



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

Rob Sand
Auditor of State

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Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Ernest Ruben
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FOR RELEASE

November 14, 2023

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$14,847,477 for the year ended June 30, 2022, an 18.5% decrease from the prior year. Expenses for County operations for the year ended June 30, 2022 totaled \$12,746,074, a 27.2% decrease from the prior year. The decrease in revenues and expenses is due primarily to the USDA emergency watershed protection program projects being completed in the prior year.

AUDIT FINDINGS:

Sand reported five findings related to the receipt and expenditure of taxpayer funds. They are found on pages 72 through 76 of this report. The findings address issues such as a lack of segregation of duties, lack of a formal disaster recovery plan and disbursements exceeding budgeted amounts. Sand provided the County with recommendations to address each of these findings.

Three of the five 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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PAGE COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2022

Page County



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Rob Sand
Auditor of State

October 24, 2023

Officials of Page County
Clarinda, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Page 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 Page 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 that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

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Page County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Alan Armstrong	Board of Supervisors	Jan 2023
Jacob Holmes	Board of Supervisors	Jan 2025
Chuck Morris	Board of Supervisors	Jan 2025
Melissa Wellhausen	County Auditor	Jan 2025
Angie Dow	County Treasurer	Jan 2023
Brenda Esaias	County Recorder	Jan 2023
Lyle Palmer	County Sheriff	Jan 2025
Carl Sonksen	County Attorney	Jan 2023
Jason Renander	County Assessor	Jan 2028

Page County



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Independent Auditor's Report

To the Officials of Page County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Page 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, each major fund and the aggregate remaining fund information of Page 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 accounting principles generally accepted in the United States of America.

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 Page 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.

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 Page 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 Page 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 Page 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 14 and 48 through 57 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 GAAS, 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 Page 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 nine years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 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 5 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 October 24, 2023 on our consideration of Page 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 Page County’s internal control over financial reporting and compliance.


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

October 24, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Page 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.
- Revenues of the County's governmental activities decreased 18.5%, or approximately \$3,380,000, from fiscal year 2021 to fiscal year 2022. Property tax revenues increased approximately \$122,000, operating grants, contributions and restricted interest decreased approximately \$4,000,000 and capital grants, contributions and restricted interest increased approximately \$73,000.
- Program expenses of the County's governmental activities decreased 27.2%, or approximately \$4,800,000 from fiscal year 2021 to fiscal year 2022. Roads and transportation decreased approximately \$4,443,000 due to expenses related to the emergency watershed protection program during fiscal year 2021.
- The County's net position increased 6.3% or approximately \$2,100,000 over the June 30, 2021 balance.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements, as well as 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 Page 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 Page 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 Page 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.

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 two 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, and 3) the Debt Service 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) 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 the 911 Service Commission, emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is 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 Activities		
	June 30,	
	2022	2021
Current and other assets	\$ 21,880,257	18,766,090
Capital assets	27,135,349	27,193,899
Total assets	49,015,606	45,959,989
Deferred outflows of resources	731,439	992,321
Long-term liabilities	1,835,240	5,559,635
Other liabilities	3,273,239	1,884,239
Total liabilities	5,108,479	7,443,874
Deferred inflows of resources	9,410,071	6,381,344
Net position:		
Net investment in capital assets	27,135,349	27,193,899
Restricted	6,561,907	5,951,761
Unrestricted	1,531,239	(18,568)
Total net position	\$ 35,228,495	33,127,092

Page County’s combined net position of governmental activities increased 6.3% (approximately \$33.1 million compared to approximately \$35.2 million).

The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and construction in progress). This net position component decreased approximately \$59,000, or less than 1%, from the prior year. The decrease is primarily due to depreciation of capital assets.

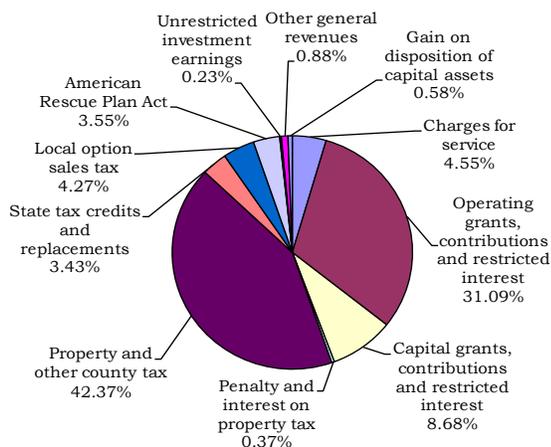
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$610,000, or 10.3%, over the prior year. This increase is primarily due to an increase in the amounts held at year end for supplemental levy purposes in the General Fund and in the Special Revenue, Local Option Sales Tax Fund.

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 approximately \$1,550,000 over the prior year. This increase is primarily due to the repayment of general obligation bonds and the change from a net pension liability in prior year to a net pension asset in the current year.

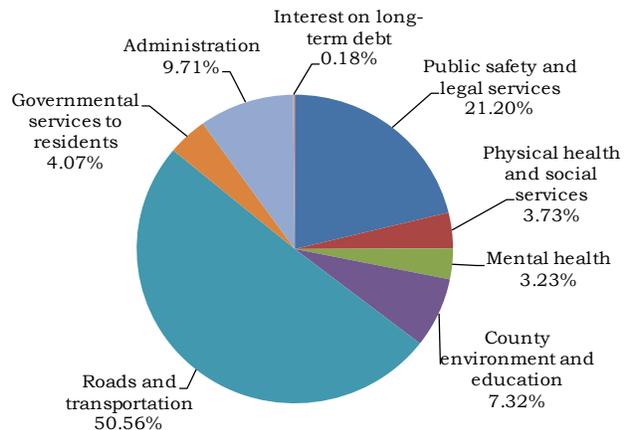
Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2022	2021
Revenues:		
Program revenues:		
Charges for service	\$ 674,974	743,391
Operating grants, contributions and restricted interest	4,616,540	8,611,996
Capital grants, contributions and restricted interest	1,288,470	1,215,081
General revenues:		
Property and other county tax	6,291,687	6,169,453
Penalty and interest on property tax	54,535	75,736
State tax credits and replacements	509,445	518,786
Local option sales tax	634,236	690,803
American Rescue Plan Act	526,584	-
Unrestricted investment earnings	34,571	62,872
Gain on disposition of capital assets	85,037	14,535
Other general revenues	131,398	125,027
Total revenues	14,847,477	18,227,680
Program expenses:		
Public safety and legal services	2,701,933	2,899,438
Physical health and social services	476,053	596,685
Mental health	411,396	382,920
County environment and education	933,381	532,770
Roads and transportation	6,443,573	10,886,783
Governmental services to residents	518,384	651,525
Administration	1,238,001	1,532,360
Non-program	-	2,450
Interest on long-term debt	23,353	30,867
Total expenses	12,746,074	17,515,798
Change in net position	2,101,403	711,882
Net position beginning of year	33,127,092	32,415,210
Net position end of year	\$ 35,228,495	33,127,092

Revenues by Source



Expenses by Program



Revenues for governmental activities decreased approximately \$3,380,000 from the prior year. Property tax increased approximately \$122,000, operating grants, contributions and restricted interest decreased approximately \$4,000,000 and capital grants, contributions and restricted interest increased approximately \$73,400. The County MHDS levy decreased from \$0.50552 per \$1,000 of taxable valuation to \$0.41211 per \$1,000 of taxable valuation, the debt service levy decreased from \$0.35434 per \$1,000 of taxable valuation to \$0.34400 per \$1,000 of taxable valuation and the Countywide levy decreased \$0.10375 per \$1,000 of taxable valuation from the prior year. The Countywide property tax valuation increased approximately \$18,600,000 from the prior year. Overall, there was an increase in property tax of approximately \$122,000. The decrease in operating grants, contributions and restricted interest is due primarily to the end of the USDA emergency watershed protection projects in the prior year.

The cost of all governmental activities this year was approximately \$12.7 million compared to approximately \$17.5 million last year, a 27.2% decrease. The decrease in the cost of all governmental activities is due primarily to the end of the USDA emergency watershed protection projects in the prior year. However, as shown in the Statement of Activities on page 17, the amount taxpayers ultimately financed for governmental activities was approximately \$6.2 million because some of the cost was paid by those directly benefited from the programs (approximately \$675,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$5,905,000). Overall, the County's governmental activities program revenues, including intergovernmental aid and fees for service decreased in fiscal year 2022 from approximately \$10,600,000 to approximately 6,600,000. The County paid for the remaining "public benefit" portion of governmental activities with property tax (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

INDIVIDUAL MAJOR FUND ANALYSIS

As Page County completed the year, its governmental funds reported a combined fund balance of approximately \$11.0 million, an increase of approximately \$400,000 above last year's total of approximately \$10.6 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund, the operating fund for Page County, ended the current year with a balance of \$6,416,738, an increase of \$410,730 over the prior year ending balance of \$6,006,008. Revenues increased \$147,499, and expenditures increased \$475,570. The increase in revenues and expenditures is due primarily to the County using the American Rescue Plan Act (ARPA) grant for historic preservation projects.
- The Special Revenue, Mental Health Fund balance at year end decreased \$101,626 from the prior year end. Revenues decreased \$64,232, or 16.6%, from fiscal year 2021. Expenditures increased \$44,296, or 11.6%, from fiscal year 2021. The County was required by Senate File 619 to transfer the remaining fund balance to the Southwest Iowa MHDS Region prior to June 30, 2022.
- The Special Revenue, Rural Services Fund ended fiscal year 2022 with a \$76,197 balance compared to the June 30, 2021 balance of \$107,666. Revenues increased \$34,415, or 2.4%, and expenditures increased \$14,713, or 3.5% when compared to the prior year.
- The Special Revenue, Secondary Roads Fund ended fiscal year 2022 with a \$3,029,493 balance compared to the June 30, 2021 balance of \$3,259,706. Revenues decreased \$4,222,698, or 50.8%, from fiscal year 2021 while expenditures decreased \$3,956,951, or 41.7%. The decrease in revenues and expenditures is due primarily to the USDA emergency watershed protection program projects having been completed in FY21.

BUDGETARY HIGHLIGHTS

Over the course of the year, Page County amended its budget one time. The amendment was made in May 2022. The amendment resulted in a total increase in budgeted receipts of \$12,067 and an increase in budgeted disbursements of \$797,567. The reason for the amendment was for additional revenues and expenses for Pierce Creek and Rapp Park, an increase in REAP expenses, and increase in expenses to pay the region for the mental health close out, increase in expenses for ARPA spending and an increase in expenses for secondary roads.

Overall, the County's receipts were \$2,424,325 more than the final budget, a variance of 20.4%. Total disbursements were \$977,669 less than the amended budget. Actual disbursements for administration were \$496,705 less than budgeted and county environment and education were \$154,869 less than budgeted. This was due to anticipated expenditures not occurring.

During the year ended June 30, 2022, disbursements in the County environment and education and capital projects functions exceeded the amounts budgeted and several departments exceeded the amounts appropriated prior to approval of an amendment.

Even with the budget amendment, the County exceeded the budgeted amount in the capital projects function for the year ended June 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, Page County had approximately \$27.1 million invested in a broad range of capital assets, including public safety equipment, buildings, roads and bridges. This is a decrease of approximately \$58,500 from the prior year.

	Capital Assets of Governmental Activities at Year End	
	June 30,	
	2022	2021
Land	\$ 874,232	874,232
Construction in progress	-	313,081
Buildings and improvements	1,630,434	1,758,370
Equipment and vehicles	2,223,387	1,988,244
Infrastructure	22,407,296	22,259,972
Total	<u>\$ 27,135,349</u>	<u>27,193,899</u>

Page County's depreciation expense totaled \$2,228,807 in fiscal year 2022 and total accumulated depreciation was \$20,730,595 at June 30, 2022. Additional information about the County's capital assets is included in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2022, Page County had \$770,000 of general obligation bonds outstanding compared to \$1,175,000 at June 30, 2021.

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. Page County's outstanding debt of \$770,000 is significantly below its constitutional debt limit of approximately \$58 million. Additional information about the County's long-term debt is included in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Page County's elected and appointed officials and citizens considered many factors when setting the 2023 County budget, tax rates and fees that apply for the various county services. One of those factors is the economy. Unemployment in the County now stands at 2.4% versus 3.9% a year ago. This compares to the State's unemployment rate of 2.6% 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 in the operating budget are approximately \$21.8 million, an increase of approximately 15.3% from the final fiscal year 2022 budget. Budgeted disbursements are \$13.3 million.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Page 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 Melissa Wellhausen at the Page County Auditor's Office, by mail at 112 E Main, Clarinda, Iowa 51632 or by telephone at (712) 542-3219.

Basic Financial Statements

Page County
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	\$ 12,949,152
Receivables:	
Property tax:	
Delinquent	7,561
Succeeding year	6,188,000
Interest and penalty on property tax	25,709
Accounts	21,733
Opioid settlement	448,917
Loan	250,000
Due from other governments	411,667
Lease receivable	150,471
Inventories	595,116
Capital assets not being depreciated	874,232
Capital assets, net of accumulated depreciation	26,261,117
Net pension asset	831,931
Total assets	49,015,606
Deferred Outflows of Resources	
Pension related deferred outflows	731,439
Liabilities	
Accounts payable	605,699
Accrued interest payable	1,228
Salaries and benefits payable	257,932
Due to other governments	11,106
Unearned revenues	2,397,274
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	335,000
Compensated absences	176,541
Total OPEB liability	8,418
Portion due or payable after one year:	
General obligation bonds	435,000
Compensated absences	286,039
Total OPEB liability	594,242
Total liabilities	5,108,479
Deferred Inflows of Resources	
Lease related	150,471
Unavailable property tax revenue	6,188,000
Pension related deferred inflows	3,071,600
Total deferred inflows of resources	9,410,071
Net Position	
Net investment in capital assets	27,135,349
Restricted for:	
Supplemental levy purposes	1,862,436
Rural services purposes	44,485
Secondary roads purposes	2,836,186
Opioid abatement	448,917
Other purposes	1,369,883
Unrestricted	1,531,239
Total net position	\$ 35,228,495

See notes to financial statements.

Page County
Statement of Activities
Year ended June 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 2,701,933	108,759	38,515	-	(2,554,659)
Physical health and social services	476,053	21,289	640,500	-	185,736
Mental health	411,396	-	-	-	(411,396)
County environment and education	933,381	28,551	332	1,933	(902,565)
Roads and transportation	6,443,573	150,303	3,918,735	1,286,537	(1,087,998)
Governmental services to residents	518,384	338,769	44	-	(179,571)
Administration	1,238,001	27,303	10,481	-	(1,200,217)
Interest on long-term debt	23,353	-	7,933	-	(15,420)
Total	<u>\$ 12,746,074</u>	<u>674,974</u>	<u>4,616,540</u>	<u>1,288,470</u>	<u>(6,166,090)</u>
General Revenues:					
Property and other county tax levied for:					
General purposes					6,041,000
Debt service					250,687
Penalty and interest on property tax					54,535
State tax credits and replacements					509,445
Local option sales tax					634,236
American Rescue Plan Act					526,584
Unrestricted investment earnings					34,571
Gain on disposition of capital assets					85,037
Miscellaneous					<u>131,398</u>
Total general revenues					<u>8,267,493</u>
Change in net position					2,101,403
Net position beginning of year					<u>33,127,092</u>
Net position end of year					<u>\$ 35,228,495</u>
See notes to financial statements.					

Page County
Balance Sheet
Governmental Funds

June 30, 2022

	Special Revenue				Total
	General	Rural Services	Secondary Roads	Nonmajor	
Assets					
Cash, cash equivalents and pooled investments	\$ 8,850,380	92,003	2,621,627	1,385,142	12,949,152
Receivables:					
Property tax:					
Delinquent	7,121	59	-	381	7,561
Succeeding year	4,606,000	1,333,000	-	249,000	6,188,000
Interest and penalty on property tax	25,709	-	-	-	25,709
Accounts	21,522	-	211	-	21,733
Opioid settlement	-	-	-	448,917	448,917
Loan	250,000	-	-	-	250,000
Due from other governments	36,521	1,780	323,717	49,649	411,667
Lease receivable	150,471	-	-	-	150,471
Inventories	-	-	595,116	-	595,116
Total assets	\$ 13,947,724	1,426,842	3,540,671	2,133,089	21,048,326
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 170,333	3,236	430,630	1,500	605,699
Salaries and benefits payable	163,809	14,350	79,773	-	257,932
Due to other governments	10,331	-	775	-	11,106
Unearned revenues	2,397,274	-	-	-	2,397,274
Total liabilities	2,741,747	17,586	511,178	1,500	3,272,011
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	4,606,000	1,333,000	-	249,000	6,188,000
Other	32,768	59	-	433,716	466,543
Lease related	150,471	-	-	-	150,471
Total deferred inflows of resources	4,789,239	1,333,059	-	682,716	6,805,014
Fund balances:					
Nonspendable:					
Inventories	-	-	595,116	-	595,116
Restricted for:					
Supplemental levy purposes	1,916,436	-	-	-	1,916,436
Rural services purposes	-	76,197	-	-	76,197
Secondary roads purposes	-	-	2,434,377	-	2,434,377
Local option sales tax purposes	-	-	-	1,170,160	1,170,160
Drainage district purposes	-	-	-	75,096	75,096
Conservation land acquisition	40,648	-	-	-	40,648
Debt service	250,000	-	-	131,564	381,564
Opioid abatement	-	-	-	15,581	15,581
Other purposes	27,507	-	-	56,472	83,979
Unassigned	4,182,147	-	-	-	4,182,147
Total fund balances	6,416,738	76,197	3,029,493	1,448,873	10,971,301
Total liabilities, deferred inflows of resources and fund balances	\$ 13,947,724	1,426,842	3,540,671	2,133,089	21,048,326

See notes to financial statements.

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

June 30, 2022

Total governmental fund balances (page 18) \$ 10,971,301

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 assets is \$47,865,944 and the accumulated depreciation is \$20,730,595. 27,135,349

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

Deferred inflows of resources	\$ 466,543	
Net pension asset	831,931	1,298,474

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

Deferred outflows of resources	731,439	
Deferred inflows of resources	(3,071,600)	(2,340,161)

Long-term liabilities, including general obligation bonds payable, compensated absences 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.

(1,836,468)

Net position of governmental activities (page 16) \$ 35,228,495

See notes to financial statements.

Page County

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

Year ended June 30, 2022

	Special		
	General	Mental Health	Rural Services
Revenues:			
Property and other county tax	\$ 4,391,805	296,703	1,356,433
Local option sales tax	-	-	-
Interest and penalty on property tax	55,441	-	-
Intergovernmental	1,158,849	26,380	76,628
Licenses and permits	10,410	-	11,093
Charges for service	453,932	-	-
Use of money and property	112,028	-	-
Miscellaneous	113,422	-	2,040
Total revenues	6,295,887	323,083	1,446,194
Expenditures:			
Operating:			
Public safety and legal services	2,659,695	-	327,237
Physical health and social services	468,350	-	64,009
Mental health	-	424,709	-
County environment and education	878,279	-	42,753
Roads and transportation	-	-	-
Governmental services to residents	592,167	-	3,513
Administration	1,252,995	-	3,387
Debt service	162,933	-	-
Capital projects	-	-	-
Total expenditures	6,014,419	424,709	440,899
Excess (deficiency) of revenues over (under) expenditures	281,468	(101,626)	1,005,295
Other financing sources (uses):			
Transfers in	129,262	-	127,531
Transfers out	-	-	(1,164,295)
Total other financing sources (uses)	129,262	-	(1,036,764)
Change in fund balances	410,730	(101,626)	(31,469)
Fund balances beginning of year	6,006,008	101,626	107,666
Fund balances end of year	\$ 6,416,738	-	76,197

See notes to financial statements.

Revenue		
Secondary		
Roads	Nonmajor	Total
-	250,900	6,295,841
-	634,236	634,236
-	-	55,441
3,931,893	32,719	5,226,469
9,175	-	30,678
-	3,138	457,070
-	43	112,071
144,685	22,832	282,979
4,085,753	943,868	13,094,785
-	-	2,986,932
-	-	532,359
-	-	424,709
-	41,588	962,620
5,477,992	-	5,477,992
-	-	595,680
-	28,000	1,284,382
-	266,031	428,964
57,269	-	57,269
5,535,261	335,619	12,750,907
(1,449,508)	608,249	343,878
1,219,295	-	1,476,088
-	(311,793)	(1,476,088)
1,219,295	(311,793)	-
(230,213)	296,456	343,878
3,259,706	1,152,417	10,627,423
3,029,493	1,448,873	10,971,301

Page 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 21) \$ 343,878

***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. Depreciation expense exceeded capital outlay expenditures and contributed capital assets in the current year, as follows:

Expenditures for capital assets	\$ 845,841	
Capital assets contributed by the Iowa Department of Transportation	1,273,379	
Depreciation expense	(2,228,807)	(109,587)

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. 51,037

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	(4,154)	
Other	432,430	428,276

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. 405,000

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. 411,731

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	14,320	
OPEB expense	267,946	
Pension expense	288,191	
Interest on long-term debt	611	571,068

Change in net position of governmental activities (page 17) \$ 2,101,403

See notes to financial statements.

Page County
Statement of Fiduciary Net Position –
Custodial Funds

June 30, 2022

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 1,427,347
Other County officials	31,205
Receivables:	
Property tax:	
Delinquent	34,258
Succeeding year	16,594,000
Accounts	8,636
Special assessments	5,606
Due from other governments	<u>47,714</u>
Total assets	<u>18,148,766</u>

Liabilities

Accounts payable	52,052
Salaries and benefits payable	7,808
Due to other governments	858,894
Trusts payable	19,847
Compensated absences	<u>16,900</u>
Total liabilities	<u>955,501</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>16,594,000</u>
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Net Position

Restricted for individuals, organizations and other governments	<u>\$ 599,265</u>
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See notes to financial statements.

Page County

Statement of Changes in Fiduciary Net Position –
Custodial Funds

June 30, 2022

Additions:	
Property and other county tax	\$ 15,672,839
911 surcharge	233,223
State tax credits	1,639,410
Drivers license fees	85,205
Office fees and collections	445,453
Auto licenses, use tax and postage	4,991,711
Assessments	8,393
Trusts	348,951
Miscellaneous	<u>145,128</u>
Total additions	<u>23,570,313</u>
Deductions:	
Agency remittances:	
To other funds	394,476
To other governments	23,183,380
Trusts paid out	<u>356,594</u>
Total deductions	<u>23,934,450</u>
Change in net position	(364,137)
Net position beginning of year	<u>963,402</u>
Net position end of year	<u>\$ 599,265</u>

See notes to financial statements.

Page County

(1) Summary of Significant Accounting Policies

Page 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, Page 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 Page 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.

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.

Eleven 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 Page 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 Page 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: Page County Assessor’s Conference Board, Page County Emergency Management Commission, Page County Joint 911 Service Board and Corner Counties Empowerment Area. 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: Page County Landfill and Juvenile Detention Center. The County also participates in the following jointly governed organizations: Alcohol Assistance Agency, 4th Judicial District Department of Correctional Services, Golden Hills Resource Conservation and Development, Southwest Iowa Planning Council, Decategorization, West Central Development Corporation and the Southwest Iowa MHDS Region.

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, net of accumulated depreciation.

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 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 road construction and maintenance.

Additionally, the County reports the following funds:

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 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 60 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.

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 investments in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by 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 it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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.

Special Assessments Receivable – Special assessments receivable represent amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 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. Special assessments receivable represent assessments which have been made 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 and equipment and intangibles 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 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. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure, road network	\$ 50,000
Land, buildings and improvements	25,000
Intangibles	50,000
Equipment and vehicles	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, 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 and improvements	40 - 50
Infrastructure, road network	5 - 65
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	3 - 10

Leases – County as Lessor – Page County is a lessor for a noncancellable lease of farmland. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Page County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Page County uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense 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 time, vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide 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 financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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 and OPEB expense, information has been determined based on Page 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 represents 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 sixty days after year end and succeeding year property tax that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable which will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

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.

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 exceeded the amount budgeted in the capital projects function. Also, disbursements exceeded the amount budgeted in the county environment and education function prior to approval of the budget amendment, disbursements in two departments exceeded the amounts appropriated and disbursements in one department exceeded the amount appropriated prior to approval of the budget amendment.

(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.

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$565,619. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

(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>
General	Special Revenue: Local Option Sales Tax	<u>\$ 129,262</u>
Special Revenue: Rural Services	Special Revenue: Local Option Sales Tax	<u>127,531</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	1,164,295
	Local Option Sales Tax	<u>55,000</u>
		<u>1,219,295</u>
Total		<u>\$ 1,476,088</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

Capital assets activity for the year ended June 30, 2022 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 874,232	-	-	874,232
Construction in progress	313,081	1,273,379	(1,586,460)	-
Total capital assets not being depreciated	1,187,313	1,273,379	(1,586,460)	874,232
Capital assets being depreciated:				
Buildings and improvements	5,077,466	-	-	5,077,466
Equipment and vehicles	8,540,631	909,071	(326,945)	9,122,757
Infrastructure, road network	31,205,029	1,586,460	-	32,791,489
Total capital assets being depreciated	44,823,126	2,495,531	(326,945)	46,991,712
Less accumulated depreciation for:				
Buildings and improvements	3,319,096	127,936	-	3,447,032
Equipment and vehicles	6,552,387	661,735	(314,752)	6,899,370
Infrastructure, road network	8,945,057	1,439,136	-	10,384,193
Total accumulated depreciation	18,816,540	2,228,807	(314,752)	20,730,595
Total capital assets being depreciated, net	26,006,586	266,724	(12,193)	26,261,117
Governmental activities capital assets, net	\$ 27,193,899	1,540,103	(1,598,653)	27,135,349

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 124,097
Physical health and social services	410
County environment and education	28,510
Roads and transportation	1,971,209
Administration	104,581
Total depreciation expense - governmental activities	<u>\$ 2,228,807</u>

(5) County Farmland Lease Receivable

The County owns farmland. Effective November 16, 2021 with an initial payment on March 1, 2022, the County entered into a three-year noncancelable lease agreement with a local farmer to farm the land. The County is to receive \$77,500 in land rent annually with an estimated incremental borrowing rate of 2.0% as the discount rate.

Year Ending June 30,	Amount
2023	\$ 77,500
2024	<u>77,500</u>
Total	155,000
Less interest	<u>(4,529)</u>
Present value	<u>\$ 150,471</u>

(6) 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	\$ 10,331
Special Revenue:		
Secondary Roads	Services	775
Total for governmental funds		<u>\$ 11,106</u>
Custodial:		
County Offices	Collections	\$ 12,416
Agricultural Extension Education		10,514
Schools		133,089
Community Colleges		15,072
Corporations		67,983
Townships		2,860
Auto License and Use Tax		482,853
All other		134,107
Total for agency funds		<u>\$ 858,894</u>

(7) Long-Term Liabilities

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

	General Obligation Bonds	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 1,175,000	476,900	3,037,129	870,606	5,559,635
Increases	-	260,533	-	67,346	327,879
Decreases	405,000	274,853	3,869,060	335,292	4,884,205
Balance end of year	<u>\$ 770,000</u>	<u>462,580</u>	<u>(831,931)</u>	<u>602,660</u>	<u>1,003,309</u>
Due within one year	<u>\$ 335,000</u>	<u>176,541</u>	<u>-</u>	<u>8,418</u>	<u>519,959</u>

Bonds Payable

In November 2015, the County entered into a loan agreement for the issuance of \$1,205,000 of general obligation solid waste management and refunding bonds to pay the costs of expanding and upgrading the Page County Landfill. The bonds bear interest at rates ranging from 0.75% to 2.10% per annum with a final maturity of June 1, 2025. During the year ended June 30, 2022, the County paid principal and interest of \$155,000 and \$7,683 respectively, on the bonds.

On November 7, 2017, the County entered into a general obligation emergency communication equipment bond agreement in the amount of \$1,740,000. The bond proceeds were used to acquire and install emergency communications equipment and systems. The loan agreement bears interest at rates of 2.00% and 2.05% per annum with final maturity on June 1, 2024. During the year ended June 30, 2022, the County paid principal and interest of \$250,000 and \$15,533, respectively, on the bonds.

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

General Obligation Bonds						
Year Ending June 30,	Solid Waste Management and Refunding			Emergency Communications Equipment		
	Issued Nov 24, 2015			Issued Nov 7, 2017		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2023	1.75%	\$ 80,000	4,970	2.00%	\$ 255,000	10,533
2024	2.10	85,000	3,570	2.05	265,000	5,431
2025	2.10	85,000	1,785		-	-
Total		\$ 250,000	10,325		\$ 520,000	15,964

Year Ending June 30,	Totals		
	Principal	Interest	Total
2023	\$ 335,000	15,503	350,503
2024	350,000	9,001	359,001
2025	85,000	1,785	86,785
Total	\$ 770,000	26,289	796,289

During the year ended June 30, 2022 the County retired \$405,000 of general obligation debt.

The Page County Landfill has agreed to pay the County the principal and interest on the general obligation solid waste management and refunding bonds issued November 24, 2015 as they come due. The County reports a loan receivable in the General Fund equal to the principal outstanding on those general obligation bonds.

(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 at 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 years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

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

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

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

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

In fiscal year 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 were \$411,731.

Net Pension Asset, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County reported an asset of \$831,931 for its proportionate share of the overall 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 of the overall net pension asset was 0.240981%, which was an increase of 0.197746% over its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (reduction) of \$(291,799). 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	\$ 108,561	50,933
Changes of assumptions	49,159	30,238
Net difference between projected and actual earnings on IPERS investments	-	2,969,710
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	161,988	20,719
County contributions subsequent to the measurement date	411,731	-
Total	<u>\$ 731,439</u>	<u>3,071,600</u>

\$411,731 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	\$ (690,515)
2024	(684,494)
2025	(623,908)
2026	(767,534)
2027	14,559
Total	<u>\$ (2,751,892)</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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
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	100.0%	

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)	\$ 1,904,498	(831,931)	(3,124,433)

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 Page 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, prescription drug and dental 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	1
Active employees	<u>81</u>
Total	<u>82</u>

Total OPEB Liability – The County’s total OPEB liability of \$602,660 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 are from the SOA Pub-2010 tables. Annual retirement probabilities are based on varying rates by age and runover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 870,606
Changes for the year:	
Service cost	113,903
Interest	21,171
Differences between expected and actual experiences	(299,474)
Changes in assumptions	(67,728)
Benefit payments	(35,818)
Net changes	<u>(267,946)</u>
Total OPEB liability end of year	<u>\$ 602,660</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	\$ 642,242	602,660	565,552

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	\$ 551,733	602,660	661,568

OPEB Expense – For the year ended June 30, 2022, the County recognized OPEB expense of \$267,946. Under the alternative measurement method, all deferred outflows/inflows of resources related to OPEB are fully recognized immediately.

(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 \$138,196.

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 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 amounts of \$1,000,000 and \$250,000, 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) 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. Additionally, the City of Clarinda offered an urban revitalization tax abatement program pursuant to Chapter 404 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:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clarinda	Urban renewal and economic development projects	\$ 26,984
	Chapter 404 tax abatement program	4,006

(12) Page County Financial Information Included in the Southwest Iowa MHDS Region

The Southwest Iowa MHDS Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa includes the following member counties: Cass County, Fremont County, Harrison County, Mills County, Monona County, Montgomery County, Pottawattamie County, Shelby County and Page County. The financial activity of the County's Special Revenue, Mental Health Fund is included in the Southwest Iowa MHDS Region for the year ended June 30, 2022, as follows:

Revenues:	
Property and other county tax	\$ 296,703
Intergovernmental:	
State tax credits	<u>26,380</u>
Total revenues	<u>323,083</u>
Expenditures:	
General administration:	
Direct administration	65,712
Distribution to MHDS regional fiscal agent	<u>358,997</u>
Total expenditures	<u>424,709</u>
Excess of expenditures over revenues	(101,626)
Fund balance beginning of year	<u>101,626</u>
Fund balance end of year	<u>\$ -</u>

(13) 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 payments 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.

(14) Prospective Accounting Change

Governmental Accounting Standards Board has issue 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

Page 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	\$ 6,926,707	-	6,926,707
Interest and penalty on property tax	55,449	-	55,449
Intergovernmental	6,273,956	-	6,273,956
Licenses and permits	31,332	-	31,332
Charges for service	446,341	-	446,341
Use of money and property	110,823	29	110,794
Miscellaneous	436,815	7,251	429,564
Total receipts	<u>14,281,423</u>	<u>7,280</u>	<u>14,274,143</u>
Disbursements:			
Public safety and legal services	2,976,743	-	2,976,743
Physical health and social services	530,245	-	530,245
Mental health	427,588	-	427,588
County environment and education	843,645	-	843,645
Roads and transportation	5,251,950	-	5,251,950
Governmental services to residents	594,066	-	594,066
Administration	1,286,971	-	1,286,971
Non-program	-	-	-
Debt service	428,964	-	428,964
Capital projects	57,269	-	57,269
Total disbursements	<u>12,397,441</u>	<u>-</u>	<u>12,397,441</u>
Excess (deficiency) of receipts over (under) disbursements	1,883,982	7,280	1,876,702
Other financing sources, net	-	-	-
Change in fund balances	1,883,982	7,280	1,876,702
Balance beginning of year	<u>11,065,170</u>	<u>67,816</u>	<u>10,997,354</u>
Balance end of year	<u>\$ 12,949,152</u>	<u>75,096</u>	<u>12,874,056</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
6,872,249	6,872,249	54,458
31,040	31,040	24,409
4,251,032	4,257,171	2,016,785
20,400	20,400	10,932
319,435	319,435	126,906
59,061	59,061	51,733
284,534	290,462	139,102
<u>11,837,751</u>	<u>11,849,818</u>	<u>2,424,325</u>
3,073,439	3,073,439	96,696
634,122	634,122	103,877
347,461	477,961	50,373
531,447	998,514	154,869
5,016,600	5,266,600	14,650
652,982	652,982	58,916
1,783,676	1,783,676	496,705
8,000	8,000	8,000
429,816	429,816	852
100,000	50,000	(7,269)
<u>12,577,543</u>	<u>13,375,110</u>	<u>977,669</u>
(739,792)	(1,525,292)	3,401,994
20,000	20,000	(20,000)
(719,792)	(1,505,292)	3,381,994
<u>7,013,619</u>	<u>7,013,619</u>	<u>3,983,735</u>
<u>6,293,827</u>	<u>5,508,327</u>	<u>7,365,729</u>

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Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2022

	Governmental Funds		
	Cash	Accrual	Modified
	Basis	Adjustments	Accrual
			Basis
Revenues	\$ 14,281,423	(1,186,638)	13,094,785
Expenditures	12,397,441	353,466	12,750,907
Net	1,883,982	(1,540,104)	343,878
Other financing sources, net	-	-	-
Beginning fund balances	11,065,170	(437,747)	10,627,423
Ending fund balances	<u>\$ 12,949,152</u>	<u>(1,977,851)</u>	<u>10,971,301</u>

See accompanying independent auditor's report.

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Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2022

This 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 blended component units 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 and the Debt Service 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, one budget amendment increased budgeted disbursements by \$797,567. The budget amendment is 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 exceeded the amount budgeted in the capital projects function. Also, disbursements exceeded the amounts budgeted in the county environment and education function prior to approval of the amendment, disbursements in two departments exceeded the amounts appropriated and disbursements in one department exceeded the amount appropriated prior to approval of the amendment.

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Schedule of the County's 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	0.240981% **	0.043235%	0.039053%	0.040834%
County's proportionate share of the net pension liability (asset)	\$ (832)	3,037	2,261	2,584
County's covered payroll	\$ 4,393	4,168	3,947	3,929
County's proportionate share of the net pension liability as a percentage of its covered payroll	-18.94%	72.86%	57.28%	65.77%
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
0.042945%	0.040899%	0.039699%	0.038324%
2,861	2,574	1,961	1,520
3,770	3,494	3,427	3,291
75.89%	73.67%	57.22%	46.19%
82.21%	81.82%	85.19%	87.61%

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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	\$ 412	414	395	376
Contributions in relation to the statutorily required contribution	(412)	(414)	(395)	(376)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 4,398	4,393	4,168	3,947
Contributions as a percentage of covered payroll	9.37%	9.42%	9.48%	9.53%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
355	343	318	313	301	283
(355)	(343)	(318)	(313)	(301)	(283)
-	-	-	-	-	-
3,929	3,770	3,494	3,427	3,291	3,160
9.04%	9.10%	9.10%	9.13%	9.15%	8.96%

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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.

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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	\$ 113,903	123,325	73,691	72,872	74,183
Interest cost	21,171	26,236	37,576	40,482	30,489
Difference between expected and actual experiences	(299,474)	(149,961)	(255,827)	(77,571)	134,736
Changes in assumptions	(67,728)	26,768	45,326	25,771	(22,084)
Benefit payments	(35,818)	(37,242)	(31,977)	(43,651)	-
Net change in total OPEB liability	(267,946)	(10,874)	(131,211)	17,903	217,324
Total OPEB liability beginning of year	870,606	881,480	1,012,691	994,788	777,464
Total OPEB liability end of year	\$ 602,660	870,606	881,480	1,012,691	994,788
Covered-employee payroll	\$ 3,991,592	4,161,242	4,063,234	3,815,688	3,695,582
Total OPEB liability as a percentage of covered-employee payroll	15.10%	20.92%	21.69%	26.54%	26.92%

See accompanying independent auditor's report.

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2022 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2022:

- Changed mortality assumptions to the SOA Public Plan 2010 tables.

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	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

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Supplementary Information

Page County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

	Special		
	Resource Enhancement and Protection	Local Option Sales Tax	County Recorder's Records Management
Assets			
Cash, cash equivalents and pooled investments	\$ 36,625	1,122,194	7,009
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Opioid settlement	-	-	-
Due from other governments	-	49,466	-
	\$ 36,625	1,171,660	7,009
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	1,500	-
Deferred inflows of resources:			
Unavailable revenue:			
Succeeding year property tax	-	-	-
Other	-	-	-
	-	-	-
Fund balances:			
Restricted for:			
Local option sales tax purposes	-	1,170,160	-
Drainage purposes	-	-	-
Debt service	-	-	-
Opioid abatement	-	-	-
Other purposes	36,625	-	7,009
Total fund balances	36,625	1,170,160	7,009
	\$ 36,625	1,171,660	7,009

See accompanying independent auditor's report.

Revenue							
County Recorder's Electronic Transaction Fee	Local Government Opioid Abatement	Drainage Districts	Sheriff Special Investigation	Special Law Enforcement	Debt Service	Total	
45	-	74,913	4,836	7,957	131,563	1,385,142	
-	-	-	-	-	381	381	
-	-	-	-	-	249,000	249,000	
-	448,917	-	-	-	-	448,917	
-	-	183	-	-	-	49,649	
45	448,917	75,096	4,836	7,957	380,944	2,133,089	
-	-	-	-	-	-	1,500	
-	-	-	-	-	249,000	249,000	
-	433,336	-	-	-	380	433,716	
-	433,336	-	-	-	249,380	682,716	
-	-	-	-	-	-	1,170,160	
-	-	75,096	-	-	-	75,096	
-	-	-	-	-	131,564	131,564	
-	15,581	-	-	-	-	15,581	
45	-	-	4,836	7,957	-	56,472	
45	15,581	75,096	4,836	7,957	131,564	1,448,873	
45	448,917	75,096	4,836	7,957	380,944	2,133,089	

Page County

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

Year ended June 30, 2022

	Resource Enhancement and Protection	Local Option Sales Tax	Special County Recorder's Records Management
Revenues:			
Property and other county tax	\$ -	-	-
Local option sales tax	-	634,236	-
Intergovernmental	10,486	-	-
Charges for service	-	-	3,138
Use of money and property	11	-	3
Miscellaneous	-	-	-
Total revenues	<u>10,497</u>	<u>634,236</u>	<u>3,141</u>
Expenditures:			
Operating:			
County environment and education	4,598	36,990	-
Administration	-	28,000	-
Debt service	-	-	-
Total expenditures	<u>4,598</u>	<u>64,990</u>	<u>-</u>
Excess of revenues over expenditures	5,899	569,246	3,141
Other financing uses:			
Transfers out	-	(311,793)	-
Change in fund balances	5,899	257,453	3,141
Fund balances beginning of year	<u>30,726</u>	<u>912,707</u>	<u>3,868</u>
Fund balances end of year	<u>\$ 36,625</u>	<u>1,170,160</u>	<u>7,009</u>

See accompanying independent auditor's report.

Revenue							
County Recorder's Electronic Transaction Fee	Local Government Opioid Abatement	Drainage Districts	Sheriff Special Investigation	Special Law Enforcement	Debt Service	Total	
-	-	-	-	-	250,900	250,900	
-	-	-	-	-	-	634,236	
-	-	-	-	-	22,233	32,719	
-	-	-	-	-	-	3,138	
-	-	29	-	-	-	43	
-	15,581	7,251	-	-	-	22,832	
-	15,581	7,280	-	-	273,133	943,868	
-	-	-	-	-	-	41,588	
-	-	-	-	-	-	28,000	
-	-	-	-	-	266,031	266,031	
-	-	-	-	-	266,031	335,619	
-	15,581	7,280	-	-	7,102	608,249	
-	-	-	-	-	-	(311,793)	
-	15,581	7,280	-	-	7,102	296,456	
45	-	67,816	4,836	7,957	124,462	1,152,417	
45	15,581	75,096	4,836	7,957	131,564	1,448,873	

Page County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	10,514	340,040	133,089
Other County officials	31,205	-	-	-
Receivables:				
Property tax:				
Delinquent	-	307	395	14,611
Succeeding year	-	198,000	256,000	9,635,000
Accounts	1,058	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	32,263	208,821	596,435	9,782,700
Liabilities				
Accounts payable	-	-	869	-
Salaries and benefits payable	-	-	7,808	-
Due to other governments	12,416	10,514	-	133,089
Trusts payable	19,847	-	-	-
Compensated absences	-	-	16,900	-
Total liabilities	32,263	10,514	25,577	133,089
Deferred Inflows of Resources				
Unavailable revenues	-	198,000	256,000	9,635,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	307	314,858	14,611

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
15,072	67,983	2,860	482,853	374,936	1,427,347
-	-	-	-	-	31,205
1,611	17,320	11	-	3	34,258
1,034,000	5,254,000	215,000	-	2,000	16,594,000
-	-	-	-	7,578	8,636
-	-	-	-	5,606	5,606
-	-	-	-	47,714	47,714
1,050,683	5,339,303	217,871	482,853	437,837	18,148,766
-	-	-	-	51,183	52,052
-	-	-	-	-	7,808
15,072	67,983	2,860	482,853	134,107	858,894
-	-	-	-	-	19,847
-	-	-	-	-	16,900
15,072	67,983	2,860	482,853	185,290	955,501
1,034,000	5,254,000	215,000	-	2,000	16,594,000
1,611	17,320	11	-	250,547	599,265

Page County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	194,949	225,048	9,253,672
911 surcharge	-	-	-	-
State tax credits	-	17,345	20,020	813,264
Drivers license fees	-	-	-	-
Office fees and collections	437,036	-	5,203	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	92,339	-	-	-
Miscellaneous	-	-	827	-
Total additions	529,375	212,294	251,098	10,066,936
Deductions:				
Agency remittances:				
To other funds	218,039	-	-	-
To other governments	216,024	212,470	587,798	10,075,159
Trusts paid out	95,312	-	-	-
Total deductions	529,375	212,470	587,798	10,075,159
Changes in net position	-	(176)	(336,700)	(8,223)
Net position beginning of year	-	483	651,558	22,834
Net position end of year	\$ -	307	314,858	14,611

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
1,037,684	4,755,587	204,035	-	1,864	15,672,839
-	-	-	-	233,223	233,223
92,901	684,922	10,791	-	167	1,639,410
-	-	-	85,205	-	85,205
-	-	-	-	3,214	445,453
-	-	-	4,991,711	-	4,991,711
-	-	-	-	8,393	8,393
-	-	-	-	256,612	348,951
-	-	-	-	144,301	145,128
1,130,585	5,440,509	214,826	5,076,916	647,774	23,570,313
-	-	-	176,437	-	394,476
1,131,579	5,450,522	214,821	4,900,479	394,528	23,183,380
-	-	-	-	261,282	356,594
1,131,579	5,450,522	214,821	5,076,916	655,810	23,934,450
(994)	(10,013)	5	-	(8,036)	(364,137)
2,605	27,333	6	-	258,583	963,402
1,611	17,320	11	-	250,547	599,265

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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	\$ 6,295,841	6,201,901	5,948,250	5,718,334
Local option sales tax	634,236	690,803	461,796	440,938
Interest and penalty on property tax	55,441	82,887	23,097	53,037
Intergovernmental	5,226,469	9,275,373	6,630,074	4,459,386
Licenses and permits	30,678	24,687	26,579	18,164
Charges for service	457,070	486,077	410,418	389,670
Use of money and property	112,071	124,200	209,325	254,669
Miscellaneous	282,979	357,099	170,856	157,377
Total	\$ 13,094,785	17,243,027	13,880,395	11,491,575
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,986,932	2,826,386	2,759,520	2,798,049
Physical health and social services	532,359	590,672	479,416	473,318
Mental health	424,709	380,413	425,132	322,827
County environment and education	962,620	520,737	485,315	468,123
Roads and transportation	5,477,992	5,097,268	4,840,750	4,432,989
Governmental services to residents	595,680	633,420	620,335	593,529
Administration	1,284,382	1,397,555	1,358,925	1,296,778
Non-program	-	2,450	245	-
Debt service	428,964	431,440	428,189	429,542
Capital projects	57,269	4,394,944	2,182,470	83,122
Total	\$ 12,750,907	16,275,285	13,580,297	10,898,277

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
5,624,460	5,241,137	5,418,070	4,550,314	4,466,421	4,335,624
485,962	431,247	412,218	403,628	406,390	425,499
51,352	59,892	52,115	83,438	56,108	53,385
4,872,070	4,372,662	4,267,236	4,003,434	3,883,318	3,995,968
24,724	20,525	17,242	13,884	16,865	17,158
426,320	371,363	373,075	379,472	377,446	379,710
105,382	68,458	67,730	59,777	59,527	57,449
317,322	309,385	383,906	197,340	275,950	165,848
11,907,592	10,874,669	10,991,592	9,691,287	9,542,025	9,430,641
4,421,799	2,190,226	2,676,214	1,788,843	1,756,049	1,644,181
459,162	512,465	494,686	636,517	495,523	598,861
512,499	338,967	1,026,314	1,298,439	887,263	979,363
392,336	496,626	403,329	350,488	460,764	407,866
4,704,886	4,154,401	4,883,735	3,828,285	3,846,334	3,203,989
586,563	545,207	514,415	467,828	447,565	479,084
1,164,348	1,088,495	1,101,689	1,053,451	1,037,211	989,835
11,740	-	1,111	1,111	4,666	2,794
430,708	156,463	192,139	191,548	190,269	209,657
929,421	170,267	52,452	-	24,038	217,783
13,613,462	9,653,117	11,346,084	9,616,510	9,149,682	8,733,413



**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 Page 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, each major fund and the aggregate remaining fund information of Page 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 October 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Page 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 Page County's internal control. Accordingly, we do not express an opinion on the effectiveness of Page 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 the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2022-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-002 and 2022-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Page 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 the accompanying Schedule of Findings.

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.

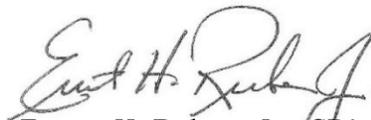
Page County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Page County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Page 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 Page 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

October 24, 2023

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:

	<u>Applicable Offices</u>
(1) Responsibilities for collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash.	Conservation, Engineer, Public Health, Recorder, Sheriff and Treasurer
(2) Incoming mail is not opened by an employee who is not authorized to make entries to the accounting records. Therefore, a listing of cash and checks received in the mail is not prepared by an independent mail opener and later tested for proper posting to the general ledger and for proper deposit.	Conservation
(3) The person who signs checks is not independent of the person preparing the checks, approving disbursements, recording cash disbursements and handling cash.	Recorder
(4) Bank reconciliations are not prepared by someone who doesn’t sign checks, handle or record cash. Although bank reconciliations are reviewed, they are not reviewed by an independent person for propriety.	Recorder and Sheriff
(5) Cash – control of petty cash fund or change fund is not limited to one individual.	Recorder, Sheriff and Treasurer

Cause – The County offices noted above have a limited number of employees 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 ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Page County

Schedule of Findings

Year ended June 30, 2022

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. 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 or elected officials to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons and should be evidenced by initials or signature of the reviewer and the date of the review.

Response and Corrective Action Planned –

Conservation – The Conservation office will continue to segregate duties as much as possible with limited staff. The Director also reviews end of month reports.

Engineer – We will take your recommendation under advisement, review our operating procedures and perform segregation of duties as well as we can with a limited number of office staff. The County Engineer currently reviews financial reports, transactions and reconciliations on a monthly basis.

Public Health – The mail is opened by the Administrator, recorded in the mail log and initialed. The log and mail are given to the Assistant Administrator who reviews and initials the log and returns it to the Administrator for processing. The Administrator will compare this log to the deposit made with the County Treasurer.

Recorder – The Recorder’s office will work on measurers to implement internal control and will continue to segregate duties as much as possible with limited staff.

Sheriff – The office secretary, Chief Deputy and County Sheriff all assist in opening the mail, collecting money, depositing, posting and daily reconciling. We will also prepare a list of checks and cash received on a test basis and then compare it to the cash receipts records. Due to the small number of office staff doing above jobs, we are unable to do each of the above noted items every day.

Treasurer – The Treasurer’s Office will work on ways to implement internal controls and continue to segregate duties as much as possible with limited staff.

Conclusion – Responses acknowledged. The officials should utilize current personnel or elected officials to provide additional control through review of financial transactions, reconciliations and reports.

2022-002 Disaster Recovery Plan

Criteria – Properly designed policies and procedures pertaining to control activities over the County’s computer systems and implementation of the policies and procedures help provide reasonable assurance financial information is safeguarded and reliable and helps ensure the effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Condition – The County does not have a formal written disaster recovery plan.

Cause – Management has not adopted a formal policy for controls.

Page County

Schedule of Findings

Year ended June 30, 2022

Effect – The failure to have a formal disaster recovery plan could result in the County’s inability to function in the event of a disaster or continue County business without interruption.

Recommendation – The County should establish a written disaster recovery plan.

Response – We will work to ensure this is completed.

Conclusion – Response accepted.

2022-003 Timely Receipt Remittance

Criteria – An effective internal control system provides for internal controls related to ensuring the timely deposit of all incoming checks and cash.

Condition – Receipts are not always remitted to the County Treasurer within one week of receipt. Twenty-seven of one-hundred sixty-seven State warrants issued to the County during fiscal year 2022 were not redeemed until more than 30 days after the issuance date.

Cause – Policies and procedures have not been designed and implemented to ensure all incoming state warrants are remitted timely.

Effect – This condition could result in unrecorded or misstated receipts and receivables.

Recommendation – Procedures should be established to ensure all receipts are remitted to the County Treasurer timely.

Response – When checks are brought into our office to be receipted in, they are receipted in the same day. The Treasurer's office has no control over how long it takes for other offices to submit checks for deposit. I will remind all departments of the importance of timely deposits.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Schedule of Findings

Year ended June 30, 2022

Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget – Disbursements during the year ended June 30, 2022 exceeded the amount budgeted in the capital projects function. Also, disbursements exceeded the amount budgeted in the county environment and education function prior to the budget amendment, disbursements in two departments exceeded the amounts appropriated and disbursements in one department exceeded the amount appropriated.

Recommendation – The budgets should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget. 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 appropriations.

Response – The County will make every effort possible to comply with Iowa Code Chapter 331.434(6) and 331.435 by authorizing, by resolution, an increase or decrease in appropriation and/or amending the budget prior to any shortfall.

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 date 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 – The following business transactions between the County and County officials or employees were noted.

Name, Title and Business Connection	Transaction Description	Amount
Lindsey Stephens, Deputy Sherriff Owner of Twin Oaks Lawn & Landscaping	Mowing services	\$ 870
Arya Brownfield, Jailer Rudy Brownfield, Reserve Deputy Co-owner of Brownfield Brothers	Sanitation services	400
Troy Sands, Reserve Deputy	Engineering services	168

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the above transactions do not appear to represent a conflict of interest since the total transactions were less than \$6,000 for the fiscal year.

Page County

Schedule of Findings

Year ended June 30, 2022

- 2022-E Restricted Donor Activity – No transactions were noted between the County, County officials, 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 subsection (b)(2) and (b)(3).
- 2022-J Property Tax on County Owned Farmland – Chapter 427.1(2) of the Code of Iowa states the property of a County, when devoted to public use and not held for pecuniary profit, shall not be taxed. The County holds farmland which is leased out annually for profit and the County does not remit property tax on the farmland leased for profit.
- Recommendation – The County should remit property tax on the farmland leased for profit.
- Response – The County Assessor will assess the farmland for taxation.
- Conclusion – Response accepted.

Page County

Staff

This audit was performed by:

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Tammy A. Hollingsworth, CIA, Manager
Molly N. Kalkwarf, Senior Auditor
Adam J. Sverak, Senior Auditor
Nolen Schultz, Staff Auditor
Savannah Fitz, Staff Auditor