

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

EAST CENTRAL
INTERGOVERNMENTAL ASSOCIATION
DUBUQUE, IOWA

JUNE 30, 2020

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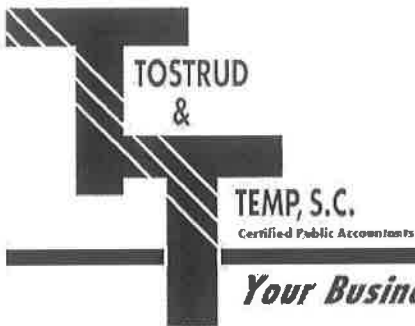
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INDEPENDENT AUDITOR'S REPORT

Council Members
East Central Intergovernmental
Association
Dubuque, Iowa 52002

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Central Intergovernmental Association (Association) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the Association, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other schedules identified in the Required Supplementary Information section 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The combining statements and fund financial statements by program are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is also not a required part of the basic financial statements.

The combining statements and fund financial statements by program, the schedule of expenditures of federal awards, and other supporting schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules and statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2020 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and compliance.

Trostlund & Kemp, S.C.

October 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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

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

As management of ECIA, we offer the readers of ECIA's financial statements this narrative overview and analysis of the financial activities of ECIA for the year ended June 30, 2020. The financial statements of ECIA consist of the operations of ECIA (a planning agency), East Central Development Corporation (a 501(c)3 component unit of ECIA focusing on the development of affordable housing), Community Solutions of Eastern Iowa (a 501(c)3 component unit of ECIA focusing on assisting individuals and families in Dubuque and Delaware Counties who are homeless or at risk of becoming homeless) and Workforce Innovation and Opportunity Act (WIOA) (job training and retraining programs administered by ECIA). The financial statements do not include ECIA Business Growth, Inc., the Eastern Iowa Regional Utility Service Systems (EIRUSS), the Eastern Iowa Regional Housing Authority (EIRHA) or the Delaware, Dubuque and Jackson County Regional Transit Authority (RTA), which have been formed as separate and distinct entities. Copies of the ECIA affiliated audits can be found at www.ecia.org. We encourage readers to consider the information presented here in conjunction with ECIA's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- ECIA's net position increased by \$277,800, or 23.9%, from June 30, 2019 to June 30, 2020.
- As of the close of the fiscal year, ECIA's fund balance was \$491,668, a decrease of \$199,295 in comparison with the prior year. This consists of an increase of \$8,709 in the General Fund balance and a decrease of \$208,004 in the Special Revenue Funds.
- Total revenues increased 8.4%, or \$525,800, and total expenditures increased 9.9% or \$628,600 from fiscal 2019 to fiscal 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

- Statement of Net Position – This statement presents information on all of ECIA's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the those reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of ECIA is improving or deteriorating.
- Statement of Activities – This statement is prepared on the accrual basis of accounting and presents functional expenses offset by revenue sources that are directly related.
- Balance Sheet Governmental Funds – This statement is prepared on the current financial resources measurement focus that generally only includes current assets and current liabilities.
- A reconciliation between the Balance Sheet-Governmental Funds and the Statement of Net Position.
- Statement of Revenues, Expenditures and Changes in Fund Balance – This statement is prepared on the modified accrual basis of accounting and reports ECIA's operating revenue by major source, along with operating expenses.
- A reconciliation between the full accrual basis accounting statement (Statement of Activity) and the modified accrual basis statement (Statement of Revenues, Expenses and Changes in Fund Balance).
- Notes to financial statements – This section provides additional information that is essential to a full understanding of the data provided in the financial statements.
- Supplemental Information – In addition to the basic financial statements and accompanying notes, this section of the report presents certain required supplementary information, providing detailed information by program and by project, as well as a schedule of Federal Financial Assistance.

ANALYSIS OF NET POSITION

As previously noted, net position may serve over time as a useful indicator of ECIA's financial position. As reflected in the table on the following page, ECIA's net position increased by \$277,800, or 23.9% over the fiscal 2019 amount. The analysis that follows illustrates the changes in the components that make up net position.

ECIA implemented GASB Statement 68, Accounting and Financial Reporting for Pensions in fiscal 2015. ECIA is allocated its proportionate share of the Iowa Public Employees' Retirement System (IPERS) net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense. Decisions regarding the allocations are made by the administrators of the pension plan, not by ECIA management.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Total assets and deferred outflows increased \$255,000 to \$3,304,000. This included an increase in cash of approximately \$121,400, an increase in capital assets, net of depreciation of \$410,400 and an increase in prepaid fees and expenses of \$9,500, offset by a decrease in accounts receivable of approximately \$115,100, a decrease in grants receivable of \$129,200 and a decrease in deferred outflows of resources of \$42,000.

CONDENSED STATEMENT OF NET POSITION

	2020	2019	CHANGE	PERCENT CHANGE
Cash and investments	541,013	419,544	121,469	29.0%
Other Current Assets	632,058	866,824	(234,766)	-27.1%
Capital Assets	1,551,705	1,141,281	410,424	36.0%
Deferred Outflows of Resources	579,613	621,582	(41,969)	-6.8%
Total Assets and Deferred Outflows	3,304,389	3,049,231	255,158	8.4%
Current Liabilities	762,241	683,849	78,392	11.5%
Noncurrent Liabilities	3,033,051	3,276,212	(243,161)	-7.4%
Total Liabilities	3,795,292	3,960,061	(164,769)	-4.2%
Deferred Inflows of Resources	394,943	252,818	142,125	56.2%
Net Investment in Capital Assets	728,533	215,553	512,980	238.0%
Unrestricted	(1,614,379)	(1,379,201)	(235,178)	-17.1%
Total Net Position	(885,846)	(1,163,648)	277,802	23.9%

Current liabilities include the portion of the Note Payable on the ECIA facility and vehicle loans due within one year, line of credit for the construction of the Maquoketa Pocket Neighborhood homes, accounts payable, unearned grant revenue, prepaid membership fees and accrued liability for compensated absences. The increase of \$78,400 in this line item is primarily due to the line of credit of \$170,600 and an increase of \$96,100 in accrued liability for compensated absences offset by decreases of \$7,600 in the current portion of long-term obligations, \$151,300 in accounts payable, \$28,800 in other accrued liabilities and \$600 in unearned revenue.

The noncurrent liability line item reflects the Note Payable on the ECIA facility, a loan to purchase an agency vehicle, an EELF loan from ECIA Business Growth for the construction and installation of the solar energy system, ECIA's accrued liability for post-employment benefit plans and ECIA's proportionate share of the net pension liability. The decrease of \$243,200 in this line item includes a decrease of \$133,000 in ECIA's share of the net pension liability, a decrease of \$15,200 in the accrued liability for vested employee benefits and a decrease of \$95,000 in the long-term portion of notes payable due to principal payments made on the ECIA building, vehicle and solar panel EELF loans. Of the total outstanding debt balance, \$80,800 is classified as current and \$3,033,100 as noncurrent.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

ANALYSIS OF REVENUES AND EXPENDITURES

In FY 2020 and FY 2019, total governmental fund revenues were \$6,773,054 and \$6,247,239 respectively, an increase of approximately \$525,800 or 8.4%. Total governmental fund expenditures for the same period increased \$628,600 or 9.9%. A comparison of income and expenditures is outlined in a chart on the following page.

Federal funding increased \$329,700 or 20% due to increased activity in the Clinton/Maquoketa HUD lead grant as well as the awarding of an additional HUD lead grant for Dubuque County. Funding received from the State of Iowa decreased by approximately \$51,800 due to the ending of the marketing grant from the Iowa Economic Development Authority and the completion of the state funded portion of the STREETS (Smart Traffic Routing with Efficient and Effective Traffic Signals) project. Private funding increased by approximately \$223,900 primarily due to grant funding received by ECDC for the Maquoketa Pocket Neighborhood project and the inclusion of United Way grant funding in this category in FY20. Fees and assessments increased \$173,900 primarily composed of an increase of \$30,900 in the HUD Lead grant, an increase of \$55,300 in HUD Resiliency grant activity and a \$93,900 increase in ECDC Clinton Housing Rehab income, offset by a decrease in general technical assistance.

Income from ECDC increased \$23,700 due to increased activity in the homeless prevention program through the Emergency Solutions Grant and increased staff oversight of the Pocket Neighborhood project. EIRH Tax Credit Corp income increased \$5,200 due to that entity's increased support of Pocket Neighborhood activity. WIOA income decreased by \$33,500 as formula funding was reduced due to decreased unemployment in the region.

Income from the RTA decreased by \$79,700 due to the restructuring of the department and reduction of staff charging directly to that program. ECDC/CSEI donation income reflects a decrease of \$43,000 as the United Way grant was classified as a donation in FY19, but is included in private grants in FY20. Miscellaneous revenue decreased \$20,600 due to \$16,100 in Pocket Neighborhood reimbursements for expenses initially covered by ECIA and office rental income of \$2,400 in FY19 versus zero for both in FY20 along with a \$2,100 decrease in income from agency vehicle usage.

Salaries increased \$317,000 due to the addition of staff for the HUD Lead grant administration. Office supplies increased \$7,300 due to purchase of supplies and computer equipment allowing staff to work remotely during the COVID-19 shutdown. Conference and training expense decreased \$11,600 due to the cancellation of conferences and limit on travel during the COVID-19 crisis. Printing expense decreased \$4,000 as more emphasis was placed on electronic communication. Equipment rental/maintenance increased \$2,700 due to an increase in the base rate of the photocopier lease. Office maintenance increased \$5,100 primarily due to the installation of new carpeting in four ECIA offices. Dues and subscriptions decreased \$3,000 as several memberships were not renewed. Telephone expense increased \$5,300 due to an increase in cell phone charges due to added staff. Postage increased \$2,600 due to increased mailing of lead testing samples in the HUD lead programs. Advertising decreased \$900 due to fewer employment ads for the open positions in FY20.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Professional fees decreased \$129,500 as the consultant wrapped up work on the Brownfields assessment grant. Marketing decreased from \$26,800 to zero as the PEI grant was fully expended in FY19. Interest expense decreased \$2,600 as one of the car loans was paid off early in the fiscal year.

Miscellaneous expense decreased approximately \$13,300 due to a decrease in Pocket Neighborhood expenses paid directly by ECIA. Pass through grant expenses decreased approximately \$58,100 due to the STREETS project funding ending in FY19. Direct grant expense increased \$117,200 due to the awarding of a second HUD Lead grant. Management fees paid by ECDC/CSEI increased \$23,700 as ECIA staff provided oversight for the Pocket Neighborhood construction. Housing rent assistance payments increased by \$16,700 with increased enrollment of participants in the ESG grant program as well as the awarding of an ESG-COVID grant. WIOA program costs decreased approximately \$52,500 as formula funding was reduced due to decreased unemployment in the region.

Proceeds from note payable decreased to zero as no vehicles were purchased in FY20. Proceeds from the sale of fixed assets also decreased to zero as no vehicles were sold during the fiscal year.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
(BEFORE ELIMINATIONS)**

	2020	2019	NET CHANGE	PERCENT CHANGE
REVENUES				
Federal	1,979,809	1,650,146	329,663	20.0
State of Iowa	25,156	76,937	(51,781)	(67.3)
State of Wisconsin	243	242	1	0.4
State of Illinois	3,037	3,014	23	0.8
Private	370,320	146,421	223,899	152.9
Membership Fees	135,239	131,261	3,978	3.0
Fees and assessments	1,110,880	936,994	173,886	18.6
CDBG Admin	119,143	112,505	6,638	5.9
ECIA Business Growth	227,098	237,701	(10,603)	(4.5)
EIRHA	1,471,883	1,486,738	(14,855)	(1.0)
ECDC/CSEI	196,414	172,763	23,651	13.7
EIRH Tax Credit Corp	17,617	12,383	5,234	42.3
WIOA	293,939	327,447	(33,508)	(10.2)
RTA	665,280	744,971	(79,691)	(10.7)
EIRUSS	79,042	67,232	11,810	17.6
Tenant Revenue	24,639	23,523	1,116	4.7
Donations	5,500	48,489	(42,989)	(88.7)
Interest	708	717	(9)	(1.3)
Miscellaneous	47,107	67,755	(20,648)	(30.5)
Total Revenues	6,773,054	6,247,239	525,815	8.4
EXPENDITURES				
Salaries, wages and benefits	4,394,663	4,077,707	316,956	7.8
Operating materials	4,404	5,198	(794)	(15.3)
Office supplies	62,857	55,536	7,321	13.2
Conference and training	47,522	59,168	(11,646)	(19.7)
Business travel	125,647	127,127	(1,480)	(1.2)

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Printing	3,405	7,388	(3,983)	(53.9)
Equipment rental and maintenance	11,905	9,191	2,714	29.5
Office maintenance	20,146	15,042	5,104	33.9
Insurance and bonding	54,388	56,732	(2,344)	(4.1)
Dues and subscriptions	18,407	21,367	(2,960)	(13.9)
Telephone	33,634	28,339	5,295	18.7
Postage	25,988	23,361	2,627	11.2
Utilities	14,449	14,044	405	2.9
Advertising	3,671	4,585	(914)	(19.9)
Professional fees	256,845	386,358	(129,513)	(33.5)
Long-term debt principal	102,556	100,398	2,158	2.1
Interest expense	29,382	31,947	(2,565)	(8.0)
Miscellaneous	24,780	38,038	(13,258)	(34.9)
Pass through grant expense	108,789	166,869	(58,080)	(34.8)
Direct grant expense	409,528	292,339	117,189	40.1
Management Fees	196,414	172,763	23,651	13.7
Housing assistance payments	215,813	199,145	16,668	8.4
WIOA program costs	334,827	387,363	(52,536)	(13.6)
Total Expenditures	6,972,349	6,343,727	628,622	9.9
Excess of Revenues over Expenditures	(199,295)	(96,488)	(102,807)	106.5
Proceeds From Note Payable	0	23,062	(23,062)	(100.0)
Proceeds From Sale of Fixed Assets	0	5,000	(5,000)	(100.0)
Excess of Revenues and Other				
Financing Sources over Expend	(199,295)	(68,426)	(130,869)	191.3
Beginning Fund Balance	690,963	759,389	(68,426)	
Ending Fund Balance	491,668	690,963	(199,295)	(28.8)

OVERVIEW OF BUDGETS

ECIA annually adopts a budget on a modified accrual basis, consistent with governmental accounting standards. Budgets are adopted for the general fund and appropriations lapse at fiscal yearend. Salaries and operating expenses are allocated in accordance with a pre-approved "Cost Allocation Plan."

The ECIA Council approved one budget amendment in May 2020. Differences between the original budget and the final amended budget can be summarized as follows:

The original general fund revenue budget of \$5,176,439 was increased to \$5,682,236, an increase of approximately \$505,800. The primary components of this change included an increase of \$273,200 in Federal funding primarily due to the HUD lead grants, a \$392,200 increase in fees and assessments due to additional contracts for grant writing, grant administration, city code updates and building code and rental inspections, an increase of \$65,700 in EIRHA revenue and an increase of \$22,000 in EIRUSS revenue due to a need for more staff oversight, offset by a decrease of \$104,800 in CDBG revenue due to fewer block grants awarded than originally anticipated, a decrease of \$63,800 in projected ECDC/CSEI revenue, decrease of \$32,200 in RTA revenue and a decrease of \$42,600 in WIOA program revenue.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

The original general fund expenditure budget of \$5,150,169 was increased to \$5,664,585, an increase of \$514,400. The primary components of this increase were an additional \$158,100 in salaries and wages, \$69,000 in professional fees for the HUD Lead grants, a \$326,200 increase in pass through grant expense for the HUD Lead grants, offset by a decrease of \$40,400 in the equipment budget.

RESULTS OF OPERATIONS

While the amended general fund budget anticipated an increase in fund balance of \$17,651, the operating results for the fiscal year ending June 30, 2020 reflected an actual increase of \$8,709. Operating revenues were approximately \$57,300 or 1.0% higher than budgeted. Operating expenditures were approximately \$66,300 or 1.2% higher than budgeted. The following table details the components of these variances:

COMPARISON OF BUDGET VS. ACTUAL - GENERAL FUND				
	BUDGET	ACTUAL	VARIANCE	PERCENT CHANGE
REVENUES				
Federal	909,296	1,406,625	(497,329)	(35.4)
State of Iowa	16,176	16,176	0	0.0
State of Wisconsin	243	243	0	0.0
State of Illinois	3,037	3,037	0	0.0
Private	102,004	98,875	3,129	3.2
Membership Fees	135,238	135,239	(1)	(0.0)
Fees and assessments	1,244,174	961,229	282,945	29.4
CDBG Admin	218,230	119,143	99,087	83.2
ECIA Business Growth	254,090	227,098	26,992	11.9
EIRHA	1,494,114	1,471,883	22,231	1.5
ECDC/CSEI	177,205	196,414	(19,209)	(9.8)
EIRH Tax Credit Corp	46,447	17,617	28,830	163.6
WIOA	299,994	293,939	6,055	2.1
RTA	658,589	665,280	(6,691)	(1.0)
EIRUSS	75,938	79,042	(3,104)	(3.9)
Interest	635	642	(7)	(1.1)
Miscellaneous	46,826	47,080	(254)	(0.5)
Total Revenues	5,682,236	5,739,562	(57,326)	(1.0)
EXPENDITURES				
Salaries, wages and benefits	4,335,585	4,394,663	(59,078)	(1.3)
Operating materials	0	4,404	(4,404)	(100.0)
Office supplies	62,000	58,833	3,167	5.4
Conference and training	46,000	47,522	(1,522)	(3.2)
Business travel	129,000	125,647	3,353	2.7
Printing	4,000	3,011	989	32.8
Equipment rental and maintenance	10,000	11,905	(1,905)	(16.0)
Office maintenance	19,000	20,146	(1,146)	(5.7)
Insurance and bonding	52,000	52,053	(53)	(0.1)
Dues and subscriptions	19,000	18,407	593	3.2
Telephone	34,000	33,634	366	1.1
Postage	26,000	25,988	12	0.0
Utilities	14,000	14,045	(45)	(0.3)

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Advertising	3,000	3,671	(671)	(18.3)
Professional fees	259,000	254,615	4,385	1.7
Long-term debt principal	102,000	102,556	(556)	(0.5)
Interest Expense	30,000	29,382	618	2.1
Miscellaneous	14,000	12,054	1,946	16.1
Pass through grant expense	506,000	108,789	397,211	365.1
Direct grant expense	0	409,528	(409,528)	(100.0)
Total Expenditures	5,664,585	5,730,853	(66,268)	(1.2)
Excess of Revenues over Expenditures	17,651	8,709	8,942	102.7
Beginning Fund Balance	631,822	631,822	0	
Ending Fund Balance	649,473	640,531	8,942	1.4

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2020, ECIA had \$1,551,705 invested in capital assets (net of depreciation), including a building, land, office furniture and equipment, solar energy system, agency vehicles and construction in progress on the ECDC Maquoketa Pocket Neighborhood and Clinton Rehab homes. Total outstanding debt was \$823,172, which represents the outstanding balance of the Economic Development Revenue Note used to fund the building, an EELF loan to fund the solar system, and two loans used to purchase agency vehicles.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

ECIA's management and Council considered many factors when setting the fiscal year 2021 budget and the fees that will be charged for services, endeavoring to keep costs low for our members while covering staff and overhead costs. Local, State and Federal economic conditions are key indicators for resource availability and ECIA will continue to monitor these conditions as we move ahead into the new fiscal year.

Membership fees will increase from \$.68 to \$.70 per capita in Fiscal 2021. The hourly billing rates for all staff will increase by 2% to keep pace with increases in staff and overhead costs. ECIA switched from an HMO plan to a partially self-funded health insurance plan in January 2020. We will continue to closely monitor the cost of health insurance and are looking into several new options for 2021.

ECIA was successful in securing a \$2.8 million HUD Lead and Healthy Homes grant for Clinton and Maquoketa. Activity under this grant will begin in January, 2021 and will expand on the efforts of the current grant that will be closing out in November 2020. CSEI will continue to pursue funding to assist the homeless population in our region while ECDC constructs affordable housing through Pocket Neighborhood development and housing rehab projects.

As we progress into 2021, we will continue to work collaboratively, developing new and building on already successful partnerships, while the staff at ECIA remains committed to building strong and healthy communities and making our region a great place to live and work.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

FINANCIAL CONTACT

These financial statements are designed to provide our member communities, funding agencies and creditors with a general overview of ECIA's finances and to show ECIA's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to ECIA's Executive Director or Director of Finance and Human Resources, 7600 Commerce Park, Dubuque, IA 52002.

BASIC FINANCIAL STATEMENTS

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF NET POSITION
June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and investments	\$ 541,013
Accounts receivable	441,866
Grants receivable	175,752
Prepaid fees and expenses	14,440
Total current assets	<u>1,173,071</u>
Noncurrent assets	
Capital assets, net of depreciation	1,551,705
Total noncurrent assets	<u>1,551,705</u>
Total assets	2,724,776
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	579,613
Total assets and deferred outflows of resources	<u>\$ 3,304,389</u>
LIABILITIES	
Current liabilities	
Current portion of long-term obligations	\$ 80,838
Line of credit	170,574
Accounts payable	40,974
Accrued liabilities	
Vacation and holiday pay	397,729
Other	62,169
Reserve	
Utility reserve	2,124
Unearned revenue	
Grants	3,000
Prepaid memberships	4,833
Total current liabilities	<u>762,241</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	3,033,051
Total liabilities	<u>3,795,292</u>
DEFERRED INFLOWS OF RESOURCES	
Pension plan	394,943
NET POSITION	
Net investment in capital assets	728,533
Unrestricted	(1,614,379)
Total net position	<u>(885,846)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,304,389</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Salaries, wages and fringe benefits	\$ 4,430,546	\$ 2,860,698	\$ 1,740,699	\$ -	\$ 170,851
Operating materials	4,404	2,844	1,730	-	170
Office supplies	62,857	40,585	24,696	-	2,424
Conferences and training	47,522	30,684	18,671	-	1,833
Business travel	125,647	81,127	49,365	-	4,845
Printing	3,405	2,199	1,338	-	132
Equipment rental and maintenance	11,905	7,687	4,677	-	459
Office maintenance	20,146	13,008	7,915	-	777
Insurance and bonding	54,388	35,117	21,368	-	2,097
Dues and subscriptions	18,407	11,885	7,232	-	710
Telephone	33,634	21,717	13,214	-	1,297
Postage	25,988	16,780	10,210	-	1,002
Utilities	14,449	9,329	5,677	-	557
Advertising	3,671	2,370	1,442	-	141
Professional fees	256,845	165,839	100,911	-	9,905
Marketing	-	-	-	-	-
Depreciation	61,905	39,971	24,322	-	2,388
Interest expense	29,382	18,971	11,544	-	1,133
Pass through grant expense	108,789	70,242	42,742	-	4,195
Direct grant expense	409,528	264,423	160,898	-	15,793
Miscellaneous	24,780	16,000	9,736	-	956
Housing assistance payments	215,813	139,345	84,790	-	8,322
WIA program costs	40,888	-	40,888	-	-
Total governmental activities	\$ <u>6,004,899</u>	\$ <u>3,850,821</u>	\$ <u>2,384,065</u>	\$ <u>-</u>	229,987
General revenues					
Interest					708
Miscellaneous					47,107
Total general revenues					<u>47,815</u>
Change in net position					277,802
Net position at beginning of year					<u>(1,163,648)</u>
Net position at end of year					\$ <u>(885,846)</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	ECIA	WIOA	ECDC	CSEI		
	General	Special	Special	Special		
	Fund	Revenue	Revenue	Revenue	Eliminations	Total
	Fund	Fund	Fund	Fund		
ASSETS						
Cash and investments	\$ 490,125	\$ 1,633	\$ 9,465	\$ 39,790	\$ -	\$ 541,013
Accounts receivable	474,402	-	29,853	51,078	(113,467)	441,866
Grants receivable	130,698	33,054	12,000	-	-	175,752
Due from other funds	29,724	-	-	-	-	29,724
Prepaid fees and expenses	13,092	500	-	848	-	14,440
	<u>1,138,041</u>	<u>35,187</u>	<u>51,318</u>	<u>91,716</u>	<u>(113,467)</u>	<u>1,202,795</u>
Total assets	\$ 1,138,041	\$ 35,187	\$ 51,318	\$ 91,716	\$ (113,467)	\$ 1,202,795
LIABILITIES AND FUND BALANCE						
Liabilities						
Line of credit	\$ -	\$ -	\$ 170,574	\$ -	\$ -	\$ 170,574
Accounts payable	31,898	3,344	60,213	58,986	(113,467)	40,974
Accrued liabilities						
Vacation and other pay	395,761	1,968	-	-	-	397,729
Other	62,018	151	-	-	-	62,169
Reserve						
Utility reserve	-	-	-	2,124	-	2,124
Unearned revenue						
Unearned grant revenue	3,000	-	-	-	-	3,000
Prepaid memberships	4,833	-	-	-	-	4,833
Due to other funds	-	29,724	-	-	-	29,724
	<u>497,510</u>	<u>35,187</u>	<u>230,787</u>	<u>61,110</u>	<u>(113,467)</u>	<u>711,127</u>
Total liabilities	497,510	35,187	230,787	61,110	(113,467)	711,127
Fund balance						
Restricted - programming	-	-	-	30,606	-	30,606
Unrestricted						
Committed - building						
maintenance	90,000	-	-	-	-	90,000
Unassigned	550,531	-	(179,469)	-	-	371,062
	<u>640,531</u>	<u>-</u>	<u>(179,469)</u>	<u>30,606</u>	<u>-</u>	<u>491,668</u>
Total fund balance	640,531	-	(179,469)	30,606	-	491,668
	<u>\$ 1,138,041</u>	<u>\$ 35,187</u>	<u>\$ 51,318</u>	<u>\$ 91,716</u>	<u>\$ (113,467)</u>	<u>\$ 1,202,795</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF NET POSITION**
June 30, 2020

Fund balance - governmental funds	\$	491,668
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Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balances because:

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are as follows:

Governmental capital assets	\$ 2,200,874		
Governmental accumulated depreciation	<u>(649,169)</u>		1,551,705

Deferred outflows of resources represent consumption of net position that apply to future periods and therefore are not reported in the fund statements.

Deferred outflows of resources consist of:

Pension plan		579,613
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Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are as follows:

Net pension liability	(2,168,987)		
Vested employee benefits	(121,730)		
General obligation debt	<u>(823,172)</u>		(3,113,889)

Deferred inflows of resources are acquisitions of net position that are applicable to future reporting periods and therefore are not reported in the fund statements.

Deferred inflows of resources consist of:

Pension plan		<u>(394,943)</u>
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Total net position - governmental activities

	\$	<u><u>(885,846)</u></u>
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**
For the year ended June 30, 2020

	ECIA	WIOA	ECDC	CSEI		
	General	Special	Special	Special		
	Fund	Revenue	Revenue	Revenue	Eliminations	Total
	Fund	Fund	Fund	Fund		
Revenues						
Grants						
Federal	\$ 1,406,625	\$ 325,841	\$ 120,546	\$ 126,797	\$ -	\$ 1,979,809
State of Iowa	16,176	8,980	-	-	-	25,156
State of Wisconsin	243	-	-	-	-	243
State of Illinois	3,037	-	-	-	-	3,037
Private	98,875	-	204,442	67,003	-	370,320
Membership fees	135,239	-	-	-	-	135,239
Fees and assessments	961,229	-	105,635	44,016	-	1,110,880
Economic Development Set-Aside and CDBG grant administration	119,143	-	-	-	-	119,143
Agency service billings						
ECIA Business Growth	227,098	-	-	-	-	227,098
Eastern Iowa Regional Housing Authority (EIHRA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,471,883	-	-	-	-	1,471,883
ECDC/CSEI	196,414	-	-	-	(196,414)	-
EIRH Tax Credit Corp	17,617	-	-	-	-	17,617
Workforce Innovation and Opportunity Act (WIOA) and related programs	293,939	-	-	-	(293,939)	-
Regional Transit Authority	665,280	-	-	-	-	665,280
EIRUSS	79,042	-	-	-	-	79,042
Tenant revenue	-	-	6,020	18,619	-	24,639
Donations	-	-	-	5,500	-	5,500
Interest	642	6	45	15	-	708
Miscellaneous	47,080	-	24	3	-	47,107
Total revenues	5,739,562	334,827	436,712	261,953	(490,353)	6,282,701
Expenditures						
Salaries, wages and fringe benefits	4,394,663	-	-	-	-	4,394,663
Operating materials	4,404	-	-	-	-	4,404
Office supplies	58,833	-	398	3,626	-	62,857
Conferences and training	47,522	-	-	-	-	47,522
Business travel	125,647	-	-	-	-	125,647
Printing	3,011	-	394	-	-	3,405
Equipment rental and maintenance	11,905	-	-	-	-	11,905
Office maintenance	20,146	-	-	-	-	20,146
Insurance and bonding	52,053	-	7	2,328	-	54,388
Dues and subscriptions	18,407	-	-	-	-	18,407
Telephone	33,634	-	-	-	-	33,634

Continued on next page.

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED**
For the year ended June 30, 2020

	ECIA	WIOA	ECDC	CSEI		
	General	Special	Special	Special		
	Fund	Revenue	Revenue	Revenue	Eliminations	Total
		Fund	Fund	Fund		
Expenditures - Continued						
Postage	\$ 25,988	\$ -	\$ -	\$ -	\$ -	\$ 25,988
Utilities	14,045	-	404	-	-	14,449
Advertising	3,671	-	-	-	-	3,671
Professional fees	254,615	-	1,255	975	-	256,845
Marketing	-	-	-	-	-	-
Capital purchases	-	-	472,329	-	-	472,329
Long-term debt principal	102,556	-	-	-	-	102,556
Interest expense	29,382	-	-	-	-	29,382
Pass through grant expense	108,789	-	-	-	-	108,789
Direct grant expenses	409,528	-	-	-	-	409,528
Miscellaneous	12,054	-	11,370	1,356	-	24,780
Management fees	-	-	62,287	134,127	(196,414)	-
Housing assistance payments	-	-	84,286	131,527	-	215,813
Program and administrative costs	-	334,827	-	-	(293,939)	40,888
	<u>5,730,853</u>	<u>334,827</u>	<u>632,730</u>	<u>273,939</u>	<u>(490,353)</u>	<u>6,481,996</u>
Total expenditures						
Excess of revenues over expenditures	8,709	-	(196,018)	(11,986)	-	(199,295)
Other financing sources						
Transfer (to) from other funds	-	-	(42,592)	42,592	-	-
	<u>-</u>	<u>-</u>	<u>(42,592)</u>	<u>42,592</u>	<u>-</u>	<u>-</u>
Change in fund balance	8,709	-	(238,610)	30,606	-	(199,295)
Fund balance at beginning of year	<u>631,822</u>	<u>-</u>	<u>59,141</u>	<u>-</u>	<u>-</u>	<u>690,963</u>
Fund balance at end of year	<u>\$ 640,531</u>	<u>\$ -</u>	<u>\$ (179,469)</u>	<u>\$ 30,606</u>	<u>\$ -</u>	<u>\$ 491,668</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the year ended June 30, 2020

Net change in fund balances - total governmental funds \$ (199,295)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. Assets disposed of for less than book value (cost - accumulated depreciation) are recorded as losses on disposition of fixed assets.

Capital outlay reported in governmental fund statements	\$ 472,329	
Depreciation expense reported in the statement of activities	<u>(61,905)</u>	410,424

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement of Activities is actuarially determined by the defined benefit pension plan as the difference between the pension liability from the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension plan	294,895	
Actuarially determined change in net pension liability between years, with adjustments	<u>(345,986)</u>	(51,091)

Other post-employment benefits (OPEB) expense reported in the governmental funds represents current year required contributions into the OPEB plan. OPEB expense in the Statement of Activities is actuarially determined by the OPEB as the difference between the net OPEB liability from the prior year to the current year, with some adjustments.

Actuarially determined change in net OPEB liability between years, with adjustments		15,208
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:		<u>102,556</u>
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Change in net position - governmental activities		<u><u>\$ 277,802</u></u>
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

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

For financial reporting purposes, the Association has included all of its funds, organizations, agencies, and boards. The Association has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Association to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Association. The financial statements presented herein do not include E.C.I.A. Business Growth, Inc., Eastern Iowa Regional Housing Authority, the Eastern Iowa Regional Utility Service Systems Commission, or the Delaware, Dubuque and Jackson County Regional Transit Authority, which have been formed as separate and distinct entities.

The financial statements of the Association consist of the following operations: East Central Intergovernmental Association (a planning agency), Workforce Innovation and Opportunity Act (WIOA) (job training and retraining programs administered by the East Central Intergovernmental Association), East Central Development Corporation (ECDC) (an Iowa non-profit corporation administering housing rehabilitation and developing a pocket neighborhood) and Community Solutions of Eastern Iowa, Inc. (CSEI) (an Iowa non-profit corporation administering housing and related programs for the homeless).

2. Basis of Presentation

Association-wide Statements - The Statement of Net Position and the Statement of Activities present financial information about the Association's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Association has no business-type activities or fiduciary funds. However, such activities or funds would be included in these financial statements if they existed.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

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

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

The Association reports the following major governmental funds:

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

Special revenue fund - WIOA - This fund accounts for activities associated with providing job training and retraining programs. Revenue sources consist entirely of grants received from the federal government.

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

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

3. Measurement Focus and Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Association considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of general long-term debt and fixed asset acquisitions made under capital leases are reported as other financing sources. Under the terms of grant agreements, the Association may fund certain programs by a combination of specific cost-reimbursement grants, service fees, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the Association's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

4. Budgets

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

5. Cash and Investments

The Association's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. The Association's investment policy permits investment of available cash balances in time deposits at any bank or credit union in the State of Iowa, U.S. Treasury obligations, U.S. agency issues and certain repurchase agreements. All investments are stated at fair market value.

6. Receivables

Any amounts reported on the Statement of Net Position for due to and due from other funds represent amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

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

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Capital Assets

Capital assets are reported at actual cost if available. Estimated cost is used when actual cost is not determinable. Donated assets are reported at estimated fair market value on the date received. Repairs and maintenance are recorded as expenditures; replacements and betterments that extend an asset's life by greater than one year are capitalized.

8. Depreciation

The Association provides for depreciation of equipment and building and improvements using annual rates that are sufficient to amortize the cost of depreciable assets over their estimated useful lives using the straight-line method of depreciation.

Estimated useful lives are as follows:

Land and building improvements	5-20 years
Building	40 years
Computer equipment	1-3 years
Furniture and equipment	3-10 years
Vehicles	3 years

9. Retirement Plans

Association employees participate in the Iowa Public Employees Retirement System (IPERS). All contributions made by the Association on behalf of its employees are reported as expenditures in the fund statements when incurred.

10. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures, as appropriate. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as revenues in the fund that is reimbursed.

11. Estimates

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

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Subsequent Events

The Association has evaluated subsequent events through October 30, 2020, the date on which the financial statements were available to be issued.

NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND ASSOCIATION-WIDE STATEMENTS

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories.

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities.
- b. Capital related differences between recording expenditures for the purchase of fixed assets in the governmental fund statements and capitalizing fixed assets in the Statement of Net Position and recording depreciation expense on all fixed assets in the Statement of Activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease in liabilities, as applicable, in the Statement of Net Position, and interest expense is recorded in the Statement of Activities as incurred.
- d. Inter-fund transactions are differences that arise because governmental funds include billings for services provided by the Association's general fund to the special revenue funds. These inter-fund transactions are eliminated on the Statement of Activities.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE C - CASH DEPOSITS

Cash and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ <u>541,013</u>

Cash and investments as of June 30, 2020 consist of the following:

	Carrying Amount	Bank Balance
Investment checking/savings and money market accounts	\$ <u>541,013</u>	\$ <u>567,212</u>
	\$ <u>541,013</u>	\$ <u>567,212</u>

Investments Authorized by the Association's Investment Policy

The Association is required to invest its funds in accordance with Iowa Statutes. The Association may consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income is allocated to various funds based on their respective participation in accordance with accounting principles generally accepted in the United States of America. Safety of principal is the foremost objective of the Association's investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Association limits its exposure to interest rate risk by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. The Association also structures its investment portfolio so that securities mature to meet cash requirements, avoiding the need to sell securities in the open market prior to maturity.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Association minimizes its credit risk by limiting investment types and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Association will do business.

Concentration of Credit Risk

Concentration of credit risk is defined as an exposure to a number of counterparties engaged in similar activities and having similar economic

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE C - CASH DEPOSITS - CONTINUED

Concentration of Credit Risk - Continued

characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Association diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the government's deposits might not be recovered. At June 30, 2020, the Association's deposits of \$58,476 that were in excess of FDIC insurance were covered by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. Amounts in excess of FDIC insurance varied during the year.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Association does not have an investment policy that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE

At June 30, 2020, the Association had the following accounts and grants receivable outstanding:

Accounts Receivable - ECIA

Eastern Iowa Regional Housing Authority	87,882
Eastern Iowa Regional Housing Corp.	8,300
EIRH Tax Credit Corp	48
E.I.R.U.S.S	6,900
Local contract charges	174,116
E.C.I.A. Business Growth, Inc.	24,344
ECDC	54,480
Regional Transit Authority	47,245
Community Solutions of Eastern Iowa	58,987
Asbury EIRP, LLLP	470
Other	11,630

474,402

Accounts Receivable - ECDC

Other	29,853
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Accounts Receivable - CSEI

Other	51,078
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Eliminations	(113,467)
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Total accounts receivable	\$ 441,866
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East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE - CONTINUED

Grants Receivable - ECIA

Iowa DOT - MPO	\$ 20,872
Iowa DOT - RPA	29,842
Illinois DOT	5,953
USDA - RCDI	45,265
WI DOT	4,350
EPA	89
EDA Grant	9,697
Dubuque County HUD Lead Grant	1,150
Clinton HUD Lead Grant	13,480
	<hr/> 130,698

Grants Receivable - WIOA

WIOA Grants	33,054
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Grants Receivable - ECDC

Iowa Finance Authority	12,000
Total grants receivable	<hr/> \$ <hr/> 175,752

NOTE E - PENSION AND RETIREMENT BENEFITS

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

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

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE E - PENSION AND RETIREMENT BENEFITS - CONTINUED

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

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

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

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE E - PENSION AND RETIREMENT BENEFITS - CONTINUED

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 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Association contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Association's total contributions to IPERS for the year ended June 30, 2020 were \$294,895.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the Association reported a liability of \$2,168,987 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Association's proportion of the net pension liability was based on the Association's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2019, the Association's collective proportion was .037207%, which was an increase of 0.000819 percent from its proportion measured as of June 30, 2018.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE E - PENSION AND RETIREMENT BENEFITS - CONTINUED

For the year ended June 30, 2020, the Association recognized pension expense of \$345,986. At June 30, 2020, the Association reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,013	\$ 77,985
Changes of assumptions	232,330	-
Net difference between projected and actual earnings on pension plan investments	-	244,419
Changes in proportion and differences between Association contributions and proportionate share of contributions	46,375	72,539
Association contributions subsequent to the measurement date	294,895	-
	\$ 579,613	\$ 394,943

\$294,895 reported as deferred outflows of resources related to pensions resulting from the Association contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Amount
2021	\$ 20,036
2022	(59,534)
2023	(37,452)
2024	(33,079)
2025	(196)
	\$ (110,225)

There were no non-employer contributing entities at IPERS.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE E - PENSION AND RETIREMENT BENEFITS - CONTINUED

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience study dated March 24, 2017 and a demographic study dated June 28, 2018.

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	5.60%
International equity	15.0%	6.08%
Global smart beta equity	3.0%	5.82%
Core-plus fixed income	27.0%	1.71%
Public credit	3.5%	3.32%
Public real assets	7.0%	2.81%
Cash	1.0%	-21.00%
Private equity	11.0%	10.13%
Private real assets	7.5%	4.76%
Private credit	3.0%	3.01%
	<u>100.0%</u>	

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE E - PENSION AND RETIREMENT BENEFITS - CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Association will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Association's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Association's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Association's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Association's proportionate share of the net pension liability	\$3,851,421	\$2,168,987	\$757,780

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2020, the Association reported payables to the defined benefit pension plan of \$19,881 for legally required employer contributions and \$15,245 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

NOTE F - COMPENSATED ABSENCES

Association employees accumulate vacation hours for subsequent use or for payment upon termination, retirement or death and are included as Association liabilities in this report. Sick leave hours accumulate for subsequent use and are not recognized as expenditures by the Association until used. The Association's approximate liability for unrecognized accrued employee benefits at June 30, 2020 is as follows:

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE F - COMPENSATED ABSENCES - CONTINUED

Sick leave \$ 614,925

Sick leave is accumulated at a rate of one day per month to a maximum accumulation of 100 days. Use of sick leave is available only to employees of record. There is no payoff of unused accumulated sick leave upon termination, and as a result, is not recorded as a liability of the Association in this report.

NOTE G - OPERATING LEASE COMMITMENTS

The Association modified a lease to rent office space in Dubuque from December 1, 2018 to November 30, 2023, payable in monthly payments of \$386. The Association also leases another office space in Dubuque from July 1, 2020 to June 30, 2021 for \$0 per month. The Association also signed a copier lease agreement from November 1, 2018 to October 31, 2023 with monthly payments of \$880. The Association paid \$15,545 for operating leases in the current year.

Future minimum lease payments are as follows:

June 30, 2021	\$ 15,190
2022	15,190
2023	15,190
2024	<u>5,449</u>
	<u>\$ 51,019</u>

NOTE H - CAPITAL ASSETS

A summary of changes in property and equipment comprising general capital assets is as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Non-depreciable:				
Land (non-depreciable)	\$ 214,432	\$ -	\$ -	\$ 214,432
Construction in process	<u>-</u>	<u>472,329</u>	<u>-</u>	<u>472,329</u>
	214,432	472,329	-	686,761
Land improvements	134,762	-	-	134,762
Building	1,052,275	-	-	1,052,275
Equipment and furniture	<u>327,076</u>	<u>-</u>	<u>-</u>	<u>327,076</u>
Subtotal	1,728,545	472,329	-	2,200,874
Less accumulated depreciation				
Land improvements	28,338	6,107	-	34,445
Building	288,145	26,307	-	314,452
Equipment and furniture	<u>270,781</u>	<u>29,491</u>	<u>-</u>	<u>300,272</u>
	<u>587,264</u>	<u>61,905</u>	<u>-</u>	<u>649,169</u>
Total	<u>\$ 1,141,281</u>	<u>\$ 410,424</u>	<u>\$ -</u>	<u>\$ 1,551,705</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE I - SHORT-TERM BORROWING

The Association has a \$300,000 line of credit dated January 1, 2020 that matures September 7, 2023 at 0.25% below the Wall Street Journal Prime Rate. The balance at June 30, 2020 is \$0 and the Association did not borrow or repay any principal in the fiscal year ended June 30, 2020.

ECDC opened a \$600,000 line of credit at 2.00% interest on July 31, 2019 that matures on December 31, 2020 for construction of a pocket neighborhood. ECDC has borrowed \$170,574 and repaid \$0 during the fiscal year ended June 30, 2020. The balance of the line of credit at June 30, 2020 is \$170,574.

NOTE J - GENERAL LONG-TERM OBLIGATIONS

Long-term debt transactions for the year ended June 30, 2020 are as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Notes payable	\$ 925,728	\$ -	\$ 102,556	\$ 823,172
Pension plan	2,301,990	-	133,003	2,168,987
Vested employee benefits	136,938	19,070	34,278	121,730
	<u>\$ 3,364,656</u>	<u>\$ 19,070</u>	<u>\$ 269,837</u>	<u>\$ 3,113,889</u>

Long-term notes payable at June 30, 2020 are comprised of the following:

<u>Description</u>	<u>Balance at June 30, 2020</u>	<u>Due Within One Year</u>
\$24,979 commercial loan from DuTrac Community Credit Union dated September 29, 2017 and due in monthly installments of \$722, including interest at 2.49% per annum until October 2020.	\$ 2,835	\$ 2,835
\$23,062 commercial loan from DuTrac Community Credit Union dated February 27, 2020 and due in monthly installments of \$681, including interest at 3.99% per annum until March 2022.	13,794	7,762
\$50,000 EELF Loan from ECIA Business Growth, Inc. dated August 5, 2016 and due in monthly installments of \$617, including interest at 1.00% per annum until August 15, 2023	23,054	7,201
\$1,392,281 Economic Development Revenue Note, Series 2007 dated October 5, 2007 and due in monthly installments of \$7,363, including interest at 3.5% per annum until April 1, 2029.	783,489	63,040
Total	<u>\$ 823,172</u>	<u>\$ 80,838</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

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

Net Other Post-Employment Benefit Liability. The net other post-employment benefit liability (NOL) was measured as of June 30, 2020 and the total other post-employment benefit liability was determined by an actuarial valuation using the alternate measurement method as of June 30, 2020.

Actuarial Methods and Assumptions. The Association engaged an actuary to perform a valuation using the alternative measurement method as of June 30, 2020 using the entry age normal, level percent of salary method.

The total other post-employment benefit liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	2.66%
General inflation	2.60%
Annual premium increase rate	8.0% in 2020, decreasing 0.5% per year until leveling off at 4.5% in 2028 and thereafter

All of the demographic assumptions used (i.e. salary, payroll growth, turnover rates and mortality rates) are approximately the same as those used in the Iowa Public Employees' Retirement System June 30, 2020 Actuarial Valuation for state employees.

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

The discount rate used to measure the total other post-employment benefit liabilities was 2.66%, based on the expected long-term yield on 20-year tax-exempt general obligation bonds with an average rating of AA/Aa or higher.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Change in the Net Other Post-Employment Benefit Liability

Total OPEB liability - beginning of year	\$ 136,938
Changes for the year:	
Service cost	7,710
Interest	5,077
Changes in assumptions	6,283
Differences between expected and actual experience	(34,278)
Net change	<u>(15,208)</u>
Total OPEB liability - end of year	\$ <u>121,730</u>

Sensitivity to Net Other Post-Employment Benefit Liability to changes in the discount and healthcare cost trend rates. The following represents the net other post-employment benefit liability (NOL) of the Association, calculated using the discount rate of 2.66 percent, as well as what the Association's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current rate:

	1% Decrease to Discount Rate (1.66%)	Current Discount Rate (2.66%)	1% Increase To Discount Rate (3.66%)
Total OPEB liability	\$ 129,099	\$ 121,730	\$ 114,619

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

	1% Decrease (7.0% Decreasing to 3.5%)	Current (8.0% Decreasing to 4.5%)	1% Increase (9.0% Decreasing to 5.5%)
Total OPEB liability	\$ 111,126	\$ 121,730	\$ 133,857

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE J - GENERAL LONG-TERM OBLIGATIONS - CONTINUED

The annual requirements needed to amortize the long-term notes payable of the Association as of June 30, 2020, are as follows:

Year ended June 30,	Principal	Interest	Total
2021	\$ 80,838	\$ 25,933	\$ 106,771
2022	77,468	24,417	101,885
2023	73,792	21,964	95,756
2024	70,041	19,549	89,590
2025	71,256	17,100	88,356
2026-2029	449,777	41,270	491,047
	<u>\$ 823,172</u>	<u>\$ 150,233</u>	<u>\$ 973,405</u>

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description. The Association administers a single-employer defined benefit healthcare plan. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the Association's group health insurance plan. The plan covers both active and retired participants. As of the actuarial valuation date, there were 45 active participants and 0 retirees in the plan. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

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

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE K - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Other Post-Employment Benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits. Since the Association uses the Alternative Measurement Method, there are no deferred outflows or deferred inflows of resources as of June 30, 2020. All deferred inflows and outflows are fully recognized immediately. Deferred inflows of resources from the differences between expected and actual experience of \$3,227 and differences between expected and actual experience of (\$9,076) and deferred outflows of resources from changes in assumptions of \$6,283 and differences between expected and actual experience of (\$34,278) were recognized in the current year as OPEB expense.

NOTE L - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following expenditures had an excess of actual expenditures over budget for the year ended June 30, 2020:

General Fund	
Salaries, wages and fringe benefits	\$ 59,078
Operating materials	4,404
Conferences and training	1,522
Equipment rental and maintenance	1,905
Office maintenance	1,146
Insurance and bonding	53
Utilities	45
Advertising	671
Long-term debt principal	556
Direct grant expenses	409,528
Workforce Innovation and Opportunity Act (WIOA)	
Program costs	12,927

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2020

NOTE M - RISK MANAGEMENT

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

NOTE N - COMMITTED FUND BALANCE

The Association has a committed fund balance of \$90,000 as of June 30, 2020. The committed fund balance consists of dollars set aside for the following projects:

Parking lot resurfacing	\$ 30,000
Roof replacement	60,000
	<u>\$ 90,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

East Central Intergovernmental Association
Dubuque, Iowa
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE ASSOCIATION'S
OPEB LIABILITY AND RELATED RATIOS
Year ended June 30, 2020

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 7,710	\$ 7,346	\$ 11,793
Interest	5,077	5,320	6,590
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(34,278)	(9,076)	(66,448)
Changes of assumptions or other input	6,283	3,227	5,889
Benefit payments	-	-	-
Net change in total OPEB liability	(15,208)	6,817	(42,176)
Total OPEB liability - beginning of the year	136,938	130,121	172,297
Total OPEB liability - ending (a)	\$ 121,730	\$ 136,938	\$ 130,121
Covered payroll	\$ 3,237,893	\$ 2,850,593	\$ 2,774,906
Net OPEB liability as a percentage of covered payroll	3.8%	4.8%	4.7%

Notes:

Changes in benefit terms:

There were no significant changes to benefit terms.

Changes in assumptions:

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

Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%

* Amounts presented for the fiscal year were determined as of the measurement date.

** This schedule will build prospectively until it contains ten years of data.

East Central Intergovernmental Association
Dubuque, Iowa
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ASSOCIATION'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Iowa Public Employees' Retirement System
Year ended June 30, 2020

	2020	2019	2018	2017	2016	2015
Association's proportion of the net pension liability (asset)	0.037207%	0.036376%	0.371146%	0.037105%	0.039708%	0.040496%
Association's proportionate share of the net pension liability	\$ 2,168,987	\$ 2,301,990	\$ 2,472,299	\$ 2,313,963	\$ 1,974,053	\$ 1,638,891
Association's covered-employee payroll	\$ 2,850,593	\$ 2,734,080	\$ 2,770,525	\$ 2,638,937	\$ 2,737,381	\$ 2,704,405
Association's proportionate share of the net pension liability as a percentage of its covered payroll	76.09%	84.20%	89.24%	87.69%	72.11%	60.60%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

East Central Intergovernmental Association
Dubuque, Iowa
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ASSOCIATION'S CONTRIBUTIONS
Iowa Public Employees' Retirement System
Year ended June 30, 2020

	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 269,096	\$ 244,149	\$ 247,399	\$ 235,631	\$ 244,449	\$ 241,476
Contributions in relation to the contractually required contributions	\$ 269,096	\$ 244,149	\$ 247,399	\$ 235,631	\$ 244,449	\$ 241,476
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Association's covered employee payroll	\$ 2,850,593	\$ 2,734,080	\$ 2,770,525	\$ 2,638,937	\$ 2,737,381	\$ 2,704,405
Contributions as a percentage of covered payroll	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

* 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.

**These schedules will build prospectively until it contains ten years of data.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
PENSION LIABILITY
June 30, 2020

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.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the year ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Revenues				
Grants				
Federal	\$ 636,107	\$ 909,296	\$ 1,406,625	\$ 497,329
State of Iowa	11,000	16,176	16,176	-
State of Wisconsin	243	243	243	-
State of Illinois	3,037	3,037	3,037	-
Private	102,000	102,004	98,875	(3,129)
Membership fees	135,238	135,238	135,239	1
Fees and assessments	852,003	1,244,174	961,229	(282,945)
Economic Development Set-Aside and CDBG grant administration	323,000	218,230	119,143	(99,087)
Agency service billings				
ECIA Business Growth	265,753	254,090	227,098	(26,992)
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,428,422	1,494,114	1,471,883	(22,231)
ECDC/CSEI	241,000	177,205	196,414	19,209
EIRH Tax Credit Corp	43,669	46,447	17,617	(28,830)
Workforce Innovation and Opportunity Act (WIOA) and related programs	342,577	299,994	293,939	(6,055)
Regional Transit Authority	690,766	658,589	665,280	6,691
EIRUSS	53,924	75,938	79,042	3,104
Interest	700	635	642	7
Miscellaneous	47,000	46,826	47,080	254
 Total revenues	 5,176,439	 5,682,236	 5,739,562	 57,326
Expenditures				
Salaries, wages and fringe benefits	4,177,474	4,335,585	4,394,663	(59,078)
Operating materials	-	-	4,404	(4,404)
Office supplies	60,000	62,000	58,833	3,167
Conferences and training	47,500	46,000	47,522	(1,522)
Business travel	125,000	129,000	125,647	3,353
Printing	7,000	4,000	3,011	989
Equipment rental and maintenance	7,000	10,000	11,905	(1,905)
Office maintenance	19,000	19,000	20,146	(1,146)
Insurance and bonding	60,000	52,000	52,053	(53)
Dues and subscriptions	25,000	19,000	18,407	593
Telephone	33,000	34,000	33,634	366
Postage	22,000	26,000	25,988	12
Utilities	11,000	14,000	14,045	(45)
Advertising	5,000	3,000	3,671	(671)

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
For the year ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Expenditures - continued				
Professional fees	\$ 190,000	\$ 259,000	\$ 254,615	\$ 4,385
Equipment purchases	40,400	-	-	-
Long-term debt principal	98,995	102,000	102,556	(556)
Interest expense	32,000	30,000	29,382	618
Pass-through grant expense	179,800	506,000	108,789	397,211
Direct grant expenses	-	-	409,528	(409,528)
Miscellaneous	10,000	14,000	12,054	1,946
 Total expenditures	 5,150,169	 5,664,585	 5,730,853	 (66,268)
 Excess of revenues over expenditures	 26,270	 17,651	 8,709	 (8,942)
 Fund balance at beginning of year	 631,822	 631,822	 631,822	 -
 Fund balance at end of year	 \$ 658,092	 \$ 649,473	 \$ 640,531	 \$ (8,942)

East Central Intergovernmental Association

Dubuque, Iowa

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)**

For the year ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	Final Budget
				Favorable
				(Unfavorable)
Revenues				
Workforce Innovation and Opportunity Act (WIOA) and related programs	\$ 455,000	\$ 321,900	\$ 334,821	\$ 12,921
Interest income	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
Total revenues	455,000	321,900	334,827	12,927
Expenditures				
Administrative expenses	29,191	29,191	29,191	-
Program costs	<u>425,809</u>	<u>292,709</u>	<u>305,636</u>	<u>(12,927)</u>
Total expenditures	<u>455,000</u>	<u>321,900</u>	<u>334,827</u>	<u>(12,927)</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER SUPPLEMENTARY INFORMATION

East Central Intergovernmental Association
Dubuque, Iowa

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND

For the year ended June 30, 2020

		30	39	40	41	43	44	45	47	48	49	50
	Totals	FHWA and Section 8 Transportation	Nuisance Abatement	General Technical Assistance	Keep Iowa Beautiful	HUD Resiliency Project	Brownfields Grant	ECIA Business Growth	HUD Lead Grant Clinton/ Maquoketa	Brownsfield RLF	HUD Lead Grant Dubuque County	Economic Development Grant
REVENUES												
Grants												
Federal	\$ 1,406,625	\$ 259,240	\$ -	\$ -	\$ -	\$ -	\$ 75,040	\$ -	\$ 623,123	\$ 10,163	\$ 121,529	\$ 76,552
State of Iowa	16,176	-	-	-	-	-	-	-	-	-	-	16,176
State of Wisconsin	243	243	-	-	-	-	-	-	-	-	-	-
State of Illinois	3,037	3,037	-	-	-	-	-	-	-	-	-	-
Private	98,875	-	-	-	65,004	-	-	-	25,171	-	-	-
Membership fees	135,239	4,784	-	17,315	-	-	-	-	-	-	-	43,284
Fees and assessments	961,229	66,751	6,566	245,285	37,000	360,299	-	31,256	78,978	-	-	30,360
Economic Development Set-Aside and CDBG grant administration	119,143	-	-	-	-	-	-	-	-	-	-	-
Agency service billings												
ECIA Business Growth	227,098	-	-	-	-	-	-	212,098	-	-	-	-
EIRHA/EIRHC	1,471,883	-	-	-	-	-	-	-	-	-	-	-
ECDC/CSEI	196,414	-	-	-	-	-	-	-	-	-	-	-
EIRH Tax Credit Corp	17,617	-	-	-	-	-	-	-	-	-	-	-
Workforce Innovation and Opportunity Act (WIOA) and related programs	293,939	-	-	-	-	-	-	-	-	-	-	-
Regional Transit Authority	665,280	-	-	-	-	-	-	-	-	-	-	-
EIRUSS	79,042	-	-	-	-	-	-	-	-	-	-	-
Interest	642	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	47,080	-	-	-	-	-	-	-	-	-	-	-
Total revenues	5,739,562	334,055	6,566	262,600	102,004	360,299	75,040	243,354	727,272	10,163	121,529	166,372
EXPENDITURES												
Salaries, wages & fringe benefits	4,394,663	161,961	5,484	225,063	30,441	313,149	47,246	212,449	272,643	6,667	82,095	141,305
Operating materials	4,404	-	-	-	-	-	-	-	1,277	-	3,127	-
Office supplies	58,833	2,725	39	1,838	232	5,211	-	4,920	2,985	51	2,454	1,022
Conferences and training	47,522	1,721	14	2,190	63	900	233	965	3,347	2,292	4,498	7,835
Business travel	125,647	7,272	85	8,711	369	8,515	2,002	3,915	15,032	199	2,317	3,045
Printing	3,011	83	1	217	13	150	-	89	459	2	52	61
Equipment rental and maintenance	11,905	519	17	844	97	876	-	655	807	27	228	415
Office maintenance	20,146	952	26	770	213	2,094	-	1,044	1,542	29	492	830
Insurance and bonding	52,053	2,009	-	329	388	5,960	-	2,506	3,271	95	964	1,642
Dues and subscriptions	18,407	938	22	1,096	49	976	-	2,625	1,110	30	200	832
Telephone	33,634	1,265	22	1,273	172	2,250	-	1,836	1,626	23	656	1,766
Postage	25,988	160	488	299	30	1,083	-	629	851	5	289	212
Utilities	14,045	643	17	910	134	1,101	-	777	1,075	33	345	530
Advertising	3,671	129	1	40	4	116	-	200	95	1	767	61
Professional fees	254,615	147,825	159	4,097	444	5,124	25,559	3,496	18,643	444	3,734	2,092
Depreciation	60,238	769	25	1,079	145	2,134	-	961	1,249	36	371	624
Equipment purchases	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt principal	102,556	3,723	121	3,137	724	8,338	-	4,586	6,035	163	1,836	3,016
Interest expense	29,382	1,361	45	1,897	243	2,322	-	1,701	2,177	66	624	1,084
Pass thru grant expense	108,789	-	-	12,500	68,243	-	-	-	-	-	-	-
Direct grant expenses	409,528	-	-	-	-	-	-	-	393,048	-	16,480	-
Miscellaneous	12,054	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	5,791,091	334,055	6,566	266,290	102,004	360,299	75,040	243,354	727,272	10,163	121,529	166,372
Excess of revenues over (under) expenditures	\$ (51,529)	\$ -	\$ -	\$ (3,690)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the year ended June 30, 2020

	51	53	54	55	56	57	58	59	65	66	80	85	90
	2017 USDA RCDI	2018 USDA RCDI	2019 USDA RCDI	EIRHA	EIRHC	EIRHC TBRA	Housing Trust Fund	EIRHC Evergreen Meadows	Tax Credit Housing Programs	EIRHC Tax Credit Corp	Regional Transit RPA/STP	CDBG Admin- istration	General
REVENUES													
Grants													
Federal	\$ 89,203	\$ 23,023	\$ 7,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,316	\$ 675	\$ -
State of Iowa	-	-	-	-	-	-	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-	-	-	-	-	-	-
State of Illinois	-	-	-	-	-	-	-	-	-	-	-	-	-
Private	-	-	-	-	-	-	-	-	-	-	-	-	-
Membership fees	55,065	7,396	7,348	-	-	-	-	-	-	-	47	-	-
Fees and assessments	6,520	630	-	-	-	-	-	-	12,792	-	46,032	-	-
Economic Development Set-Aside and CDBG grant administration	-	-	-	-	-	-	-	-	-	-	-	119,143	-
Agency service billings													
ECIA Business Growth	10,000	5,000	-	-	-	-	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	1,343,932	7,161	52,600	35,348	9,187	-	23,655	-	-	-
ECDC/CSEI	-	-	-	-	-	-	-	-	-	-	-	-	-
EIRH Tax Credit Corp	17,617	-	-	-	-	-	-	-	-	-	-	-	-
Workforce Innovation and Opportunity Act (WIOA) and related programs	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional Transit Authority	-	10,000	-	-	-	-	-	-	-	-	-	-	-
EIRUSS	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	642
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	47,080
Total revenues	178,405	46,049	14,695	1,343,932	7,161	52,600	35,348	9,187	12,792	23,655	150,395	119,818	47,722
EXPENDITURES													
Salaries, wages & fringe benefits	158,173	39,945	12,148	1,215,866	6,263	47,282	32,032	8,641	11,979	20,426	128,725	101,970	-
Operating materials	-	-	-	-	-	-	-	-	-	-	-	-	-
Office supplies	1,875	245	76	11,942	31	310	218	4	6	142	2,439	1,353	-
Conferences and training	3,254	2,292	1,284	4,995	36	140	82	32	46	75	1,506	1,263	-
Business travel	2,055	353	205	11,110	204	388	297	87	124	1,331	6,830	5,098	18,871
Printing	101	11	7	569	2	19	16	4	5	5	54	79	-
Equipment rental and maintenance	494	114	34	2,493	13	143	103	-	-	59	362	321	-
Office maintenance	774	209	67	4,581	22	245	176	-	-	96	648	558	-
Insurance and bonding	1,888	460	142	14,205	108	545	376	101	137	244	1,405	1,200	-
Dues and subscriptions	386	129	32	3,967	49	148	108	33	50	75	701	426	-
Telephone	598	160	44	10,151	15	171	138	-	-	63	1,081	1,247	-
Postage	176	29	10	15,166	124	737	43	223	360	29	131	165	-
Utilities	609	149	51	3,134	17	182	121	-	-	61	444	375	-
Advertising	30	5	2	759	1	7	21	1	2	4	130	150	-
Professional fees	2,478	609	178	16,796	117	714	508	61	83	357	1,862	2,053	-
Depreciation	725	177	55	3,731	21	210	146	-	-	89	539	493	42,663
Equipment purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt principal	3,528	855	266	17,911	99	991	706	-	-	436	2,593	2,243	21,973
Interest expense	1,261	307	94	6,556	39	368	257	-	-	163	945	824	-
Pass thru grant expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct grant expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	12,054
Total expenditures	178,405	46,049	14,695	1,343,932	7,161	52,600	35,348	9,187	12,792	23,655	150,395	119,818	95,561
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,839)

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East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the year ended June 30, 2020

	111	130	132	133	300	400	600
					Eastern Iowa Regional Utility Service Systems	Regional Transit Authority	Pocket Neighbor- hood
	WIOA	COG SNAP	Coordinated Entry	Emergency Solutions			
REVENUES							
Grants							
Federal	\$ -	\$ -	\$ 16,414	\$ -	\$ -	\$ -	\$ -
State of Iowa	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-
State of Illinois	-	-	-	-	-	-	-
Private	-	-	8,700	-	-	-	-
Membership fees	-	-	-	-	-	-	-
Fees and assessments	-	13,000	-	-	-	1,280	24,480
Economic Development Set-Aside and CDBG grant administration	-	-	-	-	-	-	-
Agency service billings							
ECIA Business Growth	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-
ECDC/CSEI	-	127,240	-	69,174	-	-	-
EIRH Tax Credit Corp	-	-	-	-	-	-	-
Workforce Innovation and Opportunity Act (WIOA) and related programs	293,939	-	-	-	-	-	-
Regional Transit Authority	-	-	-	-	-	655,280	-
EIRUSS	-	-	-	-	79,042	-	-
Interest	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	293,939	140,240	25,114	69,174	79,042	656,560	24,480
EXPENDITURES							
Salaries, wages & fringe benefits	268,593	106,944	1,023	61,043	68,463	584,642	22,002
Operating materials	-	-	-	-	-	-	-
Office supplies	1,839	2,002	8,173	477	567	5,505	152
Conferences and training	1,602	2,598	5	153	210	3,834	57
Business travel	11,212	2,919	13	1,675	1,700	9,265	448
Printing	294	85	191	26	32	366	18
Equipment rental and maintenance	41	398	5	199	208	2,369	64
Office maintenance	74	669	10	360	376	3,164	125
Insurance and bonding	3,796	1,521	18	733	812	6,940	258
Dues and subscriptions	1,308	332	10	233	243	2,259	40
Telephone	755	2,352	531	820	744	3,772	103
Postage	1,366	262	2	91	1,669	1,312	47
Utilities	51	506	6	232	253	2,197	92
Advertising	52	189	-	9	301	591	3
Professional fees	2,494	2,075	26	991	1,096	10,190	310
Depreciation	61	578	7	283	312	2,657	98
Equipment purchases	-	-	-	-	-	-	-
Long-term debt principal	294	2,800	35	1,347	1,506	12,797	497
Interest expense	107	1,010	13	502	550	4,700	166
Pass thru grant expense	-	13,000	15,046	-	-	-	-
Direct grant expenses	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	293,939	140,240	25,114	69,174	79,042	656,560	24,480
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Central Intergovernmental Association
Dubuque, Iowa
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES AND
COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND**
For the year ended June 30, 2020

	30 FHWA and FTA Section 8 Transportation 20-MPO-ECIA	80 Regional Transit RPA 20RPA-08
REVENUES		
Grants		
Federal - Planning	\$ 259,240	\$ 104,316
State of Iowa	-	-
State of Wisconsin	243	-
State of Illinois	3,037	-
Membership fees	4,784	47
Fees and assessments	66,751	46,032
Total revenues	<u>334,055</u>	<u>150,395</u>
EXPENDITURES		
Salaries, wages and fringe benefits	161,961	128,725
Operating materials	-	-
Office supplies	2,725	2,439
Conferences and training	1,721	1,506
Business travel	7,272	6,830
Printing	83	54
Equipment rental and maintenance	519	362
Office maintenance	952	648
Insurance and bonding	2,009	1,405
Dues and subscriptions	938	701
Telephone	1,265	1,081
Postage	160	131
Utilities	643	444
Advertising	129	130
Professional fees	147,825	1,862
Depreciation	769	539
Long-term debt principal	3,723	2,593
Interest expense	1,361	945
Pass through grant expense	-	-
Total expenditures	<u>334,055</u>	<u>150,395</u>
Expense basis for computation of Federal participation in project cost	334,055	150,395
Federal participation percentage	80%	80%
Computed project grant earned	<u>\$ 267,244</u>	<u>\$ 120,316</u>
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or grant authority:	<u>\$ 259,240</u>	<u>\$ 104,316</u>
Therefore, the grants earned equal:	<u>\$ 259,240</u>	<u>\$ 104,316</u>

East Central Intergovernmental Association
Dubuque, Iowa

**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES AND
COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND - CONTINUED**
For the year ended June 30, 2020

50

United States Department of Commerce Economic Development Planning Grant							
	ED16DEN3020001				ED20DEN3020004		
	Prior Audit 1/1-6/30/19	Current Year 7/1-12/31/19	Total 1/1-12/31/19	Current Year 1/1-3/31/20	Current Year 4/1-6/30/20	Total Fiscal Year	Total Economic Development
REVENUES							
Grants							
Federal - EDA	\$ 38,145	\$ 31,855	\$ 70,000	\$ 17,500	\$ 27,197	\$ 76,552	\$ 76,552
State of Iowa - Planning	-	-	-	-	-	-	-
State of Iowa - Other	4,764	-	4,764	16,176	-	16,176	16,176
Membership fees	2,763	-	2,763	1,324	41,960	43,284	43,284
Fees and assessments	-	30,360	30,360	-	-	30,360	30,360
Total revenues	45,672	62,215	107,887	35,000	69,157	166,372	166,372
EXPENDITURES							
Salaries, wages and fringe benefits	60,303	59,936	120,239	31,139	50,230	141,305	141,305
Office supplies	657	481	1,138	144	397	1,022	1,022
Conferences and training	6,309	7,705	14,014	95	35	7,835	7,835
Business travel	94	2,208	2,302	1,266	(429)	3,045	3,045
Printing	76	19	95	26	16	61	61
Equipment rental and maintenance	241	193	434	78	144	415	415
Office maintenance	208	338	546	170	322	830	830
Insurance and bonding	1,048	778	1,826	287	577	1,642	1,642
Dues and subscriptions	464	752	1,216	60	20	832	832
Telephone	1,115	853	1,968	340	573	1,766	1,766
Postage	15	120	135	35	57	212	212
Utilities	415	216	631	101	213	530	530
Advertising	149	32	181	13	16	61	61
Professional fees	2,308	1,137	3,445	364	591	2,092	2,092
Depreciation	412	296	708	109	219	624	624
Long-term debt principal	1,774	1,373	3,147	583	1,060	3,016	3,016
Interest expense	701	542	1,243	190	352	1,084	1,084
Total expenditures	76,289	76,979	153,268	35,000	54,393	166,372	166,372
Add qualifying matching expenses	-	-	-	-	-	-	-
Add in-kind matching expenses	-	-	-	-	-	-	-
Expense basis for computation of federal and/or state participation in project cost	76,289	76,979	153,268	35,000	54,393	166,372	
Federal or state participation percentage	50%	50%	50%	50%	50%	50%	
Computed project grant earned	\$ 38,145	\$ 38,490	\$ 76,634	\$ 17,500	\$ 27,197	\$ 83,185	
Pursuant to grant agreements, the cost reimbursement may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation by the end of the grant period or grant authority:			\$ 70,000	\$ 17,500	\$ 27,197	\$ 76,552	
Therefore, the grants earned equal:			\$ 70,000	\$ 17,500	\$ 27,197	\$ 76,552	

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
June 30, 2020

Pass-through Entity: Upper Explorerland Regional Planning Commission

East Central Intergovernmental Association and
Upper Explorerland Regional Planning Commission Joint Agreement

Contract Number: 17-W-01-WI-OA 18-W-PF-
ID-0-34

Contract Period: 7/1/19 - 6/30/20

Program:	WIOA Admini- stration	WIOA Adult Formula	WIOA Youth in School Formula	WIOA Youth in School WEP	WIOA Youth Out of School Formula	WIOA Youth Out of School WEP	WIOA Dislocated Worker Formula	WIOA DW Rapid Response	Ticket to Work	Total
Assets										
Cash	\$ -	\$ -	\$ 6,136	\$ -	\$ 4,453	\$ -	\$ 4,400	\$ -	\$ -	\$ 14,989
Grants receivable	2,885	22,186	-	-	-	-	7,497	128	358	33,054
Prepaid expenses	500	-	-	-	-	-	-	-	-	500
	<u>\$ 3,385</u>	<u>\$ 22,186</u>	<u>\$ 6,136</u>	<u>\$ -</u>	<u>\$ 4,453</u>	<u>\$ -</u>	<u>\$ 11,897</u>	<u>\$ 128</u>	<u>\$ 358</u>	<u>\$ 48,543</u>
Liabilities and Fund Balance										
Bank overdraft	\$ 1,497	\$ 11,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 358	\$ 13,356
Accounts payable	12	109	2,103	-	1,001	-	118	1	-	3,344
Due to other funds	1,876	10,578	1,914	-	3,452	-	11,779	125	-	29,724
Accrued liabilities										
Vacation and other pay	-	-	1,968	-	-	-	-	-	-	1,968
Other	-	-	151	-	-	-	-	-	-	151
Total liabilities	3,385	22,186	6,136	-	4,453	-	11,897	128	358	48,543
Fund balance	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,385</u>	<u>\$ 22,186</u>	<u>\$ 6,136</u>	<u>\$ -</u>	<u>\$ 4,453</u>	<u>\$ -</u>	<u>\$ 11,897</u>	<u>\$ 128</u>	<u>\$ 358</u>	<u>\$ 48,543</u>

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)
For the year ended June 30, 2020

Pass-through Entity: Upper Explorerland Regional Planning Commission

East Central Intergovernmental Association and
Upper Explorerland Regional Planning Commission Joint Agreement

Contract Number: 17-W-01-WI-OA 18-W-PF-
ID-0-34

Contract Period: 7/1/19 - 6/30/20

Program:	WIOA Admini- stration	WIOA Adult Formula	WIOA Youth in School Formula	WIOA Youth in School WEP	WIOA Youth Out of School Formula	WIOA Youth Out of School WEP	WIOA Dislocated Worker Formula	WIOA DW Rapid Response	Ticket to Work	Totals
Revenues										
Grants	\$ 29,185	\$ 98,036	\$ 11,065	\$ 15,932	\$ 71,295	\$ 10,303	\$ 89,897	\$ 128	\$ 8,980	\$ 334,821
Interest income	6	-	-	-	-	-	-	-	-	6
Total revenues	<u>29,191</u>	<u>98,036</u>	<u>11,065</u>	<u>15,932</u>	<u>71,295</u>	<u>10,303</u>	<u>89,897</u>	<u>128</u>	<u>8,980</u>	<u>334,827</u>
Expenditures										
Administration	29,191	-	-	-	-	-	-	-	-	29,191
Training related and support services	-	2,593	859	-	321	-	-	-	-	3,773
Direct training services	-	95,443	10,206	15,932	70,974	10,303	89,897	128	8,980	301,863
Total expenditures	<u>29,191</u>	<u>98,036</u>	<u>11,065</u>	<u>15,932</u>	<u>71,295</u>	<u>10,303</u>	<u>89,897</u>	<u>128</u>	<u>8,980</u>	<u>334,827</u>
Excess of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE - BY PROGRAM - ECDC
Year ended June 30, 2020

	COC SNAP	ESG	Pocket Neighborhood	Clinton Rehab	General	Total
Revenues						
Grants						
COC SNAP grant	\$ 29,377	\$ -	\$ -	\$ -	\$ -	\$ 29,377
Emergency solutions grant	-	91,169	-	-	-	91,169
Other	-	-	204,442	-	-	204,442
Tenant revenue	6,020	-	-	-	-	6,020
Donations	-	-	-	-	-	-
Management fees	11,744	-	-	93,891	-	105,635
Interest income	-	-	-	-	45	45
Miscellaneous	24	-	-	-	-	24
Total revenues	47,165	91,169	204,442	93,891	45	436,712
Operating expenses						
Housing assistance payments	27,352	56,934	-	-	-	84,286
Management services	21,863	40,424	-	-	-	62,287
Office supplies	-	-	398	-	-	398
Printing	-	-	394	-	-	394
Office rent	-	-	-	-	-	-
Insurance	7	-	-	-	-	7
Miscellaneous	841	87	5,442	5,000	-	11,370
Utilities	-	-	-	404	-	404
Professional fees	1,005	-	250	-	-	1,255
Capital purchases	-	-	-	-	472,329	472,329
Depreciation expense	-	-	-	-	-	-
Total operating expenses	51,068	97,445	6,484	5,404	472,329	632,730
Excess of revenues over expenditures	(3,903)	(6,276)	197,958	88,487	(472,284)	(196,018)
Other financing sources						
Transfer to CSEI	(42,592)	-	-	-	-	(42,592)
Change in net position	<u>\$ (46,495)</u>	<u>\$ (6,276)</u>	<u>\$ 197,958</u>	<u>\$ 88,487</u>	<u>\$ (472,284)</u>	<u>\$ (238,610)</u>

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE - BY PROGRAM - CSEI
Year ended June 30, 2020

	Coordinated Entry	ESG	Locally Funded	COC SNAP	Total
Revenues					
Grants					
COC SNAP grant	\$ -	\$ -	\$ -	\$ 57,616	\$ 57,616
Emergency solutions grant	-	69,181	-	-	69,181
Other	8,700	-	58,303	-	67,003
Tenant revenue	-	-	-	18,619	18,619
Donations	-	-	5,500	-	5,500
Management fees	-	-	-	44,016	44,016
Interest income	-	-	-	15	15
Miscellaneous	-	-	-	3	3
Total revenues	8,700	69,181	63,803	120,269	261,953
Operating expenses					
Housing assistance payments	7,857	40,444	85	83,141	131,527
Management services	683	28,750	62,784	41,910	134,127
Office supplies	-	-	3,531	95	3,626
Printing	-	-	-	-	-
Office rent	-	-	-	-	-
Insurance	-	-	-	2,328	2,328
Miscellaneous	-	-	1,233	123	1,356
Professional fees	-	-	-	975	975
Equipment purchases	-	-	-	-	-
Depreciation expense	-	1,667	-	-	1,667
Total operating expenses	8,540	70,861	67,633	128,572	275,606
Excess of revenues over expenditures	160	(1,680)	(3,830)	(8,303)	(13,653)
Other financing sources					
Transfer from ECDC	-	-	-	42,592	42,592
Change in net position	\$ 160	\$ (1,680)	\$ (3,830)	\$ 34,289	\$ 28,939

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2020

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Grantor's Number</u>	<u>Accrual Basis Program Disbursements</u>	<u>Passed Through to Subrecipients</u>
Direct:				
United States Department of Commerce				
EDA Planning Grant	11.302	ED16DEN3020001	\$ 49,355	\$ -
EDA Planning Grant - Micropolitan Economic Development Plan	11.302	ED20DEN3020004	27,197	-
			<u>76,552</u>	<u>-</u>
Environmental Protection Agency				
Brownsfield Assessment and Cleanup	66.818	BF-97756401	75,040	-
Brownsfield Revolving Loan Fund	66.818	BF-97764501	10,163	-
			<u>85,203</u>	<u>-</u>
United States Department of Housing and Urban Development				
Lead Hazard Control Grant	14.900	IAHLB0743-19	121,529	-
Total Direct			<u>283,284</u>	<u>-</u>
Indirect:				
United States Department of Agriculture				
Passed through Iowa USDA Rural Development Rural Community Development Initiative Grant	10.446	16-031-421025428	119,573	-
United States Department of Labor				
Passed through Upper Explorerland Regional Planning Commission Workforce Investment Act/Workforce Investment and Opportunity Act Cluster				
WIOA Administration	17.258	17-W-01-WI-OA	29,185	-
WIOA Adult Formula	17.258	17-W-01-WI-OA	98,036	-
WIOA Youth In School Formula	17.259	17-W-01-WI-OA	26,997	-
WIOA Youth Out of School Formula	17.259	17-W-01-WI-OA	81,598	-
WIOA Dislocated Worker Formula	17.278	17-W-01-WI-OA	89,897	-
WIOA Dislocated Worker Rapid Response	17.278	18-W-PF-ID-0-17	128	-
			<u>325,841</u>	<u>-</u>
Total United States Department of Labor			325,841	-

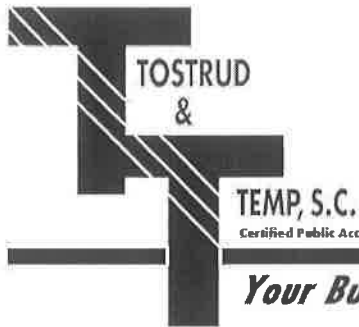
East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - CONTINUED
For the year ended June 30, 2020

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Grantor's Number</u>	<u>Accrual Basis Program Disbursements</u>	<u>Passed Through to Subrecipients</u>
United States Department of Housing and Urban Development				
Passed through Dubuque County Jumpstart Program	14.228	08-DRH-204	675	-
Passed through City of Clinton, IA Lead Hazard Control Grant	14.900	IALHB0659-17	623,123	-
Passed through City of Dubuque Continuum of Care Program	14.238	IA0061L7D011707	86,993	-
Passed through Iowa Finance Authority Continuum of Care Planning	14.267	CoC 2019-006	16,414	6,346
Emergency Solutions Grant	14.231	ESG-31024-19/20	160,350	-
			<u>176,764</u>	<u>6,346</u>
Total United States Department of Housing and Urban Development			887,555	6,346
United States Department of Transportation				
Passed through Iowa Department of Transportation				
FHWA - Planning	20.205	20-MPO-ECIA	91,824	-
FTA 5303D	20.505	20-MPO-ECIA	36,162	-
FHWA STBG/SPR	20.205	20-RPA-08	78,334	-
FTA 5305e	20.505	20-RPA-08	25,982	-
			<u>232,302</u>	<u>-</u>
Passed through Illinois Depart- ment of Transportation				
IL Hwy Planning Research	20.205	20-1009-11835	12,147	-
IL Hwy Planning Research	20.205	19-1439-10012	115,000	-
			<u>127,147</u>	<u>-</u>
Passed through Wisconsin Depart- ment of Transportation				
FHWA Planning	20.205	WisDOT Contract	4,107	-
Total United States Department of Transportation			<u>363,556</u>	<u>-</u>
Total Indirect			<u>1,696,525</u>	<u>6,346</u>
Total Federal Financial Assistance			<u>\$ 1,979,809</u>	<u>\$ 6,346</u>

Note 1: Basis of Accounting: This statement is prepared using the same basis of accounting as the Association's financial statements. The Association uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. Association records should be consulted to determine amounts expended or matched from non-federal sources.

Note 2: Federal Indirect Rate: The Association has an indirect cost allocation plan on file in accordance with the *Uniform Guidance*.

OTHER REPORTS



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

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Central Intergovernmental Association (Association), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated October 30, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in dark ink, appearing to read "Kristine L. Thompson". The signature is fluid and cursive, with a large initial "K" and a stylized "T".

October 30, 2020



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La Crosse, WI 54601
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Report on Compliance for Each Major Federal Program

We have audited the East Central Intergovernmental Association's (Association) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2020. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Association 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 Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Association's internal control over compliance.

A deficiency in internal control over compliance 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, 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



October 30, 2020

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Significant deficiency identified?	<u> </u> yes	<u> X </u> no
Significant deficiency identified considered to be a material weakness?	<u> </u> yes	<u> X </u> no

Noncompliance material to the financial statements? yes X no

Federal Awards

Internal control over compliance:

Significant deficiency identified?	<u> </u> yes	<u> X </u> no
Significant deficiency identified considered to be a material weakness?	<u> </u> yes	<u> X </u> no

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

Any audit findings disclosed that are required
to be reported in accordance with Uniform Guidance? yes X no

Identification of Major Federal Programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing

Dollar threshold used to distinguish
between Type A and Type B programs \$750,000

Auditee qualified as a low-risk auditee? X yes no

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior-Period Findings

None