

Mississippi Valley Workforce Development Board

Independent Audit Accounting Period: July 1 – June 30

The Mississippi Valley Workforce Development Board is a 501(c)(3) nonprofit corporation and also a local workforce development board under the Workforce Innovation and Opportunity Act (WIOA). Currently the board uses a fiscal agent to manage funding and therefore, the boards independent audit is included in the fiscal agents annual auditing process included in this document.

A fiscal agent is an entity responsible for managing and disbursing funds on behalf of another organization. It helps ensure compliance with financial regulations and reporting requirements.

One of our goals for the upcoming year is to increase capacity and bring fiscal agent services in house.



ANDERSON, LARKIN & CO., P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Alexander T. Barr, CPA

January 19, 2023

To the Board of Directors of the
Southeast Iowa Regional Planning Commission

We have audited the financial statements of the governmental activities and the major fund of Southeast Iowa Regional Planning Commission for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and if applicable *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 7, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Southeast Iowa Regional Planning Commission are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2022. We noted no transactions entered into by Southeast Iowa Regional Planning Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting Southeast Iowa Regional Planning Commission's financial statements was:

Management's estimate of depreciation is based on past history and other relevant factors. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

To the Board of Directors of the
Southeast Iowa Regional Planning Commission
January 19, 2023
Page Two

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 19, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Southeast Iowa Regional Planning Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as Southeast Iowa Regional Planning Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedule of the Commission's proportionate share of the net pension liability and the schedule of Commission contributions, which is required supplementary information (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 basic 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.

We were engaged to report on the supplementary information which accompany the financial statements but are not RSI. With respect to this supplementary information, 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 financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Southeast Iowa Regional Planning Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co., P.C.

Anderson, Larkin & Co, PC

✉ 221 N Wapello St
PO Box 533
Ottumwa, IA 52501

🖱 www.andersonlarkin.com
april@andersonlarkin.com

📞 Phone: 641-684-5489
Fax: 641-683-1665

Invoice: 57990 **Amount: \$8,500.00**
Date: 01/17/23 **Due Date: 01/27/23**

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
211 N GEAR AVE, SUITE 100

WEST BURLINGTON, IA
52655

Beginning Balance	\$0.00
Invoices	8,500.00
Receipts	0.00
Adjustments	0.00
Service Charges	0.00
Amount Due	\$8,500.00

This invoice is for the following services rendered for SOUTHEAST IOWA REGIONAL PLANNING COMMISSION.

FINAL BILLING FOR THE AUDIT OF THE JUNE 30, 2022 FINANCIAL STATEMENTS. WIOA PORTION OF THE AUDIT IS \$1,000.	8,500.00
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Billed Amount	\$8,500.00
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Invoice Total	\$8,500.00
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✂ Please return this portion with payment. Thank you for your prompt payment.

Invoice: 57990 Date: 01/17/2023 Due Date: 01/27/2023	Amount Due: \$8,500.00 Payment Amount: \$ _____ Payment Type: <input type="checkbox"/> Check <input type="checkbox"/> Credit Card	ID: SIRPC SOUTHEAST IOWA REGIONAL PLANNING COMMISSION 319-753-4303
Invoices are due upon receipt. Your prompt payments is appreciated. All balances over 30 days will be assessed a service charge of 18% with a minimum of \$.55.	Card Type: _____ Card #: _____ Exp Date: _____ Signature: _____	
Please make checks payable to Anderson, Larkin & Co, PC.		

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Representing</u>
<u>Executive Board of Directors</u>		
Brent Schleisman	Chairman	City of Mount Pleasant
Dr. Michael Ash	Vice Chairman	Southeastern Comm. College
Mark Huston	Secretary	City of Columbus Junction
Jim Cary	Treasurer	Des Moines County
Barb Smidt	Member At Large	Private Sector
<u>Full Board Members</u>		
Des Moines County:		
Matt Rinker	Board Member	City of Burlington
Tim Fenci	Board Member	Private Sector
Ron Teater	Board Member	City of West Burlington
Jim Cary	Board Member	Des Moines County
Henry County:		
Kirk Miller	Board Member	City of New London
Chad Hudson	Board Member	Private Sector
Greg Moeller	Board Member	Henry County
Brent Schleisman	Board Member	City of Mount Pleasant
Lee County:		
David Varley	Board Member	City of Fort Madison
Cole O'Donnell	Board Member	City of Keokuk
Barb Smidt	Board Member	Private Sector
Gary Seyb	Board Member	Lee County
Louisa County:		
Brad Quigley	Board Member	Louisa County
Brett Shafer	Board Member	City of Wapello
Cole Smith	Board Member	Private Sector
Mark Huston	Board Member	City of Columbus Junction
Others:		
Christine Plunkett	Board Member	Iowa Wesleyan College
Carolyn Farley	Board Member	Workforce Representative
Dr. Michael Ash	Board Member	Southeastern Comm. College

Southeast Iowa Regional Planning Commission Management

Mike Norris	Executive Director
Zach James	Assistant Director
Lori Gilpin	Finance Director
Roger Keller	Transit Director
Susan Coffey	Administrative Director



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Southeast Iowa Regional Planning Commission:

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Southeast Iowa Regional Planning Commission, Burlington, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the Commissions basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Southeast Iowa Regional Planning Commission at June 30, 2022, 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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Southeast Iowa Regional Planning Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 12 to the financial statements, Southeast Iowa Regional Planning Commission adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis, the budgetary comparison information, the schedule of the Commission's proportionate share of the net pension liability and the schedule of Commission contributions on pages 5 through 8 and 27 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 Southeast Iowa Regional Planning Commission's basic financial statements. We previously audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditors previously audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the seven years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 and 2 including the Schedule of Expenditures of Federal Awards required by Title 2, *U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the Schedule of Program Funds is presented for purposes of additional analysis and is a required part of the basic financial statements.

The supplementary 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2023, on our consideration of the Southeast Iowa Regional Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southeast Iowa Regional Planning Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Southeast Iowa Regional Planning Commission's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co, P.C.

Ottumwa, Iowa
January 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Southeast Iowa Regional Planning Commission (Commission) provides an overview of the Commission's financial activities for the year ended June 30, 2022 and is provided for consideration in conjunction with the Commission's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The Commission implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however had no effect on the beginning net position for governmental activities.
- The assets of the Commission exceeded its liabilities as of June 30, 2022 by \$8,336,018 (net position). Of this amount, \$4,469,259 represents amounts that are non-spendable, which consist of investments in property and equipment, and reserves for loans. The unrestricted net position equals \$3,866,759.
- The Commission's total net position increased by \$2,148,145 over the prior year. This increase represents a 34.7% increase from the prior year.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the Commission as a whole and present an overall view of the Commission's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending.

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

Required Supplementary Information further explains and supports the financial statements with the Commission's proportionate share of the net pension liability and related contributions.

Supplementary Information includes the Schedule of Expenditures of Federal Awards which provides details of various federal programs benefiting the Commission and a Schedule of Program Funds.

REPORTING THE COMMISSION'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Commission's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the Commission's net position and how it has changed. Net position – the difference between the Commission's assets and liabilities – is one way to measure the Commission's financial health or financial position. Over time, increases or decreases in the Commission's net position is an indicator of whether financial position is improving or deteriorating. To assess the commission's overall health, additional non-financial factors, such as changes in the Commission's members and the condition of equipment, need to be considered.

In the government-wide financial statements, the Commission's activities are categorized as governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's funds, focusing on its most significant or "major" funds – not the commission as a whole. Funds are accounting devices the Commission uses to keep track of specific sources of funding and spending on particular programs.

The commission has one kind of fund:

- 1) *Governmental funds*: The Commission's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

FINANCIAL ANALYSIS OF THE COMMISSION'S NET ASSETS

The table below is a summary of the Commission's net position for the year ended June 30, 2022 compared to 2021.

Net Position of Governmental Activities

	<u>June 30, 2022</u>	<u>As Restated June 30, 2021</u>
Current assets	\$ 4,653,424	\$ 4,209,078
Property and equipment	3,143,380	1,894,307
Other assets	2,708,347	1,949,239
Leases receivable	752,775	865,759
Pension related deferred outflows	181,638	209,575
Total assets	<u>11,439,564</u>	<u>9,127,958</u>
Current liabilities	890,651	576,139
Long-term liabilities outstanding	717,357	1,447,333
Lease related deferred inflows	752,775	865,759
Pension related deferred inflows	742,763	50,854
Total liabilities	<u>3,103,546</u>	<u>2,940,085</u>
Net investment in capital assets	2,470,582	1,342,867
Unrestricted	3,866,759	3,092,081
Restricted	<u>1,998,677</u>	<u>1,752,925</u>
Total net position	\$ <u>8,336,018</u>	\$ <u>6,187,873</u>

The Commission's net position increased by 34.7% or \$2,148,145 from the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The Commission's restricted net position increased \$245,752, or 14.0% from the prior year.

Unrestricted net position – the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirement – increased \$774,678 or 25.1% over the prior year.

The following shows the changes in net position for the year ended June 30, 2022 compared to the year ended June 30, 2021.

Changes in Net Position of Governmental Activities

	<u>Year ended June 30, 2022</u>	<u>Year ended June 30, 2021</u>
Program revenues:		
Charges for service	\$ 630,723	\$ 544,512
Operating grants, contributions, and restricted interest	6,885,351	4,601,901
General Revenues:		
General public and per capita	185,739	185,371
Unrestricted investment earnings	68,415	84,311
Matching funds and reimbursements	<u>135,633</u>	<u>134,154</u>
Total revenues	<u>7,905,861</u>	<u>5,550,249</u>
 Program expenses:		
Community and economic development	<u>5,757,716</u>	<u>4,637,013</u>
Total expenses	<u>5,757,716</u>	<u>4,637,013</u>
 Change in net position	<u>2,148,145</u>	<u>913,236</u>
 Net position – beginning of period	<u>6,187,873</u>	<u>5,274,637</u>
Net position – end of period	\$ <u>8,336,018</u>	\$ <u>6,187,873</u>

The Commission's total revenues increased 42.4% to \$2,355,612. Operating grants, contributions, and restricted interest revenues increased \$2,283,450.

The total cost of all programs and services increased by \$1,120,703. The Commission's expenses are predominantly related to providing services such as flood assistance, planning, development, grantsmanship, or technical assistance to the Commission's members.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

During the 2022 fiscal year, the Commission made \$1,404,651 in capital asset purchases. Total depreciation expense for the year was \$156,876 as reflected in Note 8 in the Notes to Financial Statements.

Long-term Debt

At the end of the current fiscal year, the Commission had total debt outstanding of \$672,798, which is a 22% increase from the prior year. The debt consists of loans payable to the US Department of Agriculture for funds drawn to be used in the Intermediary Relending Programs and the Iowa Department of Transportation for funds to be used for the improvements of a bus storage facility. Additional information about the Commission's long-term debt is presented in the financial statement Note 10 in the Notes to Financial Statements.

ECONOMIC FACTORS ON THE COMMISSION'S FUTURE

At the time these financial statements were prepared and audited, the Commission was aware of several key factors that may potentially impact the Commission's future funding levels.

- Local, State and Federal economic conditions are key indicators for resource availability and monitoring these conditions will be prudent for SEIRPC and its future success in regional service delivery.
- Per Capita fees look to be incrementally increased annually for the foreseeable future. As demand for services remains constant and increases annually, SEIRPC must find ways to deliver valuable services and manage its internal economics. Per capita dues are a central factor in SEIRPC's ability to leverage planning grants and deliver services.
- Health Insurance costs have stabilized but management continues to seek alternatives to reduce its future health insurance costs and liability.
- SEIRPC purchased a facility in 2010 which has provided the necessary staff space and long term opportunity for service delivery. The facility is fully leased.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. If you have any questions or need additional information concerning any of the information provided in this report, please contact the Southeast Iowa Regional Planning Commission at 211 N. Gear Ave., Suite 100, West Burlington, Iowa 52655.

FINANCIAL STATEMENTS

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

EXHIBIT A

STATEMENT OF NET POSITION
JUNE 30, 2022

<u>ASSETS:</u>	
Cash and cash equivalents	\$ 3,602,830
IRP cash restricted	26,355
Accounts receivable	1,230,216
Loans receivable	2,487,320
Leases receivable	752,775
Prepaid expenses	15,050
Capital assets, net of accumulated depreciation	<u>3,143,380</u>
Total assets	<u>11,257,926</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension related deferred outflows	<u>181,638</u>
 <u>LIABILITIES:</u>	
Accounts payable	783,485
Accrued payroll and related taxes	99,072
Accrued interest	4,904
Deferred revenue	3,190
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	52,587
Compensated absences	25,037
Portion due or payable after one year:	
Notes payable	620,211
Net pension liability	<u>19,522</u>
Total liabilities	<u>1,608,008</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension related deferred inflows	742,763
Lease related	<u>752,775</u>
Total deferred inflows of resources	<u>1,495,538</u>
 <u>NET POSITION:</u>	
Net investment in capital assets	2,470,582
Restricted for:	
Loan purposes	1,972,322
IRP	26,355
Unrestricted	<u>3,866,759</u>
Total net position	<u>\$ 8,336,018</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues				Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
FUNCTIONS/PROGRAMS					
Governmental activities:					
Community and economic development	\$ 5,757,716	\$ 630,723	\$ 6,885,351	\$ -	\$ 1,758,358
General Revenues:					
Unrestricted investment earnings					68,415
General public and per capita					185,739
Matching funds and reimbursements					135,633
Total general revenues					389,787
Change in net position					2,148,145
Net position beginning of year					6,187,873
Net position end of year					\$ 8,336,018

SOUTHEAST IOWA REGIONAL PLANNING COMMISSIONBALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022ASSETS:

Cash and cash equivalents	\$	3,602,830
IRP cash restricted		26,355
Accounts receivable		1,230,216
Prepaid expenses		15,050
Housing loans receivable		63,135
Business enterprise loans receivable		2,424,185
Leases receivable		<u>752,775</u>
TOTAL ASSETS		<u>8,114,546</u>

LIABILITIES AND FUND BALANCESLIABILITIES:

Accounts payable	\$	783,485
Accrued payroll and benefits		99,072
Deferred revenue		<u>3,190</u>
TOTAL LIABILITIES		<u>885,747</u>

DEFERRED INFLOWS OF RESOURCES :

Lease related		<u>752,775</u>
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FUND BALANCES:

Non-spendable:		
Prepaid expenses		15,050
Loans receivable		2,487,320
Unassigned		<u>3,973,654</u>
TOTAL FUND BALANCES		<u>6,476,024</u>

TOTAL LIABILITIES AND FUND BALANCES	\$	<u>8,114,546</u>
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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances	\$	6,476,024
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds		(4,904)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		3,143,380
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 181,638	
Deferred inflows of resources	<u>(742,763)</u>	(561,125)
Long-term liabilities, including notes payable, compensated absences payable and net pension liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(717,357)</u>
Net position of governmental activities	\$	<u>8,336,018</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

REVENUES:

Use of money and property:	
Interest Income	\$ <u>68,415</u>
Charges for service:	
Matching funds and reimbursements	<u>135,633</u>
Intergovernmental:	
Federal funds	5,236,337
State funds	1,649,014
General public and per capita	<u>185,739</u>
Total intergovernmental	7,071,090
Miscellaneous	<u>630,723</u>
Total revenues	<u>7,905,861</u>

EXPENDITURES

Operating:	
Personnel	1,378,432
Fringe benefits	199,529
Travel	148,687
Phone	42,705
Dues and subscriptions	16,036
Printing and postage	5,702
Interest	5,165
Supplies	27,602
Professional fees	29,198
Capital expenditures	1,432,325
Repairs and maintenance	206,682
Advertising	19,301
Contractual	122,542
Occupancy	175,310
Other	4,745
Grant award	297,646
Workforce Innovation and Opportunity Act	2,907,718
Administration	87,136
Indirect costs	<u>(11,236)</u>
Total expenditures	<u>7,095,225</u>
Change in fund balances	810,636
Fund balances beginning of year	<u>5,665,388</u>
Fund balances end of year	\$ <u>6,476,024</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Change in fund balances - Total governmental funds \$ 810,636

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Depreciation expense in the current year is as follows:

Capital outlays	\$ 1,404,651	
Depreciation expense	<u>(156,176)</u>	1,248,475

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments were as follows:

Repaid		36,443
Issued		<u>(157,799)</u>

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(349)

The current year Commission IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflows of resources in the Statement of Net Position.

122,478

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

Compensated absences	\$ 16,478	
Pension expense	<u>71,783</u>	<u>88,261</u>

Change in net position of governmental activities \$ 2,148,145

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Southeast Iowa Regional Planning Commission (SEIRPC) was created jointly by Des Moines, Henry, Lee, and Louisa Counties and incorporated as a non-profit corporation. SEIRPC is recognized in Iowa Code Chapter 28H as a Council of Government and is a tax-exempt public entity in Iowa.

The purposes for which SEIRPC was organized are to provide joint services and facilities with other agencies to promote and assist the economic development of business concerns through growth and development, and aid in development opportunities to the region, thereby increasing employment, business volume, and business payrolls. To accomplish these purposes, SEIRPC has all the powers enumerated in Chapter 28H and Chapter 504 of the Code of Iowa. In addition, SEIRPC has the power and duty to make comprehensive studies and plans for the development of the area it serves, to eliminate planning duplication, to promote governmental economy and efficiency, and to otherwise guide the unified development of the area.

Southeast Iowa regional Planning Commission (SEIRPC) owns and operates the Region 16 Public Transit System (SEIBUS) and serves Des Moines, Henry, Lee, and Louisa counties. This public transit system provides transit services to senior citizens, persons with disabilities, preschool and school aged students, and the general public. SEIBUS is recognized by the Iowa Department of Transportation as the regional transit organization. The mission of region 16 Public Transit System (SEIBUS) is to provide safe, dependable, and efficient public transit services for all citizens within its service area in a manner which will help them maintain and improve their quality of life. Southeast Iowa Regional Planning Commission (SEIRPC) serves as the Regional Planning Affiliation (RPA) for the counties of Des Moines, Henry, Lee, and Louisa. As the RPA, SEIRPC prepares all planning documents pursuant to transportation planning in the region, including the programming of regional Federal funds for transportation. SEIRPC is advised by a Transportation Advisory Committee on all planning documents. Final Decisions on these documents are made by the Board of Directors of Southeast Iowa Regional Planning Commission. Transportation planning staff are active in programming federal dollars available to the Commission, developing projects utilizing state and federal dollars, preparing transportation planning documents, Geographic Information Systems mapping and analysis, travel demand modeling, grant applications to Federal and state governments, and regional cooperation related to transportation issues and transit planning.

The Planning Department provides a number of services relating to local government planning and community development to SEIRPC members and community partners within the region. Specifically, actual administration of local land use and subdivision ordinances, technical assistance with zoning and subdivision issues, revision and development of comprehensive plans, urban renewal plan formulation, annexations, ordinance codification updates, grant writing, strategic planning, and capital improvement budgeting is all provided under individual contracts with cities and/or counties within the four-county area.

SEIRPC administers grants received by member governments from different public or private funding sources, typically ones that SEIRPC has also written for the member government. The staff works one-on-one with the agency officials and city or county officials to ensure that all of the grantor agency requirements are met, and retains records related to the grant administration activities.

SEIRPC assists the communities and counties in identifying housing needs and implementing various housing programs. Examples of programs include various housing rehabilitation programs, down payment assistance, rental projects, new construction, development of lots for sale, and lead based paint & inspection services. Housing staff implement the grants throughout the year. Housing staff also manage a Certified Local Housing Trust Fund, Great River Housing, Inc. and a 501(c)(3) non-profit housing development organization, Southeast Iowa Housing, Inc.

SEIRPC manages seven revolving loan fund (RLF) pools serving southeast Iowa. The funds are used as gap financing for businesses creating or retaining jobs through certain business operation plans, such as: business purchase, building purchase, equipment purchase, expanding activities via operating capital, etc. SEIRPC has five regional pools under direct management and two pools are under contracted management.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Starting in FY2021 SEIRPC serves as the direct federal recipient and appointed Fiscal Agent for the eight-county Mississippi Valley Workforce Development Area. Federal funds sourced from the Workforce Innovation and Opportunity Act (WIOA) are deployed for workforce development activities, such as: job placement, job search assistance, work experience, continuing education, specific trainings, and a host of other services to adult, dislocated worker, and youth clients.

The Commission is dependent on continued funding by Federal, state and local governmental bodies to provide the programs necessary to support the services and objectives set out above.

The financial statements of the Commission have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

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

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the Commission and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are primarily supported by intergovernmental revenues and charges for services.

The Statement of Net Position present the Commission's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of the related debt.

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

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often is often subject to constraints imposed by management which can be removed or modified.

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

Fund Financial Statements – Separate financial statements are provided for the governmental fund, even though the latter are excluded from the government-wide financial statements. Major governmental funds are reported as separate columns in the fund financial statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The Commission reports the following major governmental fund:

The General Fund is the general operating fund of the Commission. All receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund.

C. Measurement Focus and Basis of Accounting

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

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

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the Commission's policy is generally to pay the expenditure from restricted fund balance and then to less-restrictive classifications – committed, assigned, and then unassigned fund balances.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

The following policies are followed in preparing the Statement of Net Position:

Cash and Cash Equivalents – The cash balances of most Commission funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

Loans Receivable - Loans receivable are carried at the current balance, net of new loans and principal payments. Loans receivable are written off when deemed uncollectible. Payments received and new loans were \$312,013 and \$525,096, respectively, during the year ended June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Accounts Receivable and Program Reimbursements – Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Program funds, accounts receivable, and reimbursements include amounts due to SEIRPC but not received at year end.

Allowance for Doubtful Accounts – The direct write-off method is used to account for uncollectible housing and business loans. There is no provision for bad debts since management considers all receivables are to be collectible.

Property and Equipment – Property, vehicles and equipment are valued at historical cost. Vehicles and equipment in the Region 16 Public Transit Program are recorded as expenditures when purchased. The purchases are then capitalized accumulating the net investment in property and equipment. Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets, generally 50 years for building and improvements and 5 to 10 years for vehicles and equipment. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the asset's useful lives. Depreciation is recovered through program reimbursements or in the indirect cost rate. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value. Expenses for maintenance, repairs, and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed is deleted.

Compensated Absences – Employees of SEIRPC accumulate a limited amount of earned but unused annual PTO leave payable to employees. Annual PTO accruals are based on the number of hours worked by eligible employees and the length of service. Upon separation of employment, accrued unused PTO will be paid out to the employee. Amounts representing the cost of annual PTO leave expected to be liquidated currently are recorded as liabilities computed based on current rates of pay.

Deferred Revenue – Deferred revenue represents cash advances by the funding source at year end.

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

Leases Receivable – Southeast Iowa Regional Planning Commission is a lessor for non-cancellable leases of office space. The Commission recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of the lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgements include how the Commission determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts. The Commission uses its estimated incremental borrowing rate as the discount rate for leases. The lease term included the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lease. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the Commission after the measurement date but before the end of the Commission's reporting period.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of other receivables not collected within sixty days after year.

Deferred inflows of resources in the Statement of Net Position consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Unassigned – All amounts not included in the preceding classifications.

Indirect Cost Allocation – Southeast Iowa Regional Planning Commission has adopted a cost allocation rate to allocate joint costs to the various programs. SEIRPC has established an indirect cost rate for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies. SEIRPC has requested approval and received a final indirect cost rate of 32% for fiscal year 7/1/2021 to 6/30/2022, which was calculated using an indirect cost rate base type of direct labor and benefits. Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs. PTO, long-term illness, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages. The calculation was based on actual costs from fiscal year 2021 to obtain a federal cost billing rate for fiscal year 2022. SEIRPC is required to submit to the U.S. Department of Commerce (DOC) an annual Certificate of Indirect Costs. The submission of this form is due to the DOC within six (6) months after the close of each fiscal year.

Budgetary Accounting – The Commission is not required by statute to use budgetary accounting. Therefore, no budgetary information is included in these financial statements.

Income Taxes – Southeast Iowa Regional Planning Commission is exempt from Federal income taxes under provisions of Internal Revenue Code Section 501 (c)(1).

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from amounts estimated.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2: LEASE AGREEMENTS FOR PROPERTY AND EQUIPMENT

The Commission entered into a 5-year lease on November 1, 2020 to lease office space it owns to Big River Resources, LLC. The Commission is to receive \$78,258 in office space rent annually with an incremental borrowing rate of 1.17%.

The Commission entered into a 5-year lease on July 1, 2020 to lease office space to Trinity Consultants, Inc. The Commission is to receive \$25,569 in office space rent annually with an incremental borrowing rate of 1.17%.

The Commission entered into a 5-year lease on December 1, 2020 to lease office space to RSM US LLP. The Commission is to receive \$5,800 in office space rent annually with an incremental borrowing rate of 1.31%.

Year Ending June 30,	Amount
2023	\$ 114,325
2024	104,909
2025	104,909
2026	105,027
2027	82,953
2028-2030	<u>275,835</u>
Total	787,958
Less Interest	<u>(35,183)</u>
Total	\$ <u>752,775</u>

NOTE 3: PENSION AND RETIREMENTS BENEFITS

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

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

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

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

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 3: PENSION AND RETIREMENTS BENEFITS (Continued)

Pension Benefits (Continued)

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 on or after July 1, 2012, the reduction is 0.50 percent for each month the member receives benefits before age 65.

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

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the Commission contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The Commission's contributions to IPERS for the year ended June 30, 2022 totaled \$122,478.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the Commission reported a liability of \$19,522 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the Commission's collective proportion was .013925 percent, which was an increase of .000056 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Commission recognized pension expense of \$(68,751). At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 3: PENSION AND RETIREMENTS BENEFITS (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,853	\$ 14,914
Changes of assumptions	12,769	-
Net difference between projected and actual earnings on IPERS' investments	-	707,309
Changes in proportion and differences between Commission contributions and the Commission's proportionate share of contributions	31,538	20,540
Commission contributions subsequent to the measurement date	<u>122,478</u>	<u>-</u>
Total	\$ <u>181,638</u>	\$ <u>742,763</u>

\$122,478 reported as deferred outflows of resources related to pensions resulting from the Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>		<u>Total</u>
2023	\$	(172,561)
2024		(176,536)
2025		(156,695)
2026		(184,582)
2027		<u>3,780</u>
Total	\$	<u>(683,594)</u>

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60 percent per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and .65 percent real wage inflation.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments. The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 3: PENSION AND RETIREMENTS BENEFITS (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	<u>100.0</u> %	

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

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate.

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Organizations proportionate share of the net pension liability (asset)	\$ 690,492	\$ 19,522	\$ (543,171)

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

Payables to IPERS – At June 30, 2022, the Commission reported payables to IPERS of \$8,793 for legally required Commission contributions and \$5,859 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

NOTE 4: CONTINGENT LIABILITY – LONG-TERM ILLNESS LEAVE

Prior to 2009, the Commission's full time employees accumulate long-term illness leave hours for subsequent use. No compensation is made for accrued long-term illness leave at time of separation and these accumulations are not recognized as expenses until used.

NOTE 5: SELF-FUNDED HEALTH INSURANCE

The Commission initiated a self-funded health insurance program to reduce overall health insurance costs. The fund, which receives payments through employee withholding, supports the cost of higher deductibles for each employee. The fund tracks contributions and claims by employee, however, no accounting by employee is required. The self-funded health is a co-mingled balance of all participant amounts.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 6: ORGANIZATION RISK MANAGEMENT

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

NOTE 7: CASH AND INVESTMENTS

The Commission's deposits in banks at June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

NOTE 8: CAPITAL ASSETS

A summary of capital assets, and the components of accumulated depreciation for the year ending June 30, 2022 are as follows:

Cost	CAPITAL EXPENDITURES INCLUDED AS GRANT COSTS:				CAPITAL EXPENDITURES NOT INCLUDED AS GRANT COSTS:		
	Land, Bldg & Equip. (*)	Transit Vehicles	Program Equip.	Total	Vehicles	Equipment	Total
Beginning	\$ 1,429,084	\$ 1,510,147	\$ 63,245	\$ 3,002,476	\$ 64,802	\$ 62,380	\$ 127,182
Additions	1,355,376	49,275	-	1,404,651	-	-	-
Disposals	-	-	-	-	-	-	-
Ending	2,784,460	1,559,422	63,245	4,407,127	64,802	62,380	127,182
Accum. Depr.							
Beginning	166,018	924,976	47,996	1,138,990	48,427	47,636	96,063
Current Depr.	34,343	104,745	6,865	145,953	5,500	4,423	9,923
Disposals	-	-	-	-	-	-	-
Ending	200,361	1,029,721	54,861	1,284,943	53,927	52,059	105,986
Net	\$ 2,584,099	\$ 529,701	\$ 8,384	\$ 3,122,184	\$ 10,875	\$ 10,321	\$ 21,196

NOTE 9: HOUSING AND BUSINESS ENTERPRISE LOANS RECEIVABLE

The Commission accounts for grant proceeds as revenue. Principal and interest payments received are accounted for as program revenues when received. Loans and grants paid to families are treated as expenses at the time the loan is made to accommodate the required reporting format on quarterly reports.

The Commission administers community Development Block Grants revolving loans (CDBG Loans) for various cities within the region. The loans are for down payment assistance or for a portion of the cost of housing rehabilitation.

The Commission received a loan from the US Department of Agriculture Intermediary Relending Program (IRP Loans). The loan proceeds plus local match is to be used for business enterprise loans.

The Commission received a Department of Commerce Loan Program (EDA Loans) and the grant proceeds are used for business enterprise loans.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9: HOUSING AND BUSINESS ENTERPRISE LOANS RECEIVABLE (Continued)

The balance of all loans is reflected as other assets on the statement of net position. A summary of activity is as follows as of June 30, 2022:

	<u>Beginning Balance</u>	<u>Payments Received</u>	<u>Write offs</u>	<u>New Loans</u>	<u>Ending Balance</u>
CDBG/Home	\$ 54,091	\$ 4,383	\$ -	\$ 13,426	\$ 63,134
Business Enterprise	103,843	22,553	-	8,670	89,960
IRP Loans	502,122	62,865	-	-	439,257
EDA I, II, & III Loans	<u>1,614,181</u>	<u>222,212</u>	-	<u>503,000</u>	<u>1,894,969</u>
Total	\$ <u>2,274,237</u>	\$ <u>312,013</u>	\$ <u>-</u>	\$ <u>525,096</u>	\$ <u>2,487,320</u>

NOTE 10: LONG TERM NOTES PAYABLE

The long term notes payable and classification are as follows:

Southeast Iowa Regional Planning Commission has entered into a loan agreement with Iowa Department of Transportation, Capital Match Revolving Loan Fund. The loan agreement, dated November 18, 2021, is for the sum of \$157,799. There is no interest calculated on the loan per the agreement. The repayment shall be made in 20 equal installments of \$7,890, all of which is principal, beginning July 1, 2022.

\$ 157,799

Southeast Iowa Regional Planning Commission has entered into a loan agreement with the United States Department of Agriculture, Intermediary Re-lending Program. The loan agreement, dated July 9, 2003, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. The repayment shall be made in 27 equal installments of \$25,470 including principal and interest beginning July 9, 2007. The loan agreement requires a restricted cash account to be maintained at 6% of the balance outstanding, which is currently \$15,230.

286,590

Southeast Iowa Regional Planning Commission has entered into a loan agreement with the United States Department of Agriculture, Intermediary Re-lending Program. The loan agreement, dated July 28, 2013, is for the sum of \$337,222, interest at a fixed rate of 1% per annum, for a term of 30 years. The repayment shall be made in 22 equal installments of \$16,487 including principal and interest beginning July 28, 2014. The loan agreement requires a restricted cash account to be maintained at 6% of the balance outstanding which is currently \$13,483.

228,408

Total notes payable

\$ 672,798

Current portion of long term debt

(52,587)

Long term portion

\$ 620,211

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 10: LONG TERM NOTES PAYABLE (Continued)

Maturities of notes payable over the next five years and thereafter are as follows:

June 30, 2023	\$	52,587
June 30, 2024		52,955
June 30, 2025		53,326
June 30, 2026		53,702
June 30, 2027		54,082
June 30, 2028-2032		276,230
June 30, 2033-2036		<u>129,916</u>
Total	\$	<u>672,798</u>

NOTE 11: CONTINGENCY

The Commission and the component unit participate in a number of Federal and State grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant and loan agreements and applicable federal and state regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability to the Commission or the component unit. The Commission's and the component unit's management believes such revisions or disallowance, if any, will not be material to the Commission or the component unit.

NOTE 12: ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board has issued Statement No. 87, Leases, which as implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	<u>Total Assets</u>		<u>Deferred Inflows</u>
Balances June 30, 2021, as previously reported	\$ 8,262,199	\$	-
Change to implement GASB No. 87			<u>865,759</u>
Balances July 1, 2021, as restated	\$ <u>9,127,958</u>	\$	<u>865,759</u>

NOTE 13: SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through January 19, 2023, the date statements were available to be issued.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST EIGHT YEARS *
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>
Commission's proportion of the net pension liability	0.013925 %	0.013365 %
Commission's proportionate share of the net pension liability	\$ 19,522	\$ 932,335
Commission's covered payroll	\$ 1,297,436	\$ 1,111,790
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	1.50 %	89.54 %
IPERS's net position as a percentage of the total pension liability	100.81 %	82.90 %

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	0.013301 %	0.014094 %	0.013833 %	0.157770 %	0.153760 %	0.015302 %
\$	775,377	\$ 891,634	\$ 913,196	\$ 983,897	\$ 764,423	\$ 619,301
\$	1,019,036	\$ 1,058,981	\$ 1,121,950	\$ 1,060,018	\$ 1,060,018	\$ 1,060,018
	74.46 %	87.50 %	86.23 %	87.70 %	72.12 %	58.42 %
	85.45 %	79.40 %	73.26 %	80.74 %	98.69 %	80.21 %

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

SCHEDULE OF COMMISSION CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 122,478	\$ 104,953	\$ 99,432
Contributions in relation to the statutorily required contribution	<u>(122,478)</u>	<u>(104,953)</u>	<u>(99,432)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Commission's covered payroll	\$ 1,297,436	\$ 1,111,790	\$ 1,041,272
Contributions as a percentage of covered payroll	9.44 %	9.44 %	9.44 %

SCHEDULE 4

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	96,197	\$ 94,669	\$ 91,382	\$ 100,190	\$ 94,659	\$ 91,249	\$ 85,320
	<u>(96,197)</u>	<u>(94,669)</u>	<u>(91,382)</u>	<u>(100,190)</u>	<u>(94,659)</u>	<u>(91,249)</u>	<u>(85,320)</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	1,019,036	\$ 1,058,981	\$ 1,121,950	\$ 1,060,018	\$ 1,060,018	\$ 984,081	\$ 969,925
	9.44 %	8.93 %	8.93 %	8.93 %	8.93 %	8.93 %	8.67 %

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

SCHEDULE OF PROGRAM FUNDS

YEAR ENDED JUNE 30, 2022

	Indirect Costs	Community Planning and Admin. Programs	Economic Development Planning	Revolving Loan Funds
REVENUES:				
Federal awards	\$ -	\$ 2,923,894	\$ 234,380	\$ 499,909
State/local contracts	-	355,722	-	-
General/per capita	-	93,529	-	-
Interest-loans	-	-	-	64,601
Interest-investments	-	1,650	-	1,736
Other revenues	-	122,357	-	17,834
Matching funds and reimbursements	-	9,223	70,717	-
Total revenues	<u>-</u>	<u>3,506,375</u>	<u>305,097</u>	<u>584,080</u>
EXPENDITURES:				
Salary and wages	209,230	163,421	116,798	43,366
Payroll tax expense	15,285	12,075	8,568	3,215
Pension expense	19,755	15,431	10,938	4,081
Employee benefits	37,508	(94,920)	19,466	9,469
Professional fees	24,028	-	-	-
Advertising and marketing	884	2,351	752	100
Contractual expenses	3,355	13,895	93,750	-
Copier expense	4,086	-	-	-
Dues and subscriptions	4,195	6,168	140	-
Information technology	19,059	903	5,090	-
Office and administration	9	506	-	-
Inspection and testing	-	-	-	-
Insurance	34,691	8,924	-	-
Meetings	1,251	191	70	-
Printing and postage	4,039	43	-	-
Occupancy expense	71,126	(5,777)	-	-
Loans and grants expenses	-	-	-	50,904
Repairs and maintenance	4,423	56,045	-	-
Rent	30	-	-	-
Supplies	6,725	5,098	259	-
Vehicle expense	2,064	4,080	2,444	68
Telecommunications	20,028	-	-	-
Travel and training	1,312	970	860	-
Interest	-	-	-	5,165
Workforce Innovation and Opportunity Act	-	2,907,718	-	-
Capital expenditures	10,003	-	-	-
Matching funds expense	-	136,693	-	-
Total direct expense	<u>493,086</u>	<u>3,233,815</u>	<u>259,135</u>	<u>116,368</u>
Indirect allocation	(450,122)	68,950	49,739	19,044
Indirect allocation GRHTF	(11,236)	-	-	-
Total expenses	<u>31,728</u>	<u>3,302,765</u>	<u>308,874</u>	<u>135,412</u>
Change in fund balance	\$ <u>(31,728)</u>	\$ <u>203,610</u>	\$ <u>(3,777)</u>	\$ <u>448,668</u>

SCHEDULE 1

Local Housing Admin Programs	Regional Intermodal Planning	(SEIBUS) Region 16 Public Transit Operating	Grand Total
\$ 126,848	\$ 218,809	\$ 1,232,497	\$ 5,236,337
55,310	-	1,237,982	1,649,014
-	-	92,210	185,739
428	-	-	65,029
-	-	-	3,386
1,276	-	489,256	630,723
-	55,693	-	135,633
<u>183,862</u>	<u>274,502</u>	<u>3,051,945</u>	<u>7,905,861</u>
44,120	150,313	555,735	1,282,983
3,373	11,411	41,522	95,449
4,285	13,352	52,108	119,950
7,465	20,511	80,080	79,579
510	925	3,735	29,198
450	-	14,764	19,301
-	-	11,542	122,542
-	1,644	-	5,730
700	364	4,469	16,036
1,499	3,492	41,168	71,211
7,775	366	1,539	10,195
624	-	1,441	2,065
-	1,368	52,778	97,761
15	176	977	2,680
295	68	1,257	5,702
-	-	184	65,533
110,049	-	-	160,953
-	-	146,214	206,682
436	-	11,550	12,016
132	3,611	11,777	27,602
433	2,483	129,601	141,173
-	-	22,677	42,705
1,729	1,153	1,490	7,514
-	-	-	5,165
-	-	-	2,907,718
-	-	1,422,322	1,432,325
-	-	-	136,693
<u>183,890</u>	<u>211,237</u>	<u>2,608,930</u>	<u>7,106,461</u>
19,243	63,266	229,880	-
-	-	-	(11,236)
<u>203,133</u>	<u>274,503</u>	<u>2,838,810</u>	<u>7,095,225</u>
\$ (19,271)	\$ (1)	\$ 213,135	\$ 810,636

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

<u>Grantor/Program</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Program Expenditures</u>
<u>DIRECT:</u>			
U.S. Department of Commerce:			
Economic Development Administration:			
Economic Development - Support for Planning Organizations	11.302	ED19DEN3020013	\$ 70,000
EDA Planning Cares fund		ED20DEN3070131	164,380
Economic Adjustment Assistance Grant:			
EDA I RLF Federal Awards Expended Calculation	11.307	EDA I	811,973
EDA II RLF Federal Awards Expended Calculation	11.307	EDA II	677,964
EDA III RLF Federal Awards Expended Calculation	11.307	EDA III	<u>857,831</u>
Total direct			<u>2,582,148</u>
<u>INDIRECT:</u>			
U. S. Department of Transportation:			
Iowa Department of Transportation:			
Planning Joint Participation Agreement To Implement Regional Intermodal Planning	20.205	21-RPA-16	196,928
Planning Joint Participation Agreement To Implement Regional Intermodal Planning	20.509	21-RPA-16	21,881
Non-urban Operating Assistance	20.509	2019-024-02-SFY22	367,306
Coronavirus Aid, Relief, And Economic Security	20.509	2020-010-00-FY20	<u>865,191</u>
Total indirect			<u>1,451,306</u>
U.S. Department of Housing and Urban Development:			
Homebuyer Acquisition with Rehab Assistance:			
HOME	14.229	20-HSG-008	<u>97,059</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Supplemental Nutrition Assistance Program	10.561	FY22	<u>18,415</u>
U.S. Department of Labor:			
Iowa Workforce Development:			
WIOA Adult Program	17.258	20-N-MV-WI-OA	1,134,826
WIOA Youth Activities	17.259	20-N-MV-WI-OA	1,101,642
WIOA Dislocated Worker Formula Grant	17.278	20-N-MV-WI-OA	612,932
WIOA Paid Response	17.278	21-W-PF-ID-0-43	13,043
WIOA National Emergency Grants	17.277	21-N-PF-CV-0-01	<u>45,275</u>
			<u>2,907,718</u>
Total			<u>\$ 7,056,646</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

	<u>Grant Number</u> <u>57904744</u>	<u>Grant Number</u> <u>53902629</u>	<u>Grant Number</u> <u>57906009</u>
Balance of loans outstanding at June 30, 2022	\$ 419,609	\$ 574,190	\$ 901,169
Cash and investment balance at June 30, 2022	484,343	497,625	174,112
Administrative expenses paid out in fiscal year	-	10,816	68,494
Unpaid principal of loans written off during the fiscal year	-	-	-
Total	<u>903,952</u>	<u>1,082,631</u>	<u>1,143,775</u>
Federal percentage	75.00%	75.00%	75.00%
Amount included on Schedule of Expenditures of Federal Awards	\$ <u>677,964</u>	\$ <u>811,973</u>	\$ <u>857,831</u>

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Southeast Iowa Regional Planning Commission under programs of the federal government for the year ended June 30, 2022. 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 Commission, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Commission.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting, except for revolving loan fund transactions (Economic Adjustment Assistance, CFDA 11.307), as explained above. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - Southeast Iowa Regional Planning Commission has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



ANDERSON, LARKIN & CO., P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Alexander T. Barr, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the
Southeast Iowa Regional Planning Commission:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Southeast Iowa Regional Planning Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 19, 2023.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Commission's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control which 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southeast Iowa Regional Planning Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Commission. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Southeast Iowa Regional Planning Commission's Response to Findings

The Southeast Iowa Regional Planning Commission's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Southeast Iowa Regional Planning Commission's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Southeast Iowa Regional Planning Commission during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

ANDERSON, LARKIN & CO., P.C.

Anderson Larkin & Co., P.C.

Ottumwa, Iowa
January 19, 2023



ANDERSON, LARKIN & CO., P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Alexander T. Barr, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of the
Southeast Iowa Regional Planning Commission

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited the Southeast Iowa Regional Planning Commission'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 Southeast Iowa Regional Planning Commission's major federal program for the year ended June 30, 2022. Southeast Iowa Regional Planning Commission's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Southeast Iowa Regional Planning Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

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, 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 Southeast Iowa Regional Planning Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relation 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 Southeast Iowa Regional Planning Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance 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 Southeast Iowa Regional Planning Commission'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 Southeast Iowa Regional Planning Commission'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 judgment made by a reasonable user of the report on compliance about Southeast Iowa Regional Planning Commission'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 Southeast Iowa Regional Planning Commission's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in any circumstance.
- Obtain an understanding of Southeast Iowa Regional Planning Commission'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 Southeast Iowa Regional Planning Commission'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 we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which is required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of the Southeast Iowa Regional Planning Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Southeast Iowa Regional Planning Commission's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Southeast Iowa Regional Planning Commission's internal control over compliance.

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 identified above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on Southeast Iowa Regional Planning Commission's response to the internal control over compliance finding identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. Southeast Iowa Regional Planning Commission'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.

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.

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co., P.C.

Ottumwa, Iowa
January 19, 2023

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance of the Uniform Guidance Section 200.516.
- (g) Major programs were as follows:

CFDA Number

11.307	Economic Adjustment Assistance
20.509	Coronavirus Aid, Relief, and Economic Security
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker Formula Grant
17.278	WIOA Paid Response
17.277	WIOA National Emergency Grants

- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) The Southeast Iowa Regional Planning Commission did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over financial reporting were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over the major program were noted.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-22 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-B-22 Travel Expense – No expenditures of Commission money for travel expenses of spouses of Commission officials or employees were noted.
- IV-C-22 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-D-22 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted.
- IV-E-22 Restricted Donor Activity – No transactions were noted between the Commission, Commission officials or Commission employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.