



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

May 21, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$44,741,753 for the year ended June 30, 2023, a 10.8% increase. Expenses for County operations for the year ended June 30, 2023 totaled \$34,603,389, a 5.5% increase.

AUDIT FINDINGS:

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

Four of the six findings discussed above are repeated from the prior year. The County Board of Supervisors and other County officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

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

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CLINTON COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Clinton County



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Rob Sand
Auditor of State

April 29, 2024

Officials of Clinton County
Clinton, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Clinton County for the year ended June 30, 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 Clinton County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

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

Rob Sand
Auditor of State

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Clinton County

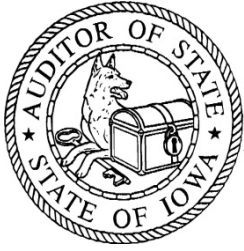
Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Tom Determann	Board of Supervisors	(Resigned Dec 2022)
Jim Irwin, Jr.	Board of Supervisors	Jan 2023
Dan Srp	Board of Supervisors	Jan 2023
Eric Van Lancker	County Auditor	Jan 2025
Dustin Johnson	County Treasurer	Jan 2023
Scott Judd	County Recorder	Jan 2023
Bill Greenwalt	County Sheriff	Jan 2025
Michael Wolf	County Attorney	Jan 2023
Brian Tiesman	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Erin George (Appointed Jan 2023)	Board of Supervisors	Nov 2024
Jim Irwin, Jr.	Board of Supervisors	Jan 2027
Dan Srp	Board of Supervisors	Jan 2027
Eric Van Lancker	County Auditor	Jan 2025
Dustin Johnson	County Treasurer	Jan 2027
Scott Judd	County Recorder	Jan 2027
Bill Greenwalt	County Sheriff	Jan 2025
Michael Wolf	County Attorney	Jan 2027
Brian Tiesman	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Clinton County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County, Iowa, as of and for the year ended June 30, 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton 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 Clinton County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, 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 Clinton County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the four years ended June 30, 2022 and for the two years ended June 30, 2015 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the three years ended June 30, 2018 (which are not presented herein) were audited by another auditor who expressed unmodified opinions. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2024 on our consideration of Clinton County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Clinton County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

April 29, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Clinton County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- 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 Eastern Iowa Mental Health and Disability Services Region prior to June 30, 2022.
- Revenues of the County's governmental activities increased 10.8%, or approximately \$4,363,000, from fiscal year 2022 to fiscal year 2023. Capital grants, contributions and restricted interest increased approximately \$3,098,000 and unrestricted investment earnings increased approximately \$838,000. The County recognized approximately \$1,512,000 of revenue from the American Rescue Plan Act (ARPA), an increase of approximately \$964,000 over the prior fiscal year. Charges for services decreased approximately \$722,000.
- Program expenses of the County's governmental activities increased 5.5%, or approximately \$1,801,000 during fiscal year 2023. Public safety and legal services, administration and roads and transportation increased approximately \$1,946,000, \$747,000 and \$570,000, respectively, while mental health expenses decreased approximately \$1,574,000.
- The County's net position increased 12.3%, or approximately \$10,139,000 during fiscal year 2023.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, 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, 4) the Capital Projects Fund, and 5) the Permanent Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2023	2022
Current and other assets	\$ 65,441	65,839
Capital assets	85,679	80,954
Total assets	151,120	146,793
Deferred outflows of resources	2,468	2,284
Long-term liabilities	26,249	25,431
Other liabilities	10,198	11,514
Total liabilities	36,447	36,945
Deferred inflows of resources	24,553	29,683
Net position:		
Net investment in capital assets	66,919	60,741
Restricted	19,583	19,951
Unrestricted	6,086	1,757
Total net position	\$ 92,588	82,449

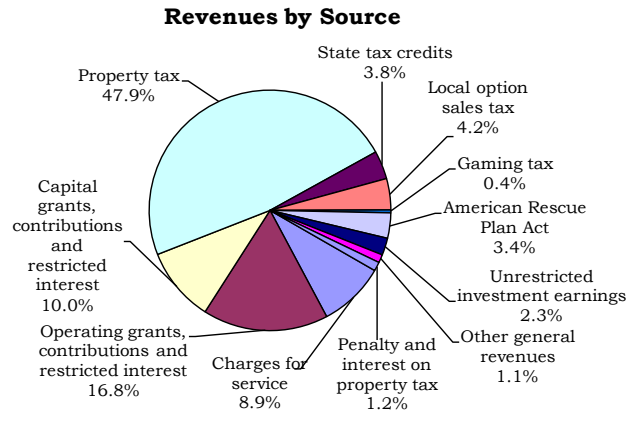
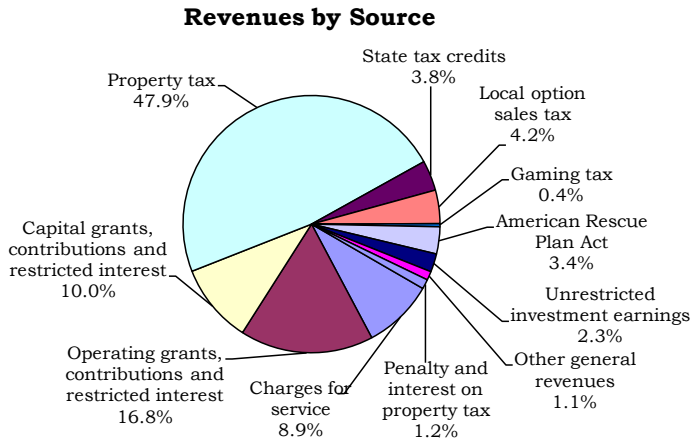
Clinton County’s combined net position of governmental activities increased 12.3% (approximately \$92.6 million compared to approximately \$82.4 million).

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 \$6,178,000, or 10.2% over the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately \$368,000 or 1.8%, from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$1,757,000 at June 30, 2022 to approximately \$6,086,000 at the end of this year, an increase of 246.4%. This increase is primarily due to a significant reduction in pension related deferred inflows.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2023	2022
Revenues:		
Program revenues:		
Charges for service	\$ 3,976	4,698
Operating grants, contributions and restricted interest	7,515	7,634
Capital grants, contributions and restricted interest	4,480	1,382
General revenues:		
Property tax	21,520	21,191
Penalty and interest on property tax	525	112
State tax credits	1,681	1,720
Local option sales tax	1,862	1,885
Gaming tax	160	165
American Rescue Plan Act	1,512	548
Unrestricted investment earnings	1,029	191
Other general revenues	482	853
Total revenues	<u>44,742</u>	<u>40,379</u>
Program expenses:		
Public safety and legal services	10,944	8,998
Physical health and social services	2,408	1,991
Mental health	-	1,574
County environment and education	2,806	2,462
Roads and transportation	9,675	9,105
Governmental services to residents	1,308	1,174
Administration	5,097	4,350
Non-program	1,779	2,519
Interest on long-term debt	586	629
Total expenses	<u>34,603</u>	<u>32,802</u>
Change in net position before transfers	10,139	7,577
Transfers, net	-	320
Change in net position	10,139	7,897
Net position beginning of year	82,449	74,552
Net position end of year	<u>\$ 92,588</u>	<u>82,449</u>



Clinton County's governmental activities net position increased approximately \$10,139,000 during the year. Revenues for governmental activities increased approximately \$4,363,000. \$964,000 of this increase was the result of federal grants for the American Rescue Plan Act (ARPA). Capital grants, contributions and restricted interest increased 224.2% due to an increase of approximately \$3,166,000 in infrastructure assets contributed by the Iowa Department of Transportation and others.

The County increased property tax rates for fiscal year 2023 an average of 0.6%, despite eliminating the mental health levy rate. Combined with increases in taxable valuations, the County's property tax revenue increased approximately \$329,000 in fiscal year 2023. Based on increases in the total assessed valuation, property tax revenue is budgeted to increase an additional \$837,000 next year.

The cost of all governmental activities this year was approximately \$34.6 million compared to approximately \$32.8 million last year. However, as shown in the Statement of Activities on pages 20 and 21, the amount taxpayers ultimately financed for these activities was approximately \$18.6 million because some of the cost was paid by those who directly benefited from the programs (approximately \$3,976,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$11,995,000). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2023 from approximately \$13,714,000 to approximately \$15,971,000. As discussed above, the County received contributions of roads and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Clinton County completed the year, its governmental funds reported a combined fund balance of approximately \$27.8 million, an increase of approximately \$2.6 million over last year's total of approximately \$25.2 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures increased approximately \$3,071,000 and \$2,369,000, respectively, over the prior year. During the fiscal year the County used ARPA funds for various projects. Expenditures and related revenues totaled \$1,512,293, an increase of \$964,511. Additionally, use of money and property revenues increased approximately \$716,000 due to increased interest rates. The ending fund balance increased approximately \$2,748,000, or 18.7%, over the prior year to \$17,448,558.
- There were no significant changes in revenues, expenditures and fund balance of the Special Revenue, Rural Services Fund.

- Special Revenue, Secondary Roads Fund revenues increased approximately \$337,000 over the prior year, primarily due to an increase in road use tax receipts. Expenditures increased approximately \$1,371,000 from the prior year, due to an increase in roadway construction and bridge projects. The Secondary Roads Fund balance at year end decreased approximately \$696,000 over the prior year to \$2,580,854.
- There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.
- There were no significant changes in revenues of the Capital Projects fund. Expenditures decreased approximately \$1,520,000, or 94.6%. The fund balance at June 30, 2023 decreased approximately \$84,000 from the prior year to \$208,668.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clinton County amended its budget three times. The first amendment was made in November 2022 and resulted in an increase in budgeted receipts and disbursements for grant-pass through activity. In addition, budgeted disbursements were increased for approved ARPA projects, funds previously committed for Conservation, Information Technology and Sheriff, the Sheriff's Office collective bargaining agreement and increases in County insurance premiums. The second amendment was made in December 2022 and resulted in an increase in budgeted disbursements for juvenile detention costs. The final amendment was made in May 2023 and resulted in an increase in receipts and disbursements for grant-pass through activity. The amendment also increased budgeted disbursements for secondary roads projects.

The County's receipts were \$7,112,880 less than budgeted, a variance of 16.2%. The most significant variance resulted from the County inadvertently budgeting for intergovernmental receipts from the American Rescue Plan Act that had been previously recorded.

Total disbursements were \$11,069,628 less than the amended budget. Actual disbursements for the capital projects, nonprogram and public safety and legal services functions were \$6,581,633, \$1,055,407 and \$901,117, respectively, less than budgeted. The capital projects function disbursements were less than budgeted due to costs for ARPA funded projects being less than anticipated. The nonprogram function disbursements were less than budgeted due to the County's participation in a Justice Assistance Grant (JAG), Community Development Block Grant (CDBG), and non-congregate sheltering program and related costs being less than anticipated. The public safety and legal services function disbursements were less than budgeted due to funds previously committed for Sheriff projects that were not able to be completed by the end of the fiscal year.

The County did not exceed the budgeted amounts for the year ended June 30, 2023. However, disbursements in certain departments exceeded amounts appropriated prior to budget amendments and at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Clinton County had approximately \$85.7 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities and roads and bridges. This is a net increase (including additions and deletions) of approximately \$4,724,000, or 5.8%, over last year.

Capital Assets of Governmental and Business Type Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023	2022
Land	\$ 1,418	1,418
Construction in progress	936	590
Buildings and improvements	32,369	32,115
Equipment and vehicles	10,537	10,009
Right-to-use leased equipment	83	46
Infrastructure	40,336	36,776
Total	\$ 85,679	80,954

The County had depreciation/amortization expense of \$4,570,487 in fiscal year 2023 and total accumulated depreciation/amortization of \$63,036,092 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, Clinton County had approximately \$20,980,000 of general obligation bonds and other debt outstanding, compared to approximately \$22,884,000 at June 30, 2022, as shown below:

Outstanding Debt of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023	2022
General obligation bonds	\$ 20,895	22,835
Lease agreements	84	46
Drainage warrants	1	3
Total	\$ 20,980	22,884

The County continues to carry a general obligation bond rating of Aa2 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Clinton County's outstanding general obligation debt obligations are significantly below its constitutional debt limit of approximately \$209 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Clinton County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.7% versus 3.4% a year ago. This compares with the State's unemployment rate of 3.0% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation (i.e., beginning balance plus next year budgeted revenues) in the operating budget are approximately \$62.5 million, a decrease of 4.1% from the final fiscal year 2023 budget. Budgeted disbursements are expected to decrease approximately \$4,504,000. Decreased costs associated with the ARPA projects due to improved budgeting represents the largest decrease. The County has added no major new programs or initiatives to the fiscal year 2024 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease approximately \$392,000 by the close of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Clinton County

Basic Financial Statements

Exhibit A

Clinton County
Statement of Net Position
June 30, 2023

	Primary Governmental	Component Unit
	Governmental Activities	Conservation Foundation
Assets		
Cash, cash equivalents and pooled investments	\$ 33,202,592	156,913
Receivables:		
Property tax:		
Delinquent	337,779	-
Succeeding year	22,922,000	-
Interest and penalty on property tax	566,296	-
Accounts	162,311	-
Accrued interest	143,304	-
Loans	180,512	-
Drainage assessments	17,540	-
Special assessments	130,349	-
Opioid settlement	887,378	-
Due from other governments	6,320,761	-
Lease receivable	27,360	-
Inventories	425,963	-
Prepaid insurance	117,285	-
Capital assets not being depreciated	2,353,659	-
Capital assets, net of accumulated depreciation/amortization	83,324,954	-
Total assets	151,120,043	156,913
Deferred Outflows of Resources		
Pension related deferred outflows	1,504,339	-
OPEB related deferred outflows	963,351	-
Total deferred outflows of resources	2,467,690	-

Clinton County
Statement of Net Position
June 30, 2023

	Primary Governmental	Component Unit
	Governmental Activities	Conservation Foundation
Liabilities		
Accounts payable	2,731,136	-
Accrued interest payable	45,429	-
Salaries and benefits payable	232,856	-
Due to other governments	180,122	-
Unearned revenue	7,008,213	-
Long-term liabilities:		
Portion due or payable within one year:		
Lease agreements	23,226	-
General obligation bonds	1,985,000	-
Drainage warrants	1,018	-
Compensated absences	1,169,755	-
Total OPEB liability	97,769	-
Portion due or payable after one year:		
Lease agreements	61,217	-
General obligation bonds	18,910,000	-
Net pension liability	2,546,226	-
Total OPEB liability	1,455,135	-
Total liabilities	36,447,102	-
Deferred Inflows of Resources		
Lease related	27,360	
Unavailable property tax revenue	22,922,000	-
Pension related deferred inflows	968,078	-
OPEB related deferred inflows	635,540	-
Total deferred inflows of resources	24,552,978	-
Net Position		
Net investment in capital assets	66,918,764	-
Restricted for:		
Nonexpendable:		
Permanent Fund	5,000	-
Expendable:		
Supplement levy purposes	7,275,421	-
Rural services purposes	1,430,876	-
Secondary roads purposes	2,910,459	-
Conservation land acquisition	298,596	-
Debt service	5,678,091	-
Capital projects	208,668	-
Drainage purposes	47,771	-
Opioid abatement	1,132,891	-
Other purposes	595,595	156,913
Unrestricted	6,085,521	-
Total net position	\$ 92,587,653	156,913

See notes to financial statements.

Clinton County

Statement of Activities

Year ended June 30, 2023

	Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Primary Government:				
Governmental activities:				
Public safety and legal services	\$ 10,943,857	874,489	112,757	3,402
Physical health and social services	2,408,261	70,140	1,243,440	-
County environment and education	2,806,282	302,410	307,386	-
Roads and transportation	9,675,486	310,120	5,507,158	4,476,504
Governmental services to residents	1,307,851	849,404	-	-
Administration	5,097,476	111,948	343,824	-
Non-program	1,778,551	1,457,094	-	-
Interest on long-term debt	585,625	-	-	-
Total primary government	\$ 34,603,389	3,975,605	7,514,565	4,479,906
Component Unit:				
Conservation Foundation	\$ 28,500	-	82,489	-
General Revenues:				
Property and other county tax levied for:				
General purposes				
Debt service				
Penalty and interest on property tax				
State tax credits				
Local option sales tax				
Gaming tax				
American Rescue Plan Act				
Unrestricted investment earnings				
Gain on disposition of capital assets				
Miscellaneous				
Total general revenues				
Change in net position				
Net position beginning of year				
Net position end of year				
See notes to financial statements.				

<u>Net (Expense) Revenue and Change in Net Position</u>	
<u>Primary Government</u>	<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Conservation Foundation</u>
(9,953,209)	
(1,094,681)	
(2,196,486)	
618,296	
(458,447)	
(4,641,704)	
(321,457)	
<u>(585,625)</u>	
<u>(18,633,313)</u>	
	<u>53,989</u>
19,629,084	-
1,890,741	-
525,180	-
1,681,399	-
1,862,376	-
159,887	-
1,512,293	-
1,028,649	996
117,775	-
<u>364,293</u>	<u>-</u>
<u>28,771,677</u>	<u>996</u>
10,138,364	54,985
<u>82,449,289</u>	<u>101,928</u>
<u>\$ 92,587,653</u>	<u>156,913</u>

Clinton County
Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments	\$ 24,593,358	1,491,163	2,935,453
Receivables:			
Property tax:			
Delinquent	288,840	6,365	-
Succeeding year	17,934,000	2,546,000	-
Interest and penalty on property tax	566,296	-	-
Accounts	77,027	-	3,940
Accrued interest	132,761	-	-
Loan	-	-	180,512
Drainage assessments	-	-	-
Special assessments	130,349	-	-
Opioid settlement receivable	-	-	-
Due from other governments	550,246	-	547,952
Lease receivable	27,360	-	-
Inventories	-	-	425,963
Prepaid insurance	117,285	-	-
Total assets	\$ 44,417,522	4,043,528	4,093,820
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 700,982	90,250	1,419,863
Salaries and benefits payable	153,547	6,951	72,358
Due to other governments	159,377	-	20,745
Unearned revenue	7,008,213	-	-
Total liabilities	<u>8,022,119</u>	<u>97,201</u>	<u>1,512,966</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	17,934,000	2,546,000	-
Lease related	27,360	-	-
Other	985,485	6,365	-
Total deferred inflows of resources	<u>18,946,845</u>	<u>2,552,365</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Inventories	-	-	425,963
Prepaid expenditures	117,285	-	-
Permanent fund	-	-	-
Restricted for:			
Supplemental levy purposes	5,426,070	-	-
Rural services purposes	-	1,393,962	-
Secondary roads purposes	-	-	2,154,891
Conservation land acquisition	298,596	-	-
Debt service	-	-	-
Capital projects	-	-	-
Drainage purposes	-	-	-
Opioid abatement	-	-	-
Other purposes	462,106	-	-
Committed:			
Conservation	15,000	-	-
Information technology	32,410	-	-
Sheriff	321,150	-	-
Unassigned	10,775,941	-	-
Total fund balances	<u>17,448,558</u>	<u>1,393,962</u>	<u>2,580,854</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 44,417,522	4,043,528	4,093,820

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
468,788	208,668	470,444	30,167,874
42,574	-	-	337,779
2,442,000	-	-	22,922,000
-	-	-	566,296
-	-	611	81,578
-	-	7	132,768
-	-	-	180,512
-	-	17,540	17,540
-	-	-	130,349
-	-	887,378	887,378
5,212,158	-	10,405	6,320,761
-	-	-	27,360
-	-	-	425,963
-	-	-	117,285
8,165,520	208,668	1,386,385	62,315,443
-	-	45,655	2,256,750
-	-	-	232,856
-	-	-	180,122
-	-	-	7,008,213
-	-	45,655	9,677,941
2,442,000	-	-	22,922,000
-	-	-	27,360
42,574	-	863,785	1,898,209
2,484,574	-	863,785	24,847,569
-	-	-	425,963
-	-	-	117,285
-	-	5,000	5,000
-	-	-	5,426,070
-	-	-	1,393,962
-	-	-	2,154,891
-	-	-	298,596
5,680,946	-	-	5,680,946
-	208,668	-	208,668
-	-	31,249	31,249
-	-	286,646	286,646
-	-	158,004	620,110
-	-	-	15,000
-	-	-	32,410
-	-	-	321,150
-	-	(3,954)	10,771,987
5,680,946	208,668	476,945	27,789,933
8,165,520	208,668	1,386,385	62,315,443

Clinton County

Clinton County

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

June 30, 2023

Total governmental fund balances (page 23) \$ 27,789,933

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$148,714,705 and the accumulated depreciation/amortization is \$63,036,092. 85,678,613

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. 1,898,209

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 2,651,601

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

Deferred outflows of resources	\$ 2,467,690	
Deferred inflows of resources	<u>(1,603,618)</u>	864,072

Long-term liabilities, including bonds payable, compensated absences payable, lease agreements payable, drainage warrants payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (26,294,775)

Net position of governmental activities (page 19) \$ 92,587,653

See notes to financial statements.

Clinton County

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

Year ended June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 16,708,526	2,325,830	-
Local option sales tax	689,079	-	1,173,297
Interest and penalty on property tax	133,003	-	-
Intergovernmental	4,964,786	122,624	5,695,351
Licenses and permits	19,966	1,465	46,778
Charges for service	1,321,587	4,212	-
Use of money and property	1,158,392	-	-
Miscellaneous	217,905	-	131,124
Total revenues	<u>25,213,244</u>	<u>2,454,131</u>	<u>7,046,550</u>
Expenditures:			
Operating:			
Public safety and legal services	10,168,310	351,423	-
Physical health and social services	2,124,060	-	-
County environment and education	2,310,469	257,425	-
Roads and transportation	-	-	7,939,289
Governmental services to residents	1,328,522	-	-
Administration	4,800,231	-	-
Debt service	-	-	-
Capital projects	1,539,173	-	1,870,332
Total expenditures	<u>22,270,765</u>	<u>608,848</u>	<u>9,809,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,942,479</u>	<u>1,845,283</u>	<u>(2,763,071)</u>
Other financing sources (uses):			
Sale of capital assets	33,188	-	-
Lease agreements	36,312	-	20,535
Transfers in	-	-	2,046,135
Transfers out	(264,088)	(1,782,047)	-
Drainage warrants issued	-	-	-
Total other financing sources (uses)	<u>(194,588)</u>	<u>(1,782,047)</u>	<u>2,066,670</u>
Change in fund balances	2,747,891	63,236	(696,401)
Fund balances beginning of year	14,700,667	1,330,726	3,277,255
Fund balances end of year	<u>\$ 17,448,558</u>	<u>1,393,962</u>	<u>2,580,854</u>

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,544,345	-	-	21,578,701
-	-	-	1,862,376
-	-	-	133,003
201,987	-	636,706	11,621,454
-	-	-	68,209
-	-	7,665	1,333,464
30,979	2,279	958	1,192,608
-	-	293,495	642,524
<u>2,777,311</u>	<u>2,279</u>	<u>938,824</u>	<u>38,432,339</u>
-	-	60,580	10,580,313
-	-	299,456	2,423,516
-	-	275,984	2,843,878
-	-	-	7,939,289
-	-	5,491	1,334,013
-	-	-	4,800,231
2,529,150	-	7,053	2,536,203
-	86,603	-	3,496,108
<u>2,529,150</u>	<u>86,603</u>	<u>648,564</u>	<u>35,953,551</u>
<u>248,161</u>	<u>(84,324)</u>	<u>290,260</u>	<u>2,478,788</u>
-	-	-	33,188
-	-	-	56,847
-	-	-	2,046,135
-	-	-	(2,046,135)
-	-	4,603	4,603
-	-	4,603	94,638
248,161	(84,324)	294,863	2,573,426
<u>5,432,785</u>	<u>292,992</u>	<u>182,082</u>	<u>25,216,507</u>
<u>5,680,946</u>	<u>208,668</u>	<u>476,945</u>	<u>27,789,933</u>

Clinton County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 27) \$ 2,573,426

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	\$ 4,674,230	
Capital assets contributed by the Iowa Department of Transportation and others	4,479,906	
Right-to-use leased capital assets	56,847	
Depreciation/amortization expense	<u>(4,570,487)</u>	4,640,496

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 84,587

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

Property tax	101,011	
Other	<u>80,393</u>	181,404

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 issuances exceeded repayments, as follows:

Issued	(62,100)	
Repaid	<u>1,966,311</u>	1,904,211

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 1,100,432

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	36,307	
Pension expense	369,075	
OPEB expense	(36,341)	
Interest on long-term debt	<u>3,525</u>	372,566

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. (718,758)

Change in net position of governmental activities (page 21) \$ 10,138,364

See notes to financial statements.

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

	Governmental Activities
	Internal Service - Employee Group Health
Assets	
Cash and cash equivalents	\$ 3,034,718
Accounts receivable	80,733
Accrued interest receivable	10,536
Total assets	3,125,987
Liabilities	
Accounts payable	474,386
Net Position	
Restricted for employee health	\$ 2,651,601

See notes to financial statements.

Exhibit H

Clinton County

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

Year ended June 30, 2023

		<u>Governmental Activities</u>
		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 3,011,683
Reimbursements from employees and others		699,854
Stop loss insurance recoveries		<u>61,064</u>
Total operating revenues		<u>3,772,601</u>
Operating expenses:		
Administrative fees	\$ 28,432	
Medical and health services	4,518,145	
Insurance premiums	<u>17,897</u>	<u>4,564,474</u>
Operating loss		<u>(791,873)</u>
Non-operating revenues:		
Interest income		<u>73,115</u>
Net loss		(718,758)
Net position beginning of year		<u>3,370,359</u>
Net position end of year		<u>\$ 2,651,601</u>

See notes to financial statements.

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

	Governmental Activities
	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 3,011,683
Cash received from employees and others	699,854
Cash received from stop loss insurance recoveries	206,368
Cash paid for administrative fees	(26,932)
Cash paid to suppliers for services	(4,385,616)
Net cash used by operating activities	(494,643)
Cash flows from investing activities:	
Interest on investments	62,579
Net decrease in cash and cash equivalents	(432,064)
Cash and cash equivalents beginning of year	3,466,782
Cash and cash equivalents end of year	3,034,718
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(791,873)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	145,304
Accounts payable	151,926
Net cash used by operating activities	(494,643)

See notes to financial statements.

Clinton County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 5,403,663
Other County officials	81,877
Receivables:	
Property tax receivable:	
Delinquent	1,299,754
Succeeding year	67,735,000
Accounts	2,782
Special assessments	404,081
Due from other governments	<u>73,170</u>
Total assets	<u>75,000,327</u>

Liabilities

Accounts payable	120,776
Salaries and benefits payable	39,316
Due to other governments	2,213,753
Trusts payable	30,534
Compensated absences	<u>157,468</u>
Total liabilities	<u>2,561,847</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>67,735,000</u>
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Net position

Restricted for individuals, organizations and other governments	<u>\$ 4,703,480</u>
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See notes to financial statements.

Clinton County

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended June 30, 2023

Additions:	
Property and other county tax	\$ 64,126,737
911 surcharge	400,877
State tax credits	4,848,656
Office fees and collections	1,250,666
Auto licenses, use tax and postage	17,136,546
Assessments	192,608
Trusts	1,098,109
Miscellaneous	<u>3,746,097</u>
Total additions	<u>92,800,296</u>
Deductions:	
Agency remittances:	
To other funds	601,760
To other governments	91,789,262
Trusts paid out	<u>1,103,138</u>
Total deductions	<u>93,494,160</u>
Change in net position	(693,864)
Net position beginning of year	<u>5,397,344</u>
Net position end of year	<u>\$ 4,703,480</u>

See notes to financial statements.

Clinton County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

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

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

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

B. Basis of Presentation

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

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

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

Restricted net position:

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for 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 non-negotiable certificates of deposit which are stated at amortized cost.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unearned Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unearned revenue in the government-wide and governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

Compensated Absences – County employees accumulate a limited amount of earned but unused compensatory and vacation leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

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

Committed – Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year-end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

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 in certain departments exceeded the amounts appropriated prior to appropriation amendments and at year end.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 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 no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

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

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>Beginning</u>			<u>End</u>
	<u>of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>of Year</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,418,233		-	1,418,233
Construction in progress	590,004	7,452,256	7,106,834	935,426
Total capital assets not being depreciated/amortized	<u>2,008,237</u>	<u>7,452,256</u>	<u>7,106,834</u>	<u>2,353,659</u>
Capital assets being depreciated/amortized:				
Buildings	38,638,141	1,045,508	-	39,683,649
Improvements other than buildings	1,282,156	-	-	1,282,156
Equipment and vehicles	19,509,973	1,905,263	248,262	21,166,974
Right-to-use leased equipment	55,650	56,847	-	112,497
Infrastructure, road network	78,156,400	5,959,370	-	84,115,770
Total capital assets being depreciated/amortized	<u>137,642,320</u>	<u>8,966,988</u>	<u>248,262</u>	<u>146,361,046</u>
Less accumulated depreciation/amortization for:				
Buildings	7,566,537	749,773	-	8,316,310
Improvements other than buildings	238,679	41,619	-	280,298
Equipment and vehicles	9,501,311	1,359,754	231,422	10,629,643
Right-to-use leased equipment	9,890	19,587	-	29,477
Infrastructure, road network	41,380,610	2,399,754	-	43,780,364
Total accumulated depreciation/amortization	<u>58,697,027</u>	<u>4,570,487</u>	<u>231,422</u>	<u>63,036,092</u>
Total capital assets being depreciated/amortized, net	<u>78,945,293</u>	<u>4,396,501</u>	<u>16,840</u>	<u>83,324,954</u>
Governmental activities capital assets, net	<u>\$ 80,953,530</u>	<u>11,848,757</u>	<u>7,123,674</u>	<u>85,678,613</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 1,042,795
Physical health and social services	6,784
County environment and education	143,700
Roads and transportation	3,017,713
Governmental services to residents	33,339
Administration	310,664
Nonprogram	<u>15,492</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 4,570,487</u>

(5) Due from Other Governments – City of Clinton

Pursuant to a Chapter 28E agreement between the County and the City of Clinton, Iowa, the County is participating in the City-managed Lincolnway Railport Project by contributing \$6,000,000 of the Series 2010B general obligation bond proceeds to the City of Clinton to be used solely for the purpose designated in the Clinton County Lincolnway Railport urban renewal area. The City is to repay the County from a portion of the sale of property in the Industrial Park. If the County has not been reimbursed by December 2020, the City will reimburse the County for any unpaid balance due on the monies advanced by the County for the project. As of June 30, 2023, \$6,000,000 of the bond proceeds had been advanced to the City and repayments totaling \$787,842 have been received. A receivable of \$5,212,158 is reported in the Debt Service Fund for the amount due from the City at June 30, 2023 under this agreement. As of the date of this report, a reimbursement plan has not been agreed to with the City and the City is in default on this debt. The County is working with the City to resolve this matter.

(6) County Lease Receivable

On July 1, 2022, the County entered into a two-year agreement to rent office space to Community Action of Eastern Iowa. The County is to receive \$1,018 rent monthly with an implicit rate of 5.00% with the final receipt due June 1, 2024. During the year ended June 30, 2023, the County received \$11,409 in principal and \$807 in interest, leaving a present value of lease receivable of \$12,216.

On July 1, 2022, the County entered into a two-year agreement to rent office space to Retired & Senior Volunteer Program. The County is to receive \$1,262 rent monthly with an implicit rate of 5.00% with the final receipt due June 1, 2024. During the year ended June 30, 2023, the County received \$14,144 in principal and \$1,000 in interest, leaving a present value of lease receivable of \$15,144.

(7) 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:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 159,377
Special Revenue:		
Secondary Roads	Services	20,745
Total for governmental funds		<u>\$ 180,122</u>
Custodial:		
County Offices	Collections	\$ 52,455
Schools		367,556
Community Colleges		23,576
Corporations		232,076
Auto License and Use Tax		1,488,227
All other		49,863
Total for custodial funds		<u>\$ 2,213,753</u>

(8) Long-Term Liabilities

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

Governmental Activities:	General Obligation Bonds	Lease Agreements	Drainage Warrants	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 22,835,000	46,204	3,468	1,206,062	(2,708,584)	1,340,165	22,722,315
Increases	-	56,847	5,253	1,100,587	5,254,810	337,559	6,755,056
Decreases	1,940,000	18,608	7,703	1,136,894	-	124,820	3,228,025
Balance end of year	\$ 20,895,000	84,443	1,018	1,169,755	2,546,226	1,552,904	26,249,346
Due within one year	\$ 1,985,000	23,226	-	1,169,755	-	97,769	3,275,750

General Obligation Bonds

A summary of the County's June 30, 2023 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Series 2016 Jail Project Issued Dec 1, 2016			Series 2020 Public Buildings Issued Feb 18, 2020		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
	2024	3.00%	\$ 1,025,000	486,150	2.00%	\$ 290,000
2025	3.00	1,050,000	455,400	2.00	300,000	18,400
2026	3.00	1,080,000	423,900	2.00	305,000	12,400
2027	3.00	1,110,000	391,500	2.00	315,000	6,300
2028	3.00	1,145,000	358,200	-	-	-
2029-2033	3.00	6,345,000	1,252,500	-	-	-
2034-2036	3.00	4,450,000	270,750	-	-	-
Total		\$ 16,205,000	3,638,400		\$ 1,210,000	61,300

Year Ending June 30,	Series 2021 Communications Equipment Issued Feb 23, 2021			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
	2024	1.00%	\$ 670,000	34,800	\$ 1,985,000	545,150
2025	1.00	680,000	28,100	2,030,000	501,900	2,531,900
2026	1.00	695,000	21,300	2,080,000	457,600	2,537,600
2027	1.00	710,000	14,350	2,135,000	412,150	2,547,150
2028	1.00	725,000	7,250	1,870,000	365,450	2,235,450
2029-2033	1.00	-	-	6,345,000	1,252,500	7,597,500
2034-2036	1.00	-	-	4,450,000	270,750	4,720,750
		\$ 3,480,000	105,800	\$ 20,895,000	3,805,500	24,700,500

On December 1, 2016, the County issued \$22,000,000 of general obligation bonds, Series 2016 with interest rates ranging from 2.00% to 3.00% per annum. The bonds were issued to pay costs of designing, constructing, equipping and furnishing a jail, Sheriff's office, 911 communications center and emergency management agency office and demolition of the existing facility. During the year ended June 30, 2023, the County paid \$1,005,000 of principal and \$516,300 of interest on the bonds.

On February 18, 2020, the County issued \$2,015,000 of general obligation bonds, Series 2020, with an interest rate of 2.00% per annum. The bonds were issued to pay costs of public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the buildings, including the Administration Building Elevators. During the year ended June 30, 2023, the County paid \$280,000 of principal and \$29,800 of interest on the bonds.

On February 23, 2021, the County issued \$4,750,000 of general obligation bonds, Series 2021, with an interest rate of 1.00% per annum. The bonds were issued to pay costs of essential county purposes including the acquisition, installation and construction of emergency services communication equipment and systems including radios, repeaters, towers and other communication equipment and systems. During the year ended June 30, 2023, the County paid \$655,000 of principal and \$41,350 of interest on the bonds.

Lease Agreements

On September 9, 2019, the County entered into a noncancelable lease agreement for a copier in the Sheriff's office. An initial lease liability was recorded in the amount of \$15,472. The agreement requires 60 monthly payments of \$422 over 5 years, with an implicit interest rate of 4.0% and a final payment on September 9, 2024. During the year ended June 30, 2023, the County paid principal of \$4,718 and interest of \$346 on the agreement.

On July 29, 2021, the County entered into a noncancelable lease agreement for a postage machine. An initial lease liability was recorded in the amount of \$21,008. The agreement requires 60 monthly payments of \$381 over 5 years, with an implicit interest rate of 3.5% and a final payment on July 29, 2026. During the year ended June 30, 2023, the County paid principal of \$4,029 and interest of \$543 on the agreement.

On February 25, 2022, the County entered into a noncancelable lease agreement for a copier in the General Assistance office. An initial lease liability was recorded in the amount of \$19,170. The agreement requires 60 monthly payments of \$348 over 5 years, with an implicit interest rate of 3.5% and a final payment on February 25, 2027. During the year ended June 30, 2023, the County paid principal of \$3,602 and interest of \$574 on the agreement.

On July 15, 2022, the County entered into a noncancelable lease agreement for a copier in the Engineer's office. An initial lease liability was recorded in the amount of \$20,535. The agreement requires 60 monthly payments of \$386 over 5 years, with an implicit interest rate of 5.00% and a final payment on July 15, 2027. During the year ended June 30, 2023, the County paid principal of \$3,463 and interest of \$783 on the agreement.

On January 20, 2023, the County entered into a noncancelable lease agreement for a folder inserter. An initial lease liability was recorded in the amount of \$20,588. The agreement requires 60 monthly payments of \$396 over 5 years, with an implicit interest rate of 6.00% and a final payment on January 20, 2027. During the year ended June 30, 2023, the County paid principal of \$1,585 and interest of \$395 on the agreement.

On January 20, 2023, the County entered into a noncancelable lease agreement for a photocopier in the Auditor's office. An initial lease liability was recorded in the amount of \$15,724. The agreement requires 60 monthly payments of \$302 over 5 years, with an implicit interest rate of 6.00% and a final payment on January 20, 2027. During the year ended June 30, 2023, the County paid principal of \$1,211 and interest of \$299 on the agreement.

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

Year Ending June 30,	Copy Machine - Sheriff			Postage Machine		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 4,910	154	5,064	\$ 4,172	400	4,572
2025	1,259	7	1,266	4,321	251	4,572
2026	-	-	-	4,474	98	4,572
2027	-	-	-	380	1	381
2028	-	-	-	-	-	-
Totals	<u>\$ 6,169</u>	<u>161</u>	<u>6,330</u>	<u>\$ 13,347</u>	<u>750</u>	<u>14,097</u>

Year Ending June 30,	Copy Machine - General Assistance			Copy Machine - Engineer		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 3,730	446	4,176	\$ 3,865	767	4,632
2025	3,863	313	4,176	4,063	569	4,632
2026	4,000	176	4,176	4,271	361	4,632
2027	2,746	38	2,784	4,489	143	4,632
2028	-	-	-	384	2	386
Totals	<u>\$ 14,339</u>	<u>973</u>	<u>15,312</u>	<u>\$ 17,072</u>	<u>1,842</u>	<u>18,914</u>

Year Ending June 30,	Folder Inserter			Copy Machine - Auditor		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 3,713	1,039	4,752	\$ 2,836	788	3,624
2025	3,942	810	4,752	3,011	613	3,624
2026	4,186	566	4,752	3,197	427	3,624
2027	4,444	308	4,752	3,394	230	3,624
2028	2,718	54	2,772	2,075	39	2,114
Totals	<u>\$ 19,003</u>	<u>2,777</u>	<u>21,780</u>	<u>\$ 14,513</u>	<u>2,097</u>	<u>16,610</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 23,226	3,594	26,820
2025	20,459	2,563	23,022
2026	20,128	1,628	21,756
2027	15,453	720	16,173
2028	5,177	95	5,272
Totals	<u>\$ 84,443</u>	<u>8,600</u>	<u>93,043</u>

Drainage Warrants

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

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

(9) Loan Receivable

During the year ended June 30, 2019, the County entered into a Memorandum of Understanding with the City of Wheatland for a bridge replacement within the Wheatland Corporate City limits. The County made payments of \$246,152 to the City and will assess the City for all costs to be reimbursed to the County's Secondary Road Fund. The City is required to reimburse the County's Secondary Road Fund for actual funds provided over a period of fifteen years. During the year ended June 30, 2023, the City paid \$16,410 to the County. The balance of the loan receivable, \$180,512 at June 30, 2023, is reported in the Secondary Roads Fund.

(10) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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

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

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

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

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

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

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

In fiscal year 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 totaled \$1,100,432.

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 \$2,546,226 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total plan 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 asset 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 0.067393%, which was a decrease of 0.717188% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$369,075. 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	\$ 398,239	53,779
Changes of assumptions	3,097	203,494
Net difference between projected and actual earnings on IPERS' investments	-	517,156
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	2,571	193,649
County contributions subsequent to the measurement date	1,100,432	-
Total	<u>\$ 1,504,339</u>	<u>968,078</u>

\$1,100,432 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	\$ (596,454)
2025	(435,974)
2026	(739,594)
2027	1,210,522
2028	(2,671)
Total	<u>\$ (564,171)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension asset 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 asset was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ investments was applied to all periods of projected benefit payments to determine the total pension liability.

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)	\$ 7,182,252	2,546,226	(1,531,423)

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2023.

(11) Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Clinton County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, 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	9
Active employees	<u>179</u>
Total	<u>188</u>

Total OPEB Liability – The County's total OPEB liability of \$1,552,904 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

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 June 30, 2023)	2.60% per annum.
Rates of salary increase (effective June 30, 2023)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2023)	4.13% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% 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 for the general employees are from the Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021, for public safety employees, from SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021 and for surviving spouses from SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table full generational using Scale MP-2021. 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>\$ 1,340,165</u>
Changes for the year:	
Service cost	71,233
Interest	55,199
Differences between expected and actual experiences	194,095
Changes in assumptions	17,032
Benefit payments	<u>(124,820)</u>
Net changes	<u>212,739</u>
Total OPEB liability end of year	<u>\$ 1,552,904</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	\$ 1,665,948	1,552,904	1,445,332

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

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	\$ 1,388,565	1,552,904	1,746,871

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 \$161,161. 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	\$ 948,022	89,489
Changes of assumptions	15,329	546,051
	<u>\$ 963,351</u>	<u>635,540</u>

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

Year Ending June 30,	Amount
2024	\$ 34,729
2025	34,729
2026	34,729
2027	34,729
2028	34,729
Thereafter	<u>154,166</u>
	<u>\$ 327,811</u>

(12) 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 \$577,355.

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 \$50,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(13) 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 \$75,000. 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 \$3,011,683.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total \$474,386, 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 \$2,651,601 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	\$ 322,460
Incurred claims (including claims incurred but not reported at June 30, 2023)	4,518,145
Payments:	
Payment on claims during the year	<u>4,366,219</u>
Unpaid claims end of year	<u>\$ 474,386</u>

(14) 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.

(15) Economic Development Agreement

The County agreed to rebate 100% of the actual property tax paid by Clinton Catalyst, LLC, subject to the developer being and remaining in compliance with the terms of the development agreement. The agreement requires the County to make up to 20 consecutive annual payments of Economic Development Grants, not to exceed a cumulative total of \$755,165. On January 30, 2023, the County notified Clinton Catalyst, LLC of their default to the terms of the agreement and subsequently terminated the agreement, effective March 13, 2023. As of March 13, 2023, the County had not made any payments to the Developer.

(16) Private Development Agreement

On February 13, 2023, the County entered into a private development agreement with South Carolina Dialogue Foundation for the redevelopment of certain property (development property) in the County which the County held a tax sale certificate.

The County agreed to abate outstanding taxes and special assessments owed on the development property at the former Ashford University, subject to the developer being and remaining in compliance with the terms of the development agreement. The agreement requires the developer invest in minimum improvements totaling \$1,310,159 to the development property, commencing no later than March 15, 2023 and to be completed by March 1, 2028. The County will abate outstanding real estate taxes that are a lien on the development property on a dollar-for-dollar basis in five installments, with each abatement installment to be made as the developer has met cumulative minimum improvements. As of June 30, 2023, the County had not abated any taxes for the development property. The amounts to be abated are summarized in the following table:

Installment	Taxes Abated	Cumulative Investment
First	2022 Tax Charges	\$ 265,564
Second	2022 Special Assessments	271,465
Third	2021 Tax Charges	534,029
Fourth	2021 Special Assessments	551,007
Fifth	2018, 2019 and 2020 Tax Charges	1,310,159

(17) 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 provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

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:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Camanche	Urban renewal and economic development projects	\$ 20,992
City of Clinton	Urban renewal and economic development projects	64,414
City of DeWitt	Urban renewal and economic development projects	17,985

(18) Jointly Governed Organization

The County participates in the Clinton County Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The parties to the 28E organization are the County, the cities of Andover, Calamus, Camanche, Charlotte, Clinton, Delmar, DeWitt Goose Lake, Grand Mound, Lost Nation, Low Moor, Welton and Wheatland and fire departments for the cities of Miles and Preston. Financial transactions of this organization are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2023:

Additions:		
Contributions from governmental units:		
Property tax from County general supplemental levy		<u>\$ 1,683,193</u>
Deductions:		
Salaries	\$ 931,259	
Benefits	383,113	
Office supplies	5,040	
Telephone	6,019	
Technology services	99,834	
Travel	2,813	
Equipment/furniture	650,107	
Insurance	7,396	
City fiber project	350,000	
Miscellaneous	<u>20,966</u>	<u>2,456,547</u>
Net		(773,354)
Balance beginning of year		<u>1,750,006</u>
Balance end of year		<u>\$ 976,652</u>

(19) Early Childhood Iowa Area Board

The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2023 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 109,992	-	109,992
Quality improvement	-	54,044	54,044
Allocation for administration	5,790	22,676	28,466
School ready general use	-	376,796	376,796
Total state grants	115,782	453,516	569,298
Miscellaneous grants	-	1,682	1,682
Interest on investments	522	1,416	1,938
Total revenues	116,304	456,614	572,918
Expenditures:			
Program services:			
Early childhood	116,405	-	116,405
Quality improvement	-	49,977	49,977
School ready general use	-	358,252	358,252
Total program services	116,405	408,229	524,634
Administration	7,961	22,641	30,602
Total expenditures	124,366	430,870	555,236
Change in net position	(8,062)	25,744	17,682
Net position beginning of year	9,847	27,296	37,143
Net position end of year	\$ 1,785	53,040	54,825

Required Supplementary Information

Clinton County

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

Required Supplementary Information

Year ended June 30, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 23,535,675	-	23,535,675
Interest and penalty on property tax	133,003	-	133,003
Intergovernmental	9,930,734	-	9,930,734
Licenses and permits	63,021	-	63,021
Charges for service	1,353,421	-	1,353,421
Use of money and property	1,063,196	152	1,063,044
Miscellaneous	648,680	6,849	641,831
Total receipts	<u>36,727,730</u>	<u>7,001</u>	<u>36,720,729</u>
Disbursements:			
Public safety and legal services	10,835,913	-	10,835,913
Physical health and social services	2,099,536	-	2,099,536
County environment and education	2,565,321	4,624	2,560,697
Roads and transportation	7,526,131	-	7,526,131
Governmental services to residents	1,380,985	-	1,380,985
Administration	4,939,089	-	4,939,089
Non-program	588,950	-	588,950
Debt service	2,536,203	7,053	2,529,150
Capital projects	3,511,482	-	3,511,482
Total disbursements	<u>35,983,610</u>	<u>11,677</u>	<u>35,971,933</u>
Excess (deficiency) of receipts over (under) disbursements	744,120	(4,676)	748,796
Other financing sources, net	35,811	4,603	31,208
Change in balances	779,931	(73)	780,004
Balance beginning of year	<u>29,387,943</u>	<u>31,322</u>	<u>29,356,621</u>
Balance end of year	<u>\$ 30,167,874</u>	<u>31,249</u>	<u>30,136,625</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
24,823,624	24,823,624	(1,287,949)
136,400	136,400	(3,397)
16,255,971	17,107,334	(7,176,600)
41,550	41,550	21,471
1,155,370	1,155,370	198,051
312,331	312,331	750,713
257,000	257,000	384,831
42,982,246	43,833,609	(7,112,880)
10,641,877	11,737,030	901,117
2,544,890	2,769,390	669,854
2,643,102	2,769,080	208,383
7,391,943	8,391,943	865,812
1,467,032	1,527,542	146,557
4,934,874	5,428,204	489,115
140,000	1,644,357	1,055,407
2,680,900	2,680,900	151,750
10,093,115	10,093,115	6,581,633
42,537,733	47,041,561	11,069,628
444,513	(3,207,952)	3,956,748
-	-	31,208
444,513	(3,207,952)	3,987,956
21,347,731	21,347,731	8,008,890
21,792,244	18,139,779	11,996,846

Clinton County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 36,727,730	1,704,609	38,432,339
Expenditures	35,983,610	(30,059)	35,953,551
Net	744,120	1,734,668	2,478,788
Other financing sources, net	35,811	58,827	94,638
Beginning fund balances	29,387,943	(4,171,436)	25,216,507
Ending fund balances	\$ 30,167,874	(2,377,941)	27,789,933

See accompanying independent auditor's report.

Clinton County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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

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

Formal and legal budgetary control is based upon 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, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund and the Permanent Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted disbursements by \$4,503,828. 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 in certain departments exceeded the amounts appropriated prior to appropriation amendments and at year end.

Clinton County

Schedule of County Proportionate Share of the Net Pension Liability

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)	0.067393%	0.784581% **	0.097960%	0.093472%
County's proportionate share of the net pension liability (asset)	\$ 2,546	(2,709)	6,881	5,413
County's covered payroll	\$ 10,633	10,229	10,181	9,926
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.94%	(26.48)%	67.59%	54.53%
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 preceding fiscal year.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.098786%	0.109230%	0.112080%	0.113930%	0.112786%
6,251	7,276	7,054	5,629	4,473
9,838	9,702	9,930	10,101	9,934
63.54%	74.99%	71.04%	55.73%	45.03%
83.62%	82.21%	81.82%	85.19%	87.61%

Clinton County

Schedule of County Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 1,100	1,001	964	967
Contributions in relation to the statutorily required contribution	(1,100)	(1,001)	(964)	(967)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 11,822	10,633	10,229	10,181
Contributions as a percentage of covered payroll	9.30%	9.41%	9.42%	9.50%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
950	888	891	884	925	912
(950)	(888)	(891)	(884)	(925)	(912)
-	-	-	-	-	-
9,926	9,838	9,702	9,930	10,101	9,934
9.57%	9.03%	9.18%	8.90%	9.16%	9.18%

Clinton County

Clinton 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.

Clinton County

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

For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 71,233	96,888	139,087	59,638
Interest cost	55,199	34,129	22,780	19,336
Difference between expected and actual experiences	194,095	(14,332)	1,063,338	(30,706)
Changes of assumptions	17,032	(176,692)	(270,610)	(325,014)
Benefit payments	(124,820)	(122,014)	(32,745)	(13,683)
Net change in total OPEB liability	212,739	(182,021)	921,850	(290,429)
Total OPEB liability beginning of year	1,340,165	1,522,186	600,336	890,765
Total OPEB liability end of year	\$ 1,552,904	1,340,165	1,522,186	600,336
Covered-employee payroll	\$ 11,186,246	10,360,347	9,890,802	10,285,276
Total OPEB liability as a percentage of covered-employee payroll	13.9%	12.9%	15.4%	5.8%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
74,098	74,114
33,779	31,838
(49,379)	(49,059)
-	-
<u>(3,845)</u>	<u>(5,971)</u>
54,653	50,922
<u>836,112</u>	<u>785,190</u>
<u>890,765</u>	<u>836,112</u>
9,995,574	9,487,757
8.9%	8.8%

Clinton 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:

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	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	2.50%

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

Supplementary Information

Clinton County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	Special			
	Resource Enhancement and Protection	County Recorder's Records Management	Seized Property	Miscellaneous Grants
Assets				
Cash, cash equivalents and pooled investments	\$ 59,888	71,263	16,366	30,725
Accounts receivable	-	611	-	-
Accrued interest receivable	-	-	-	-
Drainage assessments	-	-	-	-
Opioid settlement receivable	-	-	-	-
Due from other governments	-	-	-	10,405
Total assets	\$ 59,888	71,874	16,366	41,130
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	571	-	45,084
Deferred inflows of resources:				
Unavailable revenues:				
Other	-	-	-	-
Fund balances:				
Restricted for:				
Nonspendable:				
Permanent	-	-	-	-
Drainage purposes	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	59,888	71,303	16,366	-
Unrestricted	-	-	-	(3,954)
Total fund balances	59,888	71,303	16,366	(3,954)
Total liabilities, deferred inflows of resources and fund balances	\$ 59,888	71,874	16,366	41,130

See accompanying independent auditor's report.

Revenue			Permanent		
Drainage Districts	Veterans Memorial	Local Government Opioid Abatement	Vietnam Veterans Trust		Total
31,249	1,143	245,513	14,297		470,444
-	-	-	-		611
-	-	-	7		7
17,540	-	-	-		17,540
-	-	887,378	-		887,378
-	-	-	-		10,405
48,789	1,143	1,132,891	14,304		1,386,385
-	-	-	-		45,655
17,540	-	846,245	-		863,785
-	-	-	5,000		5,000
31,249	-	-	-		31,249
-	-	286,646	-		286,646
-	1,143	-	9,304		158,004
-	-	-	-		(3,954)
31,249	1,143	286,646	14,304		476,945
48,789	1,143	1,132,891	14,304		1,386,385

Clinton 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	Seized Property	Special Miscellaneous Grants
Revenues:				
Intergovernmental	\$ 17,506	-	-	619,200
Charges for service	-	7,665	-	-
Use of money and property	122	512	-	-
Miscellaneous	-	-	-	-
Total revenues	17,628	8,177	-	619,200
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	60,580
Physical health and social services	-	-	-	299,456
County environment and education	-	-	-	271,360
Governmental services to residents	-	5,491	-	-
Debt service	-	-	-	-
Total expenditures	-	5,491	-	631,396
Excess (deficiency) of revenues over (under) expenditures	17,628	2,686	-	(12,196)
Other financing sources:				
Drainage warrants issued	-	-	-	-
Change in fund balances	17,628	2,686	-	(12,196)
Fund balances beginning of year	42,260	68,617	16,366	8,242
Fund balances end of year	\$ 59,888	71,303	16,366	(3,954)

See accompanying independent auditor's report.

Revenue			Permanent		
Drainage Districts	Veterans Memorial	Local Government Opioid Abatement	Vietnam Veterans Trust		Total
-	-	-	-	-	636,706
-	-	-	-	-	7,665
152	6	-	166	-	958
6,849	-	286,646	-	-	293,495
7,001	6	286,646	166	-	938,824
-	-	-	-	-	60,580
-	-	-	-	-	299,456
4,624	-	-	-	-	275,984
-	-	-	-	-	5,491
7,053	-	-	-	-	7,053
11,677	-	-	-	-	648,564
(4,676)	6	286,646	166	-	290,260
4,603	-	-	-	-	4,603
(73)	6	286,646	166	-	294,863
31,322	1,137	-	14,138	-	182,082
31,249	1,143	286,646	14,304	-	476,945

Clinton County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ -	3,155	997,889	367,556	23,576
Other County officials	81,877	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	5,282	15,389	644,149	39,445
Succeeding year	-	313,000	930,000	38,203,000	2,492,000
Accounts	1,112	-	-	-	-
Special assessments	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	82,989	321,437	1,943,278	39,214,705	2,555,021
Liabilities					
Accounts payable	-	-	6,967	-	-
Salaries and benefits payable	-	-	12,795	-	-
Due to other governments	52,455	3,155	710	367,556	23,576
Trusts payable	30,534	-	-	-	-
Compensated absences	-	-	47,572	-	-
Total liabilities	82,989	3,155	68,044	367,556	23,576
Deferred Inflows of Resources					
Unavailable revenues	-	313,000	930,000	38,203,000	2,492,000
Net Position					
Restricted for individuals, organizations and other governments	\$ -	5,282	945,234	644,149	39,445

See accompanying independent auditor's report.

Schedule 3

Corporations	Townships	City Special Assessments	Other Special Assessments	Auto License and Use Tax	911 Service Board	Drainage Districts	Other	Total
232,076	7,345	29,016	26,295	1,488,227	459,174	19,782	1,749,572	5,403,663
-	-	-	-	-	-	-	-	81,877
593,853	1,537	-	-	-	-	-	99	1,299,754
25,176,000	616,000	-	-	-	-	-	5,000	67,735,000
-	-	-	-	-	981	-	689	2,782
-	-	404,081	-	-	-	-	-	404,081
-	-	-	-	-	73,170	-	-	73,170
<u>26,001,929</u>	<u>624,882</u>	<u>433,097</u>	<u>26,295</u>	<u>1,488,227</u>	<u>533,325</u>	<u>19,782</u>	<u>1,755,360</u>	<u>75,000,327</u>
-	-	-	26,295	-	3,567	-	83,947	120,776
-	-	-	-	-	-	-	26,521	39,316
232,076	7,345	29,016	-	1,488,227	-	-	9,637	2,213,753
-	-	-	-	-	-	-	-	30,534
-	-	-	-	-	-	-	109,896	157,468
<u>232,076</u>	<u>7,345</u>	<u>29,016</u>	<u>26,295</u>	<u>1,488,227</u>	<u>3,567</u>	<u>-</u>	<u>230,001</u>	<u>2,561,847</u>
<u>25,176,000</u>	<u>616,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>67,735,000</u>
<u>593,853</u>	<u>1,537</u>	<u>404,081</u>	<u>-</u>	<u>-</u>	<u>529,758</u>	<u>19,782</u>	<u>1,520,359</u>	<u>4,703,480</u>

Clinton County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Additions:					
Property and other county tax	\$ -	297,889	867,708	34,963,956	2,253,430
911 surcharge	-	-	-	-	-
State tax credits	-	24,312	71,356	2,178,589	139,921
Office fees and collections	1,249,466	-	225	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	1,098,109	-	-	-	-
Miscellaneous	-	-	3,318	5,339	-
Total additions	2,347,575	322,201	942,607	37,147,884	2,393,351
Deductions:					
Agency remittances:					
To other funds	575,465	-	-	-	-
To other governments	668,972	321,220	812,959	37,027,794	2,386,026
Trusts paid out	1,103,138	-	-	-	-
Total deductions	2,347,575	321,220	812,959	37,027,794	2,386,026
Changes in net position	-	981	129,648	120,090	7,325
Net position beginning of year	-	4,301	815,586	524,059	32,120
Net position end of year	\$ -	5,282	945,234	644,149	39,445

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Other Special Assessments	Auto License and Use Tax	911 Service Board	Drainage Districts	Other	Total
25,208,415	529,705	-	-	-	-	-	5,634	64,126,737
-	-	-	-	-	400,877	-	-	400,877
2,407,593	26,413	-	-	-	-	-	472	4,848,656
-	-	-	-	-	-	-	975	1,250,666
-	-	-	-	17,136,546	-	-	-	17,136,546
-	-	166,310	26,295	-	-	3	-	192,608
-	-	-	-	-	-	-	-	1,098,109
-	2,494	-	-	-	12,283	97	3,722,566	3,746,097
27,616,008	558,612	166,310	26,295	17,136,546	413,160	100	3,729,647	92,800,296
-	-	-	26,295	-	-	-	-	601,760
27,501,362	558,468	305,815	-	17,136,546	338,798	649	4,730,653	91,789,262
-	-	-	-	-	-	-	-	1,103,138
27,501,362	558,468	305,815	26,295	17,136,546	338,798	649	4,730,653	93,494,160
114,646	144	(139,505)	-	-	74,362	(549)	(1,001,006)	(693,864)
479,207	1,393	543,586	-	-	455,396	20,331	2,521,365	5,397,344
593,853	1,537	404,081	-	-	529,758	19,782	1,520,359	4,703,480

Clinton County

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

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 21,578,701	21,334,934	18,918,805	19,546,316
Local option sales tax	1,862,376	1,885,423	1,963,978	1,555,986
Interest and penalty on property tax	133,003	146,262	213,724	90,024
Intergovernmental	11,621,454	9,482,614	10,539,100	9,202,715
Licenses and permits	68,209	58,298	46,542	50,817
Charges for service	1,333,464	1,439,117	1,291,714	1,099,496
Use of money and property	1,192,608	447,946	355,873	425,728
Miscellaneous	642,524	724,513	414,566	384,791
Total	\$ 38,432,339	35,519,107	33,744,302	32,355,873
Expenditures:				
Operating:				
Public safety and legal services	\$ 10,580,313	9,760,197	9,252,390	8,429,240
Physical health and social services	2,423,516	2,040,109	1,851,611	1,835,292
Mental health	-	1,590,128	1,389,645	1,738,516
County environment and education	2,843,878	2,476,260	1,933,100	2,188,510
Roads and transportation	7,939,289	7,543,661	7,160,046	8,624,059
Governmental services to residents	1,334,013	1,240,221	1,343,165	1,189,771
Administration	4,800,231	4,685,800	3,874,371	3,851,811
Non-program	-	-	-	-
Debt service	2,536,203	2,645,820	1,905,562	3,074,801
Capital projects	3,496,108	3,064,479	6,336,917	2,556,321
Total	\$ 35,953,551	35,046,675	35,046,807	33,488,321

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
19,298,347	19,146,476	17,258,304	17,003,949	17,398,305	16,914,959
1,440,891	1,457,680	1,482,733	1,502,421	1,511,708	1,512,957
173,626	176,709	124,297	143,530	175,574	252,994
9,773,924	9,756,347	12,225,481	8,016,218	7,760,320	7,068,915
49,390	55,672	59,651	52,814	48,544	42,117
1,090,745	1,092,808	1,085,427	1,062,260	1,124,522	1,075,768
520,746	376,162	250,535	217,409	219,807	251,657
404,304	676,979	389,758	430,733	304,058	380,963
32,751,973	32,738,833	32,876,186	28,429,334	28,542,838	27,500,330
8,560,284	7,839,966	7,675,445	7,206,797	7,268,851	7,058,888
1,825,613	1,891,837	1,374,331	1,469,045	1,508,593	1,482,708
1,643,475	1,994,107	2,889,736	3,914,448	3,582,273	2,951,395
1,891,706	1,811,343	1,931,743	1,854,346	2,105,932	2,064,868
6,537,393	6,251,552	6,601,146	6,455,216	5,922,243	6,327,485
1,228,040	1,151,189	1,113,853	1,052,557	1,569,532	1,163,451
4,904,459	3,712,563	3,460,940	3,766,792	4,446,301	4,632,264
-	8,691	16,415	18,850	23,306	4,815
2,997,840	3,334,711	1,373,910	1,533,637	1,463,084	1,497,708
14,403,388	11,774,484	7,687,572	954,194	619,685	420,189
43,992,198	39,770,443	34,125,091	28,225,882	28,509,800	27,603,771

Schedule 6

Clinton County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the			
Supplemental Nutrition Assistance Program	10.561	00002128028	\$ 26,405
Total U.S. Department of Agriculture			<u>26,405</u>
U.S. Department of Defense:			
Passed through Iowa Office of Treasurer of State:			
Payments to States in Lieu of Real Estate Taxes	12.112		2,054
Total U.S. Department of Defense			<u>2,054</u>
U.S. Department of Housing and Urban Development:			
Passed through Iowa Economic Development Authority			
COVID-19, Section 8 Housing Choice Vouchers	14.871	20-CVN-012	56,291
COVID-19, Section 8 Housing Choice Vouchers	14.871	20-CVN-013	254,594
Total U.S. Department of Housing and Urban Development			<u>310,885</u>
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226		23,757
Fish and Wildlife Management Assistance	15.608		1,672
Total U.S. Department of the Interior			<u>25,429</u>
U.S. Department of Justice:			
Bulletproof Vest Partnership Program	16.607	2021BUBX21025033	1,530
Bulletproof Vest Partnership Program	16.607	2022BUBX22029538	549
			<u>2,079</u>
Passed through Iowa Governor's Office of Drug Control Policy:			
Edward Bryne Memorial Justice			
Assistance Grant Program	16.738	20-JAG-446715	13,736
Edward Bryne Memorial Justice			
Assistance Grant Program	16.738	20-JAG-450007	34,648
			<u>48,384</u>
Total U.S. Department of Justice			<u>50,463</u>
U.S. Department of Transportation:			
Passed through Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	23-402-MOPT Task 15-00-00	7,174
National Priority Safety Programs	20.616	23-405d-M6OT Task 00-15-00	9,379
National Priority Safety Programs	20.616	22-405d-M6OT Task 00-14-00	7,228
			<u>16,607</u>
Total U.S. Department of Transportation			<u>23,781</u>
U.S. Department of Treasury			
COVID-19, Coronavirus State and Local			
Fiscal Recovery Funds	21.027	FY23	1,512,293
Total U.S. Department of Treasury			<u>1,512,293</u>
U.S. Department of Health and Human Services:			
Passed through Iowa Department of Public Health:			
Public Health Emergency Preparedness	93.069	5881BT03-E2	522,338
Loan Repayment Program for General Research	93.232	MOU-2022-ELC21	2,600
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243	5885BT423	2,220
Immunization Cooperative Agreements	93.268	5883I421	21,500
COVID-19, Immunization Cooperative Agreements	93.268	5885BT423	49,323
			<u>70,823</u>

Clinton County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2023

Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
(Continued)			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5885BT423	<u>6,402</u>
COVID-19, Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	5885BT423	<u>9,458</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	5881NB0E	<u>3,150</u>
Passed through Iowa Department of Human Services: Human Services Administrative Reimbursements:			
Guardianship Assistance	93.090	00002128028	<u>6</u>
Title IV-E Prevention Program	93.472	00002128028	<u>783</u>
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs	93.566	00002128028	<u>68</u>
Foster Care Title IV-E	93.658	00002128028	<u>5,560</u>
Adoption Assistance	93.659	00002128028	<u>3,042</u>
Social Services Block Grant	93.667	00002128028	<u>6,853</u>
Children's Health Insurance Program	93.767	00002128028	<u>453</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002128028	<u>6,121</u>
Medicaid Cluster:			
Medical Assistance Program	93.778	00002128028	<u>29,731</u>
Total U.S. Department of Health and Human Services			<u>669,608</u>
U.S. Department of Homeland Security:			
Passed through Iowa Homeland Security and Emergency Management: COVID-19, Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4483 DRIA	<u>231,218</u>
Total U.S. Department of Homeland Security			<u>231,218</u>
Total			<u>\$ 2,852,136</u>

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Clinton County under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Clinton County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Clinton County.

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

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

See accompanying independent auditor’s report.



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

To the Officials of Clinton County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Clinton County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Clinton 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.

Clinton County's Responses to Findings

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

Purpose of this Report

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

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



Brian R. Brustkern, CPA
Deputy Auditor of State

April 29, 2024

Clinton County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

To the Officials of Clinton County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Clinton County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Clinton County's major federal program for the year ended June 30, 2023. Clinton County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Clinton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Brian R. Brustkern, CPA
Deputy Auditor of State

April 29, 2024

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

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

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

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part II: 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:

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

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

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

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

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

Responses –

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

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

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

Sheriff – Independent reviews of the monthly bank reconciliations, receipts and disbursements are currently being done by the Chief Deputy who is not involved in the cash receipts or disbursement cycles. These reviews are documented by a signature and date. We are aware of the segregation of duties deficiencies, and we will do our best to separate as much as possible with the limited number of staff and efficiency concerns. We will continue to monitor where additional controls can be implemented.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Treasurer – Segregation of duties is a serious consideration for every instance that is practical. We will continue to implement these even when there is extra cost. However, we will not waste resources needlessly accompanying other employees through their daily duties outside of the Treasury Office.

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

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 infrastructure and revenue were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

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

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

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

Responses –

Treasurer – We will work with the Engineer's office to ensure that the coding of receipts match the bank records and are properly coded for the fiscal year.

Engineer – Employees have been instructed to track projects as CIP as they are being built and show that status until 100% complete in the Iowa DOT Annual Report.

Conclusion – Responses accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCE OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

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

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part IV: Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated prior to the appropriation amendments and at year end. Also, a resolution establishing the fiscal year 2023 maximum property tax dollars that may be certified for levy was not adopted as required by Chapter 331.433A of the Code of Iowa.

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

Response – The County will review its procedures and plans and work more closely with Departments concerning budget appropriations and budget amendments. The County will also ensure compliance with the Code of Iowa pertaining to required resolutions.

Conclusion – Response accepted.

2023-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Hall of Fame Pizza	Food for Emergency Management Commission meeting	\$ 43
Sweetheart Bakery	Donuts for ARIDE Sheriff training in DeWitt	48
Jenny's Diner	Breakfast for Sheriff administrative staff meeting	88
Clinton National Bank	Sales tax paid on credit card purchases of supplies from various vendors	368
CenturyLink	Late fees and interest	49
Clinton National Bank	Late fees and interest paid on credit card monthly billings	625

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin. Expenditures for sales tax, late fees and interest do not serve a public purpose.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Recommendation – The Board of Supervisors should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including requirements for proper public purpose documentation. In addition, the County should establish written policies and procedures to ensure sales tax is not paid and that late fees and interest are not incurred on monthly credit card billings.

Response – The County will continue to emphasize documentation for public purposes as needed. In addition, the County will emphasize the procedures with department heads to avoid the payment of sales tax and late fees and interest.

Conclusion – Response accepted.

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

Name, Title and Business Connection	Transaction Description	Amount
Scott Judd, County Recorder, President of Skyline Center, Inc.	Scanning services	\$ 5,454
Matthew Owens, Sheriff employee, mows Pioneer Cemetery	Grounds care	3,856

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with Matthew Owens and Skyline Center, Inc do not appear to represent a conflict of interest since transactions with each were less than \$6,000 during the fiscal year.

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 that 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 investment 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).

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-J Early Childhood Iowa Area Board – The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization.

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

2023-K Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the County to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The image of the backs of each cancelled check was not obtained by the County Recorder and County Sheriff.

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

Responses –

Recorder – We have asked Clinton National Bank to make front and back copies of the checks we write monthly. They have agreed to have this done.

Sheriff – We had contacted the bank twice and requested that we get the front and back images of checks printed with our bank statements for the Civil, Jail and Gun Permit accounts. They failed to comply with our request, and we failed to follow up on that request. We will make sure that this is done as soon as possible.

Conclusion – Responses accepted.

Clinton County

Staff

This audit was performed by:

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