



Financial Statements
June 30, 2023

City of Asbury, Iowa

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City of Asbury, Iowa
(Unaudited) Officials
June 30, 2023

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jim Adams	Mayor	January 2024
Bob Reisch	Council Member	January 2024
Curt Kiessling	Council Member	January 2024
Craig Miller	Council Member	January 2026
Karen Klinkhammer	Council Member	January 2026
Russ Domeyer	Council Member	January 2026
Elizabeth Bonz	City Administrator, Treasurer	Appointed
Sara Burke	City Clerk	Appointed
Doug Hummel	Deputy City Clerk	Appointed
Rebecca Scherbring	Utility Billing Clerk	Appointed
A. Theodore Huinker	Attorney	Appointed



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Asbury, Iowa, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with the cash basis of accounting as described in Note 1 to the financial statements.

Basis for Opinions

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting used in the preparation of the financial statements. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the City of Asbury, Iowa, has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended June 30, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. We previously audited, in accordance with the standards referred to in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. Schedules 4 through 7 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in schedules 4 through 7 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Officials, the Management’s Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the City’s Proportionate Share of IPERS Net Pension Liability, the Schedule of IPERS Contributions, and the Notes to Other Information – Pension Liability, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Dubuque, Iowa
September 7, 2023

The City of Asbury provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

This discussion and analysis is intended to be an easily readable analysis of the City's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the audited financial statements.

2023 Financial Highlights

Receipts of the City's activities increased 0.47% or approximately \$50,000 exclusive of bond proceeds from fiscal year 2022 to fiscal year 2023. Charges for services of the governmental activities decreased approximately \$47,500 due to a decrease of general fund revenues of \$24,000 and a decrease in special assessment receipts of approximately \$42,000 and increase of golf course receipts of \$16,000. Operating grants increased approximately \$11,000 for Road Use Tax funding. Local Option Sales Tax funding decreased approximately \$24,000 for decreased sales tax revenue allocated to the City per the state funding formula. Capital Grants and Contributions decreased \$164,000. Transportation Alternative Program funding for the Cloie Creek Trail decreased approximately \$249,000 and contributions from Dubuque County for a shared road improvement project increased \$17,000.

Disbursements of the City's activities increased 4.24% or approximately \$478,000 exclusive of bond related expenses from fiscal year 2022 to fiscal year 2023. In fiscal year 2023 the City used tax increment financing receipts to fund an internal loan for the Hales Mill Road Street Improvement Project in the amount of \$739,624 and to pay debt in the amount \$78,400. Capital Project Fund expenditures included the completion of the Springgreen and Sunset Street Reconstruction Project, Cloie Creek Trail Construction, Hidden Meadows Overlay, and the Fiber Improvement Project. Construction in process at the end of the fiscal year included the Hales Mills Road Reconstruction Project, storm water improvements, and Meadows Clubhouse Renovation. Total Capital Project expenditures totaled \$5,610,675 which was an increase of \$1,675,158 from the prior year. Business Type Expenditures decreased \$34,000 for water, sewer and stormwater improvements.

The City's total cash basis net position decreased 8.32% or approximately \$1,061,000 from June 2022 to June 2023. Of this amount, the assets of the governmental activities decreased approximately \$1,481,000 and the assets of the business-type activities increased approximately \$420,000.

Using This Annual Report

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

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

The Government-wide Financial Statement consists of a Cash Basis Statement of Activities and Net Position. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

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

Supplementary and Other Information further explains and supports the financial statements with a comparison of the City's budget for the year and provides detailed information about the nonmajor governmental funds.

Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the City's Financial Activities

Government-wide Financial Statement

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Cash Basis Statement of Activities and Net Position reports information which helps answer the question.

The Cash Basis Statement of Activities and Net Position present the City's Net Position. Over time, increases or decreases in the City's Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Governmental funds account for most of the City's basic services and are funded primarily through tax revenues. The City's proprietary funds account for the enterprise funds. Enterprise funds are used to report business-type activities.

The Cash Basis Statement of Activities and Net Position is divided into two kinds of activities - Governmental Activities and Business-type (Proprietary) Activities.

Governmental Activities include:

Public Safety – includes police operations, civil service, emergency management, fire protection, ambulance service and building inspections.

Public Works – includes roads, sidewalks, equipment, street lighting, traffic safety and snow removal.

Culture and Recreation – includes library services, parks and recreation and golf course.

Community and Economic Development – includes community betterment, economic development and planning and zoning.

General Government – includes mayor, city council, city administrator, city clerk, elections, legal services, city hall, insurance and general administration.

Debt Service – includes general obligation and tax increment financing debt.

Capital Projects – includes sidewalks, right of way acquisition, street improvements, community services campus, storm water, golf course and park improvement projects.

Internal Service – includes employee flex benefit program and health insurance self-funding.

The required financial statements for governmental funds include a Statement of Cash Receipts, Disbursements, and Changes in Cash Balances.

Business-type Activities include the water utility, sewer utility, solid waste utility, and a storm water utility.

The required financial statements for proprietary funds include a statement of cash receipts, disbursements, and changes in cash balances.

Governmental Activities

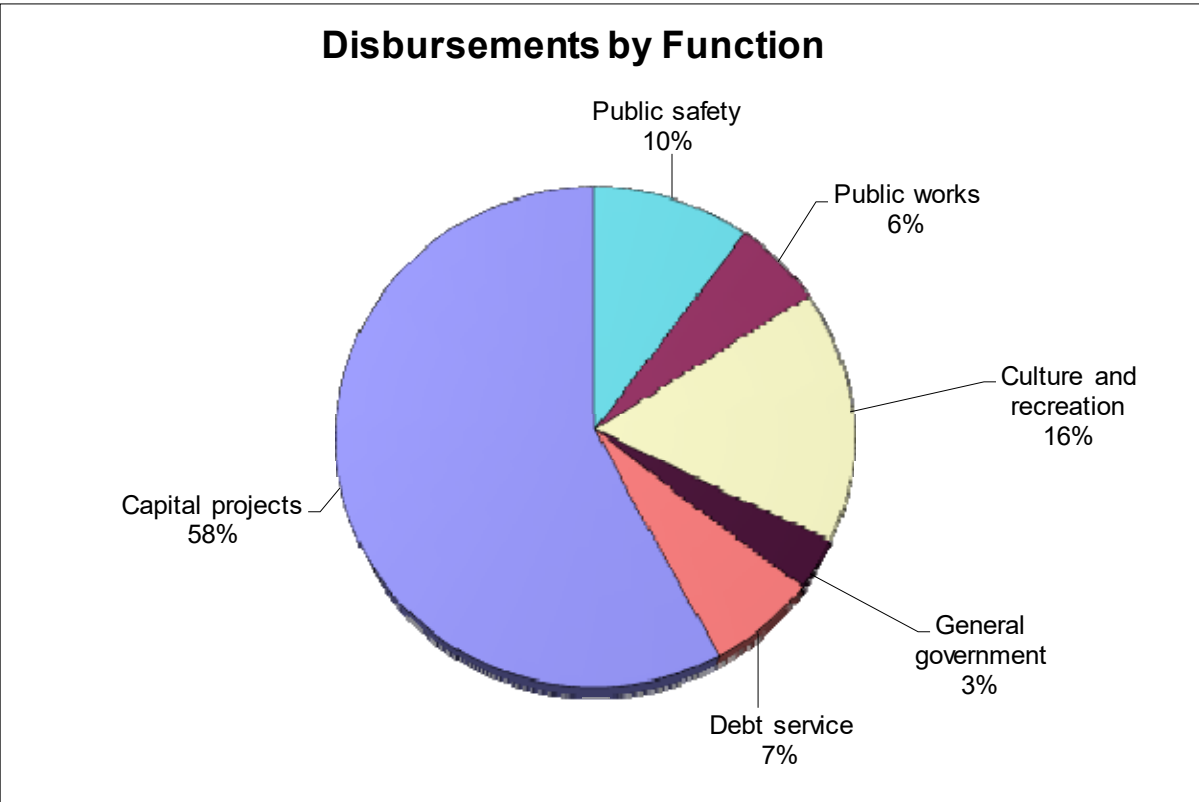
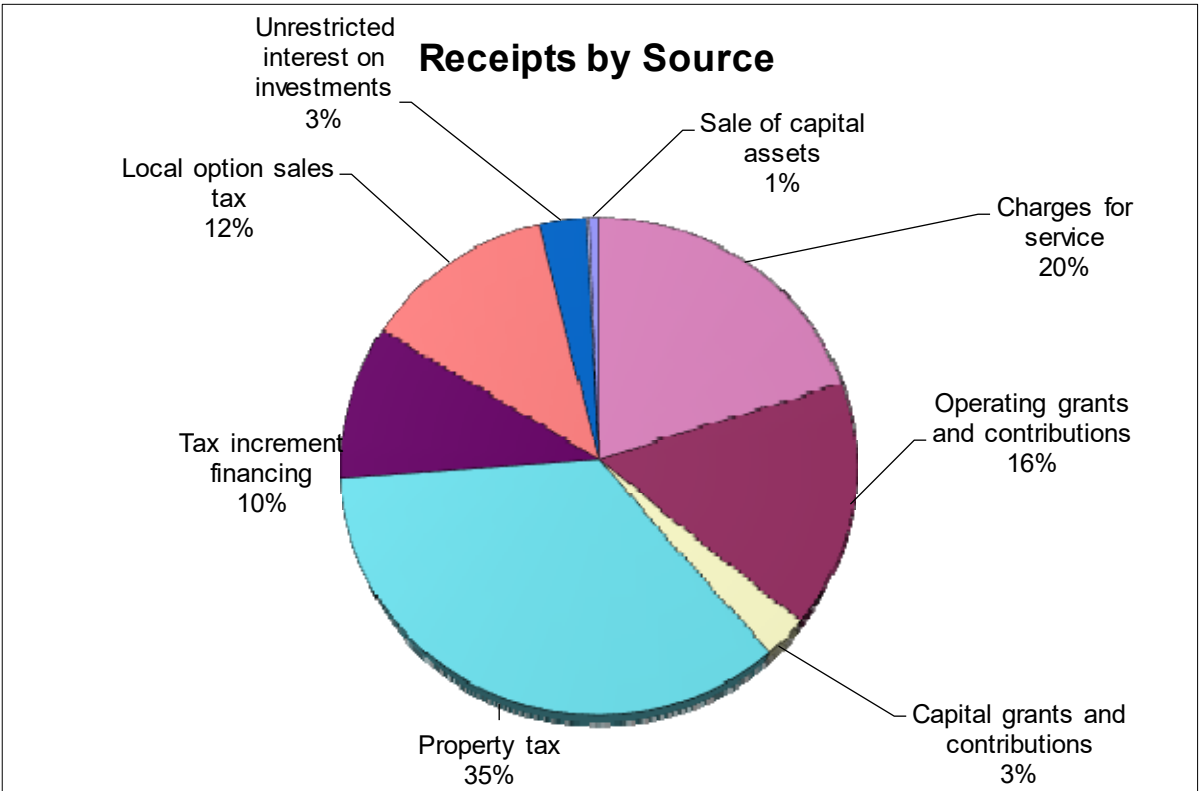
For the year ended June 30, 2023, the City's governmental activities were funded as follows:

Receipts of the City's governmental activities decreased 2.03%, or approximately \$161,500 from fiscal year 2022 to fiscal year 2023 excluding bond proceeds and the sale of capital assets. Tax Increment Financing decreased \$319,000 to fund debt repayment and capital projects. Charges for services decreased approximately \$47,500 due to a decrease in permit fees of approximately \$23,000, a decrease in special assessment receipts of approximately \$42,000, and an increase in golf course receipts of approximately \$16,000. Operating grants increased approximately \$11,000 for Road Use Tax funding. Local Option Sales Tax funding decreased approximately \$24,000 for decreased sales tax revenue allocated to the City per the state funding formula. Capital Grants and Contributions decreased approximately \$164,000 for Transportation Alternative Program funding for the Cloie Creek Trail and contribution from Dubuque County for a shared road project.

Disbursements of the City's governmental activities increased 5.55% or approximately \$512,000 from fiscal year 2022 to fiscal year 2023. Debt decreased \$4,302,000 due to prior year bond issue related expenditures and early retirement of debt. Capital Projects increased \$1,675,158. The following Capital Projects were completed; Cloie Creek Trail Construction, Springgreen and Sunset Street Construction Project, Fiber Project and Hidden Meadows Overlay. The following Capital Projects were in process at the end of FY 2023; Meadows Clubhouse Renovation Project and Hales Mill Road Reconstruction Project. Community and Economic Development Expenses increased \$22,000 for consultation expenses related to the amendment of the city zoning code.

Changes in Cash Basis Net Position of Governmental Activities

	Year Ended June 30,	
	2023	2022
Program Receipts:		
Charges for service	\$ 1,576,473	\$ 1,623,979
Operating grants and contributions	1,249,878	1,238,910
Capital grants and contributions	212,613	376,787
General Receipts:		
Property tax	2,745,467	2,588,512
Tax increment financing	785,545	1,104,220
Local option sales tax	972,224	996,118
Unrestricted interest on investments	238,474	13,839
Other general receipts	15,196	9,164
Bond proceeds, net	-	3,210,070
Sale of capital assets	48,365	-
Total receipts	7,844,235	11,161,599
Public safety	989,435	983,944
Public works	554,752	719,645
Culture and recreation	1,582,437	1,482,613
Community and economic development	26,365	4,438
General government	329,353	301,248
Debt service	644,479	4,946,567
Capital projects	5,610,675	3,935,517
Total disbursements	9,737,496	12,373,972
Change in Cash Basis Net Position Before Transfers	(1,893,261)	(1,212,373)
Transfers, Net	411,829	430,700
Change in Cash Basis Net Position	(1,481,432)	(781,673)
Cash Basis Net Position Beginning of Year	6,646,479	7,428,152
Cash Basis Net Position End of Year	\$ 5,165,047	\$ 6,646,479



Business-type Activities

For the year ended June 30, 2023, the City's business-type activities receipts and disbursements were as follows:

Changes in Cash Basis Net Position of Business-Type Activities

	Year Ended June 30,	
	2023	2022
Receipts:		
Program receipts:		
Charges for service:		
Sewer utility	\$ 1,041,716	\$ 1,063,517
Water	1,113,710	1,132,928
Solid waste	307,524	287,012
Storm Water	197,936	201,127
General receipts:		
Unrestricted interest on investments	194,345	13,797
Total receipts	2,855,231	2,698,381
Program Disbursements:		
Sewer utility	605,600	866,120
Water	913,542	739,052
Solid waste	384,556	367,439
Storm Water	120,119	85,535
Total program disbursements	2,023,817	2,058,146
Change in Cash Basis Net Position Before Transfers	831,414	640,235
Transfers, Net	(411,829)	(430,700)
Change in Cash Basis Net Position	419,585	209,535
Cash Basis Net Position Beginning of Year	6,109,605	5,900,070
Cash Basis Net Position End of Year	\$ 6,529,190	\$ 6,109,605

Receipts of the City's business-type activities increased 5.81%, or approximately \$157,000 from fiscal year 2022 to fiscal year 2023.

Disbursements for business-type activities decreased 1.67%, or approximately \$34,000 from fiscal year 2022 to fiscal year 2023. The decrease is because of less repairs and maintenance for the water, sewer and stormwater systems.

Individual Major Fund Analysis

As of June 30, 2023, the City had cash balances on hand of approximately \$5,127,000 in governmental fund types and \$6,529,000 in business-type funds. The governmental fund type decreased approximately \$1,493,000 and business fund types increased approximately \$420,000, respectively, during fiscal year 2022-23. The decrease in cash for governmental fund types is for capital project expenditures and increase in cash for business type funds is due to interest from utility funds and budgeted funds not expended due to construction in process.

- The General Fund cash balance increased approximately \$632,000 from the prior year to \$5,271,000. The increase is due to completion of capital projects.
- The Special Revenue Fund, Road Use Tax Fund cash balance increased approximately \$138,000 to \$510,000. This was for payments for street improvement projects.
- The Special Revenue Fund, Local Option Sales Tax cash balance decreased approximately \$15,000 to \$987,017. The City is required to use this money for the specific purpose of police and fire protection, street lighting, snow and ice control, insurance and street improvements.
- The Special Revenue Fund, Tax Increment Financing Fund was established to account for major urban renewal projects. This fund balance is required to be used for tax increment funded projects.
- Other Nonmajor Governmental Funds, the cash fund balance increased approximately \$146,000 due to funding the Capital Projects.
- The Debt Service Fund cash balance increased approximately \$4,000 to \$24,000.

Individual Major Business Type Fund Analysis

- The Enterprise, Sewer Utility Fund cash balance increased approximately \$476,000 to \$3,272,000. This increase is due to funding equipment and facility reserves.
- The Enterprise, Water Fund cash balance decreased approximately \$29,000 to \$2,894,000. The decrease was due to funding equipment and facility reserves.

Budgetary Highlights

The City amended the budget once during fiscal year 2023. The amendment was in May 2023 for higher revenue from higher interest rates and reimbursement from the county for a shared road improvement project and the increase in capital projects due to higher contracted prices.

For the year ended June 30, 2023, total actual receipts were approximately \$430,000 over the final budget while total actual disbursements were \$3,056,000 under the final budget. The large difference for budgeted and actual expenditures occurred because of capital projects for road improvements and utility projects that were budgeted and not completed in the current fiscal year.

Debt Outstanding

At June 30, 2023, the City had \$4,191,693 debt outstanding compared to \$4,857,836 in 2022, as shown below.

	Outstanding Debt at Year-End	
	June 30,	
	2023	2022
General Obligation Bonds:		
2017 GO Bond Sun Valley	\$ 955,000	\$ 1,060,000
2017 SRF TIF	196,901	269,901
2021 Refunding	2,270,000	2,630,000
Total General Obligation Bonds	3,421,901	3,959,901
Revenue Notes:		
2017 SRF Water Reserve	712,000	824,000
Subscription Based Contracts		
IT Subscriptions	57,792	73,935
Total	\$ 4,191,693	\$ 4,857,836

The City as of June 30, 2023 is at 11.25% of its bonding capacity. The City's outstanding general obligation debt limit was \$30,423,175.

Economic Factors

While property taxes are important to the City, they represent approximately 36% of revenue sources excluding other financing sources. TIF revenues comprise 10% of total revenues. Charges for services comprise 21% of total revenues. The City continues to grow and add residential housing at a robust pace. This has added to the property tax base and increased the number of utility users in the community.

Next Year's Budget and Rates

For the year ending June 30, 2024, the City will be completing construction of the Hales Mill Road Reconstruction Project and the Meadows Clubhouse Remodel. The estimated cost to finish these projects is \$1,965,000. Other major projects budgeted for fiscal year 2024 is the Autumn Drive Reconstruction Project and Forest Hills Detention Project and water and sewer utility projects. The planned improvements are estimated to cost approximately \$5,017,000. The City performs an annual review of the Capital Improvement Plan to plan for future project expenditures and funding. All future plans require the City Council and Mayor to balance the growth of the community with an appropriate tax levy and charge for services. These projects will be financed with cash reserves, Local Option Sales Tax, Road Use Tax and Tax Increment Financing. The City had a corporate tax levy of \$9.00109 in 2023. The Fiscal Year 2024 total corporate tax levy was increased to \$9.31631.

Financial Contact

The City's financial statements are designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City's Administrator at 5290 Grand Meadow Drive, Suite 1, Asbury, IA 52002, telephone 563-556-7106 or email ebonz@cityofasbury.com.

Elizabeth Bonz
City Administrator



Basic Financial Statements
June 30, 2023
City of Asbury, Iowa

City of Asbury, Iowa
Exhibit A – Statement of Activities and Net Position – Cash Basis
As of and for the Year Ended June 30, 2023

	Program Receipts				Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
	Disbursements	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
Public safety	\$ 989,435	\$ 67,531	\$ -	\$ -	\$ (921,904)	\$ -	\$ (921,904)
Public works	554,752	210,797	1,247,478	212,613	1,116,136	-	1,116,136
Culture and recreation	1,582,437	1,191,291	2,400	-	(388,746)	-	(388,746)
Community and economic development	26,365	-	-	-	(26,365)	-	(26,365)
General government	329,353	106,854	-	-	(222,499)	-	(222,499)
Debt service	644,479	-	-	-	(644,479)	-	(644,479)
Capital projects	5,610,675	-	-	-	(5,610,675)	-	(5,610,675)
Total governmental activities	9,737,496	1,576,473	1,249,878	212,613	(6,698,532)	-	(6,698,532)
Business-type activities:							
Sewer utility	605,600	1,041,716	-	-	-	436,116	436,116
Water	913,542	1,113,710	-	-	-	200,168	200,168
Solid waste	384,556	307,524	-	-	-	(77,032)	(77,032)
Storm water	120,119	197,936	-	-	-	77,817	77,817
Total business-type activities	2,023,817	2,660,886	-	-	-	637,069	637,069
Total	\$ 11,761,313	\$ 4,237,359	\$ 1,249,878	\$ 212,613	(6,698,532)	637,069	(6,061,463)
General Receipts and Transfers:							
Property tax levied for:							
General purposes					2,395,792	-	2,395,792
Debt service					349,675	-	349,675
Tax increment financing					785,545	-	785,545
Local option sales tax					972,224	-	972,224
Unrestricted interest on investments					238,474	194,345	432,819
Sale of capital assets					48,365	-	48,365
Other general receipts					15,196	-	15,196
Transfers, net					411,829	(411,829)	-
Total general receipts and transfers					5,217,100	(217,484)	4,999,616
Change in Cash Basis Net Position					(1,481,432)	419,585	(1,061,847)
Cash Basis Net Position Beginning of Year					6,646,479	6,109,605	12,756,084
Cash Basis Net Position End of Year					\$ 5,165,047	\$ 6,529,190	\$ 11,694,237
Cash Basis Net Position							
Restricted:							
Streets					\$ 1,010,888	\$ -	\$ 1,010,888
Debt service					23,634	-	23,634
Urban renewal purposes					368,431	-	368,431
Public safety					345,456	-	345,456
Other purposes					349,693	-	349,693
Unrestricted					3,066,945	6,529,190	9,596,135
Total cash basis net position					\$ 5,165,047	\$ 6,529,190	\$ 11,694,237

City of Asbury, Iowa
Exhibit B – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Governmental Funds
As of and for the Year Ended June 30, 2023

	General	Special Revenue			Capital Project		Debt Service	Other Nonmajor Governmental Funds	Total
		Local Option Sales Tax	Road Use Tax	Tax Increment Financing (TIF)	Road Improvement	Golf Course Improvement Fund			
Receipts:									
Property tax	\$ 2,395,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,675	\$ -	\$ 2,745,467
Tax increment financing	-	-	-	785,545	-	-	-	-	785,545
Other City tax	-	972,224	-	-	-	-	-	-	972,224
Licenses and permits	163,635	-	-	-	-	-	-	-	163,635
Use of money and property	141,252	32,472	14,289	13,840	1,644	-	5,071	29,906	238,474
Intergovernmental	5,898	-	817,824	-	-	-	-	642,267	1,465,989
Charges for service	1,196,143	-	-	-	-	-	-	-	1,196,143
Special assessments	-	-	-	-	210,797	-	-	-	210,797
Miscellaneous	15,196	-	-	-	-	-	-	2,400	17,596
Total receipts	3,917,916	1,004,696	832,113	799,385	212,441	-	354,746	674,573	7,795,870
Disbursements:									
Operating:									
Public safety	989,435	-	-	-	-	-	-	-	989,435
Public works	293,316	-	261,436	-	-	-	-	-	554,752
Culture and recreation	1,582,437	-	-	-	-	-	-	-	1,582,437
Community and economic development	26,365	-	-	-	-	-	-	-	26,365
General government	334,966	-	5,302	-	-	-	-	880	341,148
Debt service:									
Principal	-	-	-	-	-	-	538,000	-	538,000
Interest and fiscal charges	-	-	-	-	-	-	106,479	-	106,479
Capital projects	-	-	-	-	1,338,174	2,500,512	-	1,771,989	5,610,675
Total disbursements	3,226,519	-	266,738	-	1,338,174	2,500,512	644,479	1,772,869	9,749,291
Excess (Deficiency) of Receipts over (Under) Disbursements	691,397	1,004,696	565,375	799,385	(1,125,733)	(2,500,512)	(289,733)	(1,098,296)	(1,953,421)
Other Financing Sources (Uses):									
Sale of capital assets	-	-	-	-	-	2,365	-	46,000	48,365
Transfers in	465,883	-	-	-	1,244,648	-	293,381	1,197,877	3,201,789
Transfers out	(525,484)	(1,019,365)	(427,087)	(818,024)	-	-	-	-	(2,789,960)
Total other financing sources (uses)	(59,601)	(1,019,365)	(427,087)	(818,024)	1,244,648	2,365	293,381	1,243,877	460,194
Net Change in Cash Balances	631,796	(14,669)	138,288	(18,639)	118,915	(2,498,147)	3,648	145,581	(1,493,227)
Cash Balances Beginning of Year	4,638,729	1,001,686	372,203	155,246	(13,728)	(189,509)	19,986	636,154	6,620,767
Cash Balances End of Year	\$ 5,270,525	\$ 987,017	\$ 510,491	\$ 136,607	\$ 105,187	\$ (2,687,656)	\$ 23,634	\$ 781,735	\$ 5,127,540
Cash Basis Fund Balances									
Restricted	\$ -	\$ 987,017	\$ 510,491	\$ 136,607	\$ 105,187	\$ -	\$ 23,634	\$ 335,166	\$ 2,098,102
Assigned	1,692,359	-	-	-	-	-	-	510,342	2,202,701
Unassigned	3,578,166	-	-	-	-	(2,687,656)	-	(63,773)	826,737
Total cash basis fund balances	\$ 5,270,525	\$ 987,017	\$ 510,491	\$ 136,607	\$ 105,187	\$ (2,687,656)	\$ 23,634	\$ 781,735	\$ 5,127,540

Total Governmental Funds Cash Balances	\$ 5,127,540
<p>Amounts Reported for Governmental Activities in the Statement of Activities and Net Position - Cash Basis are Different Because:</p>	
<p>The Internal Service Fund is used by management to charge the costs of partial self funding of deductibles. The assets of the Internal Service Fund are included in governmental activities in the Statement of Activities and Net Position - Cash Basis</p>	
	<u>37,507</u>
Cash Basis Net Position of Governmental Activities	<u>\$ 5,165,047</u>
Change in Cash Balances	\$ (1,493,227)
<p>Amounts Reported for Governmental Activities in the Statement of Activities and Net Position - Cash Basis are Different Because:</p>	
<p>The Internal Service Fund is used by management to charge the costs of partial self funding of deductibles. The change in cash balances of the Internal Service Fund is reported with governmental activities in the Statement of Activities and Net Position - Cash Basis</p>	
	<u>11,795</u>
Change in Cash Basis Net Position of Governmental Activities	<u>\$ (1,481,432)</u>

City of Asbury, Iowa

Exhibit D – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Proprietary Funds
As of and for the Year Ended June 30, 2023

	Enterprise Funds				Governmental Activities
	Sewer Utility	Water	Nonmajor	Total	Internal Service Funds
Operating Receipts:					
Charges for service	\$ 1,041,716	\$ 1,113,710	\$ 505,460	\$ 2,660,886	\$ 29,762
Use of money and property	90,828	92,651	10,866	194,345	-
Total operating receipts	<u>1,132,544</u>	<u>1,206,361</u>	<u>516,326</u>	<u>2,855,231</u>	<u>29,762</u>
Operating Disbursements:					
Business-type activities:					
Salaries and wages	188,879	145,968	47,398	382,245	-
Employee benefits and costs	64,411	52,820	16,745	133,976	-
Staff development	2,237	2,570	1,945	6,752	-
Repair, maintenance, and utilities	277,045	100,538	-	377,583	-
Contractual services	68,767	134,891	387,780	591,438	17,967
Commodities	4,261	107,554	10,095	121,910	-
Capital outlay	-	240,438	40,712	281,150	-
Total operating disbursements	<u>605,600</u>	<u>784,779</u>	<u>504,675</u>	<u>1,895,054</u>	<u>17,967</u>
Excess of Operating Receipts over Operating Disbursements	526,944	421,582	11,651	960,177	11,795
Non-Operating Disbursements:					
Debt service	-	(128,763)	-	(128,763)	-
Excess of Receipts over Disbursements	526,944	292,819	11,651	831,414	11,795
Transfers Out	(50,959)	(321,887)	(38,983)	(411,829)	-
Net Change in Cash Balances	475,985	(29,068)	(27,332)	419,585	11,795
Cash Balances Beginning of Year	2,796,325	2,923,394	389,886	6,109,605	25,712
Cash Balances End of Year	<u>\$ 3,272,310</u>	<u>\$ 2,894,326</u>	<u>\$ 362,554</u>	<u>\$ 6,529,190</u>	<u>\$ 37,507</u>
Cash Basis Fund Balances					
Unrestricted	<u>\$ 3,272,310</u>	<u>\$ 2,894,326</u>	<u>\$ 362,554</u>	<u>\$ 6,529,190</u>	<u>\$ 37,507</u>

Note 1 - Significant Accounting Policies

The City of Asbury, Iowa, is a political subdivision of the State of Iowa located in Dubuque County. It was first incorporated in 1933 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development, and general government services. The City also provides water, sewer, solid waste, and storm sewer utilities for its citizens.

Reporting Entity

For financial reporting purposes, the City of Asbury, Iowa, has included all funds, organizations, agencies, boards, commissions, and authorities. The City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Dubuque County Joint E911 Service Board and DMATS Policy Committee.

Basis of Presentation

Government-wide Financial Statement

The Cash Basis Statement of Activities and Net Position reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Cash Basis Statement of Activities and Net Position presents the City's nonfiduciary Net Position. Net Position is reported in two categories:

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

Unrestricted net position consists of assets not meeting the definition of the preceding category. Unrestricted net position often has constraints on resources imposed by management, which can be removed or modified.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges, and the capital improvement costs not paid from other funds.

Special Revenue

The Local Option Sales Tax Fund is used to account for the payment of police and fire protection, street lighting, snow and ice control, insurance, and street maintenance.

The Road Use Tax Fund is used to account for the road use tax allocation from the State of Iowa to be used for road construction and maintenance.

The Tax Increment Financing Fund is used to account for projects financed by tax increment financing.

Capital Project

The Road Improvement fund is used to account for receipts and disbursements which finance local road improvements.

The Golf Course Improvement fund is used to account for receipts and disbursements which finance capital improvements at the Meadows Golf Course.

Debt Service

The Debt Service Fund is utilized to account for property tax and other receipts to be used for the payment of interest and principal on the City's general long-term debt.

The City reports the following major proprietary funds:

The Enterprise, Sewer Utility Fund accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

The Enterprise, Water Fund accounts for the operation and maintenance of the City's water system.

The City also reports the following proprietary fund:

An Internal Service Fund is utilized to account for the costs of partial self-funding provided to departments on a cost-reimbursement basis.

Measurement Focus and Basis of Accounting

The City maintains its financial records on the cash basis of accounting, and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with accounting principles generally accepted in the United States of America.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

When both restricted or unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

Property Tax Receipts

Property taxes are levied as of July 1 on property values assessed as of January 1 of the previous year. The tax levy is divided into two billings. The first billing is mailed on July 1 and the second billing is mailed on January 1. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending three months after the tax bill mailing. On these dates (September 30 and March 31), the bill becomes delinquent, and penalties and interest may be assessed by the government.

Fund Equity

The City classifies fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

Non-spendable - The non-spendable classification contains amounts legally or contractually required to be maintained intact.

Restricted - Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or laws or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the City Council, and it takes an ordinance to establish a fund balance commitment.

Assigned - Amounts intended to be used for specific purposes are assigned as needed by the City Administrator. Assignments should not cause deficits in the unassigned fund balance.

Unassigned - Unassigned fund balance is the residual classification for the general fund.

When committed, assigned, and unassigned resources are available for use, it is the government's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

Implementation of GASB Statement No. 96

As of July 1, 2021, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The implementation of this standard did not affect beginning net position as the City reports on the cash basis of accounting. Additional disclosures required by this standard are included in Notes 3.

Note 2 - Cash and Investments

The City's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The City had no investments during the year ended June 30, 2023.

Interest Rate Risk

The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

Note 3 - Bonds and Notes Payable

Changes in long-term debt obligations for the year ended June 30, 2023, are as follows:

	Balance Beginning of Year (as restated)	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 3,690,000	\$ -	\$ 465,000	\$ 3,225,000	\$ 475,000
Direct borrowings					
State Revolving Fund					
General obligation bonds	269,901	-	73,000	196,901	75,000
IT Subscriptions	73,935	-	16,143	57,792	21,014
Total	\$ 4,033,836	\$ -	\$ 554,143	\$ 3,479,693	\$ 571,014
Business-type activities:					
Direct borrowings					
State Revolving Fund					
Revenue bonds	\$ 824,000		\$ 112,000	\$ 712,000	\$ 113,000

Annual debt service requirements to maturity for general obligation bonds, direct borrowings, and IT subscriptions are as follows:

Years Ending June 30,	Governmental activities		Governmental activities	
	General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 475,000	\$ 87,081	\$ 75,000	\$ 3,446
2025	485,000	73,881	76,000	2,134
2026	470,000	60,250	45,901	804
2027	450,000	47,069	-	-
2028	355,000	33,963	-	-
2029-2032	990,000	54,656	-	-
	\$ 3,225,000	\$ 356,900	\$ 196,901	\$ 6,384
Years Ending June 30,	Governmental activities		Business-type activities	
	IT Subscriptions		Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 21,014	\$ 2,022	\$ 113,000	\$ 12,460
2025	21,749	1,287	115,000	10,483
2026	7,386	526	118,000	8,470
2027	7,643	267	120,000	6,405
2028	-	-	122,000	4,305
2029-2032	-	-	124,000	2,170
	\$ 57,792	\$ 4,102	\$ 712,000	\$ 44,293

Revenue Bonds

The City has pledged future water customer receipts, net of specified operating disbursements, to repay \$1,200,000 of a water revenue note issued in September 2017. Proceeds from the note issued in September 2017 provided financing for the Water Tower project. The total principal and interest remaining to be paid on the notes is \$756,293. For the current year, principal and interest paid and total customer net receipts were \$128,763 and \$569,369, respectively. The 2017 note is payable solely from water funds and is payable through 2029.

IT Subscriptions

On July 1, 2021, the City entered into subscription-based information technology agreements (SBITA) for Body Cameras and GIS Software. An initial subscription liability was recorded in the amount of \$73,935. The agreements require annual payments of approximately \$20,000. The agreements have an implicit interest rate of 3.50% and final payment due June 30, 2027. During the year ended June 30, 2023, the City paid principal of \$16,143 and interest of \$2,588.

Note 4 - Pension and Retirement Benefits

Plan Description - IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 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:

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

Protection occupation members may retire at normal retirement age, which is generally at age 55 and may retire any time after reaching age 50 with 22 or more years of covered employment. The formula used to calculate a protection occupation member's monthly IPERS benefit includes:

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

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

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

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

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

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protection occupation members contributed 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City's contributions to IPERS for the year ended June 30, 2023 were \$140,950.

Net Pension Liabilities

At June 30, 2023, the City reported a liability for its proportionate share of the collective net pension liability (asset) totaled \$303,480. The collective net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the collective net pension liability (asset) was determined by an actuarial valuation as of that date. The City's proportion of the collective net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the City's proportion was 0.0080325%, which was a decrease of 0.065550% from its proportion measured as of June 30, 2021.

Actuarial Assumptions - The total pension liability (asset) in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2007 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 Employee and Healthy Annuitant Tables with MP-2021 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Plus Fixed Income	20.00%	1.66%
Domestic Equity	22.00%	3.57%
International Equity	17.50%	4.79%
Private Equity/Debt	13.00%	7.57%
Private Real Assets	8.50%	3.55%
Global smart beta equity	6.00%	4.16%
Public Credit	4.00%	3.77%
Private Credit	8.00%	3.63%
Cash	1.00%	0.77%
	<u>100%</u>	

Discount Rate

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

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability (asset)	\$ 858,909	\$ 303,480	\$ (185,141)

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

Note 5 - Other Postemployment Benefits (OPEB)

Plan Description – The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses with a deductible of \$5,000/single and \$10,000/family. Group insurance benefits are established under Iowa Code Chapter 509A.13. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and the plan members range from \$512 for single coverage to \$1,410 for family coverage. The City participates in a partial self-funding plan through Cottingham & Butler with Sisco as third-party administrator. The deductible for the employee is reduced to \$3,000/individual and \$6,000/family. For the year ended June 30, 2023, the City contributed \$239,346 and the plan members eligible for benefits contributed \$42,595 to the plan. At June 30, 2023, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service.

Note 6 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Local Option Sales Tax	\$ 465,883
Road Improvement	General Fund	323,421
	Special Revenue:	
	Road Use Tax	261,639
	Local Option Sales Tax	338,501
	Water Utility	321,087
		<u>1,244,648</u>
Debt Service	Special Revenue:	
	Local Option Sales Tax	214,981
	Tax Increment Financing	78,400
		<u>293,381</u>

Transfer to	Transfer from	Amount
Nonmajor Governmental Funds	General Fund	\$ 202,063
	Special Revenue:	
	Road Use Tax	165,448
	Tax Increment Financing	739,624
	Sewer Utility	50,959
	Water Utility	800
	Nonmajor Enterprise	38,983
		1,197,877
		\$ 3,201,789

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

Note 7 - Risk Management

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

Note 8 - Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 9 - Commitments

The City had active construction projects at June 30, 2023. At year end the City's commitments with contractors are as follows:

Project	Total Contract	Payments-to-Date	Remaining Commitment
Hales Mill Road Phase II	2,564,424	729,704	\$ 1,834,720
Meadows Clubhouse Renovation	2,177,444	2,047,969	129,475

Note 10 - Fund Balance Reporting

The detail of the City's cash basis governmental fund balances at June 30, 2023, is as follows:

	Special Revenue				Capital Project		Debt Service	Nonmajor	Total
	General	Local Option Sales Tax	Road Use Tax	Tax Increment Financing (TIF)	Road Improvement	Golf Course Improvement			
Restricted For									
Road improvements	\$ -	\$ -	\$ 510,491	\$ -	\$ 105,187	\$ -	\$ -	404	\$ 616,082
Police	-	177,663	-	-	-	-	-	-	177,663
Street lighting	-	108,572	-	-	-	-	-	-	108,572
Fire services	-	59,221	-	-	-	-	-	-	59,221
Snow	-	98,702	-	-	-	-	-	-	98,702
Insurance	-	148,053	-	-	-	-	-	-	148,053
Street maintenance	-	394,806	-	-	-	-	-	-	394,806
TIF	-	-	-	136,607	-	-	-	-	136,607
Debt service	-	-	-	-	-	-	23,634	-	23,634
Special projects	-	-	-	-	-	-	-	6,730	6,730
Municipal building	-	-	-	-	-	-	-	51,576	51,576
Vehicles and Equipment	-	-	-	-	-	-	-	44,632	44,632
Low to moderate	-	-	-	-	-	-	-	231,824	231,824
Total restricted	-	987,017	510,491	136,607	105,187	-	23,634	335,166	2,098,102
Assigned To									
Economic development	1,692,359	-	-	-	-	-	-	-	1,692,359
Seippel Road	-	-	-	-	-	-	-	510,342	510,342
Total assigned	1,692,359	-	-	-	-	-	-	510,342	2,202,701
Unassigned	3,578,166	-	-	-	-	(2,687,656)	-	(63,773)	826,737
Total Fund Balances	\$ 5,270,525	\$ 987,017	\$ 510,491	\$ 136,607	\$ 105,187	\$ (2,687,656)	\$ 23,634	\$ 781,735	\$ 5,127,540

Note 11 - Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bond principal and interest does not constitute liabilities of the City.

As of June 30, 2023, there was one Industrial Revenue Bond outstanding, with a principal amount of \$4,850,006.

Note 12 - Prospective Accounting Changes

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, issued June 2022 will be effective for the City beginning with its fiscal year ending after June 30, 2024. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued June 2022 will be effective for the City beginning with its fiscal year ending after June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

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

Note 13 - Deficit Balance

At June 30, 2023, the Hales Mill Road Reconstruction Fund had a deficit balance of \$63,483, the Hales Mill Intersection Realignment Fund had a deficit balance of \$290, and the Golf Course Improvement Fund had a deficit balance of \$2,687,656. The deficit balances are the result of a capital projects where permanent financing was not in place. The deficits will be eliminated upon receipt of funding in future periods.



Other Information
June 30, 2023

City of Asbury, Iowa

City of Asbury, Iowa

Schedule 1 – Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Cash Balances –
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Other Information

Year Ended June 30, 2023

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
				Original	Final	
Receipts:						
Property tax	\$ 2,745,467	\$ -	\$ 2,745,467	\$ 2,741,937	\$ 2,741,937	\$ 3,530
Tax increment financing	785,545	-	785,545	818,024	818,024	(32,479)
Other City tax	972,224	-	972,224	1,107,955	1,107,955	(135,731)
Licenses and permits	163,635	-	163,635	78,935	78,935	84,700
Use of money and property	238,474	194,345	432,819	28,130	128,130	304,689
Intergovernmental	1,465,989	-	1,465,989	1,186,654	1,316,654	149,335
Charges for service	1,196,143	2,660,886	3,857,029	3,830,292	3,840,292	16,737
Special assessments	210,797	-	210,797	166,000	166,000	44,797
Miscellaneous	17,596	-	17,596	20,000	20,000	(2,404)
Total receipts	7,795,870	2,855,231	10,651,101	9,977,927	10,217,927	433,174
Disbursements:						
Public safety	989,435	-	989,435	1,052,597	1,046,597	57,162
Public works	554,752	-	554,752	688,855	665,855	111,103
Culture and recreation	1,582,437	-	1,582,437	1,467,716	1,598,416	15,979
Community and economic development	26,365	-	26,365	70,490	71,490	45,125
General government	341,148	-	341,148	378,850	378,850	37,702
Debt service	644,479	-	644,479	644,382	644,382	(97)
Capital projects	5,610,675	-	5,610,675	7,694,624	8,094,624	2,483,949
Business-type activities	-	2,023,817	2,023,817	2,253,461	2,328,461	304,644
Total disbursements	9,749,291	2,023,817	11,773,108	14,250,975	14,828,675	3,055,567
Excess (Deficiency) of Receipts over (Under) Disbursements	(1,953,421)	831,414	(1,122,007)	(4,273,048)	(4,610,748)	3,488,741
Other Financing Sources, Net	460,194	(411,829)	48,365	2,600,000	2,600,000	(2,551,635)
Excess (Deficiency) of Receipts and Other Financing Sources over (under) Disbursements and Other Financing Uses	(1,493,227)	419,585	(1,073,642)	(1,673,048)	(2,010,748)	937,106
Balances Beginning of Year	6,620,767	6,109,605	12,730,372	10,446,657	10,446,657	2,283,715
Balances End of Year	\$ 5,127,540	\$ 6,529,190	\$ 11,656,730	\$ 8,773,609	\$ 8,435,909	\$ 3,220,821

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon eight major classes of disbursements known as functions, not by fund. These eight functions are: public safety, public works, culture and recreation, community and economic development, general government, debt service, capital projects and business-type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund, and the Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, the budget amendment increased budgeted disbursements by \$577,700. The budget amendment is reflected in the final budgeted amounts.

City of Asbury, Iowa
Schedule 2 - City's Proportionate Share of IPERS Net Pension Liability
Schedule 3 - IPERS Contributions
For Year Ended June 30, 2023

Fiscal Year Ended	City's proportion of the net pension liability	City's proportionate share of the net pension liability (asset)	City's covered-payroll	City's proportionate share of the net pension liability as a percentage of its covered-payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.008033%	\$ 303,480	\$ 1,333,927	22.75%	91.40%
2022	0.073583%	(254,028)	1,149,712	-22.09%	100.81%
2021	0.010593%	744,139	1,091,564	68.17%	82.90%
2020	0.010077%	583,518	1,088,874	53.59%	85.45%
2019	0.010006%	633,226	1,001,297	63.24%	83.62%
2018	0.010451%	696,156	998,590	69.71%	82.21%
2017	0.010097%	635,467	934,803	67.98%	81.82%
2016	0.009411%	466,449	880,705	52.96%	85.19%
2015	0.009045%	358,706	877,100	40.90%	87.61%

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

GASB 68 requires reporting of the 10 most recent years of data to be presented. The City will present information for periods as they become available.

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered-Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 140,950	\$ 140,950	\$ -	\$ 1,499,272	9.40%
2022	125,385	125,385	-	1,333,927	9.40%
2021	109,950	109,950	-	1,149,712	9.56%
2020	107,018	107,018	-	1,091,564	9.80%
2019	104,423	104,423	-	1,088,874	9.59%
2018	91,716	91,716	-	1,001,297	9.16%
2017	91,400	91,400	-	998,590	9.15%
2016	85,533	85,533	-	934,803	9.15%
2015	78,647	78,647	-	880,705	8.93%
2014	78,325	78,325	-	877,100	8.93%

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of Assumptions:

The 2022 valuation implemented the following refinements as a result of a demographic assumption study dated June 16, 2022:

- Changed mortality assumptions to the PubG-2010 Mortality Tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates.
- Lowered disability rates for regular members only.
- Adjusted termination rates.

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

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

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

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

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

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



Supplementary Information
June 30, 2023

City of Asbury, Iowa

City of Asbury, Iowa
Schedule 4 – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2023

	Capital Projects					
	Hales Mill Road Reconstruction	Hales Mill Intersection Realignment	Trail Project Fund	Road Overlay	Vehicle and Equipment Fund	Fiber Project
Receipts:						
Use of money and property	\$ 1,073	\$ -	\$ -	\$ 190	\$ 822	\$ 18,966
Intergovernmental	68,148	-	39,324	105,141	-	429,654
Miscellaneous	-	-	-	-	-	-
Total receipts	<u>69,221</u>	<u>-</u>	<u>39,324</u>	<u>105,331</u>	<u>822</u>	<u>448,620</u>
Disbursements:						
Current:						
General government	-	-	-	-	-	-
Capital projects	832,483	1,000	90,137	282,926	150,380	365,589
Total disbursements	<u>832,483</u>	<u>1,000</u>	<u>90,137</u>	<u>282,926</u>	<u>150,380</u>	<u>365,589</u>
Excess (Deficiency) of Receipts over (Under) Disbursements	<u>(763,262)</u>	<u>(1,000)</u>	<u>(50,813)</u>	<u>(177,595)</u>	<u>(149,558)</u>	<u>83,031</u>
Other Financing Sources (Uses):						
Sale of capital assets	-	-	-	-	46,000	-
Transfers in	739,624	-	110,529	158,361	150,380	-
Total other financing sources (uses)	<u>739,624</u>	<u>-</u>	<u>110,529</u>	<u>158,361</u>	<u>196,380</u>	<u>-</u>
Net Change in Cash Balances	(23,638)	(1,000)	59,716	(19,234)	46,822	83,031
Cash Balances Beginning of Year	<u>(39,845)</u>	<u>710</u>	<u>(59,716)</u>	<u>19,234</u>	<u>(2,190)</u>	<u>427,311</u>
Cash Balances End of Year	<u>\$ (63,483)</u>	<u>\$ (290)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,632</u>	<u>\$ 510,342</u>
Cash Basis Fund Balances						
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 44,632	\$ -
Assigned	-	-	-	-	-	510,342
Unassigned	<u>(63,483)</u>	<u>(290)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash basis fund balances	<u>\$ (63,483)</u>	<u>\$ (290)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,632</u>	<u>\$ 510,342</u>

City of Asbury, Iowa
Schedule 4 – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Nonmajor Governmental Funds
As of and for the Year Ended June 30, 2023

	Capital Projects			Special Revenue		Total
	Municipal Building Project	Street Improvement Fund	Stormwater Projects Fund	Special Projects	Low Moderate Income	
Receipts:						
Use of money and property	\$ 1,681	\$ 404	\$ -	\$ -	\$ 6,770	\$ 29,906
Intergovernmental	-	-	-	-	-	642,267
Miscellaneous	-	-	-	2,400	-	2,400
Total receipts	<u>1,681</u>	<u>404</u>	<u>-</u>	<u>2,400</u>	<u>6,770</u>	<u>674,573</u>
Disbursements:						
Current:						
General government	-	-	-	-	880	880
Capital projects	10,491	-	38,983	-	-	1,771,989
Total disbursements	<u>10,491</u>	<u>-</u>	<u>38,983</u>	<u>-</u>	<u>880</u>	<u>1,772,869</u>
Excess (Deficiency) of Receipts over (Under) Disbursements	<u>(8,810)</u>	<u>404</u>	<u>(38,983)</u>	<u>2,400</u>	<u>5,890</u>	<u>(1,098,296)</u>
Other Financing Sources (Uses):						
Sale of capital assets	-	-	-	-	-	46,000
Transfers in	-	-	38,983	-	-	1,197,877
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>38,983</u>	<u>-</u>	<u>-</u>	<u>1,243,877</u>
Net Change in Cash Balances	(8,810)	404	-	2,400	5,890	145,581
Cash Balances Beginning of Year	<u>60,386</u>	<u>-</u>	<u>-</u>	<u>4,330</u>	<u>225,934</u>	<u>636,154</u>
Cash Balances End of Year	<u>\$ 51,576</u>	<u>\$ 404</u>	<u>\$ -</u>	<u>\$ 6,730</u>	<u>\$ 231,824</u>	<u>\$ 781,735</u>
Cash Basis Fund Balances						
Restricted	\$ 51,576	\$ 404	\$ -	\$ 6,730	\$ 231,824	\$ 335,166
Assigned	-	-	-	-	-	510,342
Unassigned	-	-	-	-	-	(63,773)
Total cash basis fund balances	<u>\$ 51,576</u>	<u>\$ 404</u>	<u>\$ -</u>	<u>\$ 6,730</u>	<u>\$ 231,824</u>	<u>\$ 781,735</u>

City of Asbury, Iowa

Schedule 5 – Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Nonmajor Enterprise Funds
As of and for the Year Ended June 30, 2023

	<u>Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Storm Water</u>	<u>Total</u>
Operating Receipts:			
Charges for service	\$ 307,524	\$ 197,936	\$ 505,460
Use of money and property	6,654	4,212	10,866
Total operating receipts	<u>314,178</u>	<u>202,148</u>	<u>516,326</u>
Operating Disbursements:			
Salaries and wages	24,079	23,319	47,398
Employee benefits and costs	8,496	8,249	16,745
Staff development	-	1,945	1,945
Contractual services	344,102	43,678	387,780
Commodities	7,879	2,216	10,095
Capital outlay	-	40,712	40,712
Total operating disbursements	<u>384,556</u>	<u>120,119</u>	<u>504,675</u>
Excess (Deficiency) of Operating Receipts Over (Under) Disbursements	(70,378)	82,029	11,651
Transfers out	-	(38,983)	(38,983)
Net Change in Cash Balances	(70,378)	43,046	(27,332)
Cash Balances Beginning of Year	<u>268,228</u>	<u>121,658</u>	<u>389,886</u>
Cash Balances End of Year	<u>\$ 197,850</u>	<u>\$ 164,704</u>	<u>\$ 362,554</u>
Cash Basis Fund Balances Unrestricted	<u>\$ 197,850</u>	<u>\$ 164,704</u>	<u>\$ 362,554</u>

City of Asbury, Iowa
Schedule 6 – Schedule of Indebtedness
June 30, 2023

Obligation	Date of Issue	Interest Rates	Amount Originally Issued	Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
General Obligation Bonds:									
2017 GO Bond Sun Valley	5/10/2017	2.00-3.00	\$ 1,540,000	\$ 1,060,000	\$ -	\$ 105,000	\$ 955,000	\$ 26,681	\$ -
2017 SRF TIF	9/8/2017	1.75	1,807,000	269,901	-	73,000	196,901	4,723	-
2021 Refunding	10/21/2021	3.00-2.00	2,995,000	2,630,000	-	360,000	2,270,000	73,300	-
Total General Obligation Bonds				3,959,901	-	538,000	3,421,901	104,704	-
Revenue Bonds:									
2017 SRF Water Revenue	9/8/2017	1.75	1,200,000	824,000	-	112,000	712,000	14,420	-
Subscription Based Contracts									
Body Cameras	7/1/2021	3.5	30,077	30,077	-	1,017	29,060	1,053	-
GIS Software	7/1/2021	3.5	43,858	43,858	-	15,126	28,732	1,535	-
Total Subscription Based Contracts				73,935	-	16,143	57,792	2,588	-
Total				\$ 4,857,836	\$ -	\$ 666,143	\$ 4,191,693	\$ 121,712	\$ -

City of Asbury, Iowa
Schedule 7 – Schedule of Receipts by Source and Disbursements by Function
All Governmental Funds
For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Receipts:										
Property tax	\$ 2,745,467	\$ 2,588,512	\$ 2,490,261	\$ 2,349,219	\$ 2,338,332	\$ 2,022,671	\$ 1,791,821	\$ 1,566,435	\$ 1,411,451	\$ 1,412,300
Tax increment financing	785,545	1,104,220	1,181,308	1,589,704	1,269,450	1,995,705	2,062,571	2,090,034	2,125,686	1,650,028
Other City tax	972,224	996,118	854,584	729,324	680,780	653,658	641,812	571,108	518,694	515,484
Licenses and permits	163,635	187,951	175,341	175,135	205,052	179,874	248,243	203,772	199,251	200,440
Use of money and property	238,474	13,839	7,142	64,832	116,136	61,150	22,919	22,529	31,209	28,444
Intergovernmental	1,465,989	1,618,592	1,004,167	727,703	1,087,232	805,770	604,260	905,775	463,502	435,063
Charges for service	1,196,143	1,180,118	1,082,406	880,472	990,128	986,555	1,031,706	1,083,592	1,055,327	1,018,363
Special assessments	210,797	253,015	176,515	84,509	80,482	171,752	154,719	118,285	36,309	41,897
Miscellaneous	17,596	9,164	33,080	43,479	65,036	127,394	103,558	147,396	266,760	144,783
Total receipts	<u>\$ 7,795,870</u>	<u>\$ 7,951,529</u>	<u>\$ 7,004,804</u>	<u>\$ 6,644,377</u>	<u>\$ 6,832,628</u>	<u>\$ 7,004,529</u>	<u>\$ 6,661,609</u>	<u>\$ 6,708,926</u>	<u>\$ 6,108,189</u>	<u>\$ 5,446,802</u>
Disbursements:										
Operating:										
Public safety	\$ 989,435	\$ 983,944	\$ 803,743	\$ 725,532	\$ 658,765	\$ 644,148	\$ 664,821	\$ 576,565	\$ 514,611	\$ 547,478
Public works	554,752	719,645	511,236	495,274	544,499	406,557	418,945	330,833	450,492	462,248
Culture and recreation	1,582,437	1,482,613	1,269,335	1,182,256	1,258,379	1,229,766	1,179,208	1,213,318	1,324,309	1,250,345
Community and economic development	26,365	4,438	287,131	11,758	6,260	22,589	3,504	51,654	91,874	20,789
General government	341,148	319,460	289,379	279,441	278,596	290,644	261,022	245,601	219,623	220,188
Debt service	644,479	4,946,567	998,957	1,110,749	1,309,186	2,728,229	2,549,091	2,737,744	2,699,743	952,911
Capital projects	5,610,675	3,935,517	2,639,899	2,565,231	1,917,695	1,693,347	3,023,606	4,150,279	5,968,183	1,211,029
Total disbursements	<u>\$ 9,749,291</u>	<u>\$ 12,392,184</u>	<u>\$ 6,799,680</u>	<u>\$ 6,370,241</u>	<u>\$ 5,973,380</u>	<u>\$ 7,015,280</u>	<u>\$ 8,100,197</u>	<u>\$ 9,305,994</u>	<u>\$ 11,268,835</u>	<u>\$ 4,664,988</u>



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

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

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Asbury, Iowa (City), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated September 7, 2023. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the City’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2023-001 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2023-002 to be a significant deficiency.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2023, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City and are reported in Part III of the accompanying Schedule of Findings and Responses. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Dubuque, Iowa
September 7, 2023

Part I: Findings Related to the Financial Statements:

Material Weakness

2023-001 Preparation of Financial Statements

Criteria: A properly designed system of internal control over financial reporting includes the preparation of an entity's financial statements and accompanying notes to the financial statements by internal personnel of the entity.

Condition: As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Cause: We recognize that with a limited number of office employees, preparation of the financial statements is difficult.

Effect: The effect of this condition is that the year-end financial reporting is prepared by a party outside of the City. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.

Recommendation: We recommend that City officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances to enable staff to draft the financial statements internally.

Views of Responsible Officials: The City agrees with the finding.

Significant Deficiency

2023-002 Segregation of Duties

Criteria: Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition: The City is unable to fully segregate receipt and posting functions, disbursement preparation and posting functions and reconciliation functions from receipt and disbursement functions.

Cause: The City has limited time and staffing constraints.

Effect: Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation: We recommend that City staff review operating procedures in order to obtain the maximum internal controls possible.

Views of Responsible Officials: The City agrees with the finding.

Part II: Findings and Questioned Costs for Federal Awards

Single audit did not apply for fiscal year 2023.

Part III: Other Findings Related to Statutory Reporting:

2023-IA-A Certified Budget – Disbursements during year ended June 30, 2023 did not significantly exceed amounts budgeted.

2023-IA-B Questionable Disbursements – We noted no disbursements that fail to meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

2023-IA-C Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

2023-IA-D Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Craig Miller, City Council Member Owner of A-Z Cleaning Solutions	Cleaning Supplies	\$ 1,403

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transaction with the City Council Member does not appear to represent a conflict of interest since the total transaction was less than \$6,000 during the fiscal year.

2023-IA-E Restricted Donor Activity – No transactions were noted between the City, City officials, City employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2023-IA-F Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

2023-IA-G Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

- 2023-IA-H Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City’s investment policy were noted.
- 2023-IA-I Revenue Bonds and Notes** – No instances of noncompliance with the revenue bond and note resolutions were noted.
- 2023-IA-J Annual Urban Renewal Report** – The annual urban renewal report was approved and certified to the Iowa Department of Management on or before December 1, 2022.
- 2023-IA-K Tax Increment Financing** – The Special Revenue Tax Increment Financing Fund properly disbursed payments for TIF loans and rebates. Also, the City properly completed the Tax Increment Debt Certificate forms to request TIF property taxes.