

Southeast Iowa Regional Riverboat Commission

Financial Statements

October 31, 2021

C o n t e n t s

	Page
Officers and Commissioners	1
Independent Auditor's Report	2 - 3
Financial Statements	
Statements of Cash Receipts and Disbursements	4
Notes to Financial Statements	5 - 6

**Southeast Iowa Regional Riverboat Commission
Officers and Commissioners
October 31, 2021**

<u>Name</u>	<u>Title</u>
David Schwarz	President
Justin Pieper	Vice President
David Walker	Treasurer
Teresa Johnson	Secretary
Kirk Brandenberger	Commissioner
Steve Link	Commissioner
Joseph Steil	Commissioner
Charles Kempker	Commissioner
Jason Hutcheson	Commissioner
Mitch Taylor	Attorney
Matt Rinker	Ex-Officio
Tom Broecker	Ex-Officio



401 South Roosevelt Avenue - Suite 2A, PO Box 547, Burlington, IA 52601 / 319 752 6348 / fax: 319 752 8644 / info@cpaapc.com

Independent Auditor's Report

Commissioners
Southeast Iowa Regional Riverboat Commission
Burlington, IA

We have audited the accompanying statements of cash receipts and disbursements of Southeast Iowa Regional Riverboat Commission (Commission) (a nonprofit organization), for the years ended October 31, 2021 and 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and disbursements basis of accounting as described in Note 2; this includes determining that the cash receipts and disbursement 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of Southeast Iowa Regional Riverboat Commission for the years ended October 31, 2021 and 2020, in accordance with the cash receipts and disbursement basis of accounting, as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursement basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

CPA Associates PC

December 22, 2021

Southeast Iowa Regional Riverboat Commission
Statements of Cash Receipts and Disbursements
Years Ended October 31, 2021 and 2020

	2021	2020
Cash Receipts	\$ <u>1,458,128</u>	\$ <u>1,018,895</u>
Cash Disbursements		
Program Services		
Grow Greater Burlington	464,481	323,904
Des Moines County Board of Supervisors	29,030	20,244
Fort Madison Southeast Iowa Regional Riverboat Corp.	464,481	323,904
Keokuk Convention and Visitors Bureau	464,481	323,904
Lee County Board of Supervisors	<u>29,030</u>	<u>20,244</u>
	<u>1,451,503</u>	<u>1,012,200</u>
Management and General		
Accounting fees	2,900	2,300
Audit fees	2,415	2,415
Insurance	1,200	1,500
Other	<u>110</u>	<u>480</u>
	<u>6,625</u>	<u>6,695</u>
Total disbursements	<u>1,458,128</u>	<u>1,018,895</u>
Change in cash balance	<u>-</u>	<u>-</u>
Cash, beginning of year	<u>1,006</u>	<u>1,006</u>
Cash, end of year	<u>\$ 1,006</u>	<u>\$ 1,006</u>

See notes to financial statements.

Southeast Iowa Regional Riverboat Commission
Notes to Financial Statements

Note 1. Nature of Organization

The Southeast Iowa Regional Riverboat Commission (Commission) is a nonprofit corporation formed to be a "Qualified Sponsoring Organization" as described in Chapter 99F.1(20), Code of Iowa, 1989, as amended. As a Qualified Sponsoring Organization, the Commission may receive income from gambling boats or gambling structures, which operate under the authority of licensing issued under the provisions of Chapter 99F. All income received from the gambling operations after payment of the Commission's expenses is normally distributed as follows:

Grow Greater Burlington	32%
Fort Madison Southeast Iowa Regional Riverboat Commission Corp.	32%
Keokuk Convention and Visitors Bureau	32%
Des Moines County Board of Supervisors	2%
Lee County Board of Supervisors	2%

Note 2. Significant Accounting Policies

Basis of Accounting

The Commission prepares its financial statements on the cash receipts and disbursement basis of accounting. Under this basis, receipts are recognized when collected and disbursements are recognized when paid, rather than when expenses are incurred. Consequently, accrued income and accrued expenses are not included in these financial statements.

Cash Disbursement Allocation

Directly identifiable cash disbursements are charged to program services or management and general activities. Management and general activities cash disbursements include those disbursements that are not directly identifiable with any other function but provide for the overall support of the Commission.

Subsequent Events

The Commission performed an evaluation of subsequent events through December 22, 2021, which is the date the financial statements were available to be issued. There are no subsequent events that require disclosure or recognition in the financial statements as of October 31, 2021.

Note 3. Agreement with Casino Operator

Catfish Bend Casino, LLC (casino operator) pays the Commission a license fee equal to 3.157% of its adjusted gross revenue, as defined by the Iowa Racing and Gaming Commission, in accordance with the License and Operations Agreement (Agreement). The fee is paid monthly by the 10th of the month following the month in which the revenue is generated. The Agreement expires January 1, 2023. Catfish Bend Casino, LLC has the option to extend the Agreement for an additional ten year term subject to approval by the Commission.

Southeast Iowa Regional Riverboat Commission
Notes to Financial Statements

Note 4. Concentration of Risk

The Commission receives all of its cash receipts from Catfish Bend Casino, LLC. Its future cash receipts and program distributions are dependent on the continued operations of Catfish Bend Casino, LLC, which is located in Southeast Iowa.

Note 5. Federal Income Taxes

The Commission is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

Note 6. Availability and Liquidity

The Commission has limited liquidity as it is solely a "Qualified Sponsoring Organization" as described in Chapter 99F.1(20), Code of Iowa, 1989, as amended. Funds are collected and paid out throughout the year. As of October 31, 2021, the liquidity is strictly the cash balance reported on the Statements of Cash Receipts and Disbursements.