



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

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Auditor of State

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**NEWS RELEASE**

Contact: Brian Brustkern  
515/281-5834

FOR RELEASE

May 10, 2024

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

**FINANCIAL HIGHLIGHTS:**

The County's revenues totaled \$22,554,546 for the year ended June 30, 2023, a 9.26% decrease over the prior year. Expenses for County operations for the year ended June 30, 2023 totaled \$17,522,918, a 15.75% increase over the prior year. The significant decrease in revenues was primarily due to a decrease in secondary road infrastructure contributed by the Iowa Department of Transportation and American Rescue Plan Act funds. The significant increase in expenses is due to an increase in secondary road maintenance costs, equipment parts and non-capital bridge and culvert projects.

**AUDIT FINDINGS:**

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 88 through 92 of this report. The findings address a lack of segregation of duties in the County Sheriff's Office and County Recorder's Office, lack of complete bank reconciliations for the County Sheriff's Commissary account, and capital assets not recorded in the County's financial statements. Also, the budget was exceeded for the road and transportation function. Sand provided the County with recommendations to address each of these findings.

Three of the four findings discussed above are repeated from the prior year. The County Board of Supervisors and other elected 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.](#)

###

**POWESHIEK COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2023**

**Poweshiek County**



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May 2, 2024

Officials of Poweshiek County  
Montezuma, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Poweshiek County for the year ended June 30, 2023. 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 Poweshiek 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".

Rob Sand  
Auditor of State

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**Poweshiek County**

**Officials**

**(Before January 2023)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Merle Doty	Board of Supervisors	Jan 2023
Jason Roudabush	Board of Supervisors	Jan 2023
Diana Dawley	Board of Supervisors	Jan 2025
Melissa Eilander	County Auditor	Jan 2025
Sandy Ross	County Treasurer	Jan 2023
Dianna Longhenry	County Recorder	Jan 2023
Thomas Kriegel	County Sheriff	Jan 2025
Bart Klaver	County Attorney	Jan 2023
Amy Stevenson	County Assessor	Jan 2028

**(After January 2023)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Diana Dawley	Board of Supervisors	Jan 2025
Jason Roudabush	Board of Supervisors	Jan 2027
Jeff Tindle	Board of Supervisors	Jan 2027
Melissa Eilander	County Auditor	Jan 2025
Sandy Ross	County Treasurer	Jan 2027
Dianna Longhenry	County Recorder	Jan 2027
Thomas Kriegel	County Sheriff	Jan 2025
Bart Klaver	County Attorney	Jan 2027
Amy Stevenson	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Poweshiek 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 Poweshiek County, Iowa, as of and for the year ended June 30, 2023, 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 Poweshiek County as of June 30, 2023 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 Poweshiek County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Poweshiek County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Poweshiek 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 Poweshiek County's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 62 through 74 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 Poweshiek 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, 2022 (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 May 2, 2024 on our consideration of Poweshiek 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 Poweshiek County’s internal control over financial reporting and compliance.



Brian R. Brustkern, CPA  
Deputy Auditor of State

May 2, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Poweshiek 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, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### 2023 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, Subscription-Based Information Technology Arrangements (SBITAs), during fiscal year 2023. The implementation for this standard revised certain asset and liability accounts related to SBITAs, however had no effect on the beginning net position for governmental activities.
- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Central Iowa Community Services Mental Health Region prior to June 30, 2022.
- Revenues of the County's governmental activities decreased 9.26%, or approximately \$2,302,000 from fiscal year 2022 to fiscal year 2023. Capital grants, contributions and restricted interest decreased approximately \$2,644,000 and American Rescue Plan Act (ARPA) funds decreased approximately \$350,000. Unrestricted investment earnings increased approximately \$507,000. The decrease in capital grants and contributions was due primarily to a decrease in infrastructure assets contributed by the Iowa Department of Transportation. The decrease in ARPA was due to the County expending less of the ARPA grant received. The increase in unrestricted investment earnings was due to a significant increase in interest rates.
- Program expenses of the County's governmental activities increased 15.75%, or approximately \$2,385,000 from fiscal year 2022 to fiscal year 2023. Roads and transportation increased approximately \$2,485,000, primarily due road maintenance and non-capital bridge projects. Public safety and legal services increased approximately \$343,000. Mental health services decreased approximately \$429,000.
- The County's net position at June 30, 2023 increased 9.91%, or approximately \$5,031,000, over the June 30, 2022 balance.

### USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Poweshiek 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 Poweshiek 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 Poweshiek 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 three kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects 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) The proprietary fund accounts for the County’s Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County’s various functions.

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

- 3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County’s own programs. The fiduciary funds include Custodial Funds that account for 911 services, emergency management services and the County Assessor, to name a few.

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of financial position. Poweshiek County’s combined net position at the end of fiscal year 2023 totaled approximately \$56 million, compared to approximately \$51 million at the end of fiscal year 2022. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2023	2022 (As Restated)
Current and other assets	\$ 31,197	33,626
Capital assets	45,329	41,085
Total assets	74,610	74,711
Deferred outflows of resources	1,050	922
Long-term liabilities	10,344	10,563
Other liabilities	1,220	615
Total liabilities	11,564	11,178
Deferred inflows of resources	10,220	13,695
Net position:		
Net investment in capital assets	40,149	36,118
Restricted	11,772	11,459
Unrestricted	3,871	3,183
Total net position	\$ 55,791	50,760

Net position of Poweshiek County’s governmental activities increased 9.91% (approximately \$56 million compared to approximately \$51 million).

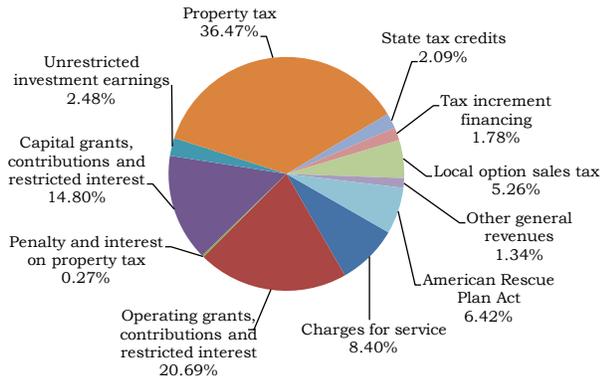
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$4,031,000, or 11.2%, over the prior year. This increase is primarily due to infrastructure assets contributed by the Iowa Department of Transportation and a grant received for bridge replacement.

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 \$274,000, or 2.4%.

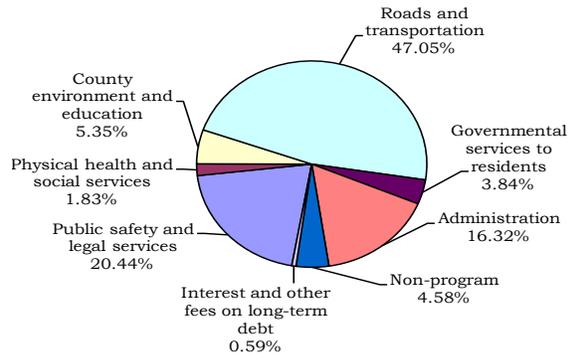
Unrestricted net position – the part of net position which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$726,000, or 22.8%, over the prior year. The increase is primarily due to a decrease in the pension related deferred inflows.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2023	2022 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	\$ 1,893	1,978
Operating grants, contributions and restricted interest	4,667	4,672
Capital grants, contributions and restricted interest	3,339	5,983
General revenues:		
Property tax	8,225	8,114
Tax increment financing	402	147
Penalty and interest on property tax	61	50
State tax credits	472	507
Local option sales tax	1,187	1,345
Unrestricted investment earnings	559	52
American Rescue Plan Act	1,448	1,798
Other general revenues	302	211
Total revenues	<u>22,554</u>	<u>24,857</u>
Program expenses:		
Public safety and legal services	3,582	3,239
Physical health and social services	321	359
Mental health	-	429
County environment and education	938	633
Roads and transportation	8,244	5,955
Governmental services to residents	673	629
Administration	2,860	2,912
Non-program	803	825
Interest and other fees on long-term debt	103	157
Total expenses	<u>17,523</u>	<u>15,138</u>
Change in net position	5,031	9,719
Net position beginning of year	<u>50,760</u>	<u>41,041</u>
Net position end of year	<u>\$ 55,791</u>	<u>50,760</u>

**Revenues by Source**



**Expenses by Program**



The County levied property tax rate went from \$7.79990 to \$6.97394 per \$1,000 of taxable valuation for fiscal year 2023, a decrease of 10.6%. Countywide taxable valuations in Poweshiek County have changed as follows: \$1,236,324,447 in fiscal year 2021 to \$1,291,096,169 in fiscal year 2022 to \$1,459,153,922 in fiscal year 2023. Rural taxable valuations in the County have changed as follows: \$832,602,429 in fiscal year 2021 to \$867,093,591 in fiscal year 2022 to \$992,782,865 in fiscal year 2023. Based on the changes in the taxable valuations and decreases in the fiscal year 2023 levied property tax rates, property tax revenue was budgeted to increase approximately \$97,000 for fiscal year 2023.

Capital grants this year decreased approximately \$2,644,000, or 44%, from the prior year, primarily due to a decrease in Farm to Market projects contributed by the Iowa Department of Transportation. Expenditures for roads and transportation increased approximately \$2,485,000, or 42% over the prior year due primarily to increases in road maintenance projects, equipment parts, and non-capital bridge and culvert projects and depreciation expense during the fiscal year.

The cost of all governmental activities this year was approximately \$17.5 million compared to approximately \$15.1 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$7.6 million because some of the cost was paid by those directly benefiting from the programs (approximately \$1.9 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$8 million). Overall, the County’s governmental program revenues, including intergovernmental aid and charges for service, decreased in fiscal year 2023 from approximately \$12,633,000 to approximately \$9,898,000. As discussed above, the County received less in contributions of infrastructure paid for by the Iowa Department of Transportation.

**INDIVIDUAL MAJOR FUND ANALYSIS**

As Poweshiek County completed the year, its governmental funds reported a combined fund balance of approximately \$18.1 million, a decrease of approximately \$1,128,000 from last year’s total of approximately \$19.3 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$253,000, or 3.49%, over the prior year. Expenditures decreased approximately \$334,000 or 4.46%, compared to the prior year. The ending fund balance increased approximately \$187,000 from the prior year to approximately \$4,644,000. The increase in revenues is primarily due to an increase in interest rates on the county’s investments. The decrease in expenditures is due primarily due to \$167,000 that was paid in the prior year for essential work during the COVID-19 public health emergency and a decrease \$158,000 decrease in IT software and hardware purchases from the prior year.

- Special Revenue, Rural Services Fund revenues increased approximately \$292,000, or 7.9%, over the prior year. Expenditures increased approximately \$106,000, or 7.9%. The increase in revenues and expenditures is primarily due to increases in property and other tax revenues and public safety and legal services expense, respectively. The Rural Services Fund ending fund balance decreased approximately \$25,000 from the prior year to approximately \$945,000.
- Special Revenue, Secondary Roads Fund revenues decreased approximately \$1,284,000, or 22.1%, from the prior year, primarily due a decrease receipt of federal funds for Department of Transportation projects. Expenditures increased approximately \$937,000, or 12.7%, over the prior year primarily due to increases in road maintenance projects, equipment parts, and non-capital bridge and culvert projects. The Secondary Roads Fund ending fund balance decreased approximately \$591,000 from the prior year to approximately \$4,392,000.
- Special Revenue, Local Option Sales Tax (LOST) Fund revenue decreased approximately \$159,000, or 11.8% from the prior year. Transfers out to the Debt Service and Secondary Roads Funds increased approximately \$110,000, or 15.2%. The LOST Fund ending fund balance increased approximately \$350,000 over the prior year to approximately \$3,312,000.
- Debt Service Fund revenues increased approximately \$213,000, from approximately \$699,000 in fiscal year 2022 to approximately \$913,000 in fiscal year 2023. The increase in revenues was primarily due an increase in the amount of interest received in fiscal year 2023. Expenditures decreased approximately \$2,000, from approximately \$1,401,000 in fiscal year 2022 to approximately \$1,399,000 in fiscal year 2023. The ending fund balance increased approximately \$150,000 over the prior year to approximately \$176,000.
- The Capital Projects Fund received approximately \$414,000 of federal and state grants in fiscal year 2023. Expenditures increased approximately \$364,000 or 22.8% over the prior year, due to payments related to the emergency services communications project. The ending fund balance decreased approximately \$1,545,000 from the prior year to approximately \$2,219,000.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Poweshiek County amended its budget three times. The first amendment was made in October 2022 and resulted in an increase in budgeted disbursements covering two different functions. The second amendment was made in February 2023 and resulted in an increase in the budgeted disbursements in five functions. The third amendment was made in May 2023 and resulted in an increase in the budgeted disbursements in one function. The County's receipts were \$2,733,000 more than budgeted due to ARPA federal funds, higher interest rates and Opioid Settlement and EMA grant not budgeted for. The budgeted amendments related to disbursements were made to address increased disbursements at Diamond Lake and a down payment on updating the door system at the public safety building.

Total disbursements were approximately \$4,455,000 less than the amended budget. Actual disbursements for the administration and capital projects functions were approximately \$445,000 and \$3,708,000, respectively, less than budgeted due to more ARPA funds being budgeted than disbursed and the radio project not being completed within the fiscal year.

Even with budget amendments, the County exceeded the budgeted amounts in the roads and transportation function for the year ended June 30, 2023.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2023, Poweshiek County had approximately \$45 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$4 million, or 10%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023 (As Restated) *	2022
Land	\$ 2,093	2,044
Construction in progress	12,801	13,420
Buildings	6,816	6,906
Improvements other than buildings	133	140
Equipment and vehicles	4,331	3,987
Right-to-use leased assets	49	42
Right-to-use subscription assets	51	101
Infrastructure	19,056	14,445
	<u>\$ 45,329</u>	<u>41,085</u>

This year's major additions included(in thousands):

Capital assets contributed by the Iowa Department of Transportation	\$ 2,792
Racom warning sirens construction in progress	1,959
Purchase of three tractors and a skid loader for Secondary Roads	698
County Sheriff and Conservation vehicles	190
Total	<u>\$ 5,639</u>

\* Beginning capital assets were restated to implement GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

The County had depreciation/amortization expense of approximately \$1,658,000 for fiscal year 2023 and total accumulated depreciation/amortization of approximately \$19,381,000 at June 30, 2023. More detailed information about the County’s capital assets is presented in Note 4 to the financial statements.

**Long-Term Debt**

At June 30, 2023, Poweshiek County had approximately \$7,050,000 of long-term debt outstanding, compared to \$8,731,000 at June 30, 2022.

Outstanding Debt of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023 (As Restated)	2022
General obligation refunding bonds	\$ 1,985	2,633
General obligation urban renewal notes	-	130
General obligation communications bond	4,965	5,830
Lease agreements	49	37
IT subscription liability	51	101
Total	<u>\$ 7,050</u>	<u>8,731</u>

Debt decreased as a result of the County making scheduled principal payments on bond, notes and right-to-use lease and IT subscription agreements outstanding. During the year, principal payments totaled \$1,316,166.

The County carries a general obligation bond rating of Aa3 assigned by national rating agencies. 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. The County’s outstanding general obligation debt of \$6,950,000 (excluding unamortized premiums) is significantly below its constitutional debt limit of approximately \$122 million. Additional information about the County’s long-term debt is presented in Note 6 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

Poweshiek County’s elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rates and fees charged for various county activities. One of those factors is the economy. Unemployment in the County now stands at 2.9% versus 2.6% a year ago. This compares with the State’s unemployment rate of 2.7% and the national rate of 3.6%.

**CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Poweshiek County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Poweshiek County Auditor’s Office, 302 E Main Street, Montezuma, Iowa 50171-0057.

**Poweshiek County**

## **Basic Financial Statements**

**Exhibit A**

Poweshiek County  
Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 20,687,567
Receivables:	
Property tax:	
Delinquent	644
Succeeding year	8,614,000
Tax increment financing succeeding year	245,000
Penalty and interest on property tax	4,361
Accounts	3,038
Accrued interest	96,642
Opioid settlement	288,799
Due from other governments	602,763
Inventories	498,354
Prepaid insurance	156,194
Capital assets not being depreciated	14,893,497
Capital assets, net of accumulated depreciation/amortization	<u>30,435,186</u>
<b>Total assets</b>	<u>76,526,045</u>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	729,926
OPEB related deferred outflows	<u>319,640</u>
<b>Total deferred outflows of resources</b>	<u>1,049,566</u>

Poweshiek County  
Statement of Net Position  
June 30, 2023

	Governmental Activities
<b>Liabilities</b>	
Accounts payable	671,740
Accrued interest payable	11,112
Salaries and benefits payable	187,336
Due to other governments	281
Unearned revenue	349,555
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes and bonds	1,130,000
Lease agreement	16,381
Subscription liability	51,015
Compensated absences	251,708
OPEB liability	70,972
Portion due or payable after one year:	
General obligation notes and bonds	6,168,658
Lease agreement	32,546
Compensated absences	52,017
OPEB liability	1,529,689
Landfill postclosure care	60,000
Net pension liability	980,912
	<b>11,563,922</b>
<b>Deferred Inflows of Resources</b>	
Unavailable revenue:	
Property tax revenue	8,614,000
Tax increment financing revenue	245,000
Pension related deferred inflows	417,209
OPEB related deferred inflows	944,142
	<b>10,220,351</b>
<b>Net Position</b>	
Net investment in capital assets	40,148,868
Restricted for:	
Supplemental levy purposes	280,493
Rural services purposes	842,897
Secondary roads purposes	4,277,248
Conservation land acquisition	131,318
Landfill postclosure care	1,664,891
Debt service	165,114
Capital improvements	3,311,882
Opioid abatement	368,702
Other purposes	257,710
Unrestricted	3,705,392
	<b>\$ 55,154,515</b>

See notes to financial statements.

**Poweshiek County**

Poweshiek County  
Statement of Activities  
Year ended June 30, 2023

	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	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 3,581,637	569,504	4,731	414,056	(2,593,346)
Physical health and social services	321,300	34,504	187,010	-	(99,786)
County environment and education	937,813	142,272	103,931	-	(691,610)
Roads and transportation	8,243,615	157,982	4,129,956	2,924,519	(1,031,158)
Governmental services to residents	672,534	403,827	9,500	-	(259,207)
Administration	2,859,825	23,886	-	-	(2,835,939)
Non-program	803,297	561,184	-	-	(242,113)
Interest on long-term debt	102,897	-	231,476	-	128,579
<b>Total</b>	<b>\$ 17,522,918</b>	<b>1,893,159</b>	<b>4,666,604</b>	<b>3,338,575</b>	<b>(7,624,580)</b>
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					7,581,981
Debt service					642,750
Tax increment financing					402,414
Penalty and interest on property tax					61,315
State tax credits					471,643
Local option sales tax					1,186,697
Hotel/motel tax					26,753
Unrestricted investment earnings					558,697
Gain on disposition of capital assets					22,500
American Rescue Plan Act					1,447,538
Miscellaneous					253,920
<b>Total general revenues</b>					<b>12,656,208</b>
Change in net position					5,031,628
Net position beginning of year					50,759,710
Net position end of year					<b>\$ 55,791,338</b>

See notes to financial statements.

Poweshiek County  
Balance Sheet  
Governmental Funds

June 30, 2023

Assets	General	Special Revenue		
		Rural Services	Secondary Roads	Local Option Sales Tax
Assets:				
Cash, cash equivalents and pooled investments	\$ 5,020,454	925,667	3,871,309	3,218,487
Receivables:				
Property tax:				
Delinquent	556	-	-	-
Succeeding year	4,357,000	3,604,000	-	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	4,361	-	-	-
Accounts	226	2,532	280	-
Accrued interest	96,642	-	-	-
Opioid settlement	-	-	-	-
Due from other governments	73,859	30,232	404,963	93,395
Advance to other funds	-	-	636,823	-
Inventories	-	-	498,354	-
Prepaid insurance	50,240	27,231	78,723	-
<b>Total assets</b>	<b>\$ 9,603,338</b>	<b>4,589,662</b>	<b>5,490,452</b>	<b>3,311,882</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 94,750	11,004	387,486	-
Salaries and benefits payable	83,042	29,943	74,351	-
Due to other governments	167	-	114	-
Unearned revenue	349,555	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	527,514	40,947	461,951	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	4,357,000	3,604,000	-	-
Succeeding year tax increment financing	-	-	-	-
Other	75,193	-	-	-
Total deferred inflows of resources	4,432,193	3,604,000	-	-
Fund balances:				
Nonspendable:				
Inventories	-	-	498,354	-
Advance to other funds	-	-	636,823	-
Prepaid insurance	50,240	27,231	78,723	-
Restricted for:				
Supplemental levy purposes	280,493	-	-	-
Rural services purposes	-	917,484	-	-
Secondary roads purposes	-	-	3,814,601	-
Capital improvements	-	-	-	3,311,882
Landfill postclosure care	-	-	-	-
Debt service	-	-	-	-
Conservation land acquisition	131,318	-	-	-
Capital projects	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	41,954	-	-	-
Unassigned	4,139,626	-	-	-
Total fund balances	4,643,631	944,715	5,028,501	3,311,882
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,603,338</b>	<b>4,589,662</b>	<b>5,490,452</b>	<b>3,311,882</b>

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
176,138	2,218,785	2,453,274	17,884,114
88	-	-	644
653,000	-	-	8,614,000
-	-	245,000	245,000
-	-	-	4,361
-	-	-	3,038
-	-	-	96,642
-	-	288,799	288,799
-	-	314	602,763
-	-	-	636,823
-	-	-	498,354
-	-	-	156,194
<b>829,226</b>	<b>2,218,785</b>	<b>2,987,387</b>	<b>29,030,732</b>
-	-	-	493,240
-	-	-	187,336
-	-	-	281
-	-	-	349,555
-	-	636,823	636,823
-	-	636,823	1,667,235
653,000	-	-	8,614,000
-	-	245,000	245,000
88	-	288,799	364,080
<b>653,088</b>	<b>-</b>	<b>533,799</b>	<b>9,223,080</b>
-	-	-	498,354
-	-	-	636,823
-	-	-	156,194
-	-	-	-
-	-	-	280,493
-	-	-	917,484
-	-	-	3,814,601
-	-	-	3,311,882
-	-	1,724,891	1,724,891
176,138	-	-	176,138
-	-	-	131,318
-	2,218,785	-	2,218,785
-	-	79,903	79,903
-	-	215,756	257,710
-	-	(203,785)	3,935,841
<b>176,138</b>	<b>2,218,785</b>	<b>1,816,765</b>	<b>18,140,417</b>
<b>829,226</b>	<b>2,218,785</b>	<b>2,987,387</b>	<b>29,030,732</b>

**Poweshiek County**

Poweshiek County

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

June 30, 2023

**Total governmental fund balances (page 23)** \$ 18,140,417

**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 \$64,709,228 and the accumulated depreciation/amortization is \$19,380,545. 45,328,683

Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds. 364,080

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 2,624,953

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

Deferred outflows of resources	\$ 1,049,566	
Deferred inflows of resources	<u>(1,361,351)</u>	(311,785)

Long-term liabilities, including bonds and notes payable, compensated absences payable, landfill postclosure payable, net pension liability, total OPEB liability, IT subscription liability, lease agreements payable and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (10,355,010)

**Net position of governmental activities (page 19)** \$ 55,791,338

See notes to financial statements.

Poweshiek County

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

Year ended June 30, 2023

	Special		
	General	Rural Services	Secondary Roads
<b>Revenues:</b>			
Property and other county tax	\$ 4,205,177	3,403,527	-
Tax increment financing	-	-	-
Local option sales tax	-	-	-
Penalty and interest on property tax	59,662	-	-
Intergovernmental	2,053,506	494,687	4,312,538
Licenses and permits	675	23,544	91,277
Charges for service	589,855	75,491	-
Use of money and property	528,121	-	371
Miscellaneous	79,800	13,578	132,138
Total revenues	<u>7,516,796</u>	<u>4,010,827</u>	<u>4,536,324</u>
<b>Expenditures:</b>			
<b>Operating:</b>			
Public safety and legal services	2,551,990	1,184,503	-
Physical health and social services	272,186	54,743	-
County environment and education	478,255	124,167	-
Roads and transportation	-	-	8,000,762
Governmental services to residents	718,300	5,223	-
Administration	2,874,932	67,365	-
Non-program	140,755	-	-
Debt service	-	-	-
Capital projects	115,490	-	136,553
Total expenditures	<u>7,151,908</u>	<u>1,436,001</u>	<u>8,137,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>364,888</u>	<u>2,574,826</u>	<u>(3,600,991)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	30,362
Transfers in	-	-	3,015,853
Transfers out	(216,123)	(2,599,730)	-
Lease agreements	38,271	-	-
Total other financing sources (uses)	<u>(177,852)</u>	<u>(2,599,730)</u>	<u>3,046,215</u>
Change in fund balances	187,036	(24,904)	(554,776)
Fund balances beginning of year, as restated	<u>4,456,595</u>	<u>969,619</u>	<u>5,583,277</u>
Fund balances end of year	<u>\$ 4,643,631</u>	<u>944,715</u>	<u>5,028,501</u>

See notes to financial statements.

Revenue				
Local Option Sales Tax	Debt Service	Capital Projects	Nonmajor	Total
-	642,750	-	-	8,251,454
-	-	-	402,414	402,414
1,186,697	-	-	-	1,186,697
-	-	-	-	59,662
-	40,306	414,056	45,679	7,360,772
-	-	-	-	115,496
-	-	-	3,433	668,779
-	229,482	-	11,937	769,911
-	-	-	81,420	306,936
1,186,697	912,538	414,056	544,883	19,122,121
-	-	-	-	3,736,493
-	-	-	-	326,929
-	-	-	203,320	805,742
-	-	-	-	8,000,762
-	-	-	9,049	732,572
-	-	-	-	2,942,297
-	-	-	-	140,755
-	1,399,367	-	-	1,399,367
-	-	1,959,436	22,802	2,234,281
-	1,399,367	1,959,436	235,171	20,319,198
1,186,697	(486,829)	(1,545,380)	309,712	(1,197,077)
-	-	-	-	30,362
-	636,620	-	-	3,652,473
(836,620)	-	-	-	(3,652,473)
-	-	-	-	38,271
(836,620)	636,620	-	-	68,633
350,077	149,791	(1,545,380)	309,712	(1,128,444)
2,961,805	26,347	3,764,165	1,507,053	19,268,861
3,311,882	176,138	2,218,785	1,816,765	18,140,417

Poweshiek County

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

Year ended June 30, 2023

**Change in fund balances - Total governmental funds (page 27)** \$ (1,128,444)

**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/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:

Expenditures for capital assets	\$ 3,056,846	
Capital assets contributed by the Iowa Department of Transportation	2,792,163	
Right-to-use Leased Capital Assets	32,624	
Depreciation/amortization expense	<u>(1,657,555)</u>	4,224,078

In the Statement of Activities, the gain on disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 19,724

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.

Property tax	30	
Other	<u>(733)</u>	(703)

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

Issued	(38,271)	
Repaid	<u>1,370,580</u>	1,332,309

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. 457,251

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	(21,848)	
Accrued interest expense	2,056	
Landfill postclosure	30,000	
OPEB expense	254,688	
Pension expense	<u>116,176</u>	381,072

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. (253,659)

**Change in net position of governmental activities (page 21)** \$ 5,031,628

See notes to financial statements.

Poweshiek County  
Statement of Net Position  
Proprietary Fund  
June 30, 2023

	<u>Internal Service - Employee Group Health</u>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 253,453
Investments	<u>2,550,000</u>
Total current assets	2,803,453
<b>Current Liabilities</b>	
Accounts payable	<u>178,500</u>
<b>Net Position</b>	
Unrestricted	<u>\$ 2,624,953</u>

See notes to financial statements.

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

Year ended June 30, 2023

	<u>Internal Service - Employee Group Health</u>
Operating revenues:	
Reimbursements from operating funds	\$ 1,063,714
Reimbursements from employees and others	297,845
Insurance reimbursements	<u>186,828</u>
Total operating revenues	1,548,387
Operating expenses:	
Medical claims	\$ 1,387,432
Insurance premiums	293,725
Administrative fees	145,442
Miscellaneous	<u>2,770</u>
Operating loss	(280,982)
Non-operating revenues:	
Interest income	<u>27,323</u>
Net loss	(253,659)
Net position beginning of year	<u>2,878,612</u>
Net position end of year	<u>\$ 2,624,953</u>

See notes to financial statements.

Poweshiek County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2023

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 1,063,714
Cash received from employees and others	297,845
Cash received from Insurance reimbursements	186,828
Cash paid to suppliers for services	(1,814,869)
Net cash used by operating activities	(266,482)
Cash flows from investing activities:	
Proceeds from CD redemption	200,000
Interest on investments	27,323
Net cash provided by investing activities	227,323
Net decrease in cash and cash equivalents	(39,159)
Cash and cash equivalents beginning of year	292,612
Cash and cash equivalents end of year	\$ 253,453
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (280,982)
Adjustment to reconcile operating loss to net cash used by operating activities:	
Increase in accounts payable	14,500
Net cash used by operating activities	\$ (266,482)

See notes to financial statements.

## Poweshiek County

Statement of Fiduciary Net Position –  
Custodial Funds

June 30, 2023

**Assets**

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 2,820,427
Other County officials	28,931

Receivables:

Property tax:

Delinquent	6,199
Succeeding year	34,200,000

Accounts	14,277
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Special assessment	47,183
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Due from other governments	58,157
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**Total assets**

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37,175,174**Liabilities**

Accounts payable	79,261
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Salaries and benefits payable	14,812
-------------------------------	--------

Due to other governments	1,247,752
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Trusts payable	7,297
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Compensated absences	23,030
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**Total liabilities**

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1,372,152**Deferred Inflows of Resources**

Unavailable revenues	34,200,000
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**Net Position**

Restricted for individuals, organizations and other governments	\$ 1,603,022
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See notes to financial statements.

Poweshiek County

Statement of Changes in Fiduciary Net Position –  
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 32,835,215
911 surcharge	257,151
State tax credits	2,183,788
Office fees and collections	508,299
Auto licenses, use tax and postage	8,778,108
Assessments	9,473
Trusts	648,978
Miscellaneous	<u>353,879</u>
Total additions	<u>45,574,891</u>
Deductions:	
Agency remittances:	
To other funds	459,356
To other governments	44,516,000
Trusts paid out	<u>645,020</u>
Total deductions	<u>45,620,376</u>
Change in net position	(45,485)
Net position beginning of year	<u>1,648,507</u>
Net position end of year	<u>\$ 1,603,022</u>

See notes to financial statements.

Poweshiek County

Notes to Financial Statements

June 30, 2023

**(1) Summary of Significant Accounting Policies**

Poweshiek 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, Poweshiek 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. The County has no component units which meet the Governmental Accounting Standards Board criteria.

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: Poweshiek County Assessor's Conference Board, Poweshiek County Emergency Management Services Commission and Poweshiek County Joint 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Drug Task Force Agreement, South Central Iowa Solid Waste Agency and Poweshiek Area Development Corporation.

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. 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/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation consists of \$1,664,891 for landfill post-closure care.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints on resources 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, the proprietary fund 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 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.

The Local Options Sales Tax Fund is used to account for revenues from the tax authorized by referendum and to be used for authorized local option sales tax activities.

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

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

Additionally, the County reports the following funds:

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

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

### C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost. Cash investments not meeting the definition of cash equivalents at June 30, 2023 include non-negotiable certificates of deposit of \$2,550,000.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax and tax increment financing receivables represent 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 and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. 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 and recovery services.

Advances to/from Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a nonspendable fund balance which indicates they do not constitute expendable available financial resources and, therefore, are not available to liquidate current obligations.

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 (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Intangibles	\$ 100,000
Infrastructure	50,000
Land and buildings	35,000
Land improvements	25,000
Right-to-use leased assets	5,000
Right-to-use subscription assets	100,000
Equipment and vehicles	10,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings	25 - 50
Land improvements	10 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	2 - 20
Equipment	3 - 20
Vehicles	5 - 15

Leases – County as Lessee – Poweshiek County is the lessee for noncancellable leases of equipment. The County has recognized a lease liability and intangible right-to-use lease assets (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

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

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

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITA) – Poweshiek County has entered into a contract that conveys control of the right to use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$100,000, or more.

At the commencement of the IT subscription term, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Poweshiek County determines the discount rate it uses to discount the expected payments to present value, term and payments.

Poweshiek County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the County after the measurement date but before the end of the County’s reporting period.

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the 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 vacation and compensatory 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, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Secondary Roads and Rural Services Funds.

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

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

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

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

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the roads and transportation function.

**(2) Cash, Cash Equivalents and Pooled Investments**

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

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$15,122,889. 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, 2023 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Road	General	\$ 216,123
	Special Revenue:	
	Rural Services	2,599,730
	Urban Renewal	160,540
	Local Option Sales Tax	<u>200,000</u>
		<u>3,176,393</u>
Debt Service	Special Revenue:	
	Local Option Sales Tax	<u>636,620</u>
Total		<u>\$ 3,813,013</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, 2023 was as follows:

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 2,043,905	48,766	-	2,092,671
Construction in progress	13,419,837	4,913,406	5,532,417	12,800,826
Total capital assets not being depreciated/amortized	<u>15,463,742</u>	<u>4,962,172</u>	<u>5,532,417</u>	<u>14,893,497</u>
Capital assets being depreciated/amortized:				
Buildings	9,815,270	138,800	-	9,954,070
Improvements other than buildings	297,278	-	-	297,278
Equipment and vehicles	10,652,501	909,337	70,081	11,491,757
Right-to-use leased equipment	67,543	32,624	17,380	82,787
Right-to-use subscription asset	101,029	-	-	101,029
Infrastructure, road network	22,495,193	5,393,617	-	27,888,810
Total capital assets being depreciated/amortized	<u>43,428,814</u>	<u>6,474,378</u>	<u>87,461</u>	<u>49,815,731</u>
Less accumulated depreciation/amortization for:				
Buildings	2,909,735	227,985	-	3,137,720
Improvements other than buildings	157,380	7,190	-	164,570
Equipment and vehicles	6,665,005	566,313	70,081	7,161,237
Right-to-use leased equipment	25,113	22,863	14,604	33,372
Right-to-use subscription asset	-	50,515	-	50,515
Infrastructure, road network	8,050,442	782,689	-	8,833,131
Total accumulated depreciation/amortization	<u>17,807,675</u>	<u>1,657,555</u>	<u>84,685</u>	<u>19,380,545</u>
Total capital assets being depreciated/amortized, net	<u>25,621,139</u>	<u>4,816,823</u>	<u>2,776</u>	<u>30,435,186</u>
Governmental activities capital assets, net	<u>\$ 41,084,881</u>	<u>9,778,995</u>	<u>5,535,193</u>	<u>45,328,683</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 298,243
Physical health and social services		5,514
County environment and education		85,455
Roads and transportation		1,156,400
Governmental services to residents		2,409
Administration		<u>109,534</u>
Total depreciation/amortization expense - governmental activities		<u>\$ 1,657,555</u>

**(5) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2023 is as follows:

Fund	Description	Amount
General	Services	\$ 167
Special Revenue:		
Secondary Roads	Services	<u>114</u>
Total for governmental funds		<u>\$ 281</u>
Custodial:		
Schools	Collections	\$ 138,883
Community Colleges		16,396
Corporations		39,238
Townships		601
Auto License and Use Tax		973,712
All other		<u>78,922</u>
Total for custodial funds		<u>\$ 1,247,752</u>

**(6) Advances To and From Other Funds**

Receivable Fund	Payable Fund:	Amount
Special Revenue:	Special Revenue:	
Secondary Roads	Urban Renewal	<u>\$ 636,823</u>

During fiscal years 2021, 2022 and 2023 the County approved interfund loans of \$160,540, \$476,646 and \$196,380, respectively, from the Special Revenue, Secondary Roads Fund to the Special Revenue, Urban Renewal Fund to pay for road improvements in the urban renewal area. The loans will be repaid with tax increment financing receipts as they are collected.

## (7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	General Obligation Notes and Bonds	Lease Agreements	Subscription Liability	Compensated Absences	Estimated Liability for Landfill Postclosure	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance beginning of year, as restated	\$ 8,593,072 *	36,808	101,029	281,877	90,000	(1,471,658)	1,460,223	9,091,351
Increases	-	38,271	-	587,683	-	2,452,570	307,935	3,386,459
Decreases	1,294,414 #	26,152	50,014	565,835	30,000	-	167,497	2,133,912
Balance end of year	\$ 7,298,658 *	48,927	51,015	303,725	60,000	980,912	1,600,661	10,343,898
Due within one year	\$ 1,130,000	16,381	51,015	251,708	-	-	70,972	1,520,076

\* The unamortized premium on the bonds was \$348,658 at June 30, 2023.

# Includes \$54,414 of current year premium amortization.

### General Obligation Refunding Bonds

On July 1, 2020, the County issued \$3,585,000 of general obligation refunding bonds, Series 2020, for the current refunding of \$3,670,000 general obligation refunding bonds issued March 29, 2012. The bonds bear an interest rate of 2.00% per annum. The refunding was undertaken to reduce total debt service payments by \$127,744 and resulted in an economic gain (difference between the present value of the debt service payments and the old and new debt) of \$122,190. During the year ended June 30, 2023, the County paid principal of \$540,000 and paid interest of \$50,500 on the bonds.

### General Obligation Emergency Communication Bond

On February 17, 2021, the County issued \$6,060,000 of general obligation emergency communications bonds, Series 2021A. The bonds were issued to pay the costs of acquiring and installing emergency services communications systems and equipment. The bonds bear interest at rates ranging from 1.150% to 2.00% per annum. During the year ended June 30, 2023, the County paid principal of \$570,000 and paid interest of \$105,048.

A summary of the County's general obligation indebtedness is as follows:

Year Ending June 30,	Refunding Bonds Issued Jul 1, 2020				Communications Equipment Bond Issued Feb 17, 2021			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	2.00%	\$ 550,000	39,700	589,700	2.00%	\$ 580,000	93,648	673,648
2025	2.00	560,000	28,700	588,700	2.00	590,000	82,048	672,048
2026	2.00	570,000	17,500	587,500	2.00	600,000	70,248	670,248
2027	2.00	305,000	6,100	311,100	2.00	615,000	58,248	673,248
2028	-	-	-	-	2.00	625,000	45,948	670,948
2029-2031	-	-	-	-	1.15-2.00	1,955,000	61,774	2,016,774
Total		1,985,000	92,000	2,077,000		4,965,000	411,914	5,376,914
Unamortized premium		86,653				262,005		
Total payable		<u>\$ 2,071,653</u>				<u>\$ 5,227,005</u>		

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 1,130,000	133,348	1,263,348
2025	1,150,000	110,748	1,260,748
2026	1,170,000	87,748	1,257,748
2027	920,000	64,348	984,348
2028	625,000	45,948	670,948
2029-2031	1,955,000	61,774	2,016,774
Total	6,950,000	503,914	7,453,914
Unamortized premium	348,658		
Total payable	<u>\$ 7,298,658</u>		

### Lease Agreements

On October 2, 2018, the County entered into a lease agreement for the County Sheriff printer system. An initial lease liability was recorded in the amount of \$27,258. The agreement requires monthly payments of \$962 over 5 years and 3 months, with an implicit interest rate of 2.0% and final payment due December 2, 2023. During the year ended June 30, 2023, principal and interest paid were \$11,325 and \$219, respectively.

On April 16, 2020, the County entered into a lease agreement for postage system. An initial lease liability was recorded in the amount of \$10,561. The agreement requires quarterly payments of \$733, with an implicit interest rate of 2.0%. During the year ended June 30, 2023, principal and interest paid were \$2,795 and \$137, respectively.

On January 7, 2022, the County entered into a lease agreement for the County Treasurer printer system. An initial lease liability was recorded in the amount of \$12,344. The agreement requires monthly payments of \$216 over 5 years, with an implicit interest rate of 2.0% and final payment due January 7, 2027. During the year ended June 30, 2023, principal and interest paid were \$2,387 and \$205, respectively.

On June 23, 2022, the County entered into a lease agreement for the County Recorder printer system. Payments and the lease term did not begin until the lease was delivered in October 2022. An initial lease liability was recorded in the amount of \$10,965. The agreement requires monthly payments of \$192 over 5 years, with an implicit interest rate of 2.0% and final payment due October 8, 2027. During the year ended June 30, 2023, principal and interest paid were \$1,400 and \$136, respectively.

On April 10, 2023, the County entered into a lease agreement for the County Attorney printer system. An initial lease liability was recorded in the amount of \$21,659. The agreement requires monthly payments of \$379 over 5 years, with an implicit interest rate of 2.0% and final payment due March 10, 2028. During the year ended June 30, 2023, principal and interest paid were \$1,067 and \$70, respectively.

Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	County Sheriff Printer			County Treasurer Postage Machine		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 4,786	24	4,810	\$ 2,851	81	2,932
2025	-	-	-	2,176	23	2,199
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 4,786</b>	<b>24</b>	<b>4,810</b>	<b>\$ 5,027</b>	<b>104</b>	<b>5,131</b>

Year Ending June 30,	County Treasurer Printer			County Recorder Printer		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,435	157	2,592	\$ 2,135	169	2,304
2025	2,484	108	2,592	2,178	126	2,304
2026	2,535	57	2,592	2,222	82	2,304
2027	1,502	10	1,512	2,266	38	2,304
2028	-	-	-	765	3	768
<b>Totals</b>	<b>\$ 8,956</b>	<b>332</b>	<b>9,288</b>	<b>\$ 9,566</b>	<b>418</b>	<b>9,984</b>

Year Ending June 30,	County Attorney Printer			Total		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 4,174	374	4,548	\$ 16,381	805	17,186
2025	4,259	289	4,548	11,097	546	11,643
2026	4,344	204	4,548	9,101	343	9,444
2027	4,432	116	4,548	8,200	164	8,364
2028	3,383	28	3,411	4,148	31	4,179
<b>Totals</b>	<b>\$ 20,592</b>	<b>1,011</b>	<b>21,603</b>	<b>\$ 48,927</b>	<b>1,889</b>	<b>50,816</b>

IT Subscription Liability

On June 6 2019, the County entered into an IT subscription license and services information technology agreement with Tyler Technologies, Inc. for tax software. An initial IT subscription liability was recorded in the amount of \$101,029. The agreement requires annual payments of \$52,035 over 5 years with an initial payment made July 1, 2019 for \$52,035, with an interest rate of 2.00% and final payment due July 1, 2023. During the year ended June 30, 2023, principal and interest paid were \$50,014 and \$2,021, respectively. Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Tyler Version X Tax Software		
	Principal	Interest	Total
2024	\$ 51,015	1,020	52,035

**(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](http://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 and protection occupation member’s monthly IPERS benefit includes:

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

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

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

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

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

In fiscal year 2023, 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 8.76% of covered payroll, for a total rate of 17.52%. 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, 2023 were \$457,251.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$980,912 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.025963%, which was a decrease of 0.400324% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$116,176. At June 30, 2023, 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	\$ 184,538	22,443
Changes of assumptions	1,283	98,431
Net difference between projected and actual earnings on IPERS' investments	-	225,938
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	86,854	70,397
County contributions subsequent to the measurement date	457,251	-
Total	<u>\$ 729,926</u>	<u>417,209</u>

\$457,251 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 in the year ending June 30, 2024. 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
2024	\$ (221,462)
2025	(155,898)
2026	(296,827)
2027	533,634
2028	(3,981)
Total	<u>\$ (144,534)</u>

There were no non-employer contributing entities to IPERS.

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

Rate of inflation (effective June 30, 2017)	2.60% 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,001,272	980,912	(795,772)

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](http://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, 2023.

**(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 Poweshiek 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>87</u>
Total	<u>99</u>

Total OPEB Liability – The County's total OPEB liability of \$1,600,661 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2023.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 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 July 1, 2021)	2.60% per annum.
Rates of salary increase (effective July 1, 2021)	3.25% per annum, including inflation.
Discount rate (effective July 1, 2023)	4.13% compounded annually, including inflation.
Healthcare cost trend rate (effective July 1, 2023)	7.00% initial rate decreasing by 1.00% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% 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 Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 1,460,223</u>
Changes for the year:	
Service cost	74,461
Interest	59,440
Differences between expected and actual experiences	174,034
Changes in assumptions	(3,081)
Benefit payments	<u>(164,416)</u>
Net changes	<u>140,438</u>
Total OPEB liability end of year	<u>\$ 1,600,661</u>

Changes of assumptions reflect a change in the discount rate from 4.09% in fiscal year 2022 to 4.13% in fiscal year 2023.

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 (3.13%) or 1% higher (5.13 %) than the current discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 1,678,494	1,600,661	1,524,753

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 (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 1,469,416	1,600,661	1,749,400

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense of \$254,688. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 274,361	868,165
Changes in assumptions	45,279	75,977
Total	\$ 319,640	944,142

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

Year Ending June 30,	Amount
2024	\$ (224,173)
2025	(224,173)
2026	(224,180)
2027	(18,432)
2028	15,225
Thereafter	51,231
	\$ (624,502)

**(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 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement 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, 2023 were \$316,855.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, 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, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$80,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(11) Employee Health Insurance Plan**

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County’s health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$35,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County’s contribution for the year ended June 30, 2023 was \$1,063,714.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total \$178,500, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$2,624,953 at June 30, 2023 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 164,000
Incurred claims (including claims incurred but not reported at June 30, 2023)	1,387,432
Payment on claims during the fiscal year	<u>(1,372,932)</u>
Unpaid claims end of year	<u>\$ 178,500</u>

**(12) Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for employees. The 457 Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by an outside investment company and do not constitute a liability of the County.

**(13) Postclosure Care**

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a closure/postclosure care plan and to provide funding necessary to effect closure and postclosure care, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations. These costs for the Poweshiek County Sanitary Landfill have been estimated to be \$60,000 for postclosure care as of June 30, 2023, and a liability of that amount has been recognized.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund postclosure care and, at June 30, 2023, \$1,664,891 restricted for these purposes is reported in the Special Revenue, Sanitary Disposal Fund.

**(14) 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 provide tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15 and 403 of the Code of Iowa. For these types of projects, the entities enter into agreements with developers which require the entities, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Brooklyn	Urban renewal and economic development projects	\$ 1,140
City of Grinnell	Urban renewal and economic development projects	13,112

**(15) Financial Condition**

The Special Revenue, Urban Renewal Fund reported a fund balance deficit of \$203,785 at June 30, 2023. The County plans to eliminate the deficit through the collection of tax increment financing revenues in future fiscal years.

**(16) Accounting Change**

Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	Capital Assets	Long-term Liabilities IT Subscription Liability
Balances June 30, 2022, as previously reported	\$ 40,983,852	-
Change to implement GASBS No. 96	101,029	101,029
Balances July 1, 2022, as restated	\$ 41,084,881	101,029

**(17) Restatement**

The beginning of year fund balances for the Poweshiek County Special Revenue Funds, Secondary Roads Fund and Urban Renewal Fund, were restated to correct for prior year material advances between the funds. The effect of the restatement are as follows:

	<u>Special Revenue Fund</u>	
	<u>Secondary Roads</u>	<u>Urban Renewal</u>
Balances June 30, 2022, as previously reported	\$ 4,982,294	174,883
Change for material advances between funds	<u>600,983</u>	<u>(600,983)</u>
Balances July 1, 2022, as restated	<u>\$ 5,583,277</u>	<u>(426,100)</u>

**Required Supplementary Information**

Poweshiek 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, 2023

	Actual	Budgeted Amounts		Final to
		Original	Final	Actual Variance
<b>Receipts:</b>				
Property and other county tax	\$ 9,849,580	9,797,517	9,797,517	52,063
Interest and penalty on property tax	59,662	-	-	59,662
Intergovernmental	8,168,219	5,179,921	6,987,342	1,180,877
Licenses and permits	114,191	24,250	24,250	89,941
Charges for service	703,855	625,695	637,695	66,160
Use of money and property	747,306	51,679	51,679	695,627
Miscellaneous	737,475	148,800	148,800	588,675
<b>Total receipts</b>	<b>20,380,288</b>	<b>15,827,862</b>	<b>17,647,283</b>	<b>2,733,005</b>
<b>Disbursements:</b>				
Public safety and legal services	3,740,982	3,995,185	4,093,185	352,203
Physical health and social services	332,740	409,535	419,535	86,795
County environment and education	582,293	723,492	725,592	143,299
Roads and transportation	8,007,641	7,510,129	7,510,129	(497,512)
Governmental services to residents	722,545	784,331	796,331	73,786
Administration	2,947,393	1,531,686	3,392,211	444,818
Non-program	150,471	292,983	293,983	143,512
Debt service	1,399,367	1,399,518	1,399,518	151
Capital projects	2,192,619	5,840,657	5,900,657	3,708,038
<b>Total disbursements</b>	<b>20,076,051</b>	<b>22,487,516</b>	<b>24,531,141</b>	<b>4,455,090</b>
Excess (deficiency) of receipts over (under) disbursements	304,237	(6,659,654)	(6,883,858)	7,188,095
Balance beginning of year	17,579,877	16,555,110	16,555,110	1,024,767
Balance end of year	\$ 17,884,114	9,895,456	9,671,252	8,212,862

See accompanying independent auditor's report.

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Poweshiek County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2023

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 20,380,288	(1,258,167)	19,122,121
Expenditures	20,076,051	243,147	20,319,198
Net	304,237	(1,501,314)	(1,197,077)
Other financing sources, net	-	68,633	68,633
Beginning fund balances	17,579,877	1,688,984	19,268,861
Ending fund balances	<u>\$ 17,884,114</u>	<u>256,303</u>	<u>18,140,417</u>

See accompanying independent auditor's report.

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**Poweshiek County**

Poweshiek County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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 the Internal Service 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 nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects 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, three budget amendments increased budgeted disbursements by \$2,043,625. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements exceeded the amount budgeted in the roads and transportation function.

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Poweshiek County

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

Iowa Public Employees' Retirement System  
For the Last Nine Years\*  
(In Thousands)

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability (asset)	0.025963%	0.426287% **	0.040086%	0.036458%
County's proportionate share of the net pension liability (asset)	\$ 981	(1,472)	2,816	2,111
County's covered payroll	\$ 4,357	4,315	4,436	4,400
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.52%	(34.11%)	63.48%	47.98%
IPERS' net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%	85.45%

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

\*\* Overall net pension asset.

See accompanying independent auditor's report.

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2019	2018	2017	2016	2015
0.038798%	0.043203%	0.042252%	0.039848%	0.038791%
2,455	2,878	2,659	1,969	1,538
4,201	4,162	3,906	3,856	3,886
58.44%	69.15%	68.07%	51.06%	39.58%
83.62%	82.21%	81.82%	85.19%	87.61%

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Poweshiek County

Schedule of County Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 457	434	429	422
Contributions in relation to the statutorily required contribution	(457)	(434)	(429)	(422)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 4,614	4,357	4,315	4,436
Contributions as a percentage of covered payroll	9.90%	9.96%	9.94%	9.51%

See accompanying independent auditor's report.

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2019	2018	2017	2016	2015	2014
423	382	382	360	361	359
(423)	(382)	(382)	(360)	(361)	(359)
-	-	-	-	-	-
4,400	4,201	4,162	3,906	3,856	3,886
9.61%	9.09%	9.18%	9.22%	9.36%	9.24%

**Poweshiek County**

Poweshiek County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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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Poweshiek County

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

For the Last Six Years  
Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Service cost	\$ 74,461	109,603	110,995	115,462
Interest cost	59,440	31,121	39,963	59,817
Difference between expected and actual experiences	174,034	162,775	(144,326)	(264,898)
Changes in assumptions	(3,081)	(94,825)	27,194	(4,326)
Benefit payments	<u>(164,416)</u>	<u>(119,121)</u>	<u>(108,352)</u>	<u>(98,298)</u>
Net change in total OPEB liability	<u>140,438</u>	<u>89,553</u>	<u>(74,526)</u>	<u>(192,243)</u>
Total OPEB liability beginning of year	<u>1,460,223</u>	<u>1,370,670</u>	<u>1,445,196</u>	<u>1,637,439</u>
Total OPEB liability end of year	<u>\$ 1,600,661</u>	<u>1,460,223</u>	<u>1,370,670</u>	<u>1,445,196</u>
Covered-employee payroll	\$ 4,276,061	3,907,568	3,969,687	3,844,733
Total OPEB liability as a percentage of covered-employee payroll	37.4%	37.4%	34.5%	37.6%

See accompanying independent auditor's report.

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<u>2019</u>	<u>2018</u>
113,418	255,165
71,458	119,490
(263,744)	(1,639,820)
32,167	48,668
<u>(96,907)</u>	<u>(168,533)</u>
<u>(143,608)</u>	<u>(1,385,030)</u>
<u>1,781,047</u>	<u>3,166,077</u>
<u>1,637,439</u>	<u>1,781,047</u>
4,014,008	3,897,947
40.8%	45.7%

Poweshiek County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2023

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2023 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2023:

- 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, 2023	4.13%
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%

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

**Supplementary Information**

Poweshiek County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2023

	Resource Enhancement and Protection	County Recorder's Records Management	County Conservation Bequest	Special Conservation Easement
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 27,011	22,949	19,787	5,000
Receivables:				
Succeeding year tax increment financing	-	-	-	-
Opioid settlement	-	-	-	-
Due from other governments	-	314	-	-
Total assets	<u>\$ 27,011</u>	<u>23,263</u>	<u>19,787</u>	<u>5,000</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Advance from other funds	\$ -	-	-	-
Deferred inflows of resources:				
Unavailable revenue:				
Succeeding year tax increment financing	\$ -	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Landfill postclosure care	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	27,011	23,263	19,787	5,000
Unassigned	-	-	-	-
Total fund balances	<u>27,011</u>	<u>23,263</u>	<u>19,787</u>	<u>5,000</u>
<b>Total deferred inflows of resources     and fund balances</b>	<u>\$ 27,011</u>	<u>23,263</u>	<u>19,787</u>	<u>5,000</u>

See accompanying independent auditor's report.

Revenue							Total
Special Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Urban Renewal	Naturalist	Local Government Opioid Abatement		
20,628	113,773	1,724,891	433,038	6,294	79,903		2,453,274
-	-	-	245,000	-	-		245,000
-	-	-	-	-	288,799		288,799
-	-	-	-	-	-		314
<b>20,628</b>	<b>113,773</b>	<b>1,724,891</b>	<b>678,038</b>	<b>6,294</b>	<b>368,702</b>		<b>2,987,387</b>
-	-	-	636,823	-	-		636,823
-	-	-	245,000	-	-		245,000
-	-	-	-	-	288,799		288,799
-	-	-	245,000	-	288,799		533,799
-	-	1,724,891	-	-	-		1,724,891
-	-	-	-	-	79,903		79,903
20,628	113,773	-	-	6,294	-		215,756
-	-	-	(203,785)	-	-		(203,785)
<b>20,628</b>	<b>113,773</b>	<b>1,724,891</b>	<b>(203,785)</b>	<b>6,294</b>	<b>79,903</b>		<b>1,816,765</b>
<b>20,628</b>	<b>113,773</b>	<b>1,724,891</b>	<b>678,038</b>	<b>6,294</b>	<b>368,702</b>		<b>2,987,387</b>

Poweshiek County

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

Year ended June 30, 2023

	Resource Enhancement and Protection	County Recorder's Records Management	County Conservation Bequest	Special Conservation Easement
Revenues:				
Tax increment financing	\$ -	-	-	-
Intergovernmental	11,320	-	-	-
Charges for service	-	3,433	-	-
Use of money and property	675	863	669	-
Miscellaneous	13,500	-	-	-
Total revenues	25,495	4,296	669	-
Expenditures:				
Operating:				
County environment and education	-	-	-	-
Governmental services to residents	-	9,049	-	-
Capital projects	22,802	-	-	-
Total expenditures	22,802	9,049	-	-
Excess (deficiency) of revenues over (under) expenditures	2,693	(4,753)	669	-
Other financing uses:				
Transfers out	-	-	-	-
Change in fund balances	2,693	(4,753)	669	-
Fund balances beginning of year, as restated	24,318	28,016	19,118	5,000
Fund balances end of year	\$ 27,011	23,263	19,787	5,000

See accompanying independent auditor's report.

Revenue							
Special Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Urban Renewal	Naturalist	Local Government Opioid Abatement		Total
-	-	-	402,414	-	-		402,414
-	-	27,808	6,551	-	-		45,679
-	-	-	-	-	-		3,433
-	-	-	9,730	-	-		11,937
-	-	-	-	717	67,203		81,420
-	-	27,808	418,695	717	67,203		544,883
-	-	6,940	196,380	-	-		203,320
-	-	-	-	-	-		9,049
-	-	-	-	-	-		22,802
-	-	6,940	196,380	-	-		235,171
-	-	20,868	222,315	717	67,203		309,712
-	-	-	-	-	-		-
-	-	20,868	222,315	717	67,203		309,712
20,628	113,773	1,704,023	(426,100)	5,577	12,700		1,507,053
20,628	113,773	1,724,891	(203,785)	6,294	79,903		1,816,765

Poweshiek County

Combining Schedule of Fiduciary Net Position  
Custodial Funds

June 30, 2023

	County Offices	Holiday Lake RIZ	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ -	1,134	1,796	464,338	138,883
Other County officials	28,931	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	34	69	2,543
Succeeding year	-	373,000	267,000	526,000	20,548,000
Accounts	-	-	-	-	-
Special assessment	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>28,931</b>	<b>374,134</b>	<b>268,830</b>	<b>990,407</b>	<b>20,689,426</b>
<b>Liabilities</b>					
Accounts payable	-	-	-	264	-
Salaries and benefits payable	-	-	-	12,395	-
Due to other governments	21,634	1,134	1,796	-	138,883
Trusts payable	7,297	-	-	-	-
Compensated absences	-	-	-	19,200	-
<b>Total liabilities</b>	<b>28,931</b>	<b>1,134</b>	<b>1,796</b>	<b>31,859</b>	<b>138,883</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	373,000	267,000	526,000	20,548,000
<b>Net Position</b>					
Restricted for individuals, organizations and other governments	\$ -	-	34	432,548	2,543

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	911 Service	Other	Total
16,396	39,238	601	973,712	906,066	278,263	2,820,427
-	-	-	-	-	-	28,931
278	3,275	-	-	-	-	6,199
2,533,000	9,393,000	89,000	-	-	471,000	34,200,000
-	-	-	-	14,277	-	14,277
-	-	-	-	-	47,183	47,183
-	-	-	-	58,157	-	58,157
2,549,674	9,435,513	89,601	973,712	978,500	796,446	37,175,174
-	-	-	-	6,662	72,335	79,261
-	-	-	-	-	2,417	14,812
16,396	39,238	601	973,712	-	54,358	1,247,752
-	-	-	-	-	-	7,297
-	-	-	-	-	3,830	23,030
16,396	39,238	601	973,712	6,662	132,940	1,372,152
2,533,000	9,393,000	89,000	-	-	471,000	34,200,000
278	3,275	-	-	971,838	192,506	1,603,022

Poweshiek County

Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2023

	County Offices	Holiday Lake RIZ	Agricultural Extension Education	County Assessor	Schools
Additions:					
Property and other county tax	\$ -	262,012	259,144	517,351	19,984,209
911 surcharge	-	-	-	-	-
State tax credits	-	4,337	17,169	34,943	1,002,290
Office fees and collections	504,774	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	648,978	-	-	-	-
Miscellaneous	-	-	-	3,161	-
Total additions	1,153,752	266,349	276,313	555,455	20,986,499
Deductions:					
Agency remittances:					
To other funds	182,978	-	-	-	-
To other governments	325,754	266,349	276,315	759,463	20,986,204
Trusts paid out	645,020	-	-	-	-
Total deductions	1,153,752	266,349	276,315	759,463	20,986,204
Changes in net position	-	-	(2)	(204,008)	295
Net position beginning of year	-	-	36	636,556	2,248
Net position end of year	\$ -	-	34	432,548	2,543

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	911 Service	Other	Total
2,414,713	8,872,939	75,458	-	-	449,389	32,835,215
-	-	-	-	257,151	-	257,151
122,215	978,839	5,952	-	-	18,043	2,183,788
-	-	-	-	-	3,525	508,299
-	-	-	8,778,108	-	-	8,778,108
-	-	-	-	-	9,473	9,473
-	-	-	-	-	-	648,978
-	-	-	-	30,803	319,915	353,879
2,536,928	9,851,778	81,410	8,778,108	287,954	800,345	45,574,891
-	-	-	276,378	-	-	459,356
2,536,869	9,850,809	81,410	8,501,730	92,904	838,193	44,516,000
-	-	-	-	-	-	645,020
2,536,869	9,850,809	81,410	8,778,108	92,904	838,193	45,620,376
59	969	-	-	195,050	(37,848)	(45,485)
219	2,306	-	-	776,788	230,354	1,648,507
278	3,275	-	-	971,838	192,506	1,603,022

Poweshiek County

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

For the Last Ten Years

	2023	2022	2021	2020
<b>Revenues:</b>				
Property and other county tax	\$ 8,251,454	8,160,527	7,889,431	7,378,573
Tax increment financing	402,414	146,888	-	117,533
Local option sales tax	1,186,697	1,345,216	1,195,658	1,054,900
Penalty and interest on property tax	59,662	48,913	62,426	20,338
Intergovernmental	7,360,772	8,707,963	5,706,472	5,918,674
Licenses and permits	115,496	122,966	82,533	96,409
Charges for service	668,779	668,983	722,974	647,062
Use of money and property	769,911	96,490	94,650	284,155
Miscellaneous	306,936	124,975	172,984	167,243
<b>Total</b>	<b>\$ 19,122,121</b>	<b>19,422,921</b>	<b>15,927,128</b>	<b>15,684,887</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 3,736,493	3,422,848	3,595,484	3,301,671
Physical health and social services	326,929	363,392	295,945	323,175
Mental health	-	457,916	465,756	655,900
County environment and education	805,742	674,089	648,789	658,706
Roads and transportation	8,000,762	6,165,388	6,582,639	5,845,681
Governmental services to residents	732,572	684,112	602,480	701,347
Administration	2,942,297	3,197,826	1,255,531	1,034,011
Non-program	140,755	194,915	113,037	582,452
Debt service	1,399,367	1,401,058	799,962	744,620
Capital projects	2,234,281	3,135,989	1,875,925	1,052,576
<b>Total</b>	<b>\$ 20,319,198</b>	<b>19,697,533</b>	<b>16,235,548</b>	<b>14,900,139</b>

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
7,298,439	7,322,569	7,160,995	6,935,410	6,892,299	6,986,195
142,951	122,489	143,967	129,640	126,695	144,924
975,685	859,121	885,507	823,298	928,085	807,091
46,097	46,945	47,869	50,834	47,241	48,720
5,391,590	4,843,177	5,043,984	4,850,079	4,664,378	4,588,245
105,625	167,613	68,139	59,816	76,811	121,538
654,254	621,357	617,775	582,872	510,079	514,703
390,913	234,638	266,059	116,529	106,394	171,910
267,404	433,091	321,683	141,519	207,046	213,085
<b>15,272,958</b>	<b>14,651,000</b>	<b>14,555,978</b>	<b>13,689,997</b>	<b>13,559,028</b>	<b>13,596,411</b>
3,175,246	3,094,293	2,986,068	2,990,207	2,838,158	2,792,814
279,656	325,026	287,841	282,499	326,373	391,098
458,260	417,020	428,180	337,001	1,186,377	604,358
612,064	610,792	608,902	517,242	497,603	538,801
6,850,344	5,382,525	6,128,455	5,261,739	5,042,502	4,696,708
653,427	655,514	614,973	652,598	679,317	628,471
1,180,365	1,263,348	1,258,694	1,343,275	1,222,300	1,161,822
407,006	284,926	95,852	103,994	138,849	274,769
748,108	745,108	841,832	843,368	847,052	847,650
466,212	775,670	445,954	551,825	628,342	1,266,712
<b>14,830,688</b>	<b>13,554,222</b>	<b>13,696,751</b>	<b>12,883,748</b>	<b>13,406,873</b>	<b>13,203,203</b>



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

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Auditor of State

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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 Poweshiek 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 Poweshiek County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Poweshiek 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 Poweshiek County's internal control. Accordingly, we do not express an opinion on the effectiveness of Poweshiek 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 Poweshiek County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item 2023-003 to be a significant deficiency.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Poweshiek 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 instance of non-compliance or other matters which is 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, 2023 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.

## Poweshiek County's Responses to Findings

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



Brian R. Brustkern, CPA  
Deputy Auditor of State

May 2, 2024

Poweshiek County

Schedule of Findings

Year ended June 30, 2023

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

2023-001 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) All incoming mail is opened by an employee who is also authorized to make entries to the accounting records.	Recorder, Sheriff
(2) Generally, one individual may have control over collecting, depositing, posting and maintaining receivable records for which no compensating controls exist.	Recorder, Sheriff

Cause – The County offices 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 the County Offices’ ability to prevent or detect and correct misstatements, errors or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel, including elected officials and personnel from other County offices, should be utilized to provide additional control through review of financial transactions and reconciliations. Such reviews should be performed by independent persons and should be documented by the signature or initials of the reviewer and the date of the review.

Poweshiek County

Schedule of Findings

Year ended June 30, 2023

Responses –

Sheriff –The Sheriff will review and sign the bank reconciliations. Additionally, we have reviewed our procedures involving internal controls. Separate employees pick up that mail, sort and prepare a list of incoming checks, as well as preparing the bank deposit, making the bank deposit reconciling the bank statement, balancing with the internal software, and a monthly review of all such documents for accuracy and internal controls is done by the Sheriff.

We have always done what the State Auditor’s Office has asked and will continue to do so. Due to our limited staff, we are doing the best we can under the circumstances.

Recorder – With limited staff, segregation of duties is difficult. We will work with staff to obtain the maximum internal control under the current circumstances.

Conclusion – Responses accepted.

2023-002 Financial Reporting

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

Condition – Material amounts of construction in progress for the Racom and Sydaptic control system projects as well other additions including the Jordan land purchase were not properly recorded by in the County’s financial statements. An adjustment was subsequently made by the County to properly include the asset balance in the financial statements.

Cause – County polices do not require and procedures have not been established to require independent review of capital asset additions to ensure the County’s financial statements are accurate and reliable.

Effect – Lack of implementation of procedures resulted in County employees not detecting the error in the normal course of performing their assigned functions. As a result, a material misstatement to the County's financial statements was necessary.

Recommendation – The County should establish and implement procedures to ensure all capital assets are identified and properly reported in the County’s financial statements.

Poweshiek County

Schedule of Findings

Year ended June 30, 2023

Response – County is now aware we need to list in progress improvements on capital asset listing as CIP. County will follow capital asset policy and review assets on an annual basis with each department head. County would go beyond that and strive to perform quarterly reviews of the capital assets with department heads. County will ask for input regarding multiple different projects that are lumped together in one bid to see the need for capitalization.

Conclusion – Response accepted.

2023-003 County Sheriff Bank Reconciliation

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances.

Condition – The County Sheriff's office maintains a bank account for commissary activity. Although the bank statements are reviewed by an independent person, bank reconciliations are not properly documented. Bank reconciliations would include the bank statement balance at month end plus or minus reconciling items such as outstanding checks and deposits in transit to equal the general ledger balance.

Cause – Procedures have not been designed and implemented to ensure all accounts are reconciled and the amounts recorded in the books and bank accounts are complete and accurate.

Effect – Lack of bank to book reconciliations can result in unrecorded transactions, undetected errors and opportunity for misappropriation.

Recommendation – To improve financial accountability and control, monthly bank reconciliations should be prepared. Any differences should be investigated and resolved in a timely manner.

Response – Sheriff will review and initial the bank reconciliations.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Poweshiek County  
Schedule of Findings  
Year ended June 30, 2023

**Other Findings Related to Required Statutory Reporting:**

2023-A Certified Budget – Disbursements for the year ended June 30, 2023 exceeded the amount budgeted in the roads and transportation.

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

Response – After discussion with the engineer, he stated his DOT report lets him subtract reimbursement and that the report he was referencing and not the County report and thus he went on over on the county side. I have discussed this with him, and he will make note to make sure to look at the County report and the Auditor's office will also monitor the road department total budget dollars.

Conclusion – Response accepted.

2023-B Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

2023-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2023-D Business Transactions – No business transactions between the County and County officials or employees were noted.

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

2023-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.

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

2023-H Deposits and Investments – No instances of non-compliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

2023-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Poweshiek County

Schedule of Findings

Year ended June 30, 2023

2023-J Tax Increment Financing (TIF) – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, Poweshiek County properly completed the Tax Increment Debt Forms 1, 2 or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

2023-K Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.

2023-L Financial Condition – The Special Revenue, Urban Renewal Fund had a deficit balance of \$206,785 at June 30, 2023.

Recommendation – The County should investigate alternatives to eliminate these deficits in order to return the funds to a sound financial position.

Response – The County plans to eliminate the deficit through the collection of tax increment financing revenues in future fiscal years.

Conclusion – Response accepted.

Poweshiek County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy  
Deborah J. Moser, CPA, Manager  
William J. Sallen, CPA, Senior Auditor  
Zachary T. Shaw, Senior Auditor  
Jon D. Hedgecock Staff Auditor  
Anthony G. Puetsch, Assistant Auditor  
Sydney L. Steffen, Assistant Auditor