</u>
Expenditures				
Salaries, wages & fringe benefits	5,549,947	322,545	2,786	275,302
Operating materials	2,435	-	-	-
Office supplies	82,852	4,167	38	4,167
Conferences and training	78,133	4,434	4	1,304
Business travel	202,038	14,618	250	12,919
Printing	8,168	110	1	1,874
Equipment rental and maintenance	26,603	1,153	11	904
Office maintenance	24,921	1,658	13	1,476
Insurance and bonding	71,856	4,532	34	3,522
Dues and subscriptions	21,183	1,349	9	926
Telephone	30,686	1,995	20	1,538
Postage	29,033	126	2	198
Utilities	23,320	1,573	13	1,160
Advertising	15,073	432	1	750
Professional fees	1,450,807	1,174,532	47	5,240
Depreciation	-	-	-	-
Equipment purchases	17,273	-	-	-
Long-term note payable principal	106,840	5,911	58	4,508
Lease principal	2,248	151	2	116
Interest expense	14,911	1,000	9	782
Pass-through grant expenses	25,000	-	-	-
Direct grant expenses	2,719,966	-	-	397,300
Miscellaneous	-	-	-	-
Total expenditures	<u>10,503,293</u>	<u>1,540,286</u>	<u>3,298</u>	<u>713,986</u>
Excess of revenue over (under) expenditures	<u>\$ 148,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

44	45	46	48	49
Brownsfield Grant	ECIA Business Growth	HUD Lead Grant Clinton/ Musquoketa	Brownsfield RLF	HUD Lead Grant Dubuque County
\$ 193,450	\$ -	\$ 146,755	\$ 153,425	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	28,341	-	-
-	-	-	-	-
-	209,045	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
193,450	209,045	175,096	153,425	-
54,707	181,344	58,655	70,866	-
-	-	-	51	-
572	1,845	1,748	502	-
121	2,725	1,940	45	-
2,519	6,263	2,467	2,446	-
31	59	1,104	40	-
193	622	180	234	-
257	921	495	290	-
770	2,487	809	1,081	-
178	2,553	373	184	-
335	1,081	342	395	-
20	543	66	23	-
257	823	213	333	-
12	274	(285)	13	-
132,300	3,686	874	33,043	-
-	-	-	-	-
-	-	-	-	-
984	3,192	990	1,179	-
25	82	25	30	-
169	545	186	195	-
-	-	-	-	-
-	-	104,914	42,475	-
-	-	-	-	-
193,450	209,045	175,096	153,425	-
\$ -	\$ -	\$ -	\$ -	\$ -

East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and Changes
in Fund Balances
By Program - General Fund
Year Ended June 30, 2025

	50	55	56	57	58
	Economic Development Grant	EIRHA	EIRHC	EIRHC TBRA	Housing Trust Fund
Revenues					
Grants					
Federal	\$ 56,666	\$ -	\$ -	\$ -	\$ -
State of Iowa	20,588	-	-	-	-
State of Illinois	-	-	-	-	-
Private	85,000	-	-	-	-
Membership fees	34,649	-	-	-	-
Fees and assessments	33,987	-	-	-	-
Economic development set-aside and CDBG grant administration					
Agency service billings					
ECIA Business Growth	-	-	-	-	-
EIRHA/EIRHC	-	1,816,175	6,231	54,618	24,378
CSEI/ECDC	-	-	-	-	-
EIRH Tax Credit Corp.	-	-	-	-	-
Regional Transit Authority	-	-	-	-	-
EIRUSS	-	-	-	-	-
Interest	-	-	-	-	-
Proceeds from lease	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>230,890</u>	<u>1,816,175</u>	<u>6,231</u>	<u>54,618</u>	<u>24,378</u>
Expenditures					
Salaries, wages & fringe benefits	175,439	1,640,084	5,604	51,417	21,784
Operating materials	-	-	-	-	-
Office supplies	2,882	17,043	28	396	84
Conferences and training	8,140	2,481	6	34	10
Business travel	9,645	27,618	215	792	690
Printing	51	974	-	17	5
Equipment rental and maintenance	597	4,022	18	-	81
Office maintenance	840	5,956	13	-	96
Insurance and bonding	2,314	22,061	58	686	282
Dues and subscriptions	1,775	5,047	2	143	31
Telephone	1,015	7,003	21	-	129
Postage	96	18,133	36	87	66
Utilities	785	5,535	15	-	100
Advertising	79	835	1	10	69
Professional fees	3,635	34,633	136	1,018	509
Depreciation	-	-	-	-	-
Equipment purchases	-	-	-	-	-
Long-term note payable principal	3,009	20,699	66	18	368
Lease principal	77	529	2	-	10
Interest expense	511	3,522	10	-	64
Pass-through grant expenses	-	-	-	-	-
Direct grant expenses	20,000	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	<u>230,890</u>	<u>1,816,175</u>	<u>6,231</u>	<u>54,618</u>	<u>24,378</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

59	60	66	72	73
EIRHC Evergreen Meadows	EIRHC Asbury Meadows	EIRHC Tax Credit Corp.	USDA RCDI Grant 2020	USDA RCDI Grant 2021
\$ -	\$ -	\$ -	\$ -	\$ 11,805
-	-	-	-	-
-	-	-	-	-
-	-	-	-	11,805
-	-	-	-	-
-	-	-	-	-
383	559	-	-	-
-	-	-	-	-
-	-	1,808	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>383</u>	<u>559</u>	<u>1,808</u>	<u>-</u>	<u>23,610</u>
-	-	-	-	20,587
-	-	-	-	-
-	-	-	-	642
-	-	-	-	76
-	-	1,807	-	402
-	-	-	-	4
-	-	-	-	68
-	-	-	-	195
-	-	-	-	298
-	-	-	-	222
-	-	-	-	138
383	559	1	-	4
-	-	-	-	86
-	-	-	-	13
-	-	-	-	391
-	-	-	-	-
-	-	-	-	-
-	-	-	-	398
-	-	-	-	10
-	-	-	-	76
-	-	-	-	-
-	-	-	-	-
<u>383</u>	<u>559</u>	<u>1,808</u>	<u>-</u>	<u>23,610</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and Changes
in Fund Balances
By Program - General Fund
Year Ended June 30, 2025

	74	76	77	80	85
	USDA RCDI Grant 2022	USDA RCDI Grant 2023	USDA RCDI Grant 2024	Regional Transportation RPA/STP	CDBG Admin- istration
Revenues					
Grants					
Federal	\$ 71,985	\$ 29,777	\$ 4,214	\$ 174,508	\$ -
State of Iowa	-	-	-	-	-
State of Illinois	-	-	-	-	-
Private	-	-	-	-	-
Membership fees	26,656	-	-	-	-
Fees and assessments	45,329	29,777	4,214	80,796	-
Economic development set-aside and CDBG grant administration					53,916
Agency service billings					
ECIA Business Growth	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-
CSEI/ECDC	-	-	-	-	-
EIRH Tax Credit Corp.	-	-	-	-	-
Regional Transit Authority	-	-	-	-	-
EIRUSS	-	-	-	-	-
Interest	-	-	-	-	-
Proceeds from lease	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	143,970	59,554	8,428	255,304	53,916
Expenditures					
Salaries, wages & fringe benefits	122,374	51,203	7,676	220,234	46,810
Operating materials	-	-	-	-	-
Office supplies	9,609	224	25	3,267	521
Conferences and training	581	2,618	3	3,244	229
Business travel	2,252	1,683	140	11,396	2,753
Printing	35	14	3	72	14
Equipment rental and maintenance	430	168	27	695	164
Office maintenance	578	219	23	1,096	213
Insurance and bonding	1,609	636	92	2,794	640
Dues and subscriptions	264	96	12	1,051	204
Telephone	712	281	44	1,215	279
Postage	48	19	2	118	25
Utilities	541	232	42	952	201
Advertising	23	9	1	336	64
Professional fees	2,397	1,153	183	4,547	818
Depreciation	-	-	-	-	-
Equipment purchases	-	-	-	-	-
Long-term note payable principal	2,107	840	132	3,582	817
Lease principal	54	22	3	91	21
Interest expense	356	137	20	614	143
Pass-through grant expenses	-	-	-	-	-
Direct grant expenses	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total expenditures	143,970	59,554	8,428	255,304	53,916
Excess of revenue over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

90	130	133	300	400
General	Homeless Prevention	Emergency Solutions	Eastern Iowa Regional Utility Service Systems	Regional Transit Authority
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
114,445	-	-	-	-
-	-	-	-	2,112
-	-	-	-	-
-	-	-	-	-
-	335,805	43,712	-	-
-	-	-	-	-
-	-	-	-	719,531
-	-	-	181,613	-
105	-	-	-	-
-	-	-	-	-
15,000	-	-	-	-
61,507	-	-	-	-
<u>191,057</u>	<u>335,805</u>	<u>43,712</u>	<u>181,613</u>	<u>721,643</u>
-	290,700	39,480	160,468	643,260
-	-	-	-	-
-	3,680	518	1,887	9,325
-	6,628	41	140	2,971
6,377	8,804	669	3,930	12,513
-	563	15	50	206
-	983	132	531	2,544
-	1,466	220	845	3,118
-	3,940	541	2,174	8,655
-	816	166	510	2,367
-	2,721	237	943	3,788
-	985	28	2,501	944
-	1,369	170	724	2,984
-	123	11	397	744
-	6,969	644	3,195	14,843
-	-	-	-	-
17,273	-	-	-	-
19,063	5,067	701	2,770	11,189
-	130	18	71	287
-	861	121	477	1,905
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>42,713</u>	<u>335,805</u>	<u>43,712</u>	<u>181,613</u>	<u>721,643</u>
<u>\$ 148,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and Changes
in Fund Balances
By Program - General Fund
Year Ended June 30, 2025

	420	610	620	630	640
	Keep Iowa Beautiful (Delaware/ Cedar)	Older Adult Home Modification	Healthy Homes	Regional Lead and Healthy Homes	Healthy Homes Winterization
Revenues					
Grants					
Federal	\$ -	\$ 382,104	\$ 552,667	\$ 1,575,731	\$ 100,242
State of Iowa	-	-	-	-	-
State of Illinois	-	-	-	-	-
Private	132,979	-	-	-	-
Membership fees	-	-	-	-	-
Fees and assessments	14,500	-	-	106,611	1,326
Economic development set-aside and CDBG grant administration	-	-	-	-	-
Agency service billings					
ECIA Business Growth	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-
CSEI/ECDC	-	-	-	-	-
EIRH Tax Credit Corp.	-	-	-	-	-
Regional Transit Authority	-	-	-	-	-
EIRUSS	-	-	-	-	-
Interest	-	-	-	-	-
Proceeds from lease	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>147,479</u>	<u>382,104</u>	<u>552,667</u>	<u>1,682,342</u>	<u>101,568</u>
Expenditures					
Salaries, wages & fringe benefits	106,192	116,494	155,505	365,507	78,686
Operating materials	-	-	2,000	-	-
Office supplies	1,081	3,124	3,062	8,437	2,521
Conferences and training	1,439	3,065	7,853	6,789	4,744
Business travel	4,868	3,936	8,984	22,394	4,400
Printing	209	45	51	261	27
Equipment rental and maintenance	390	377	511	1,715	262
Office maintenance	509	653	699	1,811	341
Insurance and bonding	1,520	1,719	1,362	3,017	895
Dues and subscriptions	324	381	405	1,117	154
Telephone	675	710	895	2,129	453
Postage	86	301	141	1,286	82
Utilities	523	560	718	1,667	382
Advertising	23	2,602	1,831	2,978	946
Professional fees	2,254	2,374	3,923	9,062	1,873
Depreciation	-	-	-	-	-
Equipment purchases	-	-	-	-	-
Long-term note payable principal	1,996	2,047	2,636	6,272	1,346
Lease principal	51	53	68	161	35
Interest expense	339	363	446	1,074	221
Pass-through grant expenses	25,000	-	-	-	-
Direct grant expenses	-	243,300	361,577	1,246,665	4,200
Miscellaneous	-	-	-	-	-
Total expenditures	<u>147,479</u>	<u>382,104</u>	<u>552,667</u>	<u>1,682,342</u>	<u>101,568</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Schedule of Cumulative Revenues and Expenditures and
Computation of Project Grants Earned - General Fund
Year Ended June 30, 2025

	30			80		
	FHWA and FTA Section 8 Transportation			Regional Transit RPA		
	24MPO-ECIA			24RPA-08		
	Current Year					
Prior Audit 7/1/23 - 6/30/24	7/1/24 - 6/30/25	Total 7/1/23 - 6/30/25	Prior Audit 7/1/23 - 6/30/24	Current Year 7/1/24 - 6/30/25	Total 7/1/23 - 6/30/25	
Revenues						
Grants						
Federal - Planning	\$ 280,449	\$ 1,524,619	\$ 1,805,068	\$ 201,016	\$ 174,508	\$ 375,524
State of Iowa	-	-	-	-	-	-
State of Wisconsin	245	-	245	-	-	-
State of Illinois	15,701	15,667	31,368	-	-	-
Fees and assessments	159,077	-	159,077	89,974	80,796	170,770
Total revenues	<u>455,472</u>	<u>1,540,286</u>	<u>1,995,758</u>	<u>290,990</u>	<u>255,304</u>	<u>546,294</u>
Expenditures						
Salaries, wages & fringe benefits	277,570	322,545	600,115	242,835	220,234	463,069
Office supplies	4,553	4,167	8,720	4,146	3,267	7,413
Conferences and training	4,917	4,434	9,351	3,132	3,244	6,376
Business travel	13,810	14,618	28,428	9,366	11,396	20,762
Printing	131	110	241	120	72	192
Equipment rental and maintenance	673	1,153	1,826	531	695	1,226
Office maintenance	987	1,658	2,645	929	1,096	2,025
Insurance and bonding	3,249	4,532	7,781	2,740	2,794	5,534
Dues and subscriptions	716	1,349	2,065	650	1,051	1,701
Telephone	1,617	1,995	3,612	1,414	1,215	2,629
Postage	110	126	236	205	118	323
Utilities	1,180	1,573	2,753	1,039	952	1,991
Advertising	862	432	1,294	483	336	819
Professional fees	138,404	1,174,532	1,312,936	17,469	4,547	22,016
Depreciation	917	-	917	803	-	803
Long-term note payable principal	4,556	-	4,556	4,003	3,582	7,585
Lease principal	254	5,911	6,165	275	91	366
Interest expense	966	151	1,117	850	614	1,464
Pass-through grant expenses	-	1,000	1,000	-	-	-
Total expenditures	<u>455,472</u>	<u>1,540,286</u>	<u>1,995,758</u>	<u>290,990</u>	<u>255,304</u>	<u>546,294</u>
Expense basis for computation of						
Federal participation in project cost	455,472	1,540,286	1,995,758	290,990	255,304	546,294
Federal participation percentage	<u>80%</u>	<u>80%</u>	<u>80%</u>	<u>80%</u>	<u>80%</u>	<u>80%</u>
Computed project grant earned	<u>\$ 364,378</u>	<u>\$ 1,232,229</u>	<u>\$ 1,596,606</u>	<u>\$ 232,792</u>	<u>\$ 204,243</u>	<u>\$ 437,035</u>

East Central Intergovernmental Association
Schedule of Cumulative Revenues and Expenditures and
Computation of Project Grants Earned - General Fund
Year Ended June 30, 2025

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United States Department of Commerce Economic Development Planning Grant ED23DEN3020006						
	Prior Periods 4/1/23 - 6/30/24	Current Year 7/1/24 - 6/30/25	Total 4/1/23 - 6/30/25	Total Fiscal Year	Collaborative Marketing (PEI/KIB)	Total Economic Development
Revenues						
Grants						
Federal - EDA	\$ 100,834	\$ 56,666	\$ 157,500	\$ 56,666	\$ -	\$ 56,666
State of Iowa - Other	14,706	20,588	35,294	20,588	-	20,588
Membership fees	16,181	34,649	50,830	34,649	-	34,649
Fees and assessments	46,691		46,691	-	24,737	24,737
KIB Grant Income (DBQ/Jackson)	1,788	1,429	3,217	1,429	92,821	94,250
Total revenues	180,200	113,332	293,532	113,332	117,558	230,890
Expenditures						
Salaries, wages & fringe benefits	173,535	89,935	263,470	89,935	85,504	175,439
Office supplies	1,537	1,902	3,439	1,902	980	2,882
Conferences and training	4,833	5,372	10,205	5,372	2,768	8,140
Business travel	6,389	6,366	12,755	6,366	3,279	9,645
Printing	452	34	486	34	17	51
Equipment rental and maintenance	273	394	667	394	203	597
Office maintenance	1,034	555	1,589	555	285	840
Insurance and bonding	2,118	1,527	3,645	1,527	787	2,314
Dues and subscriptions	1,655	1,171	2,826	1,171	604	1,775
Telephone	1,020	670	1,690	670	345	1,015
Postage	84	63	147	63	33	96
Utilities	796	518	1,314	518	267	785
Advertising	85	52	137	52	27	79
Professional fees	3,486	2,399	5,885	2,399	1,236	3,635
Depreciation	585	-	585	-	-	-
Long-term note payable principal	2,844	1,986	4,830	1,986	1,023	3,009
Lease principal	312	50	362	50	27	77
Interest expense	630	338	968	338	173	511
Other grant expenses	-	-	-	-	20,000	20,000
Total Expenditures	201,668	113,332	315,000	113,332	117,558	230,890
Expense basis for computation of						
Federal participation in project cost	201,668	113,332	315,000	113,332	117,558	
Federal participation percentage	50%	50%	50%	50%	82%	
Computed project grant earned	\$ 100,834	\$ 56,666	\$ 157,500	\$ 56,666	\$ 96,398	

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East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - By Program - ECDC
Year Ended June 30, 2025

	Pocket Neighborhood	General	Total
Revenues			
Interest income	\$ -	\$ 82	\$ 82
Expenditures			
Professional fees	-	1,000	1,000
Grant match expense	-	5,000	5,000
Total expenditures	-	6,000	6,000
Change in fund balance	\$ -	\$ (5,918)	\$ (5,918)

**East Central Intergovernmental Association
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - By Program - CSEI
Year Ended June 30, 2025**

	COC	Emergency Rental Assistance	ESG	ICARES
Revenues				
Grants				
SNAP grant	\$ 255,366	\$ -	\$ -	\$ -
Emergency solutions grant	-	-	84,185	-
Emergency rental assistance	-	850,517	-	-
Tenant based rental assistance	-	-	-	-
ICARES grant	-	-	-	55,531
Other	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>255,366</u>	<u>850,517</u>	<u>84,185</u>	<u>55,531</u>
Expenditures				
Housing assistance payments	172,242	697,490	40,522	51,127
Management services	83,124	117,660	43,663	4,404
Offices supplies	-	-	-	-
Advertising	-	-	-	-
Professional fees	-	-	-	-
Miscellaneous	-	9	-	-
Pass-through grant expense	-	35,358	-	-
Total expenditures	<u>255,366</u>	<u>850,517</u>	<u>84,185</u>	<u>55,531</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>TBRA Grant</u>	<u>Locally Funded</u>	<u>Total</u>
\$ -	\$ -	\$ 255,366
-	-	84,185
-	-	850,517
218,365	-	218,365
-	-	55,531
-	206,229	206,229
-	94	94
<u>218,365</u>	<u>206,323</u>	<u>1,670,287</u>
203,106	6,047	1,170,534
15,259	114,897	379,007
-	582	582
-	1,352	1,352
-	925	925
-	13,434	13,443
-	-	35,358
<u>218,365</u>	<u>137,237</u>	<u>1,601,201</u>
<u>\$ -</u>	<u>\$ 69,086</u>	<u>\$ 69,086</u>

East Central Intergovernmental Association
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Grantor / Program	Assistance Listing Number	Agency or Pass-Thru Grantor's Number	Expenditures	Passed Through to Subrecipients
Direct				
United States Department of Commerce Economic Adjustment Assistance	11.307	ED23DEN3020006	\$ 56,666	\$ -
United States Environmental Protection Agency				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative	66.818	4B96708501	193,450	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative	66.818	BF-97764501	143,919	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative	66.818	4B96709001	9,506	-
Total US Environmental Protection Agency			<u>346,875</u>	<u>-</u>
United States Department of Housing & Urban Development				
Continuum of Care (CoC) Program	14.267	IA0172L7D012200	140,022	-
Continuum of Care (CoC) Program	14.267	IA0172L7D012301	115,343	-
Healthy Homes Demonstration Program	14.901	IAHHP0057-22	524,714	-
Healthy Homes Demonstration Program	14.901	IALHH0012-24	100,242	-
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0786-22	1,575,731	-
Lead Hazard Reduction Demonstration Grant Program	14.905	IALHB0800-24	107,265	-
Older Adults Home Modification Grant Program	14.921	IAHRMR004-21	323,149	-
Older Adults Home Modification Grant Program	14.921	IAHRMR0042-24	37,614	-
Healthy Homes Production Program	14.913	IAHHP0163-24	43,481	-
Total US Department of Housing & Urban Development			<u>2,967,561</u>	<u>-</u>
Total Direct			<u>3,371,102</u>	<u>-</u>
Indirect				
United States Department of Agriculture Passed through Iowa USDA Rural Housing Service Rural Community Development Initiative	10.446	16-031-421025428	117,781	-
United States Department of Housing & Urban Development				
Passed through City of Clinton, IA				
Lead Hazard Reduction Grant Program	14.900	IALHB075520	146,755	-
Lead Hazard Reduction Grant Program	14.900	IALHB079924	390,830	-
Passed through Iowa Finance Authority				
Emergency Solutions Grant Program	14.231	ESG-31024-24	53,839	-
Emergency Solutions Grant Program	14.231	ESG-31024-25	30,346	-
Home Investment Partnerships Program	14.239	23-1-HM-590	218,366	-
Total US Department of Housing & Urban Development			<u>840,136</u>	<u>-</u>
United States Department of the Treasury				
Passed through Iowa Finance Authority				
Emergency Rental Assistance Program	21.023	RRH-ERA2-04	850,517	35,358
Homeowner Assistance Fund	21.026	Unknown	377,000	-
Total US Department of the Treasury			<u>1,227,517</u>	<u>35,358</u>
United States Department of Transportation				
Passed through Iowa Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program	20.505	24-RPA-08	31,803	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program	20.505	24-MPO-ECIA	167	-
Highway Planning and Construction	20.205	24-RPA-08	31,803	-
Highway Planning and Construction	20.205	24-RPA-08	56,914	-
Highway Planning and Construction	20.205	24-MPO-ECIA	126,771	-
Safe Streets and Roads for All (SS4A) Grant Program	20.939	693JJ32340370	172,033	-
Safe Streets and Roads for All (SS4A) Grant Program	20.939	693JJ32340370	53,988	-
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program	20.941	69A3552441018	988,860	-
Passed through Illinois Department of Transportation				
Highway Planning and Construction	20.205	24-1009-1437-40548	62,668	-
Total US Department of Transportation			<u>1,525,007</u>	<u>-</u>
Total Indirect			<u>3,710,441</u>	<u>35,358</u>
Total Expenditures of Federal Awards			<u>\$ 7,081,543</u>	<u>\$ 35,358</u>

See notes to schedule of expenditures of federal awards.

East Central Intergovernmental Association
Notes to Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Association under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Association.

The Association reports a nonprofit organization (Community Solutions of Eastern Iowa, Inc.) as a blended component unit in its financial statements because the nature and significance of the relationship between the entities are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Accordingly, the federal award expenditures of this blended component unit are included in the accompanying Schedule. Expenditures of federal awards attributable to the blended component unit are included within the applicable federal program lines presented in the Schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The Association did not elect to use the de minimis indirect cost rate of 10%, as allowed under the Uniform Guidance.

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

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of East Central Intergovernmental Association (the Association) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated March 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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*.

The Association's Response to the Finding

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

Purpose of this Report

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

Bergank DV, Ltd.

Minneapolis, Minnesota
March 18, 2026



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East Central Intergovernmental Association's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget* (OMB) Compliance Supplement that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2025. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Association complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of each major federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-002. Our opinion on each major federal program is not modified with respect to this matter. *Government Auditing Standards* requires the auditor to perform limited procedures on the Association's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Association's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

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

BerganKDV, Ltd.

Minneapolis, Minnesota
March 18, 2026

**East Central Intergovernmental Association
Schedule of Findings and Questioned Costs**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities and each major fund in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of Major Programs

Assistance Listing No.: 21.023
Name of Federal Program or Cluster: Emergency Rental Assistance Program

Assistance Listing No.: 20.941
Name of Federal Program or Cluster: Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program

Assistance Listing No.: 14.905
Name of Federal Program or Cluster: Lead Hazard Reduction Demonstration Grant Program

Dollar threshold to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**East Central Intergovernmental Association
Schedule of Findings and Questioned Costs**

SECTION II - FINANCIAL STATEMENT FINDINGS

2025-001 - Material Weakness -Restatement of Beginning Net Position and Fund Balance

Criteria:

Management is responsible for establishing and maintaining internal controls to ensure the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. This includes properly recording loan activity and recognizing liabilities in accordance with the modified accrual basis of accounting applicable to governmental fund financial statements.

Condition:

During the audit, the need for prior period restatements was identified related to the following:

1. Brownfields Revolving Loan Fund - Loans issued through the Brownfields Revolving Loan Fund were recorded as expenditures in prior years rather than as loans receivable.
2. Compensated Absences - General Fund - A liability for compensated absences was recorded in the General Fund governmental fund financial statements in prior years. Under the modified accrual basis of accounting, compensated absences should only be recognized in governmental funds when due and payable.

Cause:

The errors were the result of misunderstandings of the technical requirements.

Effect or Potential Effect:

As a result, prior year expenditures and liabilities were overstated and assets and fund balance were understated. Prior period adjustments were required to correct the beginning balances in the current year financial statements.

Recommendation:

The Association should continue strengthening internal controls over financial reporting to ensure transactions are properly recorded and reviewed for compliance with generally accepted accounting principles. Procedures should include review of loan program activity and evaluation of liabilities recorded in governmental fund financial statements.

Views of Responsible Officials:

Management agrees with the finding and has recorded the necessary adjustments and restatement. Procedures will be implemented to prevent recurrence.

**East Central Intergovernmental Association
Schedule of Findings and Questioned Costs**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2025-002 - Late Submission of Data Collection Form and Reporting Package

Federal Agency:	Various
Assistance Listing Number:	Various
Federal Award Year:	Prior Year
Type of Finding:	Other Matter - Reporting

Criteria:

In accordance with the reporting requirements of the 2 CFR Part 200, specifically §200.512, the auditee is required to submit the Data Collection Form (Form SF-SAC) and the reporting package to the Federal Audit Clearinghouse within the earlier of (1) 30 calendar days after receipt of the auditor's reports, or (2) nine months after the end of the audit period.

Condition:

The Data Collection Form and reporting package for the prior year Single Audit were submitted to the Federal Audit Clearinghouse more than 30 days after the Association received the issued audit report.

Cause:

The late submission resulted from the initiation of the filing not occurring promptly after the report was issued.

Effect or Potential Effect:

Failure to submit the Data Collection Form and reporting package within the required timeframe resulted in noncompliance with the reporting requirements of Uniform Guidance.

Recommendation:

The Association should implement procedures to ensure the Data Collection Form and reporting package are submitted to the Federal Audit Clearinghouse within the timeframe required by Uniform Guidance.

Views of Responsible Officials:

Management acknowledges the reporting requirement and will implement procedures to ensure the Data Collection Form and reporting package are submitted within the required timeframe going forward.

SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None



East Central Intergovernmental Association

Communications Letter

**For the Audit of the
Fiscal Year Ended
June 30, 2025**



Required Communication

To the Council and Management
East Central Intergovernmental Association
Dubuque, Iowa

We have audited the financial statements of the governmental activities and each major fund of East Central Intergovernmental Association (the Association) as of and for the year ended June 30, 2025 and have issued our report thereon dated March 18, 2026. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibilities Under Auditing Standards Generally Accepted in the United States of America and the Uniform Guidance

As communicated in our engagement letter dated March 25, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we examine on a test basis, evidence about the Association's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Association's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Association's compliance with those requirements.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

East Central Intergovernmental Association Required Communication

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a material weakness in internal control noted during our audit in a separate deliverable to you dated March 18, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks

During our planning procedures, we identified the following significant risks of material misstatement that were adequately addressed through our testing procedures:

- **Management Override of Controls - Overall Financial Statements** - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- **Improper Revenue Recognition** - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources, primarily grant funding.
- **Pension and OPEB Valuations** - Net pension and OPEB liabilities, deferred outflows of resources related to pensions and OPEBs, and deferred inflows of resources related to pensions and OPEBs are generally material to the financial statements and involve significant estimates.

Qualitative Aspects of the Association's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Association is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**East Central Intergovernmental Association
Required Communication**

Qualitative Aspects of the Association's Significant Accounting Practices (Continued)

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation - The Association is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Net Pension Liability, Deferred Outflows of Resources Relating to Pensions and Deferred Inflows of Resources Relating to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit. There are no uncorrected misstatements to communicate.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements we identified, which were corrected by management and reflected in the financial statements, relate to adjustments to beginning net position and/or fund balance related to loans receivable and compensated absences as well as conversion entries from the modified accrual fund statements to the full-accrual government-wide statements.

East Central Intergovernmental Association Required Communication

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Association's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated March 18, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Association, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating, and regulatory conditions affecting the Association, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Association's auditor.

Other Information in Documents Containing Audited Basic Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Association's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

**East Central Intergovernmental Association
Required Communication**

Other Information in Documents Containing Audited Basic Financial Statements (Continued)

With respect to the Schedule of Federal Expenditures of Federal Awards (SEFA) accompanying the basic financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the basic financial statements and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

Existence of Material Misstatements that Affects the Financial Statements of a Prior Period in Which There Was a Predecessor Auditor

We have identified the existence of material misstatements that affects the prior period financial statements on which the predecessor auditor had previously reported without modification. The details of the restatements for these misstatements are reflected in Note 10 to the financial statements and relate to the Brownfields revolving loan fund and compensated absences. Our opinion was not modified with respect to this matter.

Restriction on Use

This information is intended solely for the information and use of the Council and management and is not intended to be, and should not be, used by anyone other than these specified parties.

BerganKDV, Ltd.

Minneapolis, Minnesota
March 18, 2026

**East Central Intergovernmental Association
Emerging Issues**

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant update(s) include(s):

- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model* Improvements**

GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.

The following is/are (a) summary(ies) of the current update(s). As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss this/these issue(s) with you further and their applicability to your District.

**East Central Intergovernmental Association
Emerging Issues**

Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses five areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: 1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.