



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Ernest Ruben
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FOR RELEASE

September 1, 2023

Auditor of State Rob Sand today released an audit report on Clinton County, Iowa.

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$40,378,856 for the year ended June 30, 2022, a 14.4% increase over the prior year. Expenses for County operations for the year ended June 30, 2022 totaled \$32,807,708, a 9.6% decrease from the prior year.

AUDIT FINDINGS:

Sand reported five findings related to the receipt and expenditure of taxpayer funds. They are found on pages 94 through 101 of this report. The findings address issues such as lack of segregation of duties, material amounts of receivables and payables not properly recorded in the County's financial statements and disbursements exceeding amounts appropriated. Sand provided the County with recommendations to address each of these findings.

All findings discussed above are repeated from the prior year. The County Board of Supervisors and other County officials have a fiduciary responsibility to provide oversight of the County's 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 website at [Audit Reports – Auditor of State](#).

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CLINTON COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Clinton County



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August 18, 2023

Officials of Clinton County
Clinton, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Clinton County for the year ended June 30, 2022. 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 Clinton County 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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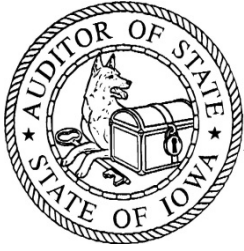
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Clinton County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Jim Irwin, Jr.	Board of Supervisors	Jan 2023
Dan Srp	Board of Supervisors	Jan 2023
Tom Determann	Board of Supervisors	Jan 2025
Eric Van Lancker	County Auditor	Jan 2025
Dustin Johnson	County Treasurer	Jan 2023
Scott Judd	County Recorder	Jan 2023
Bill Greenwalt	County Sheriff	Jan 2025
Michael Wolf	County Attorney	Jan 2023
Brian Tiesman	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Clinton County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 19 to the financial statements, Clinton County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 64 through 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

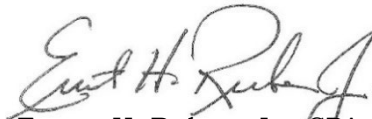
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clinton County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the three years ended June 30, 2021 and for the three years ended June 30, 2015 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the three years ended June 30, 2018 (which are not presented herein) were audited by another auditor who expressed unmodified opinions. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 6 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 18, 2023 on our consideration of Clinton County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Clinton County's internal control over financial reporting and compliance.


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

August 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Clinton County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however had no effect on the beginning net position for governmental activities.
- The County Conservation Board elected to dissolve the Rock Creek Marina Fund during the year. Because of this, the Enterprise, Rock Creek Marina Fund and operations were transferred to the General Fund and is now reported with Governmental Activities.
- Revenues of the County's governmental activities increased 15.6%, or approximately \$5,457,000, from fiscal year 2021 to fiscal year 2022. Property tax revenues increased approximately \$2,461,000, capital grants, contributions and restricted interest increased approximately \$1,369,000 and charges for service increased approximately \$1,414,000. Operating grants, contributions and restricted interest decreased approximately \$525,000.
- Program expenses of the County's governmental activities were 9.1%, or approximately \$3,287,000, less in fiscal year 2022 than in fiscal year 2021. Expenses increased approximately \$906,000 in the nonprogram services function. Expenses decreased approximately \$4,408,000 in the public safety function.
- The County's governmental activities net position increased 10.6%, or approximately \$7,897,000, over the June 30, 2021 balance.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Clinton County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Clinton County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability (asset) and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information which helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, interest on long-term debt and non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund, 4) the Capital Projects Fund, and 5) the Permanent Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) A proprietary fund accounts for the County’s Enterprise, Rock Creek Marina Fund and the Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County’s various functions.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

- 3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County’s own programs. These fiduciary funds include Custodial Funds that account for drainage districts, emergency management services and the County Assessor, to name a few.

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental and Business Type Activities (Expressed in Thousands)						
	Governmental Activities		Business Type Activities		Total	
	June 30,		June 30,		June 30,	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 65,839	57,095	-	239	65,839	57,334
Capital assets	80,954	78,436	-	156	80,954	78,592
Total assets	146,793	135,531	-	395	146,793	135,926
Deferred outflows of resources	2,284	2,985	-	25	2,284	3,010
Long-term liabilities	25,431	34,194	-	66	25,431	34,260
Other liabilities	11,514	7,500	-	17	11,514	7,517
Total liabilities	36,945	41,694	-	83	36,945	41,777
Deferred inflows of resources	29,683	22,270	-	11	29,683	22,281
Net position:						
Net investment in capital assets	60,741	59,068	-	156	60,741	59,224
Restricted	19,951	17,931	-	-	19,951	17,931
Unrestricted	1,757	(2,447)	-	170	1,757	(2,277)
Total net position	\$ 82,449	74,552	-	326	82,449	74,878

Clinton County’s combined net position of governmental activities increased 10.6% (approximately \$82.4 million compared to approximately \$74.6 million).

The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$1,673,000, or 2.8% over the prior year.

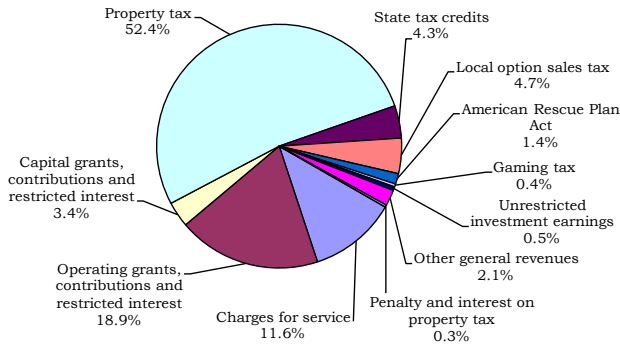
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$2,020,000, or 11.3%, over the prior year end. This increase is primarily due to the recording of a receivable related to the opioid litigation settlement.

Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements — increased from a deficit of approximately \$2,447,000 at June 30, 2021 to approximately \$1,757,000 at the end of this year, an increase of 171.8%. This increase is primarily due to a decrease in the net pension liability (asset).

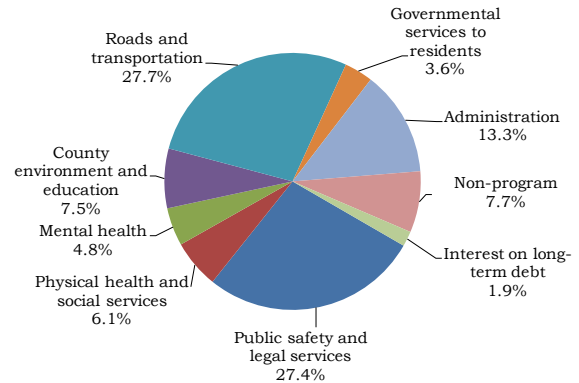
In October 2021, the County Conservation Board voted to dissolve the Enterprise, Rock Creek Marina Fund. The funds were transferred to the Land Acquisition Fund which is included in the County's General Fund.

Changes in Net Position of Governmental and Business Type Activities						
(Expressed in Thousands)						
	Governmental Activities		Business Type Activities		Total	
	Year ended June 30, 2022	2021	Year ended June 30, 2022	2021	Year ended June 30, 2022	2021
Revenues:						
Program revenues:						
Charges for service	\$ 4,698	3,284	-	284	4,698	3,568
Operating grants, contributions and restricted interest	7,634	8,159	-	85	7,634	8,244
Capital grants, contributions and restricted interest	1,382	13	-	-	1,382	13
General revenues:						
Property tax	21,191	18,730	-	-	21,191	18,730
Penalty and interest on property tax	112	190	-	-	112	190
State tax credits	1,720	1,540	-	-	1,720	1,540
Local option sales tax	1,885	1,964	-	-	1,885	1,964
American Rescue Plan Act	548	-	-	-	548	-
Gaming tax	165	164	-	-	165	164
Unrestricted investment earnings	191	199	-	-	191	199
Other general revenues	853	679	-	-	853	679
Total revenues	40,379	34,922	-	369	40,379	35,291
Program expenses:						
Public safety and legal services	8,998	13,406	-	-	8,998	13,406
Physical health and social services	1,991	1,881	-	-	1,991	1,881
Mental health	1,574	1,403	-	-	1,574	1,403
County environment and education	2,462	2,095	-	-	2,462	2,095
Roads and transportation	9,105	9,437	-	-	9,105	9,437
Governmental services to residents	1,174	1,386	-	-	1,174	1,386
Administration	4,350	4,353	-	-	4,350	4,353
Non-program	2,519	1,613	-	-	2,519	1,613
Interest on long-term debt	629	515	-	-	629	515
Rock Creek Marina	-	-	6	219	6	219
Total expenses	32,802	36,089	6	219	32,808	36,308
Change in net position before transfers	7,577	(1,167)	(6)	150	7,571	(1,017)
Transfers, net	320	-	(320)	-	-	-
Change in net position	7,897	(1,167)	(326)	150	-	-
Net position beginning of year	74,552	75,719	326	176	74,878	75,895
Net position end of year	\$ 82,449	74,552	-	326	82,449	74,878

Revenues by Source



Expenses by Program



Clinton County’s governmental activities net position increased approximately \$7,897,000 during the year. Revenues for governmental activities increased approximately \$5,457,000 over the prior year, including property tax revenues which increased over the prior year approximately \$2,461,000, or 13.1%.

The County increased property tax rates for fiscal year 2022 an average of 7%. Combined with increases in taxable valuations, the County’s property tax revenue increased approximately \$2,461,000 in fiscal year 2022. The general basic levy increased from \$3.58496 per \$1,000 of taxable valuation to \$3.73703 per \$1,000 of taxable valuation. The general supplemental increased from \$2.37759 per \$1,000 of taxable valuation to \$2.81259 per \$1,000 of taxable valuation. The mental health and disabilities services levy decreased from \$0.60087 per \$1,000 of taxable valuation to \$0.39445 per \$1,000 of taxable valuation. The debt service levy increased from \$0.73199 per \$1,000 of taxable valuation to \$1,06461 per \$1,000 of taxable valuation. The rural services levy remained consistent at \$2.6200 per \$1,000 of taxable valuation.

The cost of all governmental activities this year was approximately \$32.8 million compared to approximately \$36.1 million last year. However, as shown in the Statement of Activities on pages 20 and 21, the amount taxpayers ultimately financed for these activities was approximately \$19.1 million because some of the cost was paid by those who directly benefited from the programs (approximately \$4,698,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$9,016,000). Overall, the County’s governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2022 from approximately \$11,456,000 to approximately \$13,714,000. The expenses for public safety and legal services decreased 32.9%, primarily due to the purchases related to the radio equipment in the prior fiscal year.

Total business type activities revenues for the fiscal year were \$0 compared to approximately \$369,000 last year, and expenses were approximately \$6,000 compared to approximately \$219,000 last year. These decreases were due to the dissolution of the Enterprise, Rock Creek Marina Fund, which was dissolved in October 2021.

INDIVIDUAL MAJOR FUND ANALYSIS

As Clinton County completed the year, its governmental funds reported a combined fund balance of approximately \$25.2 million, an increase of less than \$1 million over last year's total of approximately \$24.4 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$2,338,000, or 11.8%, over the prior year. The general basic and general supplemental levies increased from \$5.96255 per \$1,000 of taxable valuation to \$6.54962 per \$1,000 of taxable valuation, an increase of 9.8%. Combined with an increase in the taxable valuation, general fund property tax receipts increased approximately \$1,892,000 over the prior year. Expenditures increased approximately \$2,401,000, or 13.7%, over the prior year to approximately \$19,902,000. The ending fund balance increased approximately \$2,214,000, or 17.7%, over the prior year to \$14,700,667.
- Special Revenue, Mental Health Fund balance at year end decreased approximately \$537,000 from the prior year. For the year, expenditures totaled approximately \$1,590,000, an increase of 14.4% over the prior year, primarily due to the elimination of this fund at June 30, 2022. The County was required by Senate File 619 to transfer the remaining fund balance to the Eastern Iowa Mental Health Region prior to June 30, 2022.
- There were no significant changes in revenues, expenditures and fund balance of the Special Revenue, Rural Services Fund. The ending fund balance increased approximately \$110,000 over the prior year to \$1,330,726.
- Special Revenue, Secondary Roads Fund revenues decreased approximately \$1,288,000 from the prior year, primarily due to a decrease in road use tax receipts. Expenditures slightly decreased approximately \$275,000 from the prior year. The Secondary Roads Fund balance at year end increased approximately \$317,000 over the prior year to \$3,277,255.
- Debt Service Fund revenues totaled approximately \$2,835,000, an increase of 51.8% over the prior year. The debt service levy increased from \$0.73199 per \$1,000 of taxable valuation to \$1.06461 per \$1,000 of taxable valuation, an increase of 45.4%. Combined with an increase in the taxable valuation, debt service property tax receipts increased approximately \$880,000 over the prior year. Expenditures totaled approximately \$2,508,000, an increase of approximately \$680,000, or 37.2% over the prior year. The ending fund balance increased approximately \$327,000 over the prior year to \$5,432,785.
- Capital Projects fund revenues remained consistent when compared to the prior year. Expenditures decreased approximately \$3,167,000, or 66.3%, primarily due to the costs associated with communication equipment and administration building projects that were incurred in the prior fiscal year. The fund balance at June 30, 2022 decreased approximately \$1,605,000 from the prior year to \$292,992.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clinton County amended its budget two times. The first amendment was made in October 2021 and resulted in an increase in the public safety and legal services, physical health and social services, mental health, county environment and education, government services to residents, administration, nonprogram and capital projects functions. The first amendment also increased budgeted intergovernmental receipts. These increases were primarily related to American Rescue Plan Act funding. The second amendment was made in May 2022 and increased budgeted disbursements in the public safety and legal services, physical health and social services, mental health, county environment and education, government services to residents, administration and nonprogram functions.

The County's receipts were \$3,125,322 less than budgeted, a variance of 7.4%. The most significant variance resulted from the County receiving less intergovernmental receipts, primarily due to inadvertently budgeting for Custodial Fund, Emergency Management, Communications Commission and 911 Services Board receipts.

Total disbursements were \$13,865,372 less than the amended budget. Actual disbursements for the administration, county environment and education and public safety and legal services functions were \$5,036,060, \$4,746,450 and \$1,204,626, respectively, less than budgeted. The administration and county environment and education function disbursements were less than budgeted due to costs for ARPA funded projects being less than anticipated. The public safety and legal services function disbursements were less than budgeted primarily due to new positions which were added but not filled by year-end and planned equipment, vehicles and training disbursements which did not occur.

The County did not exceed the budgeted amounts for the year ended June 30, 2022. However, disbursements in certain departments exceeded amounts appropriated prior to budget amendments and at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, Clinton County had approximately \$80.9 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities and roads and bridges. This is a net increase (including additions and deletions) of approximately \$2,342,000, or 3%, over last year.

Capital Assets of Governmental and Business Type Activities at Year End (Expressed in Thousands)		
	June 30,	
	2022	2021 (As Restated)
Land	\$ 1,418	1,418
Construction in progress	590	689
Buildings and improvements	32,115	32,046
Equipment and vehicles	10,009	7,501
Right-to-use leased equipment	46	15
Infrastructure	36,776	36,938
Total	\$ 80,954	78,607

*

Beginning capital assets were restated to implement GASB Statement No. 87, Leases.

The County had depreciation expense of \$4,333,114 in fiscal year 2022 and total accumulated depreciation of \$58,697,027 at June 30, 2022. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2022, Clinton County had approximately \$22,884,000 of general obligation bonds and other debt outstanding, compared to approximately \$24,753,000 at June 30, 2021, as shown below:

	Outstanding Debt of Governmental Activities at Year End	
	(expressed in Thousands)	
	June 30,	
	2022	2021 (As Restated)
General obligation bonds	\$ 22,835	24,710
Lease agreements	46	15
Drainage warrants	3	28
Total	\$ 22,884	24,753

The County continues to carry a general obligation bond rating of Aa2 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Clinton County's outstanding general obligation debt and tax increment financing obligations are significantly below its constitutional debt limit of approximately \$205 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Clinton County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2023 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County stands at 3.4% versus 6.0% a year ago. This compares with the State's unemployment rate of 2.7% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2023. Amounts available for appropriation (i.e., beginning balance plus revenues) in the operating budget are approximately \$64 million, an increase of 2.2% over the final fiscal year 2022 budget. Clinton County will use these increases in receipts to finance programs we currently offer and offset the effect we expect inflation to have on program costs. Budgeted disbursements are expected to decrease approximately \$5,881,000. Decreased costs associated with the dissolution of the Special Revenue, Mental Health Fund and decreases budgeted in the County environment and education and administration functions represent this decrease. The County has added no major new programs or initiatives to the fiscal year 2023 budget.

If these estimates are realized, the County's budgetary operating balance is expected to increase approximately \$445,000 by the close of fiscal year 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Clinton County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Clinton County Budget Director, Nicholas Manrique, Clinton County Administration Building, Clinton County Auditor's Office, 1900 North Third Street, Clinton Iowa 52733-2957.

Clinton County

Basic Financial Statements

Clinton County

Clinton County
Statement of Net Position
June 30, 2022

	Primary Government	Component Unit
	Governmental Activities	Conservation Foundation
Assets		
Cash, cash equivalents and pooled investments	\$ 32,854,725	101,928
Receivables:		
Property tax:		
Delinquent	236,768	-
Succeeding year	21,362,000	-
Interest and penalty on property tax	174,119	-
Accounts	298,882	-
Accrued interest	10	-
Loans	196,922	-
Drainage assessments	22,836	-
Special assessments	156,400	-
Opioid settlement	1,124,294	-
Due from other governments	6,222,211	-
Inventories	433,276	-
Prepaid insurance	47,959	-
Capital assets not being depreciated	2,008,237	-
Capital assets, net of accumulated depreciation/amortization	78,945,293	-
Net pension asset	2,708,584	-
Total assets	146,792,516	101,928
Deferred Outflows of Resources		
Pension related deferred outflows	1,414,487	-
OPEB related deferred outflows	870,004	-
Total deferred outflows of resources	2,284,491	-
Liabilities		
Accounts payable	2,121,641	-
Accrued interest payable	48,954	-
Salaries and benefits payable	724,888	-
Due to other governments	147,695	-
Unearned revenue	8,470,507	-
Long-term liabilities:		
Portion due or payable within one year:		
Lease agreements	12,349	-
General obligation bonds	1,940,000	-
Drainage warrants	3,468	-
Compensated absences	1,206,062	-
Total OPEB liability	91,630	-
Portion due or payable after one year:		
Lease agreements	33,855	-
General obligation bonds	20,895,000	-
Total OPEB liability	1,248,535	-
Total liabilities	36,944,584	-
Deferred Inflows of Resources		
Unavailable property tax revenue	21,362,000	-
Pension related deferred inflows	7,602,543	-
OPEB related deferred inflows	718,591	-
Total deferred inflows of resources	29,683,134	-
Net Position		
Net investment in capital assets	60,741,453	-
Restricted for:		
Nonexpendable:		
Permanent Fund	5,000	-
Expendable:		
Supplement levy purposes	7,379,429	-
Rural services purposes	1,382,172	-
Secondary roads purposes	3,811,134	-
Conservation land acquisition	115,399	-
Debt service	5,414,645	-
Capital projects	217,931	-
Drainage purposes	27,854	-
Opioid abatement	1,124,294	-
Other purposes	472,907	101,928
Unrestricted	1,757,071	-
Total net position	\$ 82,449,289	101,928

See notes to financial statements.

Clinton County

Statement of Activities

Year ended June 30, 2022

	Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Primary Government:				
Governmental activities:				
Public safety and legal services	\$ 8,998,199	757,781	103,087	53,429
Physical health and social services	1,990,776	211,108	2,023,043	-
Mental health	1,573,679	-	-	-
County environment and education	2,462,275	370,458	154,399	15,235
Roads and transportation	9,105,039	48,753	5,310,063	1,313,545
Governmental services to residents	1,174,228	864,606	-	-
Administration	4,350,303	123,727	43,601	-
Non-program	2,518,586	2,321,934	301	-
Interest on long-term debt	628,663	-	-	-
Total governmental activities	32,801,748	4,698,367	7,634,494	1,382,209
Business type activities:				
Rock Creek Marina	5,960	-	-	-
Total primary government	\$ 32,807,708	4,698,367	7,634,494	1,382,209
Component Unit:				
Conservation Foundation	\$ 33,274	-	25,103	-
General Revenues:				
Property and other county tax levied for:				
General purposes				
Debt service				
Penalty and interest on property tax				
State tax credits				
Local option sales tax				
American Rescue Plan Act				
Gaming tax				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
Transfer of equity				
Transfer due to elimination of fund				
Total general revenues				
Change in net position				
Net position beginning of year				
Net position end of year				

See notes to financial statements.

Net (Expense) Revenue and Change in Net Position			
Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	Conservation Foundation
(8,083,902)	-	(8,083,902)	
243,375	-	243,375	
(1,573,679)	-	(1,573,679)	
(1,922,183)	-	(1,922,183)	
(2,432,678)	-	(2,432,678)	
(309,622)	-	(309,622)	
(4,182,975)	-	(4,182,975)	
(196,351)	-	(196,351)	
(628,663)	-	(628,663)	
(19,086,678)	-	(19,086,678)	
-	(5,960)	(5,960)	
(19,086,678)	(5,960)	(19,092,638)	
			(8,171)
18,580,860	-	18,580,860	-
2,609,718	-	2,609,718	-
111,736	-	111,736	-
1,720,166	-	1,720,166	-
1,885,423	-	1,885,423	-
547,782	-	547,782	-
164,821	-	164,821	-
190,744	-	190,744	286
33,869	-	33,869	-
818,667	-	818,667	-
196,789	(196,789)	-	-
122,905	(122,905)	-	-
26,983,480	(319,694)	26,663,786	286
7,896,802	(325,654)	7,571,148	(7,885)
74,552,487	325,654	74,878,141	109,813
\$ 82,449,289	-	82,449,289	101,928

Clinton County
Balance Sheet
Governmental Funds

June 30, 2022

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash, cash equivalents and pooled investments	\$ 23,996,686	68,524	1,395,283	3,230,784
Receivables:				
Property tax:				
Delinquent	200,625	-	5,329	-
Succeeding year	16,443,000	-	2,390,000	-
Interest and penalty on property tax	174,119	-	-	-
Accounts	52,973	2,927	15,311	860
Accrued interest	10	-	-	-
Loan	-	-	-	196,922
Drainage assessments	-	-	-	-
Special assessments	156,400	-	-	-
Opioid settlement receivable	-	-	-	-
Due from other governments	438,873	-	-	569,626
Inventories	-	-	-	433,276
Prepaid insurance	47,959	-	-	-
Total assets	\$ 41,510,645	71,451	3,805,923	4,431,468
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 725,133	58,618	60,333	951,924
Salaries and benefits payable	499,250	12,833	19,535	193,270
Due to other governments	138,676	-	-	9,019
Unearned revenue	8,470,507	-	-	-
Total liabilities	9,833,566	71,451	79,868	1,154,213
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	16,443,000	-	2,390,000	-
Other	533,412	-	5,329	-
Total deferred inflows of resources	16,976,412	-	2,395,329	-
Fund balances:				
Nonspendable:				
Inventories	-	-	-	433,276
Prepaid expenditures	47,959	-	-	-
Permanent fund	-	-	-	-
Restricted for:				
Supplemental levy purposes	5,031,687	-	-	-
Rural services purposes	-	-	1,330,726	-
Secondary roads purposes	-	-	-	2,843,979
Conservation land acquisition	115,399	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Drainage purposes	-	-	-	-
Other purposes	337,392	-	-	-
Committed:				
Conservation	31,100	-	-	-
Information technology	25,000	-	-	-
Sheriff	529,767	-	-	-
Unassigned	8,582,363	-	-	-
Total fund balances	14,700,667	-	1,330,726	3,277,255
Total liabilities, deferred inflows of resources and fund balances	\$ 41,510,645	71,451	3,805,923	4,431,468

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
220,627	292,992	183,047	29,387,943
30,814	-	-	236,768
2,529,000	-	-	21,362,000
-	-	-	174,119
-	-	774	72,845
-	-	-	10
-	-	-	196,922
-	-	22,836	22,836
-	-	-	156,400
-	-	1,124,294	1,124,294
5,212,158	-	1,554	6,222,211
-	-	-	433,276
-	-	-	47,959
7,992,599	292,992	1,332,505	59,437,583
-	-	3,173	1,799,181
-	-	-	724,888
-	-	-	147,695
-	-	-	8,470,507
-	-	3,173	11,142,271
2,529,000	-	-	21,362,000
30,814	-	1,147,250	1,716,805
2,559,814	-	1,147,250	23,078,805
-	-	-	433,276
-	-	-	47,959
-	-	5,000	5,000
-	-	-	5,031,687
-	-	-	1,330,726
-	-	-	2,843,979
-	-	-	115,399
5,432,785	-	-	5,432,785
-	292,992	-	292,992
-	-	31,322	31,322
-	-	145,760	483,152
-	-	-	31,100
-	-	-	25,000
-	-	-	529,767
-	-	-	8,582,363
5,432,785	292,992	182,082	25,216,507
7,992,599	292,992	1,332,505	59,437,583

Clinton County

Clinton County

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2022

Total governmental fund balances (page 23) \$ 25,216,507

Amounts reported for governmental activities in the Statement of Net Position 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 capital assets is \$139,650,557 and the accumulated depreciation is \$58,697,027. 80,953,530

Other long-term assets are not available to pay current year expenditures as follows:

Deferred inflows of resources	\$ 1,716,805	
Net pension asset	<u>2,708,584</u>	4,425,389

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 3,370,359

Pension and OPEB 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	2,284,491	
Deferred inflows of resources	<u>(8,321,134)</u>	(6,036,643)

Long-term liabilities, including bonds payable, compensated absences payable, drainage warrants payable, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (25,479,853)

Net position of governmental activities (page 19) \$ 82,449,289

See notes to financial statements.

Clinton County

Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds

Year ended June 30, 2022

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 15,484,648	918,822	2,331,565	-
Local option sales tax	664,365	-	-	1,221,058
Interest and penalty on property tax	146,262	-	-	-
Intergovernmental	3,572,028	78,525	114,857	5,333,378
Licenses and permits	22,803	-	3,600	31,895
Charges for service	1,357,834	55,866	15,879	-
Use of money and property	442,156	-	-	-
Miscellaneous	452,635	-	-	123,364
Total revenues	22,142,731	1,053,213	2,465,901	6,709,695
Expenditures:				
Operating:				
Public safety and legal services	9,423,896	-	319,594	-
Physical health and social services	2,040,109	-	-	-
Mental health	-	1,590,128	-	-
County environment and education	1,954,782	-	254,014	-
Roads and transportation	-	-	-	7,543,661
Governmental services to residents	1,234,549	-	-	-
Administration	4,685,800	-	-	-
Debt service	-	-	-	-
Capital projects	562,585	-	-	895,116
Total expenditures	19,901,721	1,590,128	573,608	8,438,777
Excess (deficiency) of revenues over (under) expenditures	2,241,010	(536,915)	1,892,293	(1,729,082)
Other financing sources (uses):				
Lease agreements	40,178	-	-	-
Transfer of equity	196,789	-	-	-
Transfers in	-	-	-	2,046,135
Transfers out	(264,088)	-	(1,782,047)	-
Drainage warrants issued	-	-	-	-
Total other financing sources (uses)	(27,121)	-	(1,782,047)	2,046,135
Change in fund balances	2,213,889	(536,915)	110,246	317,053
Fund balances beginning of year	12,486,778	536,915	1,220,480	2,960,202
Fund balances end of year	\$ 14,700,667	-	1,330,726	3,277,255

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,599,899	-	-	21,334,934
-	-	-	1,885,423
-	-	-	146,262
218,356	-	165,470	9,482,614
-	-	-	58,298
-	-	9,538	1,439,117
3,635	1,917	238	447,946
13,071	-	135,443	724,513
<u>2,834,961</u>	<u>1,917</u>	<u>310,689</u>	<u>35,519,107</u>
-	-	16,707	9,760,197
-	-	-	2,040,109
-	-	-	1,590,128
-	-	267,464	2,476,260
-	-	-	7,543,661
-	-	5,672	1,240,221
-	-	-	4,685,800
2,508,431	-	137,389	2,645,820
-	1,606,778	-	3,064,479
<u>2,508,431</u>	<u>1,606,778</u>	<u>427,232</u>	<u>35,046,675</u>
<u>326,530</u>	<u>(1,604,861)</u>	<u>(116,543)</u>	<u>472,432</u>
-	-	-	40,178
-	-	-	196,789
-	-	-	2,046,135
-	-	-	(2,046,135)
-	-	112,893	112,893
-	-	112,893	349,860
326,530	(1,604,861)	(3,650)	822,292
5,106,255	1,897,853	185,732	24,394,215
<u>5,432,785</u>	<u>292,992</u>	<u>182,082</u>	<u>25,216,507</u>

Clinton County

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances -
Governmental Funds to the Statement
of Activities

Year ended June 30, 2022

Change in fund balances - Total governmental funds (page 27) \$ 822,292

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 and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 5,337,269	
Capital assets contributed by the Iowa Department of Transportation	1,313,545	
Depreciation expense	<u>(4,333,114)</u>	2,317,700

A transfer of capital assets and other liabilities from business-type activities to governmental activities is not reported in the governmental funds but is reported as an interfund transfer in governmental activities. 122,905

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 33,869

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:

Property tax	20,465	
Other	<u>1,211,376</u>	1,231,841

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issued	(153,071)	
Repaid	<u>2,021,835</u>	1,868,764

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 1,000,596

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	(87,462)	
Pension expense (reduction)	1,022,036	
OPEB expense	(22,618)	
Interest on long-term debt	<u>4,768</u>	916,724

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. (417,889)

Change in net position of governmental activities (page 21) \$ 7,896,802

See notes to financial statements.

Clinton County
 Statement of Net Position
 Proprietary Fund
 June 30, 2022

		Governmental Activities
		Internal Service - Employee Group Health
Assets		
Cash and cash equivalents	\$	3,466,782
Accounts receivable		226,037
Total assets		3,692,819
Liabilities		
Accounts payable		322,460
Net Position		
Unrestricted	\$	3,370,359

See notes to financial statements.

Exhibit H

Clinton County

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

Year ended June 30, 2022

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds	\$ -	2,440,135
Reimbursements from employees and others	-	542,877
Stop loss insurance recoveries	-	1,171,016
Total operating revenues	-	4,154,028
Operating expenses:		
Administrative fees	-	29,309
Medical and health services	-	4,546,400
Insurance premiums	-	10,634
Supplies	379	-
Depreciation	5,581	-
Total operating expenses	5,960	4,586,343
Operating loss	(5,960)	(432,315)
Non-operating revenues (expenses):		
Interest income	-	14,426
Transfer of equity	(196,789)	-
Transfer due to elimination of fund	(98,420)	-
Total non-operating revenues (expenses)	(295,209)	14,426
Net loss	(301,169)	(417,889)
Net position beginning of year	301,169	3,788,248
Net position end of year	\$ -	3,370,359

See notes to financial statements.

Clinton County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2022

	Business Type Activities	Governmental Activities
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health
Cash flows from operating activities:		
Cash received from operating fund reimbursements	\$ -	2,440,135
Cash received from employees and others	-	542,877
Cash received from stop loss insurance recoveries	-	976,272
Cash received from intergovernmental	7,028	-
Cash paid for administrative fees	-	(30,809)
Cash paid to employees for services	(2,680)	-
Cash paid to suppliers for services	(12,312)	(4,583,782)
Net cash used by operating activities	(7,964)	(655,307)
Cash flows from non-capital financing activities		
Transfer of equity	(196,789)	-
Cash flows from investing activities:		
Interest on investments	-	14,426
Net decrease in cash and cash equivalents	(204,753)	(640,881)
Cash and cash equivalents beginning of year	204,753	4,107,663
Cash and cash equivalents end of year	\$ -	3,466,782
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (5,960)	(432,315)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	5,581	-
Changes in assets and liabilities:		
Accounts receivable	-	(194,744)
Due from other governments	7,028	-
Accounts payable	(11,933)	(28,248)
Salaries and benefits payable	(2,680)	-
Net cash used by operating activities	\$ (7,964)	(655,307)

See notes to financial statements.

Clinton County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2022

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 6,586,172
Other County officials	90,524
Receivables:	
Property tax receivable:	
Delinquent	1,053,693
Succeeding year	62,929,000
Accounts	24,778
Drainage assessments	20
Special assessments	543,586
Due from other governments	<u>70,977</u>
Total assets	<u>71,298,750</u>

Liabilities

Accounts payable	100,808
Salaries and benefits payable	118,243
Due to other governments	2,522,616
Trusts payable	31,933
Compensated absences	<u>198,806</u>
Total liabilities	<u>2,972,406</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>62,929,000</u>
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Net position

Restricted for individuals, organizations and other governments	<u>\$ 5,397,344</u>
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See notes to financial statements.

Clinton County
Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended June 30, 2022

Additions:	
Property and other county tax	\$ 63,512,639
911 surcharge	476,502
State tax credits	5,797,363
Office fees and collections	1,346,414
Auto licenses, use tax and postage	16,424,619
Assessments	210,397
Trusts	867,068
Miscellaneous	<u>3,810,321</u>
Total additions	<u>92,445,323</u>
Deductions:	
Agency remittances:	
To other funds	538,243
To other governments	90,877,439
Trusts paid out	<u>875,182</u>
Total deductions	<u>92,290,864</u>
Change in net position	154,459
Net position beginning of year, as restated	<u>5,242,885</u>
Net position end of year	<u>\$ 5,397,344</u>

See notes to financial statements.

Clinton County

Notes to Financial Statements

June 30, 2022

(1) Summary of Significant Accounting Policies

Clinton County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Clinton County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Clinton County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Unit – The Clinton County Conservation Foundation, established under the Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, is legally separate from the County but has the potential to provide specific benefits to the County Conservation Board. The Foundation is governed by a five-member board. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Forty-six drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Clinton County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Clinton County Auditor's Office.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: County Assessor's Conference Board, County Emergency Management Commission, County Public Safety Commission and County Joint 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Clinton County Communications Commission, Eastern Iowa Mental Health and Disabilities Services Region and the Clinton County Area Solid Waste Agency.

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 County and its component units. 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 County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets not being depreciated and capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position:

Nonexpendable – Nonexpendable net position is subject to externally imposed stipulations which require it to be maintained permanently by the County, including the County, including the County's Permanent Fund.

Expendable – 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.

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

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

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

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

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary roads construction and maintenance.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the County's general long-term debt. A portion of the fund also accounts for the unpaid balance due on the monies advanced to the City of Clinton by the County pursuant to a Chapter 28E agreement for the City-managed Lincolnway Railport Project.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

Additionally, the County reports the following funds:

Proprietary Funds:

An Enterprise Fund is utilized to account for the acquisition, operation and maintenance of governmental facilities and services which are supported by user charges.

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

Fiduciary Funds – Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund 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, the County considers revenues to be available if they are collected 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 the 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 lease agreements are reported as other financing sources.

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's 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 County'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.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at amortized cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

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 the 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 the 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, the 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 reported 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 they are levied.

Property tax revenue recognized in these funds becomes 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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are due and payable but have not been collected and remaining assessments which are payable but not yet due.

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessment which are due and payable but have not been collected.

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.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, furniture, equipment and vehicles and infrastructure assets acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Intangibles	\$ 150,000
Infrastructure	50,000
Land, buildings and improvements	25,000
Right-to-use leased assets	15,000
Equipment and vehicles	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	10 - 50
Building improvements	10 - 50
Infrastructure	10 - 65
Intangibles	5 - 20
Equipment	3 - 20
Vehicles	3 - 10
Right-to-use leased assets	2 - 20

Leases – Clinton County is the lessee for a noncancellable lease of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commence of a lease, the County initially measures the lease liability at the present value of payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Clinton County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Clinton County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the County is reasonably to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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 and OPEB expense and contributions from the County after the measurement date but before the end of the County’s reporting period.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Unearned Revenue – 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. Unearned revenue in the government-wide and governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused compensatory and vacation leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund 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, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability (asset), 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 (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred inflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the Clinton County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within ninety 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 that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension and OPEB expense and the unamortized portion of the net difference between the projected and actual earnings on pension plan assets.

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

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

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.

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements in certain departments exceeded the amounts appropriated prior to appropriation amendments and at year end.

(2) Cash, Cash Equivalents and Pooled Investments

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

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

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

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:		
Secondary Roads	General	\$ 264,088
	Special Revenue:	
	Rural Services	<u>1,782,047</u>
Total		<u>\$ 2,046,135</u>

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

(4) Capital Assets

The Governmental activities capital assets activity for the year ended June 30, 2022 was as follows:

	Restated, Balance Beginning of Year	Transfer of Equity	Increases	Decreases	Balance End of Year
Governmental activities:					
Capital assets not being depreciated/amortized:					
Land	\$ 1,418,233	-	-	-	1,418,233
Construction in progress	688,661	-	2,615,182	2,713,839	590,004
Total capital assets not being depreciated/amortized	2,106,894	-	2,615,182	2,713,839	2,008,237
Capital assets being depreciated/amortized:					
Buildings	37,964,014	357,377	316,750	-	38,638,141
Improvements other than buildings	759,281	-	522,875	-	1,282,156
Equipment and vehicles	15,886,718	159,731	3,769,455	305,931	19,509,973
Right-to-use leased equipment	15,472	-	40,178	-	55,650
Infrastructure, road network	75,906,225	59,211	2,190,964	-	78,156,400
Total capital assets being depreciated/amortized	130,531,710	576,319	6,840,222	305,931	137,642,320
Less accumulated depreciation/amortization:					
Buildings	6,610,711	230,525	725,301	-	7,566,537
Improvements other than buildings	197,061	-	41,618	-	238,679
Equipment and vehicles	8,411,013	136,006	1,203,341	249,049	9,501,311
Right-to-use leased assets	-	-	9,890	-	9,890
Infrastructure, road network	38,968,435	59,211	2,352,964	-	41,380,610
Total accumulated depreciation/amortization	54,187,220	425,742	4,333,114	249,049	58,697,027
Total capital assets being depreciated/amortized, net	76,344,490	150,577	2,507,108	56,882	78,945,293
Governmental activities capital assets, net	\$ 78,451,384	150,577	5,122,290	2,770,721	80,953,530

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 982,951
Physical health and social services		4,228
County environment and education		110,929
Roads and transportation		2,895,866
Governmental services to residents		33,339
Administration		305,801
Total depreciation/amortization expense - governmental activities		\$ 4,333,114

Business type activities capital asset activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year	Increases	Decreases	Transfer of Equity	Balance End of Year
Business Type activities:					
Capital assets being depreciated:					
Buildings	\$ 357,377	-	-	357,377	-
Equipment and vehicles	159,731	-	-	159,731	-
Infrastructure	59,211	-	-	59,211	-
Total capital assets being depreciated	576,319	-	-	576,319	-
Less accumulated depreciation for:					
Buildings	226,963	3,562	-	230,525	-
Equipment and vehicles	133,987	2,019	-	136,006	-
Infrastructure	59,211	-	-	59,211	-
Total accumulated depreciation	420,161	5,581	-	425,742	-
Business type activities capital assets, net	\$ 156,158	(5,581)	-	150,577	-

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2022 is as follows:

Fund	Description	Amount
General	Services	\$ 138,676
Special Revenue:		
Secondary Roads	Services	9,019
Total for governmental funds		<u>\$ 147,695</u>
Custodial:		
County Offices	Collections	\$ 59,674
Schools		500,907
Community Colleges		30,882
Corporations		404,940
Auto License and Use Tax		1,470,929
All other		55,284
Total for custodial funds		<u>\$ 2,522,616</u>

(6) Long-Term Liabilities

A summary of changes in governmental activities long-term liabilities for the year ended June 30, 2022 is as follows:

Governmental Activities:	General	Lease	Drainage	Compensated	Net	Total	Total
	Obligation Bonds	Agreements	Warrants	Absences	Pension Liability	OPEB Liability	
Balance beginning of year, restated	\$ 24,710,000	15,472	27,964	1,118,600	6,830,703	1,507,069	34,209,808
Increases	-	40,178	112,893	1,004,998	-	131,017	1,289,086
Decreases	1,875,000	9,446	137,389	917,536	9,539,287	297,921	12,776,579
Balance end of year	<u>\$ 22,835,000</u>	<u>46,204</u>	<u>3,468</u>	<u>1,206,062</u>	<u>(2,708,584)</u>	<u>1,340,165</u>	<u>22,722,315</u>
Due within one year	<u>\$ 1,940,000</u>	<u>12,349</u>	<u>3,468</u>	<u>1,206,062</u>	<u>-</u>	<u>91,630</u>	<u>3,253,509</u>

A summary of changes in business type activities long-term liabilities for the year ended June 30, 2022 is as follows:

Business Type Activities:	Net	Total	Total
	Pension Liability	OPEB Liability	
Balance beginning of year	\$ 50,748	15,117	65,865
Increases	-	-	-
Decreases	50,748	15,117	65,865
Balance end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

General Obligation Bonds

A summary of the County's June 30, 2022 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Series 2016 Jail Project Issued Dec 1, 2016			Series 2020 Public Buildings Issued Feb 18, 2020		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2023	3.00%	\$ 1,005,000	516,300	2.00%	\$ 280,000	29,800
2024	3.00	1,025,000	486,150	2.00	290,000	24,200
2025	3.00	1,050,000	455,400	2.00	300,000	18,400
2026	3.00	1,080,000	423,900	2.00	305,000	12,400
2027	3.00	1,110,000	391,500	2.00	315,000	6,300
2028-2032	3.00	6,125,000	1,436,250		-	-
2033-2036	3.00	5,815,000	445,200		-	-
Total		<u>\$ 17,210,000</u>	<u>4,154,700</u>		<u>\$ 1,490,000</u>	<u>91,100</u>

Year Ending June 30,	Series 2021 Communications Equipment Issued Feb 23, 2021			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2023	1.00%	\$ 655,000	41,350	\$ 1,940,000	587,450	2,527,450
2024	1.00	670,000	34,800	1,985,000	545,150	2,530,150
2025	1.00	680,000	28,100	2,030,000	501,900	2,531,900
2026	1.00	695,000	21,300	2,080,000	457,600	2,537,600
2027	1.00	710,000	14,350	2,135,000	412,150	2,547,150
2028-2032	1.00	725,000	7,250	6,850,000	1,443,500	8,293,500
2033-2036	1.00	-	-	5,815,000	445,200	6,260,200
		<u>\$ 4,135,000</u>	<u>147,150</u>	<u>\$ 22,835,000</u>	<u>4,392,950</u>	<u>27,227,950</u>

On December 1, 2016, the County issued \$22,000,000 of general obligation bonds, Series 2016 with interest rates ranging from 2.00% to 3.00% per annum. The bonds were issued to pay costs of designing, constructing, equipping and furnishing a jail, Sheriff's office, 911 communications center and emergency management agency office and demolition of the existing facility. During the year ended June 30, 2022, the County paid \$985,000 of principal and \$536,000 of interest on the bonds.

On February 18, 2020, the County issued \$2,015,000 of general obligation bonds, Series 2020, with an interest rate of 2.00% per annum. The bonds were issued to pay costs of public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the buildings, including the Administration Building Elevators. During the year ended June 30, 2022, the County paid \$275,000 of principal and \$35,300 of interest on the bonds.

On February 23, 2021, the County issued \$4,750,000 of general obligation bonds, Series 2021, with an interest rate of 1.00% per annum. The bonds were issued to pay costs of essential county purposes including the acquisition, installation and construction of emergency services communication equipment and systems including radios, repeaters, towers and other communication equipment and systems. During the year ended June 30, 2022, the County paid \$615,000 of principal and \$60,431 of interest on the bonds.

Pursuant to a Chapter 28E agreement between the County and the City of Clinton, Iowa, the County is participating in the City-managed Lincolnway Railport Project by contributing \$6,000,000 of the Series 2010B general obligation bond proceeds to the City of Clinton to be used solely for the purpose designated in the Clinton County Lincolnway Railport urban renewal area. The City is to repay the County from a portion of the sale of property in the Industrial Park. If the County has not been reimbursed by December 2020, the City will reimburse the County for any unpaid balance due on the monies advanced by the County for the project. As of June 30, 2022, \$6,000,000 of the bond proceeds had been advanced to the City and repayments totaling \$787,842 have been received. A receivable of \$5,212,158 is reported in the Debt Service Fund for the amount due from the City at June 30, 2022 under this agreement. As of the date of this report, a reimbursement plan has not been agreed to with the City and the City is in default on this debt. The County is working with the City to resolve this matter.

Lease Agreements

On September 9, 2019, the County entered into a noncancelable lease agreement for a copier in the Sheriff's office. An initial lease liability was recorded in the amount of \$15,472. The agreement requires 60 monthly payments of \$422 with an implicit interest rate of 4.0% and a final payment on September 9, 2024. During the year ended June 30, 2022, the County paid principal of \$4,585 and interest of \$479 on the agreement.

On July 29, 2021, the County entered into a noncancelable lease agreement for postage machine. An initial lease liability was recorded in the amount of \$21,008. The agreement requires 60 monthly payments of \$381 with an implicit interest rate of 3.5% and a final payment on July 29, 2026. During the year ended June 30, 2022, the County paid principal of \$3,632 and interest of \$559 on the agreement.

On February 25, 2022, the County entered into a noncancelable lease agreement for a copier in the General Assistance office. An initial lease liability was recorded in the amount of \$19,170. The agreement requires 60 monthly payments of \$348 with an implicit interest rate of 3.5% and a final payment on February 25, 2027. During the year ended June 30, 2022, the County paid principal of \$1,229 and interest of \$163 on the agreement.

Future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Copy Machine - Sheriff			Postage Machine		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 4,718	346	5,064	\$ 4,029	543	4,572
2024	4,910	154	5,064	4,172	400	4,572
2025	1,259	7	1,266	4,321	251	4,572
2026	-	-	-	4,474	98	4,572
2027	-	-	-	380	1	381
Totals	\$ 10,887	507	11,394	\$ 17,376	1,293	18,669

Year Ending June 30,	Copy Machine - General Assistance			Total		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 3,602	574	4,176	\$ 12,349	1,463	13,812
2024	3,730	446	4,176	12,812	1,000	13,812
2025	3,863	313	4,176	9,443	571	10,014
2026	4,000	176	4,176	8,474	274	8,748
2027	2,746	38	2,784	3,126	39	3,165
Totals	\$ 17,941	1,547	19,488	\$ 46,204	3,347	49,551

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants and drainage improvement certificates are paid from the Special Revenue, Drainage Districts Fund solely from drainage assessments against benefited properties.

(7) Loan Receivable

During the year ended June 30, 2019, the County entered into a Memorandum of Understanding with the City of Wheatland for a bridge replacement within the Wheatland Corporate City limits. The County made payments of \$246,152 to the City and will assess the City for all costs to be reimbursed to the County's Secondary Road Fund. The City is required to reimburse the County's Secondary Road Fund for actual funds provided over a period of fifteen years. During the year ended June 30, 2022, the City paid \$16,410 to the County. The balance of the loan receivable, \$196,922 at June 30, 2022, is reported in the Secondary Roads Fund.

(8) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County 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.

Sheriffs, deputies and protection occupation members may retire at normal retirement age, which is generally age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

The formula used to calculate a sheriff's, deputy's or protection occupation member's monthly IPERS benefit includes:

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

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

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

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.01% of covered payroll, for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 totaled \$1,000,596.

Net Pension Asset, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County had an asset of \$2,708,584 for its proportionate share of the overall plan net pension asset. The overall plan net pension asset was measured as of June 30, 2021. The total plan pension liability used in its calculation of the overall plan net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the overall plan net pension asset was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's proportion was 0.784581%, which was an increase of 0.686621% over its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (reduction) of \$(1,022,036). At June 30, 2022, the County 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	\$ 295,951	113,138
Changes of assumptions	114,388	97,721
Net difference between projected and actual earnings on IPERS' investments	-	7,117,795
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	3,552	273,889
County contributions subsequent to the measurement date	1,000,596	-
Total	<u>\$ 1,414,487</u>	<u>7,602,543</u>

\$1,000,596 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (1,863,902)
2024	(1,786,083)
2025	(1,626,100)
2026	(1,928,715)
2027	16,148
Total	<u>\$ (7,188,652)</u>

There were no non-employer contributing entities to IPERS.

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

Rate of inflation (effective June 30, 2017)	2.60% 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, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS’ investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension asset was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the 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 asset.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability (asset) 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%)
County's proportionate share of the net pension liability (asset)	\$ 3,785,180	(2,708,584)	(8,148,235)

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 County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2022.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	<u>182</u>
Total	<u>193</u>

Total OPEB Liability – The County's total OPEB liability of \$1,340,165 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	2.60% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2022)	4.09% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.09% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates for the general employees are from the Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020, for public safety employees, from SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 and for surviving spouses from SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table full generational using Scale MP-2020. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 1,522,186</u>
Changes for the year:	
Service cost	96,888
Interest	34,129
Differences between expected and actual experiences	(14,332)
Changes in assumptions	(176,692)
Benefit payments	<u>(122,014)</u>
Net changes	<u>(182,021)</u>
Total OPEB liability end of year	<u>\$ 1,340,165</u>

Changes of assumptions reflect a change in the discount rate from 2.19% in fiscal year 2021 to 4.09% in fiscal year 2022.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current discount rate.

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 1,431,611	1,340,165	1,252,905

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.50%) or 1% higher (8.50%) than the current healthcare cost trend rates.

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	\$ 1,195,282	1,340,165	1,511,549

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of \$144,633. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 870,004	100,989
Changes of assumptions	-	617,602
	<u>\$ 870,004</u>	<u>718,591</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Amount
2023	\$ 13,616
2024	13,616
2025	13,616
2026	13,616
2027	13,616
Thereafter	<u>83,333</u>
	<u>\$ 151,413</u>

(10) Risk Management

The County 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 794 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, employment practices liability, public officials liability and police professional liability. 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.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2022 were \$466,069.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, 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 the County's 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 the County's 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 the County's 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.

The County 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, 2022, no liability has been recorded in the County's financial statements. As of June 30, 2022, 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.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$50,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$70,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

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 services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2022 was \$2,440,135.

Amounts payable from the Employee Group Health Fund at June 30, 2022 total \$322,460, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$3,370,359 at June 30, 2022 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 350,708
Incurred claims (including claims incurred but not reported at June 30, 2022)	4,546,400
Payments:	
Payment on claims during the year	<u>4,574,648</u>
Unpaid claims end of year	<u>\$ 322,460</u>

(12) Economic Development Agreement

The County agreed to rebate 100% of the actual property tax paid by Clinton Catalyst, LLC, subject to the developer being and remaining in compliance with the terms of the development agreement. The agreement requires the County to make up to 20 consecutive annual payments of Economic Development Grants, not to exceed a cumulative total of \$765,165. As of June 30, 2022, the County had not made any payments to the Developer.

(13) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Camanche	Urban renewal and economic development projects	\$ 16,908
City of Clinton	Urban renewal and economic development projects	55,763
City of DeWitt	Urban renewal and economic development projects	219,088

(14) Jointly Governed Organization

The County participates in the Clinton County Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The parties to the 28E organization are the County, the cities of Andover, Calamus, Camanche, Charlotte, Clinton, Delmar, DeWitt Goose Lake, Grand Mound, Lost Nation, Low Moor, Welton and Wheatland and fire departments for the cities of Miles and Preston. Financial transaction of this organization are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2022:

Additions:		
Contributions from governmental units:		
Property tax from County general supplemental levy		<u>\$ 1,568,982</u>
Deductions:		
Salaries	\$ 937,017	
Benefits	341,064	
Office supplies	11,226	
Telephone	4,333	
Technology services	40,315	
Travel	3,958	
Insurance	6,342	
Miscellaneous	<u>12,062</u>	<u>1,356,317</u>
Net		212,665
Balance beginning of year		<u>1,537,341</u>
Balance end of year		<u>\$ 1,750,006</u>

(15) Early Childhood Iowa Area Board

The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2022 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 117,839	-	117,839
Quality improvement	-	53,591	53,591
Allocation for administration	6,202	13,636	19,838
School ready general use	-	387,310	387,310
Total state grants	124,041	454,537	578,578
Miscellaneous grants	-	920	920
Interest on investments	84	221	305
Total revenues	124,125	455,678	579,803
Expenditures:			
Program services:			
Early childhood	117,849	-	117,849
Quality improvement	-	53,630	53,630
School ready general use	-	406,670	406,670
Total program services	117,849	460,300	578,149
Administration	6,593	23,921	30,514
Total expenditures	124,442	484,221	608,663
Change in fund balance	(317)	(28,543)	(28,860)
Fund balance beginning of year	10,164	55,839	66,003
Fund balance end of year	\$ 9,847	27,296	37,143

(16) County Financial Information Included in the Eastern Iowa Mental Health and Disabilities Services Region

The Eastern Iowa Mental Health and Disabilities Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Cedar County, Clinton County, Jackson County, Muscatine County and Scott County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Eastern Iowa Mental Health and Disabilities Services Region for the year ended June 30, 2022, as follows:

Revenues:		
Property and other county tax		\$ 918,822
Intergovernmental revenues:		
State tax credits		78,525
Charges for service		<u>55,866</u>
Total revenues		<u>1,053,213</u>
Expenditures:		
Services to persons with:		
Mental illness	\$ 542,067	
Intellectual disabilities	56,838	
Other developmental disabilities	<u>10,004</u>	608,909
General administration:		
Direct administration		178,178
Distribution to regional fiscal agent		<u>803,041</u>
Total expenditures		<u>1,590,128</u>
Deficiency of revenues under expenditures		(536,915)
Fund balance beginning of year		<u>536,915</u>
Fund balance end of year		<u>\$ -</u>

(17) Opioid Litigation Settlement

The State of Iowa along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County also settled the same claims and related claims. Due to its settlement of these claims, the County will receive payment from the Defendant companies over the next seventeen years. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment, and recovery services.

(18) Rock Creek Marina

In October 2021, the County Conservation Board voted to dissolve the Rock Creek Marina Fund, which had been reported by the County as an Enterprise Fund. The funds were transferred to the Land Acquisition Fund which is included in the County's General Fund. At the time the fund was dissolved, the County transferred the cash balance of \$196,789 to the General Fund and has recorded this as a Transfer of Equity in the General Fund and Enterprise, Rock Creek Marina Fund. During the year ended June 30, 2022, the existing capital assets, deferred outflows of resources, liabilities and deferred inflows of resources were also transferred to the County for reporting purposes. In addition, for the Statement of Net Position and Statement of Activities, a portion of the Internal Service Fund was allocated to the Enterprise Fund. Due to the dissolution of the fund, there was no allocation of the Internal Service Fund during June 30, 2022. The following amounts are reported in the financial statements for transfer due to elimination of fund:

Balances reported at June 30, 2021:	
Capital assets	\$ 156,158
Deferred outflows of resources	
Pension related deferred outflows	15,070
OPEB related deferred outflows	9,600
Net pension liability	(50,748)
Total OPEB liability	(15,117)
Deferred inflows of resources	
Pension related deferred inflows	(4,897)
OPEB related deferred inflows	<u>(6,065)</u>
Total	104,001
Current year depreciation on capital assets	<u>(5,581)</u>
Transfer due to elimination of fund	98,420
June 30, 2021 allocation of internal service fund	<u>24,485</u>
Entity wide transfer due to elimination of fund	<u>\$ 122,905</u>

(19) Accounting Change

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

	Capital Assets	Long-term Liabilities Lease Agreements
Balances June 30, 2021, as previously reported	\$ 78,435,912	-
Change to implement GASBS No. 87	15,472	15,472
Balances July 1, 2021, as restated	<u>\$ 78,451,384</u>	<u>15,472</u>

(20) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting of the right to use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

Required Supplementary Information

Clinton County

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

Required Supplementary Information

Year ended June 30, 2022

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 23,269,036	-	23,269,036
Interest and penalty on property tax	147,043	-	147,043
Intergovernmental	13,633,189	1,203	13,631,986
Licenses and permits	53,260	-	53,260
Charges for service	1,432,650	-	1,432,650
Use of money and property	448,412	76	448,336
Miscellaneous	529,240	133,205	396,035
Total receipts	39,512,830	134,484	39,378,346
Disbursements:			
Public safety and legal services	9,631,673	-	9,631,673
Physical health and social services	1,913,380	-	1,913,380
Mental health	1,610,962	-	1,610,962
County environment and education	2,299,417	121,121	2,178,296
Roads and transportation	7,560,882	-	7,560,882
Governmental services to residents	1,227,049	-	1,227,049
Administration	4,633,756	-	4,633,756
Non-program	160,412	-	160,412
Debt service	2,645,820	137,389	2,508,431
Capital projects	3,128,293	-	3,128,293
Total disbursements	34,811,644	258,510	34,553,134
Deficiency of receipts under disbursements	4,701,186	(124,026)	4,825,212
Other financing sources, net	306,357	112,893	193,464
Change in balances	5,007,543	(11,133)	5,018,676
Balance beginning of year	24,380,400	42,455	24,337,945
Balance end of year	\$ 29,387,943	31,322	29,356,621

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
24,154,184	23,126,312	142,724
136,400	136,400	10,643
8,249,116	17,384,845	(3,752,859)
46,600	46,600	6,660
1,125,690	1,125,690	306,960
230,791	271,061	177,275
277,435	412,760	(16,725)
34,220,216	42,503,668	(3,125,322)
9,861,897	10,836,299	1,204,626
2,205,216	2,417,194	503,814
1,402,993	2,568,054	957,092
2,347,653	6,924,746	4,746,450
7,854,870	7,854,870	293,988
1,348,518	1,365,215	138,166
4,422,921	9,669,816	5,036,060
24,000	394,000	233,588
2,750,185	2,750,185	241,754
2,235,927	3,638,127	509,834
34,454,180	48,418,506	13,865,372
(233,964)	(5,914,838)	10,740,050
-	(2,006,249)	2,199,713
(233,964)	(7,921,087)	12,939,763
14,634,269	14,634,269	9,703,676
14,400,305	6,713,182	22,643,439

Clinton County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2022

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 39,512,830	(3,993,723)	35,519,107
Expenditures	34,811,644	235,031	35,046,675
Net	4,701,186	(4,228,754)	472,432
Other financing sources, net	306,357	43,503	349,860
Beginning fund balances	24,380,400	13,815	24,394,215
Ending fund balances	<u>\$ 29,387,943</u>	<u>(4,171,436)</u>	<u>25,216,507</u>

See accompanying independent auditor's report.

Clinton County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2022

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except discretely presented and blended component units, the Enterprise Fund, the Internal Service Fund and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund and the Permanent Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$13,964,326. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2022, disbursements did not exceed the amounts budgeted. However, disbursements in certain departments exceeded amounts appropriated prior to budget amendments and at year end.

Clinton County

Schedule of County Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees' Retirement System
For the Last Eight Years
(In Thousands)

Required Supplementary Information

	2022	2021	2020	2019
County's proportion of the net pension liability/asset	0.784581% **	0.097960%	0.093472%	0.098786%
County's proportionate share of the net pension liability (asset)	\$ (2,709)	6,881	5,413	6,251
County's covered payroll	\$ 10,229	10,181	9,926	9,838
County's proportionate share of the net pension liability as a percentage of its covered payroll	(26.48)%	67.59%	54.53%	63.54%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%

* 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.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2018	2017	2016	2015
0.109230%	0.112080%	0.113930%	0.112786%
7,276	7,054	5,629	4,473
9,702	9,930	10,101	9,934
74.99%	71.04%	55.73%	45.03%
82.21%	81.82%	85.19%	87.61%

Clinton County

Schedule of County Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years
(In Thousands)

Required Supplementary Information

	2022	2021	2020	2019
Statutorily required contribution	\$ 1,001	964	967	950
Contributions in relation to the statutorily required contribution	(1,001)	(964)	(967)	(950)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 10,633	10,229	10,181	9,926
Contributions as a percentage of covered payroll	9.41%	9.42%	9.50%	9.57%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
888	891	884	925	912	865
(888)	(891)	(884)	(925)	(912)	(865)
-	-	-	-	-	-
9,838	9,702	9,930	10,101	9,934	9,644
9.03%	9.18%	8.90%	9.16%	9.18%	8.97%

Clinton County

Notes to Required Supplementary Information – Pension Liability (Asset)

Year ended June 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- 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.

Clinton County

Schedule of Changes in the County's
Total OPEB Liability, Related Ratios and Notes

For the Last Five Years
Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	\$ 96,888	139,087	59,638	74,098	74,114
Interest cost	34,129	22,780	19,336	33,779	31,838
Difference between expected and actual experiences	(14,332)	1,063,338	(30,706)	(49,379)	(49,059)
Changes of assumptions	(176,692)	(270,610)	(325,014)	-	-
Benefit payments	(122,014)	(32,745)	(13,683)	(3,845)	(5,971)
Net change in total OPEB liability	(182,021)	921,850	(290,429)	54,653	50,922
Total OPEB liability beginning of year	1,522,186	600,336	890,765	836,112	785,190
Total OPEB liability end of year	<u>\$ 1,340,165</u>	<u>1,522,186</u>	<u>600,336</u>	<u>890,765</u>	<u>836,112</u>
Covered-employee payroll	\$ 10,360,347	9,890,802	10,285,276	9,995,574	9,487,757
Total OPEB liability as a percentage of covered-employee payroll	12.9%	15.4%	5.8%	8.9%	8.8%

See accompanying independent auditor's report.

Notes to Schedule of Changes in the County's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	2.50%

Clinton County

Supplementary Information

Clinton County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

	Resource Enhancement and Protection	County Recorder's Records Management	Sized Property	Special Miscellaneous Grants
Assets				
Cash, cash equivalents and pooled investments	\$ 42,260	68,377	16,366	9,447
Accounts Receivable	-	774	-	-
Drainage assessments	-	-	-	-
Opioid settlement receivable	-	-	-	-
Due from other governments	-	-	-	1,434
Total assets	\$ 42,260	69,151	16,366	10,881
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	534	-	2,639
Deferred inflows of resources:				
Unavailable revenues:				
Other	-	-	-	-
Fund balances:				
Restricted for:				
Nonspendable:				
Permanent	-	-	-	-
Drainage purposes	-	-	-	-
Other purposes	42,260	68,617	16,366	8,242
Total fund balances	42,260	68,617	16,366	8,242
Total deferred inflows of resources and fund balances	\$ 42,260	69,151	16,366	10,881

See accompanying independent auditor's report.

Revenue			Permanent		
Drainage Districts	Veterans Memorial	Local Government Opioid Abatement	Vietnam Veterans Trust		Total
31,322	1,137	-	14,138		183,047
-	-	-	-		774
22,836	-	-	-		22,836
-	-	1,124,294	-		1,124,294
120	-	-	-		1,554
<u>54,278</u>	<u>1,137</u>	<u>1,124,294</u>	<u>14,138</u>		<u>1,332,505</u>
-	-	-	-		3,173
<u>22,956</u>	<u>-</u>	<u>1,124,294</u>	<u>-</u>		<u>1,147,250</u>
-	-	-	5,000		5,000
31,322	-	-	-		31,322
-	1,137	-	9,138		145,760
<u>31,322</u>	<u>1,137</u>	<u>-</u>	<u>14,138</u>		<u>182,082</u>
<u>54,278</u>	<u>1,137</u>	<u>1,124,294</u>	<u>14,138</u>		<u>1,332,505</u>

Clinton County

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2022

	Resource Enhancement and Protection	County Recorder's Records Management	Seized Property	Special Miscellaneous Grants
Revenues:				
Intergovernmental	\$ 17,326	-	-	146,941
Charges for service	-	9,538	-	-
Use of money and property	38	101	-	-
Miscellaneous	-	-	2,238	-
Total revenues	17,364	9,639	2,238	146,941
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	16,707
County environment and education	-	-	-	146,343
Governmental services to residents	-	5,672	-	-
Debt service	-	-	-	-
Total expenditures	-	5,672	-	163,050
Excess (deficiency) of revenues over (under) expenditures	17,364	3,967	2,238	(16,109)
Other financing sources:				
Drainage warrants issued	-	-	-	-
Change in fund balances	17,364	3,967	2,238	(16,109)
Fund balances beginning of year	24,896	64,650	14,128	24,351
Fund balances end of year	\$ 42,260	68,617	16,366	8,242

See accompanying independent auditor's report.

Revenue		Permanent		
Drainage Districts	Veterans Memorial	Vietnam Veterans Trust		Total
1,203	-	-		165,470
-	-	-		9,538
76	2	21		238
133,205	-	-		135,443
134,484	2	21		310,689
-	-	-		16,707
121,121	-	-		267,464
-	-	-		5,672
137,389	-	-		137,389
258,510	-	-		427,232
(124,026)	2	21		(116,543)
112,893	-	-		112,893
(11,133)	2	21		(3,650)
42,455	1,135	14,117		185,732
31,322	1,137	14,138		182,082

Clinton County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ -	4,126	902,313	500,907	30,882
Other County officials	90,524	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	4,301	12,531	524,059	32,120
Succeeding year	-	295,000	860,000	34,550,000	2,233,000
Accounts	1,083	-	-	-	-
Drainage assessments	-	-	-	-	-
Special assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	91,607	303,427	1,774,844	35,574,966	2,296,002
Liabilities					
Accounts payable	-	-	1,620	-	-
Salaries and benefits payable	-	-	33,371	-	-
Due to other governments	59,674	4,126	5,223	500,907	30,882
Trusts payable	31,933	-	-	-	-
Compensated absences	-	-	59,044	-	-
Total liabilities	91,607	4,126	99,258	500,907	30,882
Deferred Inflows of Resources					
Unavailable revenues	-	295,000	860,000	34,550,000	2,233,000
Net Position					
Restricted for individuals, organizations and other governments	\$ -	4,301	815,586	524,059	32,120

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	911 Service Board	Drainage Districts	Other	Total
404,940	5,297	30,415	1,470,929	369,472	20,311	2,846,580	6,586,172
-	-	-	-	-	-	-	90,524
479,207	1,393	-	-	-	-	82	1,053,693
24,441,000	544,000	-	-	-	-	6,000	62,929,000
-	-	-	-	22,735	-	960	24,778
-	-	-	-	-	20	-	20
-	-	543,586	-	-	-	-	543,586
-	-	-	-	70,977	-	-	70,977
25,325,147	550,690	574,001	1,470,929	463,184	20,331	2,853,622	71,298,750
-	-	-	-	7,788	-	91,400	100,808
-	-	-	-	-	-	84,872	118,243
404,940	5,297	30,415	1,470,929	-	-	10,223	2,522,616
-	-	-	-	-	-	-	31,933
-	-	-	-	-	-	139,762	198,806
404,940	5,297	30,415	1,470,929	7,788	-	326,257	2,972,406
24,441,000	544,000	-	-	-	-	6,000	62,929,000
479,207	1,393	543,586	-	455,396	20,331	2,521,365	5,397,344

Clinton County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Additions:					
Property and other county tax	\$ -	288,956	867,970	34,888,261	2,182,805
911 surcharge	-	-	-	-	-
State tax credits	-	24,642	74,052	3,004,501	185,076
Office fees and collections	1,344,014	-	1,350	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	867,068	-	-	-	-
Miscellaneous	-	1,519	4,830	219,049	11,339
Total additions	2,211,082	315,117	948,202	38,111,811	2,379,220
Deductions:					
Agency remittances:					
To other funds	538,243	-	-	-	-
To other governments	797,657	314,527	1,169,091	38,061,288	2,371,268
Trusts paid out	875,182	-	-	-	-
Total deductions	2,211,082	314,527	1,169,091	38,061,288	2,371,268
Changes in net position	-	590	(220,889)	50,523	7,952
Net position beginning of year	-	3,711	1,036,475	473,536	24,168
Net position end of year	\$ -	4,301	815,586	524,059	32,120

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Auto License and Use Tax	911 Service Board	Drainage Districts	Other	Total
24,690,356	518,048	-	-	-	-	76,243	63,512,639
-	-	-	-	476,502	-	-	476,502
2,483,017	25,557	-	-	-	-	518	5,797,363
-	-	-	-	-	-	1,050	1,346,414
-	-	-	16,424,619	-	-	-	16,424,619
-	-	209,002	-	-	1,395	-	210,397
-	-	-	-	-	-	-	867,068
218,357	5,866	-	-	925	31	3,348,405	3,810,321
27,391,730	549,471	209,002	16,424,619	477,427	1,426	3,426,216	92,445,323
-	-	-	-	-	-	-	538,243
27,329,419	549,377	223,811	16,424,619	496,407	315	3,139,660	90,877,439
-	-	-	-	-	-	-	875,182
27,329,419	549,377	223,811	16,424,619	496,407	315	3,139,660	92,290,864
62,311	94	(14,809)	-	(18,980)	1,111	286,556	154,459
416,896	1,299	558,395	-	474,376	19,220	2,234,809	5,242,885
479,207	1,393	543,586	-	455,396	20,331	2,521,365	5,397,344

Clinton County

Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds

For the Last Ten Years

	2022	2021	2020	2019
Revenues:				
Property and other county tax	\$ 21,334,934	18,918,805	19,546,316	19,298,347
Local option sales tax	1,885,423	1,963,978	1,555,986	1,440,891
Interest and penalty on property tax	146,262	213,724	90,024	173,626
Intergovernmental	9,482,614	10,539,100	9,202,715	9,773,924
Licenses and permits	58,298	46,542	50,817	49,390
Charges for service	1,439,117	1,291,714	1,099,496	1,090,745
Use of money and property	447,946	355,873	425,728	520,746
Miscellaneous	724,513	414,566	384,791	404,304
Total	<u>\$ 35,519,107</u>	<u>33,744,302</u>	<u>32,355,873</u>	<u>32,751,973</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 9,760,197	9,252,390	8,429,240	8,560,284
Physical health and social services	2,040,109	1,851,611	1,835,292	1,825,613
Mental health	1,590,128	1,389,645	1,738,516	1,643,475
County environment and education	2,476,260	1,933,100	2,188,510	1,891,706
Roads and transportation	7,543,661	7,160,046	8,624,059	6,537,393
Governmental services to residents	1,240,221	1,343,165	1,189,771	1,228,040
Administration	4,685,800	3,874,371	3,851,811	4,904,459
Non-program	-	-	-	-
Debt service	2,645,820	1,905,562	3,074,801	2,997,840
Capital projects	3,064,479	6,336,917	2,556,321	14,403,388
Total	<u>\$ 35,046,675</u>	<u>35,046,807</u>	<u>33,488,321</u>	<u>43,992,198</u>

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
19,146,476	17,258,304	17,003,949	17,398,305	16,914,959	17,433,243
1,457,680	1,482,733	1,502,421	1,511,708	1,512,957	1,404,206
176,709	124,297	143,530	175,574	252,994	153,244
9,756,347	12,225,481	8,016,218	7,760,320	7,068,915	7,094,699
55,672	59,651	52,814	48,544	42,117	73,345
1,092,808	1,085,427	1,062,260	1,124,522	1,075,768	1,140,371
376,162	250,535	217,409	219,807	251,657	250,931
676,979	389,758	430,733	304,058	380,963	507,538
32,738,833	32,876,186	28,429,334	28,542,838	27,500,330	28,057,577
7,839,966	7,675,445	7,206,797	7,268,851	7,058,888	7,588,190
1,891,837	1,374,331	1,469,045	1,508,593	1,482,708	1,390,552
1,994,107	2,889,736	3,914,448	3,582,273	2,951,395	3,939,104
1,811,343	1,931,743	1,854,346	2,105,932	2,064,868	2,048,657
6,251,552	6,601,146	6,455,216	5,922,243	6,327,485	5,547,484
1,151,189	1,113,853	1,052,557	1,569,532	1,163,451	1,173,154
3,712,563	3,460,940	3,766,792	4,446,301	4,632,264	3,481,834
8,691	16,415	18,850	23,306	4,815	2,525
3,334,711	1,373,910	1,533,637	1,463,084	1,497,708	1,682,112
11,774,484	7,687,572	954,194	619,685	420,189	719,795
39,770,443	34,125,091	28,225,882	28,509,800	27,603,771	27,573,407

Schedule 6

Clinton County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture: Passed through Iowa Department of Human Services: Human Services Administrative Reimbursements: SNAP Cluster: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00002128028	\$ 27,457
Total U.S. Department of Agriculture			<u>27,457</u>
U.S. Department of Defense: Passed through Iowa Office of Treasurer of State: Payments to States in Lieu of Real Estate Taxes	12.112		10,931
Total U.S. Department of Defense			<u>10,931</u>
U.S. Department of the Interior: Payments in Lieu of Taxes	15.226		22,172
Total U.S. Department of the Interior			<u>22,172</u>
U.S. Department of Justice: COVID-19, Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1237	35,858
Bulletproof Vest Partnership Program	16.607		1,451
Edward Bryne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01429-JAGX	12,421
Passed through Iowa Governor's Office of Drug Control Policy: Edward Bryne Memorial Justice Assistance Grant Program	16.738	19-JAG-398207	15,812
Total U.S. Department of Justice			<u>28,233</u> <u>65,542</u>
U.S. Department of Transportation: Passed through Iowa Department of Public Safety: State and Community Highway Safety	20.600	22-402-M0PT Task 14-00-00	9,598
National Priority Safety Programs	20.616	21-405d-M6OT Task 09-00-00	371
National Priority Safety Programs	20.616	22-405d-M6OT Task 00-14-00	4,546
Total U.S. Department of Transportation			<u>4,917</u> <u>14,515</u>
U.S. Department of Treasury: Passed through Iowa Homeland Security and Emergency Management: COVID-19, Coronavirus Relief Fund	21.019	159636	34,598 *
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027		547,782
Total U.S. Department of Treasury			<u>582,380</u>
U.S. Election Assistance Commission: Passed through Iowa Secretary of State: HAVA Election Security Grants	90.404	323-2321-HAVACYBER	10,000
Total U.S. Election Assistance Commission			<u>10,000</u>
U.S. Department of Health and Human Services: Passed through Iowa Department of Public Health: Public Health Emergency Preparedness	93.069	5881BT03E	448,222
Loan Repayment Program for General Research	93.232	MOU-2021-ELC21	2,600
Loan Repayment Program for General Research	93.232	MOU-2022-ELC21	800
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	5885BT423	2,251
Immunization Cooperative Agreements	93.268	5881I421E	16,380
COVID-19, Immunization Cooperative Agreements	93.268	5885BT423	79,352
			<u>95,732</u>

Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
(Continued)			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5885BT423	<u>1,350</u>
COVID-19, Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	5885BT423	<u>13,505</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5881NB09E	<u>5,600</u>
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements: Title IV-E Prevention Program	93.472	00002128028	<u>934</u>
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	93.566	00002128028	<u>33</u>
Foster Care Title IV-E	93.658	00002128028	<u>7,287</u>
Adoption Assistance	93.659	00002128028	<u>4,002</u>
Social Services Block Grant	93.667	00002128028	<u>7,445</u>
Children's Health Insurance Program	93.767	00002128028	<u>561</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002128028	<u>7,138</u>
Medicaid Cluster:			
Medical Assistance Program	93.778	00002128028	<u>32,264</u>
Total U.S. Department of Health and Human Services			<u>629,724</u>
U.S. Department of Homeland Security:			
Passed through Iowa Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4557 DRIA	19,580 *
COVID-19, Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4483 DRIA	<u>144,536</u>
Total U.S. Department of Homeland Security			<u>164,116</u>
Total			<u>\$ 1,526,837</u>

* Represent expenditures from prior years.

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Clinton County under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Clinton County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Clinton County.

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 – Clinton County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.



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

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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 Officials of Clinton County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 18, 2023.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Part II of the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clinton County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2022-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. 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.

Clinton County's Responses to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Clinton County 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

August 18, 2023

Clinton County



**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 Clinton County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Clinton County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Clinton County's major federal program for the year ended June 30, 2022. Clinton County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Clinton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Clinton County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Clinton County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Clinton County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Clinton County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Clinton County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Clinton County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Clinton County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Clinton County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

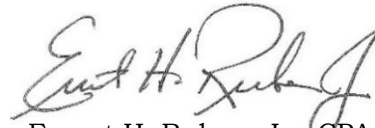
Report on Internal Control Over Compliance

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 that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

August 18, 2023

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2022

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) A significant deficiency and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weakness in internal control over the major program were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major programs were as follows:
 - Assistance Listing Number 21.027 – COVID-19, Coronavirus State and Local Fiscal Recovery Funds
 - Assistance Listing Number 97.036 – COVID-19, Disaster Grants – Public Assistance (Presidentially Declared Disasters).
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Clinton County did not qualify as a low-risk auditee.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2022-001 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County’s financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

- (1) Mail is not opened by someone independent of the receipts process. That independent opener should list checks received in the mail, then forward the mail on to the accounting personnel for processing. Later, the independent mail opener should trace receipts from the listing to proper recording in the accounting records and proper deposit.
In the County Treasurer’s Office, drop box receipts are opened by accounting personnel.
- (2) Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist.
- (3) Generally, one individual may have control over approval, preparation, signing and posting of disbursements for which no compensating controls exist.
- (4) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.
- (5) All individuals have the ability to void receipts, including individuals who perform daily balancing. Voided receipts were not reviewed periodically by an independent person for propriety.

Applicable Offices

Conservation,
Recorder, Sheriff and
Treasurer

Conservation,
Conservation
Foundation, Recorder
and Sheriff

Recorder and Sheriff

Conservation
Foundation and
Recorder

Sheriff

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Cause – The County offices and the Conservation Foundation noted above have a limited number of employees and volunteers and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect each County office's and Conservation Foundation's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees and volunteers in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees and volunteers. However, each official should review the operating procedures of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel and volunteers, including elected officials, personnel from other County offices and board members, to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible and the reviews should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

Conservation – The Clinton County Conservation Board will review the operating procedures in order to find ways to maximize internal controls and will utilize current personnel to review transactions, reconciliations and reports.

Conservation Foundation – Our CPA reviews the monthly bank reconciliations as part of filing our annual 990 tax return. We also have him prepare an annual compilation. This assists oversight of the segregation of duties by hiring an independent third-party oversight. Please note that we have, as standard practice and at any time cash in involved, it is counted twice for accuracy. Once a member of the finance committee, other than the Treasurer, then by the Treasurer. Additionally, a third time when deposited at the bank.

Recorder – We are a small staff running two offices in Clinton and DeWitt. Our intentions are to split these duties as much as possible, but we have restraints.

Sheriff – Independent reviews of the monthly bank reconciliations are currently being done by the Chief Deputy who has no involvement in the cash receipts or disbursement cycles. These reviews are documented by a signature and date. We are aware of the segregation of duties deficiencies, and we do our best as much as possible with the limited number of staff and efficiency concerns. We will continue to monitor where additional controls could be implemented.

Treasurer – In the Treasurer's Office, we are committed to segregation of duties. Mail is processed and sorted by a clerk within sight of the Office Manager who assists when mail counts are high. Mail is then given to Deputies to count and log. Deputies decide how to disburse mail that they do not process. This is logged. Drop boxes are checked by various personnel and individuals that collect from drop boxes do not process that work.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Conclusion – Responses acknowledged. Each official should continue to monitor internal controls to obtain the maximum control possible. In addition, bank reconciliations should be reviewed by an independent person monthly.

2022-002 Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

Condition – Material amounts of payables and receivables were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of year end cut-off transactions to ensure the County's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the County's financial statements were necessary.

Recommendation – The County should establish procedures to ensure all payables and receivables are identified and properly reported in the County's financial statements.

Responses –

Treasurer – We had a leadership meeting to review what is required to be marked accrual. We discussed the need for our Office to double check items that are submitted to us for processing to make sure they were marked accrual if needed. This is a moving target, but we are committed to assisting other Departments in identifying the need for accruals.

Auditor – The Auditor's Office accepts the findings, will review its procedures and plans to work more closely with Departments and Department heads to ensure all receivables and payables are identified and properly reported in the financial statements.

Conclusion – Responses accepted.

2022-003 Annual Financial Report

Criteria – Chapter 331.403 of the Code of Iowa requires counties to prepare an annual financial report showing for each County fund the financial condition as of June 30. Beginning with the fiscal year ending June 30, 1985, the annual financial report is required to be prepared in conformity with generally accepted accounting principles.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Condition – For the year ended June 30, 2022, the County’s GAAP basis Annual Financial Report included material errors. Revenues, assets and liabilities were reported inaccurately for the General, Fund and Special Revenue, Secondary Roads Fund.

Cause – County policies do not require, and procedures have not been established to require independent review of the annual financial report to ensure reports submitted materially agree to County records.

Effect – Lack of policies and procedures resulted in the County employees not detecting the errors in the normal course of performing their assigned functions. As a result, the GAAP basis annual financial report submitted was materially inaccurate.

Recommendation – The County should establish procedures to ensure the annual financial reports submitted materially agree to County records.

Response – The Auditor's Office accepts the findings, will review its procedures and will make appropriate changes.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weakness in internal control over the major program was noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

Part IV: Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget – Disbursements during the year ended June 30, 2022 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated prior to the budget amendments and at year end.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – The Auditor's Office accepts the findings, will review its procedures and will make appropriate changes. We will also communicate these findings with the affected Departments.

Conclusion – Response accepted.

2022-B Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

2022-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2022-D Business Transactions – No business transactions between the County and County officials or employees were noted.

2022-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

2022-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2022-H Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2022-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2022

2022-J Early Childhood Iowa Area Board – The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization.

No instances of non-compliance were noted as a result of the audit procedures performed.

2022-K Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the County to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The image of the backs of each cancelled check was not obtained by the County Recorder and County Sheriff.

Recommendation – The County should obtain and retain an image of both the front and back of each cancelled check as required.

Responses –

Recorder – We will contact the bank and request both front and back of check images to be sent with the monthly bank statements.

Sheriff – We will contact the bank and see if this can be done.

Conclusion – Responses accepted.

Clinton County

Staff

This audit was performed by:

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Pamela J. Bormann, CPA, Manager
Anthony M. Heibult, Senior Auditor II
April R. Davenport, Senior Auditor
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