



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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NEWS RELEASE

Contact: Ernest Ruben
515/281-5834

FOR RELEASE

February 20, 2023

Auditor of State Rob Sand today released an audit report on County Social Services for the year ended June 30, 2021.

FINANCIAL HIGHLIGHTS:

The County Social Services' revenues totaled \$17,191,284 for the year ended June 30, 2021, a 1.1% decrease from the prior year.

Expenses for the year ended June 30, 2021 totaled \$16,578,072, a 7.3% increase over the prior year.

AUDIT FINDINGS:

Sand reported two findings related to the receipt and expenditure of taxpayer funds. They can be found on pages 52 through 55 of this report. The findings address subrecipient monitoring and noncompliance with Chapter 28E of the Code of Iowa pertaining to publication of minutes. Sand provided the County Social Services with a recommendation to address the finding.

One of the two findings discussed above is repeated from the prior year. The Board Members have a fiduciary responsibility to provide oversight of the County Social Services' operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's web site at [Audit Reports – Auditor of State](#).

###

**COUNTY SOCIAL SERVICES
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

County Social Services



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Rob Sand
Auditor of State

February 13, 2023

Officials of County Social Services

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for County Social Services for the year ended June 30, 2021. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of County Social Services throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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County Social Services

Regional Governance Board

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Craig White	Board Chair	Black Hawk County Board of Supervisors
Karl Helgevold	Vice Chair	Wright County Board of Supervisors
Greg Barnett	Secretary/Treasurer	Butler County Board of Supervisors
Larry Schellhammer	Board Member	Allamakee County Board of Supervisors
Chris Watts	Board Member	Cerro Gordo County Board of Supervisors
Jacob Hackman	Board Member	Chickasaw County Board of Supervisors
Sharon Keehner	Board Member	Clayton County Board of Supervisors
John Pluth	Board Member	Emmet County Board of Supervisors
Jeanine Tellin	Board Member	Fayette County Board of Supervisors
Roy Schwickerath	Board Member	Floyd County Board of Supervisors
Heidi Nederhoff	Board Member	Grundy County Board of Supervisors
Gary Rayhons	Board Member	Hancock County Board of Supervisors
Pat Murray	Board Member	Howard County Board of Supervisors
Sandy Loney	Board Member	Humboldt County Board of Supervisors
Mark Hendrickson	Board Member	Mitchell County Board of Supervisors
Clarence Siepker	Board Member	Pocahontas County Board of Supervisors
Larry Vest	Board Member	Tama County Board of Supervisors
Mark Campbell	Board Member	Webster County Board of Supervisors
Floyd Ashbacher	Board Member	Winneshiek County Board of Supervisors
Eric Donat	Board Member	Adult or Actively Involved Relative
June Klein-Bacon	Board Member	Parent or Actively Involved Relative
Jamie Heard	Board Member	Regional Education System Representative
Britney Montross	Non-voting Ex-Officio Board Member	
Cody Williams	Non-voting Ex-Officio Board Member	
Mary McKinnell	Chief Executive Officer	
Karen Dowell	Chief Operating Officer	
Lisa Trainer	Finance Manager	

County Social Services



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Independent Auditor's Report

To the Regional Governance Board of County Social Services:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund and the aggregate remaining fund information of County Social Services, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise County Social Services' basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Special Revenue, Mental Health Funds of Allamakee, Black Hawk, Cerro Gordo, Chickasaw, Clayton, Emmet, Fayette, Floyd, Hancock, Howard, Humboldt, Mitchell, Tama, Winneshiek and Wright Counties, which represent the following:

<u>Member County</u>	<u>Share of Assets</u>	<u>Share of Fund Balance</u>	<u>Share of Revenues</u>
Allamakee	1.48%	0.67%	2.46%
Black Hawk	15.12	6.22	24.64
Cerro Gordo	5.08	3.17	7.85
Chickasaw	1.27	0.44	2.13
Clayton	1.79	0.32	3.14
Emmet	1.05	0.37	1.72
Fayette	2.18	0.71	3.58
Floyd	2.17	1.53	2.85
Hancock	0.13	0.24	1.91
Howard	1.18	0.68	2.16
Humboldt	1.06	0.38	2.03
Mitchell	1.34	0.10	1.92
Tama	2.24	1.22	3.36
Winneshiek	2.06	0.41	3.54
Wright	1.67	1.28	2.27

Those Special Revenue, Mental Health Funds were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Allamakee, Black Hawk, Cerro Gordo, Chickasaw, Clayton, Emmet, Fayette, Floyd, Hancock, Howard, Humboldt, Mitchell, Tama, Winneshiek and Wright Counties, is based solely on the reports of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to County Social Services' 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 County Social Services' 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and adverse opinions.

Opinions

Basis for Adverse Opinion on the Governmental Activities

As discussed in Note 9 to the financial statements, management has not recorded a total OPEB liability and a deferred outflow of resources or deferred inflows of resources related to other postemployment benefits (OPEB) in the governmental activities and, accordingly, has not recorded an OPEB expense for the current change in that liability, deferred outflows of resources or deferred inflows of resources. U.S. generally accepted accounting principles require OPEB costs attributable to employee service already rendered be accrued as liabilities, deferred outflows of resources, deferred inflows of resources and expenses, which would increase the liabilities, deferred outflows of resources and/or deferred inflow of resources, reduce the net position and change the expenses of the governmental activities. The amount by which this departure affects deferred outflows of resources, liabilities, deferred inflows of resources, net position and expenses of the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on the Governmental Activities" paragraph above, the Statement of Net Position and the Statement of Activities of the governmental activities do not present fairly the financial position of the governmental activities of County Social Services as of June 30, 2021, or the changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Unmodified Opinions

In our opinion, based on our audit and the reports of the other auditors, the accompanying Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances of each major fund and the aggregate remaining fund information, present fairly, in all material respects, the financial position of County Social Services as of June 30, 2021 and the respective changes in its financial position, and where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 6 to the financial statements, County Social Services adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County Social Services MHDS' basic financial statements. The supplementary information included in Schedule 1, the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for additional analysis and is not a required part of the basic financial statements.

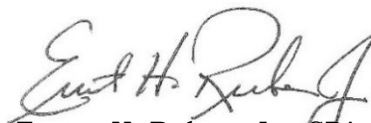
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. Because of the significance of the matters described in the "Basis for Adverse Opinions on the Governmental Activities" paragraphs on the preceding page, it is inappropriate to, and we do not, express an opinion on the supplementary information.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis which U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such omitted information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this omitted information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2023 on our consideration of County Social Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County Social Services' 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 County Social Services' internal control over financial reporting and compliance.


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

February 13, 2023

County Social Services

Basic Financial Statements

County Social Services
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and pooled investments	\$ 14,822,463
Receivables:	
Property tax:	
Delinquent	25,055
Succeeding year	8,117,925
Accounts	8,291
Due from other governments	29,183
Loan receivable	27,019
Capital assets, net of accumulated depreciation	15,920
Total assets	23,045,856
Deferred Outflows of Resources	
Pension related deferred outflows	1,067,544
Liabilities	
Accounts payable	1,503,349
Salaries and benefits payable	186,635
Due to other governments	428,771
Long term liabilities:	
Portion due or payable within one year:	
Compensated absences	85,886
Portion due or payable after one year:	
Compensated absences	17,706
Net pension liability	1,026,284
Total liabilities	3,248,631
Deferred Inflows of Resources	
Unavailable succeeding year property tax	8,117,925
Pension related deferred inflows	24,326
Total deferred inflows of resources	8,142,251
Net Position	
Net investment in capital assets	15,920
Restricted for mental health purposes	12,706,598
Total net position	\$ 12,722,518

See notes to financial statements.

County Social Services
Statement of Activities
Year ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	
Functions/Programs:				
Governmental activities:				
Mental health	\$ 16,578,072	414,811	3,915,903	(12,247,358)
General Revenues:				
Property and other county tax levied for mental health purposes				11,977,361
State tax credits				883,209
Total general revenues				12,860,570
Special item - distribution due to change in region				(317,434)
Total general revenues and special item				12,543,136
Change in net position				295,778
Net position beginning of year				12,426,740
Net position end of year				\$ 12,722,518

See notes to financial statements.

County Social Services

Balance Sheet

June 30, 2021

	Special Revenue,			
	Region	Allamakee County	Black Hawk County	Butler County
Assets				
Cash and pooled investments	\$ 11,771,542	84,661	787,368	89,064
Receivables:				
Property tax:				
Delinquent	-	398	11,560	484
Succeeding year	-	254,273	2,631,720	284,000
Accounts	-	-	-	-
Due from other governments	75,301	-	29,119	-
Loan receivable	27,019	-	-	-
Total assets	\$ 11,873,862	339,332	3,459,767	373,548
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,449,149	-	-	-
Salaries and benefits payable	173,901	-	4,930	-
Due to other funds	-	-	61	-
Due to other governments	540,706	-	-	-
Total liabilities	2,163,756	-	4,991	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	254,273	2,631,720	284,000
Other	-	398	36,421	484
Total deferred inflows of resources	-	254,671	2,668,141	284,484
Fund balances:				
Restricted for mental health purposes	9,710,106	84,661	786,635	89,064
Total liabilities, deferred inflows of resources and fund balances	\$ 11,873,862	339,332	3,459,767	373,548

Mental Health Funds								
Cerro Gordo County	Chickasaw County	Clayton County	Emmet County	Fayette County	Floyd County	Grundy County	Hancock County	Howard County
394,179	55,044	38,506	44,455	82,327	191,221	116,026	29,861	69,190
1,388	585	2,780	-	729	1,185	62	192	19
756,876	235,285	366,205	192,486	409,042	300,990	348,000	-	180,070
-	-	-	-	7,574	-	717	-	-
9,201	532	1,574	2,689	-	2,199	-	-	20,676
-	-	-	-	-	-	-	-	-
1,161,644	291,446	409,065	239,630	499,672	495,595	464,805	30,053	269,955
1,828	-	-	-	-	248	82	-	-
880	-	-	-	382	-	-	-	3,879
41	-	-	-	-	-	-	-	-
-	-	-	-	-	17	-	-	-
2,749	-	-	-	382	265	82	-	3,879
756,876	235,285	366,205	192,486	409,042	300,990	348,000	-	180,070
1,353	581	2,778	-	-	1,185	62	191	18
758,229	235,866	368,983	192,486	409,042	302,175	348,062	191	180,088
400,666	55,580	40,082	47,144	90,248	193,155	116,661	29,862	85,988
1,161,644	291,446	409,065	239,630	499,672	495,595	464,805	30,053	269,955

(continued on next page)

County Social Services

Balance Sheet
(Continued)

June 30, 2021

	Special Revenue,			
	Humboldt County	Mitchell County	Pocahontas County	Tama County
Assets				
Cash and pooled investments	49,693	114,906	60,126	154,900
Receivables:				
Property tax:				
Delinquent	213	24	373	1,415
Succeeding year	193,542	192,471	132,000	356,294
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Loan receivable	-	-	-	-
Total assets	243,448	307,401	192,499	512,609
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	-	-	4	148
Salaries and benefits payable	1,583	-	369	711
Due to other funds	-	-	-	-
Due to other governments	-	-	24	30
Total liabilities	1,583	-	397	889
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	193,542	192,471	132,000	356,294
Other	212	19	373	1,414
Total deferred inflows of resources	193,754	192,490	132,373	357,708
Fund balances:				
Restricted for mental health purposes	48,111	114,911	59,729	154,012
Total liabilities, deferred inflows of resources and fund balances	243,448	307,401	192,499	512,609

See notes to financial statements.

Mental Health Funds				
Webster County	Winneshiek County	Wright County	Reclassifications	Total
331,453	51,833	162,217	-	14,678,572
3,259	118	271	-	25,055
646,000	418,384	220,287	-	8,117,925
-	-	-	-	8,291
-	-	-	(112,108)	29,183
-	-	-	-	27,019
980,712	470,335	382,775	(112,108)	22,886,045
-	-	-	-	1,451,459
-	-	-	-	186,635
-	-	-	(102)	-
-	-	-	(112,006)	428,771
-	-	-	(112,108)	2,066,865
646,000	418,384	220,287	-	8,117,925
3,259	118	262	-	49,128
649,259	418,502	220,549	-	8,167,053
331,453	51,833	162,226	-	12,652,127
980,712	470,335	382,775	(112,108)	22,886,045

County Social Services

County Social Services
 Reconciliation of the Balance Sheet –
 Governmental Funds to the Statement of Net Position

June 30, 2021

Total governmental funds (page 15) \$ 12,652,127

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$19,900 and the accumulated depreciation is \$3,980. 15,920

Other long-term assets are not available to pay current year expenditures and, therefore, are deferred inflows of resources in the governmental funds. 49,128

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 1,067,544	
Deferred inflows of resources	<u>(24,326)</u>	1,043,218

Long-term liabilities, included compensated absences payable and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds. (1,129,876)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the Region's health insurance benefit plan to the funds. The assets and liabilities of the Internal Service fund is included in governmental activities in the statement of Net Position. 92,001

Net position of governmental activities (page 10) \$ 12,722,518

See notes to financial statements.

County Social Services
Statement of Revenues, Expenditures and
Changes in Fund Balances

Year ended June 30, 2021

	Special Revenue,			
	Region	Allamakee County	Black Hawk County	Butler County
Revenues:				
Property and other county tax	\$ -	393,690	3,829,557	411,949
Intergovernmental revenues:				
State tax credits	-	30,416	319,293	31,952
Payments from member counties	12,677,370	-	-	-
Payments from MHDS fiscal agent to MHDS regional members	-	-	65,831	-
Medicaid	294,184	-	-	-
Other	4,262,692	-	215	924
Total intergovernmental revenues	17,234,246	30,416	385,339	32,876
Charges for service	-	-	28,385	-
Use of money and property	4,232	-	-	-
Miscellaneous	23,066	-	-	-
Total revenues	17,261,544	424,106	4,243,281	444,825
Expenditures:				
Services to persons with:				
Mental illness	12,071,462	1,056	679	-
Intellectual disabilities	1,738,531	-	-	-
Other developmental disabilities	364,589	-	-	-
Brain injury	243,792	-	-	-
Total direct services to consumers	14,418,374	1,056	679	-
General administration:				
Direct administration	1,162,884	480	90,271	-
Purchased administration	194,503	-	-	-
Distribution to MHDS regional fiscal agent	-	414,960	3,972,240	436,170
Fiscal agent reimbursement to member counties	804,968	-	-	-
Total general administration	2,162,355	415,440	4,062,511	436,170
County provided case management	448,668	-	-	-
Total mental health, intellectual disabilities and developmental disabilities expenditures	17,029,397	416,496	4,063,190	436,170
Special item - distribution due to change in region	-	-	-	-
Net change in fund balances	232,147	7,610	180,091	8,655
Fund balances beginning of year	9,477,959	77,051	606,544	80,409
Fund balances end of year	\$ 9,710,106	84,661	786,635	89,064

Mental Health Funds								
Cerro Gordo County	Chickasaw County	Clayton County	Emmet County	Fayette County	Floyd County	Grundy County	Hancock County	Howard County
1,225,458	340,612	496,047	259,853	554,303	446,275	349,454	306,514	260,947
94,182	25,948	44,953	-	62,384	39,849	26,179	22,351	23,468
-	-	-	-	-	-	-	-	-
31,374	532	-	-	-	4,134	1,238	-	86,989
-	-	-	-	-	-	-	-	-
74	-	-	36,012	-	-	-	-	-
125,630	26,480	44,953	36,012	62,384	43,983	27,417	22,351	110,457
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,351,088	367,092	541,000	295,865	616,687	490,258	376,871	328,865	371,404
32,045	-	-	-	-	4,231	622	-	87,405
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
32,045	-	-	-	-	4,231	622	-	87,405
52	-	5,858	13,197	32,472	-	622	-	-
-	-	-	-	-	-	-	-	-
1,279,410	358,920	526,680	277,590	589,800	472,830	369,120	321,358	275,610
-	-	-	-	-	-	-	-	-
1,279,462	358,920	532,538	290,787	622,272	472,830	369,742	321,358	275,610
14	-	-	-	-	-	-	-	-
1,311,521	358,920	532,538	290,787	622,272	477,061	370,364	321,358	363,015
-	-	-	-	-	-	-	-	-
39,567	8,172	8,462	5,078	(5,585)	13,197	6,507	7,507	8,389
361,099	47,408	31,620	42,066	95,833	179,958	110,154	22,355	77,599
400,666	55,580	40,082	47,144	90,248	193,155	116,661	29,862	85,988

(continued on next page)

County Social Services

Statement of Revenues, Expenditures and
Changes in Fund Balances
(Continued)

Year ended June 30, 2021

	Special Revenue,			
	Humboldt County	Kossuth County	Mitchell County	Pocahontas County
Revenues:				
Property and other county tax	272,289	-	301,999	194,452
Intergovernmental revenues:				
State tax credits	15,264	-	29,226	9,495
Payments from member counties	-	-	-	-
Payments from MHDS fiscal agent to MHDS regional members	56,810	-	-	828
Medicaid	-	-	-	-
Other	4,553	-	-	5,121
Total intergovernmental revenues	76,627	-	29,226	15,444
Charges for service	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	348,916	-	331,225	209,896
Expenditures:				
Services to persons with:				
Mental illness	-	-	-	834
Intellectual disabilities	78,676	-	-	-
Other developmental disabilities	-	-	-	-
Brain injury	-	-	-	-
Total direct services to consumers	78,676	-	-	834
General administration:				
Direct administration	-	-	52	-
Purchased administration	-	-	-	-
Distribution to MHDS regional fiscal agent	286,410	-	317,071	202,200
Fiscal agent reimbursement to member counties	-	-	-	-
Total general administration	286,410	-	317,123	202,200
County provided case management	-	-	-	-
Total mental health, intellectual disabilities and developmental disabilities expenditures	365,086	-	317,123	203,034
Special item - distribution due to change in region	-	196,950	-	-
Net change in fund balances	(16,170)	(196,950)	14,102	6,862
Fund balances beginning of year	64,281	196,950	100,809	52,867
Fund balances end of year	48,111	-	114,911	59,729

See notes to financial statements.

Mental Health Funds							
Tama County	Webster County	Winnebago County	Winneshiek County	Worth County	Wright County	Reclassification/ Elimination Entries	Total
485,316	1,041,178	-	564,461	-	359,023	-	12,093,377
32,335	81,914	-	44,719	-	28,883	(79,602)	883,209
-	-	-	-	-	-	(12,677,370)	-
59,384	-	-	-	-	2,749	(309,869)	-
-	-	-	-	-	-	-	294,184
-	-	-	-	-	-	(415,496)	3,894,095
91,719	81,914	-	44,719	-	31,632	(13,482,337)	5,071,488
1,088	-	-	-	-	-	-	29,473
-	-	-	-	-	-	-	4,232
-	-	-	-	-	-	-	23,066
578,123	1,123,092	-	609,180	-	390,655	(13,482,337)	17,221,636
43,548	-	-	-	-	3,000	-	12,244,882
-	-	-	-	-	-	-	1,817,207
-	-	-	-	-	-	-	364,589
-	-	-	-	-	-	-	243,792
43,548	-	-	-	-	3,000	-	14,670,470
12,426	-	-	-	-	-	-	1,318,314
-	-	-	-	-	-	-	194,503
507,120	1,088,310	-	600,870	-	380,700	(12,677,369)	-
-	-	-	-	-	-	(804,968)	-
519,546	1,088,310	-	600,870	-	380,700	(13,482,337)	1,512,817
-	-	-	-	-	-	-	448,682
563,094	1,088,310	-	600,870	-	383,700	(13,482,337)	16,631,969
-	-	91,259	-	29,225	-	-	317,434
15,029	34,782	(91,259)	8,310	(29,225)	6,955	-	272,233
138,983	296,671	91,259	43,523	29,225	155,271	-	12,379,894
154,012	331,453	-	51,833	-	162,226	-	12,652,127

County Social Services

Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balances –
Governmental Funds to the Statement of Activities

Year end June 30, 2021

Change in fund balances - Total governmental funds (page 21) \$ 272,233

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 19,900	
Depreciation expense	<u>(3,980)</u>	15,920

Because some revenues will not be collected for several months after the Region's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds. (116,016)

The current year Region share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position. 227,258

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

Compensated absences	41,323	
Pension expense	<u>(319,776)</u>	(278,453)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the Region's health insurance benefit plan to the funds. The change in the cash balance of the Internal Service Fund is reported with governmental activities in the Statement of Net Position. 65,384

Change in net position of governmental activities (page 11) \$ 186,326

See notes to financial statements.

County Social Services
Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Internal Service-Employee Group Health</u>
Assets	
Cash	\$ 143,891
Liabilities	
Accounts payable	<u>51,890</u>
Net Position	
Restricted for employee health	<u>\$ 92,001</u>

See notes to financial statements.

County Social Services

Statement of Revenues, Expenses
And Changes in Fund Net Position
Proprietary Fund

Year ended June 30, 2021

		<u>Internal Service-Employee Group Health</u>
Operating revenues:		
Employer contributions	\$	716,186
Employee contributions		<u>85,664</u>
Total operating revenues		801,850
Operating expenses:		
Medical claims	\$ 66,180	
Insurance premiums	<u>670,286</u>	<u>736,466</u>
Operating income		65,384
Net position beginning of year		<u>26,617</u>
Net position end of year		<u>\$ 92,001</u>

See notes to financial statements.

County Social Services

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2021

	<u>Internal Service-Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 716,186
Cash received from employees	85,664
Cash paid to suppliers for services	<u>(793,580)</u>
Net cash provided by operating activities	8,270
Cash and cash equivalents beginning of year	<u>135,621</u>
Cash and cash equivalents end of year	<u>\$ 143,891</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 65,384
Adjustment to reconcile operating income to net cash provided by operating activities:	
Change in liabilities:	
Accounts payable	<u>(57,114)</u>
Net cash provided by operating activities	<u>\$ 8,270</u>

See notes to financial statements.

County Social Services

Statement of Fiduciary Net Position
Fiduciary Fund

June 30, 2021

	<u>Custodial Fund</u>
Assets:	
Cash	\$ 18,456
Liabilities:	
None	<u>-</u>
Net Position:	
Restricted for individuals	<u>\$ 18,456</u>

See notes to financial statements.

County Social Services

Statement of Changes in Fiduciary Net Position
Fiduciary Fund

June 30, 2021

	<u>Custodial Fund</u>
Additions:	
Employee contributions	\$ 16,684
Deductions:	
Flex benefit payments	<u>4,524</u>
Change in net position	12,160
Net position beginning of year	<u>6,296</u>
Net position end of year	<u>\$ 18,456</u>

See notes to financial statements.

County Social Services

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

County Social Services is a jointly governed organization formed pursuant to the provision of Chapter 28E of the Code of Iowa. County Social Services includes the following member counties: Allamakee, Black Hawk, Butler, Cerro Gordo, Chickasaw, Clayton, Emmet, Fayette, Floyd, Grundy, Hancock, Howard, Humboldt, Mitchell, Pocahontas, Tama, Webster, Winneshiek, and Wright. The member counties entered into this 28E agreement to create a mental health and disability service regional administrative entity as described by Chapter 331.389 of the Code of Iowa to provide local access to mental health and disability services for adults and to engage in any other related activity in which an Iowa 28E organization may lawfully be engaged.

County Social Services' Regional Governance Board is comprised of at least one Board of Supervisors' member, or their designees, from each member county. The Regional Governance Board also includes one individual who utilizes mental health and disability services or is an actively involved relative of such an individual and one individual representing service providers in the County Social Services service area.

Except as noted in the Independent Auditors Report, County Social Services' financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements of County Social Services are intended to present the financial position and the changes in financial position of County Social Services', which includes funds held by County Social Services' and funds held by the individual member counties in their respective Special Revenue, Mental Health Funds. Capital assets used for mental health purposes prior to January 1, 2020 were owned by the respective member counties and, accordingly, are not reported in these financial statements.

A. Reporting Entity

For financial reporting purposes, County Social Services has included all funds, organizations, agencies, commissions and authorities. County Social Services 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 County Social Services are such that exclusion would cause County Social Services' 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 County Social Services 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 County Social Services. County Social Services has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the Region. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the nonfiduciary assets, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following category:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include grants, contributions and interest restricted to meeting the operational requirements of a particular function. Property and other county tax, state tax credits, unrestricted interest income and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

County Social Services reports the following major governmental funds:

Special Revenue:

Mental Health Fund (Region) is used to account for the activity of County Social Services not expended directly from the Special Revenue, Mental Health Funds of the other member counties.

The Special Revenue, Mental Health Funds of the other member counties are used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

Additionally, the Region reports the following funds:

Proprietary Fund – An Internal Service Fund is utilized to account for the financing of goods and services purchased by one department of the Region and provided to other departments on a cost-reimbursement basis.

Fiduciary Fund – The custodial fund is used to account for assets held by the Region for the employee flex benefit account as an agent for individuals.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, County Social Services considers revenues to be available if they are collected by County Social Services or a member county within 90 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by County Social Services or a member county.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Region's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Pooled Investments – The cash balances of most County Social Services funds are pooled and invested. Interest earned on investments is recorded either by County Social Services' or a member county's Special Revenue, Mental Health Fund unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates which are stated at amortized cost.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by each member county Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by each member county Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, each member county Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is recorded as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by each member county Board of Supervisors in March 2020.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Capital Assets – Capital assets are accounted for at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below). Depreciation/amortization of all exhaustible capital assets is charged as an expense against operations. The cost of repair and maintenance is charged to expense while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

Reportable capital assets are defined by the Region as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Equipment and vehicles	\$ 5,000

Capital assets of the Region are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Equipment and vehicles	2 - 20

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to resources and contributions from the Region after the measurement date but before the end of the Region’s reporting period.

Due to Other Governments – Due to other governments represents payments for services which will be remitted to other governments.

Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position which applies to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within 90 days after year end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied and unrecognized items not yet charged to pension expense.

Compensated Absences – Region employees accumulate a limited amount of earned but unused paid time off for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid by the Special Revenue, Mental Health Fund.

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

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the Region.

(2) Cash and Investments

County Social Services' deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

County Social Services 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 County Social Services; 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.

County Social Services had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Loan Receivable

During January 2020, County Social Services approved a loan for up to \$185,000 to North Iowa Juvenile Detention Services Commission (NIJDS) to help maintain cash flows due to the slow reimbursement of expenses from Managed Care Organizations (MCO's) to NIJDS. The actual advance was for \$87,791, made on April 21, 2020. The terms of the advance required NIJDS to reimburse County Social Services as the MCO's paid NIJDS. No interest was to be charged. NIJDS repaid \$10,806 on September 28, 2020. The remaining balance at June 30, 2021 was \$27,019, to be repaid as NIJDS received the payments from the MCO's.

(4) Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets being depreciated/amortized:				
Equipment and vehicles	\$ -	19,900	-	19,900
Total capital assets being depreciated/amortized	-	19,900	-	19,900
Less accumulated depreciation/amortization for:				
Equipment and vehicles	-	3,980	-	3,980
Total accumulated depreciation/amortization	-	3,980	-	3,980
Total capital assets being depreciated/amortized, net	-	15,920	-	15,920
Governmental activities capital assets, net	\$ -	15,920	-	15,920
Governmental activities:				
Mental health				\$ 3,980
Total depreciation/amortization expense - governmental activities				\$ 3,980

(5) Compensated Absences

Region employees accumulate a limited amount of earned but unused paid time off (PTO) and compensatory time for subsequent use or for payment upon termination, retirement or death. The applicable portion of the employee's wages and benefits are reimbursed to the individual member county by County Social Services.

	Compensated Absences
Balance beginning of year	\$ 144,915
Increases	112,070
Decreases	(153,393)
Balance end of year	\$ 103,592
Due within one year	\$ 88,886

(6) Pension Plan

Prior to January 1, 2020, in accordance with statements of understanding between County Social Services' Regional Governance Board and each member county Board of Supervisors, the Coordinators of Disability Services and all support staff of County Social Services remained employees of the respective individual member counties. Beginning January 1, 2020, personnel providing services on behalf of County Social Services became employees of the Region.

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

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 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Region contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Region's contributions to IPERS for the year ended June 30, 2021 totaled \$227,258.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the Region reported a liability of \$1,026,284 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Region’s proportion of the net pension liability was based on the Region’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the Region’s proportion was 0.014610%

For the year ended June 30, 2021, the Region recognized pension expense of \$319,776. At June 30, 2021, the Region reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,134	24,326
Changes of assumptions	52,679	-
Net difference between projected and actual earnings on IPERS' investments	57,694	-
Changes in proportion and differences between Region contributions and the Region's proportionate share of contributions	728,779	-
Region contributions subsequent to the measurement date	227,258	-
Total	<u>\$ 1,067,544</u>	<u>24,326</u>

\$227,258 reported as deferred outflows of resources related to pensions resulting from Region contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 176,514
2023	182,952
2024	181,922
2025	195,378
2026	79,194
Total	<u>\$ 815,960</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric 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>
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100.0%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Region’s proportionate share of the net pension liability	\$ 1,711,242	1,026,284	451,957

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.

Payables to IPERS – All legally required Region contributions and legally required employee contributions which had been withheld from employee wages were remitted by the Region to IPERS by June 30, 2021.

(7) Risk Management

County Social Services is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 785 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member’s annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool’s general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool’s general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year’s member contributions.

County Social Services’ property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. County Social Services’ contributions to the Pool for the year ended June 30, 2021 were \$6,801.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by County Social Services' risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by County Social Services' risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by County Social Services' risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

County Social Services does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2021, no liability has been recorded in County Social Services' financial statements. As of June 30, 2021, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount, if any, to be refunded to the withdrawing member.

(8) Employee Health Insurance Plan

County Social Services has established an employee benefit plan which is fully insured through Wellmark Blue Cross Blue Shield. In addition, County Social Services' provides an additional benefit to members by self-funding a "buy-down" arrangement to reduce the actual deductible/out-of-pocket costs incurred by eligible employees.

Beginning January 1, 2020, the Internal Service, Employee Group Health Fund was established to account for the self-funding arrangement. The plan is funded by both employee and County Social Services' and is administered through a service agreement with Auxiant.

Auxiant is responsible for calculating the "buy-down" benefit amount based on information provided by Wellmark Blue Cross Blue Shield, requesting the funds and making payments to the appropriate recipients.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative service agreement, monthly payments of service fees and claims processed are paid to Auxiant from the Employee Group Health Fund. County Social Services' contribution to the fund for the year ended June 30, 2021 was \$716,186.

(9) Other Post-Employment Benefits (OPEB)

Prior to January 1, 2020, in accordance with statements of understanding between County Social Services' Regional Governance Board and each member county Board of Supervisors, County Social Services' Chief Executive Office, the Coordinators of Disability Services and all support staff of County Social Services remained employees of the respective individual member counties. The applicable portion of the employee's wages and benefits were reimbursed to the individual member county by County Social Services.

Beginning January 1, 2020, Coordinators of Disability Services and all support staff of County Social Services became employees of County Social Services. As of June 30, 2020, the information to determine the total OPEB liability the related deferred outflow of resources and deferred inflow of resources was not available.

(10) Special Item

On July 2, 2020, Kossuth, Winnebago and Worth Counties exited the County Social Services Mental Health Region to join the Care Connections of Northwest Iowa Mental Health Region. The distribution of the Counties' fund balances to the Care Connections of Northwest Iowa Mental Health Region meets the Governmental Accounting Standards Board criteria of a special item as it is both within the control of management and infrequent in occurrence. Accordingly, the \$317,434 distribution is reported on both Exhibits B and E as a "Special Item".

(11) Subsequent Event

The Governor signed Senate File 619 on June 16, 2021, which will significantly change funding for County Social Services beginning July 1, 2021. During fiscal year 2022, the Region will continue to receive property tax (a maximum of \$21.14 per capita) and some state funding. Beginning fiscal year 2023, the Region will no longer receive property tax levy funds from the member counties. All funding will, instead, come entirely from state appropriations.

Beginning July 1, 2021, Cerro Gordo County, Emmet County, Hancock County, Humboldt County, Pocahontas County, Webster County and Wright County moved to other mental health regions and are no longer members of the County Social Services Region.

Required Supplementary Information

County Social Services

Schedule of Region's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Year Ended June 30, 2021
(In Thousands)

Required Supplementary Information

	<u>2021</u>
County's proportion of the net pension liability	0.014610%
County's proportionate share of the net pension liability	\$ 1,026
County's covered payroll	\$ 1,159
County's proportionate share of the net pension liability as a percentage of its covered payroll	88.52%
IPERS' net position as a percentage of the total pension liability	82.90%

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

Note: GASB Statement No. 68, requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Region will present information for those years for which information is available.

See accompanying independent auditor's report.

County Social Services

Schedule of Region's Contributions

Iowa Public Employees' Retirement System
For the Last One Year
(In Thousands)

Required Supplementary Information

	<u>2021</u>
Statutorily required contribution	\$ 227
Contributions in relation to the statutorily required contribution	<u>(227)</u>
Contribution deficiency (excess)	<u>\$ -</u>
County's covered payroll	\$ 2,422
Contributions as a percentage of covered payroll	9.37%

Note: GASB Statement No. 68, requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Region will present information for those years for which information is available.

See accompanying independent auditor's report.

County Social Services

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Supplementary Information

County Social Services

County Social Services
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2021

Grantor/Program	Assistance Listing Number	Agency or Pass-through Number	Expenditures
Indirect:			
US Department of the Treasury:			
Passed through Iowa Department of Human Services:			
COVID-19, Coronavirus Relief Fund	21.019	FY21	<u>\$ 3,971,552</u>

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of County Social Services under programs of the federal Revigovernment for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of County Social Services, it is not intended to and does not present the financial position, changes in financial position or cash flows of County Social Services.

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

Indirect Cost Rate – County Social Services has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor’s report.



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

To the Regional Governance Board of County Social Services:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of County Social Services as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise County Social Services' basic financial statements, and have issued our report thereon dated February 13, 2023. Our report expressed unmodified opinions on the financial statements of each major fund and the aggregate remaining funds. Our report expressed an adverse opinion on the financial statements of the governmental activities due to the omission of other postemployment benefits. Our report includes a reference to other auditors who audited the Special Revenue, Mental Health Funds of Allamakee, Black Hawk, Cerro Gordo, Chickasaw, Clayton, Emmet, Fayette, Floyd, Hancock, Howard, Humboldt, Mitchell, Tama, Winneshiek and Wright Counties, as described in our report on County Social Services' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County Social Services' internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County Social Services' internal control. Accordingly, we do not express an opinion on the effectiveness of County Social Services' internal control.

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about County Social Services' operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of County Social Services. 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.

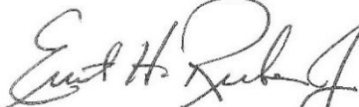
County Social Services' Response to the Finding

County Social Services' response to the finding identified in our audit is described in the accompanying Schedule of Findings. County Social Services' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 County Social Services' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering County Social Services' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

February 13, 2023



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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

To the Officials of County Social Services:

Report on Compliance for Each Major Federal Program

We have audited County Social Services, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2021. County Social Services' major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for County Social Services' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County Social Services' compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of County Social Services' compliance.

Opinion on the Major Federal Program

In our opinion, County Social Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

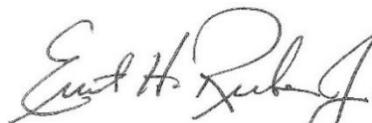
The management of County Social Services is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County Social Services' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County Social Services' internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We consider the deficiencies internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, to be a material weakness.

County Social Services' responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. County Social Services' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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



Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

February 13, 2023

County Social Services
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance of each major fund. Adverse opinions were issued on the Statement of Net Position and the Statement of Activities of the governmental activities.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A significant deficiency in internal control over the major program was disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was Assistance Listing Number 21.019 COVID-19, Coronavirus Relief Fund.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) County Social Services did not qualify as a low-risk auditee.

County Social Services
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part II: Finding Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCY:

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

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

County Social Services
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NONCOMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

**Assistance Listing Number 21.019: COVID-19, Coronavirus Relief Fund
Pass-through Entity Identifying Number: FY21
Federal Award Year: 2021
Prior Year Finding Number: N/A
Passed through the Iowa Department of Human Services**

III-A-21
(2021-001)

Subrecipient Monitoring

Criteria – The Uniform Guidance, Part 200.332 states in part, “All pass-through entities must: Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.”

Condition – The Region did not evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Cause – The Department has not established policies and procedures to ensure compliance with the Uniform Guidance, Part 200.332.

Effect – The Department is not in compliance with subrecipient monitoring as required by the Uniform Guidance, Part 200.332.

Recommendation – The Department should establish policies and procedures to ensure compliance with the Uniform Guidance, Part 200.332.

Response and Corrective Action Planned – Should we ever receive Federal grant dollars in the future, prior to distribution of the funds, the Region will establish policies and procedures for subrecipient monitoring.

Conclusion – Response accepted.

County Social Services
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

Part IV: Other Findings Related to Required Statutory Reporting:

- (1) Region Minutes – No transactions were found that we believe should have been approved in the Region minutes but were not. The vote of each member present is indicated in the meeting minutes as required by Chapter 21.3 of the Code of Iowa.

However, minutes of Regional Governance Board were not published within twenty days following adjournment of the meeting, as required by Chapter 28E.6(3)(a) of the Code of Iowa.

Recommendation – County Social Services should ensure the Regional Governance Board minutes are published as required.

Response – This situation was remedied in September 2021 by switching to a different newspaper publisher. The last month our minutes were published outside the required 20-day time frame was July 2021.

Conclusion – Response accepted.

- (2) Travel Expense – No disbursements of Region money for travel expenses of spouses of Region officials or employees were noted.
- (3) 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 Region's investment policy were noted.
- (4) Questionable Expenditures – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in the Attorney General's opinion dated April 25, 1979.
- (5) Restricted Donor Activity – No transactions were noted between the Region, Region officials, Region employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

County Social Services

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Cole L. Hocker, CPA, Manager
Kelly L. Hilton, Senior Auditor
William R. Bamber, CPA, Staff Auditor