



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

July 25, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$39,241,414 for the year ended June 30, 2023, a 5.2% increase over the prior year. Expenses for County operations for the year ended June 30, 2023 totaled \$35,624,671, a 16.4% increase over the prior year.

AUDIT FINDINGS:

Sand reported thirteen findings related to the receipt and expenditure of taxpayer funds. They are found on pages 88 through 100 of this report. The findings address issues such as lack of segregation of duties, bank reconciliations not prepared by certain County offices, material amounts of receivables, payables and capital asset additions and deletions were not properly recorded, lack of supporting documentation and disbursements exceeding budgeted amounts prior to an amendment. Sand provided the County with recommendations to address each of these findings.

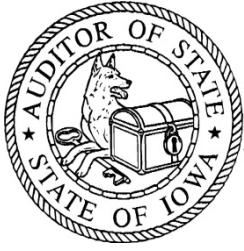
Twelve of the findings discussed above for the County are repeated from the prior year. The County Board of Supervisors and other elected officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful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

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

#

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

Warren County



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

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

June 27, 2024

Officials of Warren County
Indianola, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Warren County, Iowa, 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 Warren 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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Warren County

Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Aaron DeKock	Board of Supervisors	Jan 2023
Crystal McIntyre	Board of Supervisors	Jan 2023
Darren Heater	Board of Supervisors	Jan 2025
Traci Vander Linden	County Auditor	Jan 2025
Julie Daugherty	County Treasurer	Jan 2023
Polly Wright	County Recorder	Jan 2023
Joe Carico	County Sheriff	Jan 2025
Douglas Eichholz	County Attorney	Jan 2023
Janet Bunce	County Assessor	Jan 2027

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Darren Heater	Board of Supervisors	Jan 2025
Crystal McIntyre	Board of Supervisors	Jan 2025*
Mark Snell	Board of Supervisors	Jan 2025*
Traci Vander Linden	County Auditor	(Retired May 2023)
David Whipple (Appointed Jun 2023)	County Auditor	Sep 2023
Kimberly Sheets (Special Election Sep 2023)	County Auditor	Jan 2025
Julie Daugherty	County Treasurer	Jan 2027
Jordyn Hill	County Recorder	Jan 2027
Joe Carico	County Sheriff	Jan 2025
Douglas Eichholz	County Attorney	Jan 2027
Janet Bunce	County Assessor	Jan 2028

* Term expires January 1, 2025 due to redistricting of all County Supervisors



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Independent Auditor's Report

To the Officials of Warren County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Warren County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Warren 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 Warren County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, Warren County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Warren 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 judgment 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 judgment 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 Warren 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Warren County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 62 through 74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Warren County’s basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 5 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2024 on our consideration of Warren 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 Warren County’s internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

June 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2023 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, Subscription-Based Information Technology Arrangements (SBITAs), during fiscal year 2023. The implementation for this standard revised certain asset and liability accounts related to SBITAs, however had no effect on the beginning net position for governmental activities.
- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Central Iowa Community Services Region prior to June 30, 2022.
- Revenues of the County's governmental activities increased 5.2%, or approximately \$1,925,000, from fiscal year 2022 to fiscal year 2023. The County recorded approximately \$4,650,000 of federal grants for the American Rescue Plan Act (ARPA). Charges for services increased approximately \$243,000, operating grants, contributions and restricted interest increased approximately \$247,000, excluding ARPA and capital grants, contributions and restricted interest decreased approximately \$1,304,000.
- Program expenses were 16.4%, or approximately \$5,018,000, more in fiscal year 2023 than in fiscal year 2022. County environment and education and public safety increased approximately \$2,426,000 and \$2,116,000, respectively. Mental health services decreased approximately \$1,217,000.
- The County's net position increased 4.4%, or approximately \$3,617,000, over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Warren 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 Warren 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 Warren County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

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

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

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

- 2) A proprietary fund accounts for the County’s Internal Service, Fuel Station Fund. The Internal Service Fund is used 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.

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 statement for fiduciary funds is a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2023	2022 (Not Restated)
Current and other assets	\$ 47,816	51,452
Capital assets	110,946	108,563
Total assets	158,762	160,015
Deferred outflows of resources	1,646	1,620
Long-term liabilities	48,859	45,835
Other liabilities	4,775	7,459
Total liabilities	53,634	53,294
Deferred inflows of resources	20,446	25,630
Net position:		
Net investment in capital assets	67,894	67,146
Restricted	15,016	13,954
Unrestricted	3,418	1,611
Total net position	\$ 86,328	82,711

Warren County’s combined net position of governmental activities increased 4.4% over a year ago, increasing from approximately \$83 million to approximately \$86 million.

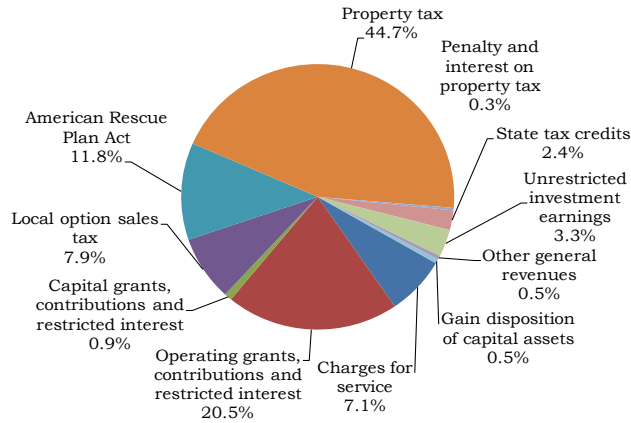
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$748,000, or 1.1%, over the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$1,062,000 or 7.6%, over the prior year. This increase is primarily due to the increase in the amounts held at year end in the Special Revenue, Secondary Roads Fund.

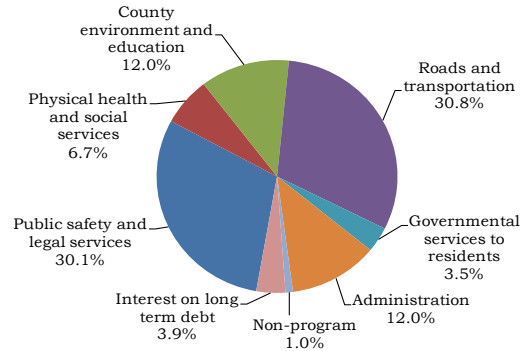
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a balance of approximately \$1,611,000 at June 30, 2022 to approximately \$3,418,000 at the end of this year, an increase of 112.2%. This increase is primarily due to a decrease in pension related deferred inflows.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30	
	2023	2022 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	\$ 2,799	2,556
Operating grants, contributions and restricted interest	8,056	7,809
Capital grants, contributions and restricted interest	338	1,642
General revenues:		
Property tax	17,560	18,573
Penalty and interest on property tax	118	128
State tax credits	925	998
Local option sales tax	3,088	3,420
American Rescue Plan Act	4,650	1,834
Unrestricted investment earnings	1,309	111
Gain disposition of capital assets	195	36
Other general revenues	203	209
Total revenues	<u>39,241</u>	<u>37,316</u>
Program expenses:		
Public safety and legal services	10,737	8,621
Physical health and social services	2,404	2,204
Mental health	-	1,217
County environment and education	4,287	1,861
Roads and transportation	10,903	10,042
Governmental services to residents	1,240	1,129
Administration	4,289	3,813
Non-program	366	322
Interest on long-term debt	1,398	1,398
Total expenses	<u>35,624</u>	<u>30,607</u>
Change in net position	3,617	6,709
Net position beginning of year	<u>82,711</u>	<u>76,002</u>
Net position end of year	<u>\$ 86,328</u>	<u>82,711</u>

Revenues by Source



Expenses by Program



Warren County’s governmental activities net position increased approximately \$3,617,000 during the year. Revenues for governmental activities increased approximately \$1,925,000 over the prior year. The significant increase was primarily the result of federal grants for the American Rescue Plan Act (ARPA) partially offset by a decrease in capital grants, contributions and restricted interest which was primarily due to a decrease in infrastructure assets contributed by the Iowa Department of Transportation.

The County decreased property tax rates for fiscal year 2023 an average of 10%. Based on increases in the total assessed valuation, property taxes decreased approximately \$1,013,000. Based on an increase in assessed values and only a slight decrease in property tax levy’s, property tax revenue is budgeted to increase \$1,208,000 next year.

The County’s operating grants, contributions and restricted interest increased approximately \$247,000, or 3.2% from fiscal year 2022 primarily due to the receipt of Opioid Abatement Funds. Capital grants, contributions and restricted interest decreased approximately \$1,304,000, or 79.4%, from fiscal year 2022, primarily due to less contributed capital from the Iowa Department of Transportation.

The cost of all governmental activities this year was approximately \$35.6 million compared to approximately \$30.6 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$24.4 million because some of the cost was paid by those who directly benefited from the programs (approximately \$2,800,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$8,395,000). Overall, the County’s governmental program revenues, including intergovernmental aid and fees for service, decreased in fiscal year 2022 from approximately \$12,007,000 to approximately \$11,193,000.

INDIVIDUAL MAJOR FUND ANALYSIS

As Warren County completed the year, its governmental funds reported a combined fund balance of approximately \$22,725,000, an increase of approximately \$143,000 above last year's total. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund balance increased approximately \$909,000 from the prior year to approximately \$9,537,000. General Fund revenues increased approximately \$1,832,000, or 10.9%, from the prior year, due primarily to an increase in interest rates. Expenditures increased approximately \$2,510,000, or 15.5%, over the prior year primarily due to increased expenses related operating the Law Enforcement and Justice Center.
- The Special Revenue, Rural Services Fund balance decreased approximately \$253,000 from fiscal year 2022. Rural Services Fund revenues decreased approximately \$718,000, or 12.4%, primarily due to a decrease in property tax and local option sales tax receipts. Expenditures increased approximately \$379,000 over the prior year, primarily due to additional payroll and benefits being paid from the fund for rural sheriffs' deputies.
- The Special Revenue, American Rescue Plan Act revenues increased approximately \$3,046,000 and expenditures increased approximately \$2,816,000 over the prior year. Revenues are recognized from the fund's unearned revenue as expenditures are incurred. The County deposits interest received into the fund. The County used the American Rescue Plan Act to fund expenditures for the new Law Enforcement Center, permanent landscaping for the Conservation Department, Economic Development grants, information and technical services and to purchase motor vehicles.
- The Special Revenue, Secondary Roads Fund balance increased approximately \$937,000, or 14.0% over the prior year to approximately \$7,607,000. Expenditures increased approximately \$640,000, or 8.3%, over the prior year. Revenues increased approximately \$599,000, or 11.2%, primarily due to more road use tax receipts.
- The Debt Services Fund revenues decreased approximately \$129,000, or 4.0%, from fiscal year 2022, due principally to a decrease in property and other county tax revenue. For the year, expenditures totaled approximately \$3,088,000, a decrease of 1.1% from the prior year. These changes resulted in an increase in the Debt Service Fund ending balance of approximately \$47,000, or 69.1%.
- The Capital Projects Fund balance at year end decreased approximately \$2,006,000 from the prior year to approximately \$532,000. For the year, expenditures totaled approximately \$3,083,000, a decrease of 82.8% from the prior year, primarily due to the expenses associated with the construction of the law enforcement center (Justice Center), emergency services communication decreased as projects are wrapping up.

BUDGETARY HIGHLIGHTS

Over the course of the year, Warren County amended its budget once. The amendment was made in May. The amendment was to provide for additional disbursements in County departments.

The County's receipts were \$884,520 more than budgeted. The most significant variances resulted from the County receiving \$482,316 more in property and other County taxes, and \$310,296 less in intergovernmental revenues.

Total disbursements were \$5,016,323 less than the final amended budget. Actual disbursements for the roads and transportation were \$3,878,490, less than budgeted. The difference in roads and transportation was due to the secondary road shop not proceeding as planned. The project is still active.

Even with the budget amendment, the County exceeded the budgeted amount in the county environment and education function for the year ended June 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Warren County had approximately \$110.9 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$2,383, or 2.2%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023	2022 (As Restated) *
Land	\$ 2,755	2,755
Construction in progress	5,349	48,436
Intangibles	371	371
Buildings and improvements	49,002	3,607
Equipment and vehicles	4,700	4,306
Right-to-use lease assets	181	285
Right-to-use subscription asset	1,736	293
Infrastructure	46,852	48,804
Total	<u>\$ 110,946</u>	<u>108,857</u>
This year's major additions included (in thousands):		
Justice Center (excluding 2023 Construction in progress)	\$	1,734
911 Communication (excluding 2023 Construction in progress)		266
Construction in progress - Roads		461
Construction in progress - Secondary Roads Shop		1,503
Equipment and vehicles		<u>1,442</u>
Total	<u>\$</u>	<u>5,406</u>

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

The increase in the net book value of capital assets is primarily due to an increase in capital asset additions.

The County had depreciation expense of \$5,420,529 in fiscal year 2023 and total accumulated depreciation of \$46,839,662 at June 30, 2023. More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2023, Warren County had approximately \$43,584,000 of general obligation capital loan notes and other long-term debt outstanding compared to approximately \$44,248,000 at June 30, 2022, as shown below.

	Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)	
	June 30,	
	2023	2022 (As Restated)
General obligation notes	\$ 41,647	43,612
Rural development loan agreement	28	56
Subscription based lease agreement	1,724	293
Lease agreements	185	287
Total	<u>\$ 43,584</u>	<u>44,248</u>

Warren County's outstanding debt increased as a result of adding a subscription-based lease agreement.

The County carries a general obligation bond rating of AA assigned by national rating agencies. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Warren County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$258 million. Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Warren 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 2.5% versus 2.3% a year ago. This compares with the State's unemployment rate of 3.3% and the national rate of 3.6%.

Inflation in the State was comparable to the national Consumer Price Index at the close of the fiscal year. The Midwest Region of the Department of Labor, of which Iowa is a member, CPI rate increase was 2.4% for fiscal year 2023 compared with the national rate of 3.0% increase.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation in the operating budget are approximately \$59.6 million, a decrease of approximately \$5,900,000 from the final fiscal year 2023 budget. Budgeted disbursements are expected to decrease approximately \$4,688,000 from the final fiscal year 2023 budget, primarily in the capital projects function related to the completion of the Justice Center and American Rescue Plan expenditures decreasing. The County has added no major new programs or initiatives to the fiscal year 2025 budget.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Warren 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 Warren County Auditor's Office, 301 N Buxton Street, Suite 101, Indianola, Iowa 50125.

Warren County

Basic Financial Statements

Exhibit A

Warren County
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 25,633,451
Receivables:	
Property tax:	
Delinquent	27,536
Succeeding year	18,408,000
Interest and penalty on property tax	126,529
Accounts	105,942
Opioid settlement	800,989
Accrued interest	138,621
Due from other governments	991,266
Lease receivable	656,167
Inventories	738,179
Prepaid expenses	189,652
Capital assets not being depreciated	8,475,141
Capital assets net of accumulated depreciation/amortization	<u>102,470,648</u>
Total assets	<u>158,762,121</u>
Deferred Outflows of Resources	
Pension related deferred outflows	1,601,152
OPEB related deferred outflows	44,734
Total deferred outflows of resources	<u>1,645,886</u>

Warren County
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	761,525
Accrued interest payable	131,240
Salaries and benefits payable	251,104
Due to other governments	118,559
Unearned revenue	3,512,656
Long-term liabilities:	
Portion due or payable within one year:	
General obligation capital loan	1,803,000
Rural development loan agreement	28,000
Lease agreements	99,900
IT Subscription liability	154,635
Compensated absences	360,629
Total OPEB liability	13,719
Portion due or payable after one year:	
General obligation capital loan	39,843,898
Lease agreements	84,973
IT Subscription liability	1,569,220
Compensated absences	613,275
Net pension liability	3,236,319
Total OPEB liability	1,051,759
Total liabilities	53,634,411
Deferred Inflows of Resources	
Lease related	656,167
Unavailable property tax revenue	18,408,000
Pension related deferred inflows	722,128
OPEB related deferred inflows	659,600
Total deferred inflows of resources	20,445,895
Net Position	
Net investment in capital assets	67,894,032
Restricted for:	
Supplemental levy purposes	1,985,303
Rural services purposes	3,818,563
Secondary roads purposes	7,394,557
Debt service	118,556
Opioid abatement	1,026,432
Other purposes	672,613
Unrestricted	3,417,645
Total net position	\$ 86,327,701

See notes to financial statements.

Warren County

Warren County
Statement of Activities
Year ended June 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 10,737,222	561,627	867,326	-	(9,308,269)
Physical health and social services	2,404,290	200,992	1,208,084	-	(995,214)
County environment and education	4,287,263	139,884	105,352	98,221	(3,943,806)
Roads and transportation	10,902,948	62,975	5,874,920	198,367	(4,766,686)
Governmental services to residents	1,239,958	1,264,479	734	-	25,255
Administration	4,288,981	207,873	-	-	(4,081,108)
Non-program	365,526	361,625	-	-	(3,901)
Interest and fees on long-term debt	1,398,483	-	-	41,546	(1,356,937)
Total	<u>\$ 35,624,671</u>	<u>2,799,455</u>	<u>8,056,416</u>	<u>338,134</u>	<u>(24,430,666)</u>
General Revenues:					
Property and other county tax levied for:					
General purposes					14,594,593
Debt service					2,965,492
Penalty and interest on property tax					117,713
State tax credits					924,793
Local option sales tax					3,087,532
American Rescue Plan Act					4,650,426
Unrestricted investment earnings					1,309,186
Gain on disposal of assets					195,029
Miscellaneous					202,645
Total general revenues					<u>28,047,409</u>
Change in net position					3,616,743
Net position beginning of year					<u>82,710,958</u>
Net position end of year					<u>\$ 86,327,701</u>

See notes to financial statements.

Warren County
Balance Sheet
Governmental Funds

June 30, 2023

	Special		
	General	Rural Services	American Rescue Plan Act
Assets			
Cash, cash equivalents and pooled investments	\$ 9,443,177	3,638,427	3,947,759
Receivables:			
Property tax:			
Delinquent	19,104	4,801	-
Succeeding year	13,712,000	1,762,000	-
Interest and penalty on property tax	126,529	-	-
Accounts	96,952	500	-
Opioid settlement	-	-	-
Accrued interest	138,621	-	-
Due from other funds	2,776	-	-
Lease receivable	656,167	-	-
Due from other governments	193,204	252,559	-
Inventories	-	-	-
Prepaid	189,652	-	-
Total assets	\$ 24,578,182	5,658,287	3,947,759
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 141,156	7,309	197,008
Salaries and benefits payable	180,186	19,120	-
Due to other funds	36,399	1,465	-
Due to other governments	114,123	750	-
Unearned revenues	-	-	3,512,656
Total liabilities	471,864	28,644	3,709,664
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	13,712,000	1,762,000	-
Other	201,342	4,801	-
Lease related	656,167	-	-
Total deferred inflows of resources	14,569,509	1,766,801	-
Fund balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid	189,652	-	-
Restricted for:			
Supplemental levy purposes	2,099,552	-	-
Rural services purposes	-	3,862,842	-
Secondary roads purposes	-	-	-
Conservation purposes	63,982	-	-
Debt service	-	-	-
Capital projects	-	-	-
Opioid Abatement	-	-	-
Other purposes	-	-	-
Assigned for:			
Future jail expansion	588,243	-	-
Building reserve	620,167	-	-
Unassigned	5,975,213	-	238,095
Total fund balances	9,536,809	3,862,842	238,095
Total liabilities, deferred inflows of resources and fund balances	\$ 24,578,182	5,658,287	3,947,759

See notes to financial statements.

Revenue				
Secondary Roads	Debt Service	Capital Projects	Nonmajor	Total
6,820,136	114,925	589,400	833,805	25,387,629
-	3,631	-	-	27,536
-	2,934,000	-	-	18,408,000
-	-	-	-	126,529
8,090	-	-	400	105,942
-	-	-	800,989	800,989
-	-	-	-	138,621
-	-	-	-	2,776
-	-	-	-	656,167
507,024	-	-	-	952,787
718,110	-	-	-	718,110
-	-	-	-	189,652
8,053,360	3,052,556	589,400	1,635,194	47,514,738
317,423	-	57,531	-	720,427
51,798	-	-	-	251,104
23,269	-	-	131	61,264
3,661	-	-	-	118,534
-	-	-	-	3,512,656
396,151	-	57,531	131	4,663,985
-	2,934,000	-	-	18,408,000
50,430	3,631	-	800,989	1,061,193
-	-	-	-	656,167
50,430	2,937,631	-	800,989	20,125,360
718,110	-	-	-	718,110
-	-	-	-	189,652
-	-	-	-	2,099,552
-	-	-	-	3,862,842
6,888,669	-	-	-	6,888,669
-	-	-	429,870	493,852
-	114,925	-	-	114,925
-	-	531,869	-	531,869
-	-	-	225,443	225,443
-	-	-	178,761	178,761
-	-	-	-	588,243
-	-	-	-	620,167
-	-	-	-	6,213,308
7,606,779	114,925	531,869	834,074	22,725,393
8,053,360	3,052,556	589,400	1,635,194	47,514,738

Warren County

Warren County

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

June 30, 2023

Total governmental fund balances (page 23) \$ 22,725,393

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 \$157,785,451 and the accumulated depreciation/amortization is \$46,839,662. 110,945,789

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. 1,061,193

The Internal Service Fund is used by management to charge the costs of fuel station services to individual funds and other entities. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 321,735

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

Deferred outflows of resources	\$ 1,645,886	
Deferred inflows of resources	<u>(1,381,728)</u>	264,158

Long-term liabilities, including lease agreements payable, general obligation capital loan notes payable, rural development loan agreement payable, compensated absences payable, net pension liability, total OPEB liability, IT subscription liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (48,990,567)

Net position of governmental activities (page 19) \$ 86,327,701

See notes to financial statements.

Warren County

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

Year ended June 30, 2023

	Special		
	General	Rural Services	American Rescue Plan Act
Revenues:			
Property and other county tax	\$ 12,828,298	1,769,276	-
Local option sales tax	-	3,087,532	-
Interest and penalty on property tax	107,872	-	-
Intergovernmental	2,371,755	85,745	4,650,426
Licenses and permits	42,363	95,500	-
Charges for service	1,450,617	31,650	-
Use of money and property	1,175,482	-	233,613
Miscellaneous	675,225	42	-
Total revenues	<u>18,651,612</u>	<u>5,069,745</u>	<u>4,884,039</u>
Expenditures:			
Operating:			
Public safety and legal services	9,894,784	472,039	462,615
Physical health and social services	2,500,170	-	7,265
County environment and education	929,461	613,202	2,785,789
Roads and transportation	-	1,082,733	238,515
Governmental services to residents	1,175,797	5,009	138,206
Administration	3,896,383	-	432,188
Debt service	311,553	-	-
Capital projects	-	478	585,845
Total expenditures	<u>18,708,148</u>	<u>2,173,461</u>	<u>4,650,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,536)</u>	<u>2,896,284</u>	<u>233,616</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(684,205)	(3,149,344)	-
IT subscription agreement	1,649,113	-	-
Total other financing sources (uses)	<u>964,908</u>	<u>(3,149,344)</u>	<u>-</u>
Change in fund balances	908,372	(253,060)	233,616
Fund balances beginning of year	<u>8,628,437</u>	<u>4,115,902</u>	<u>4,479</u>
Fund balances end of year	<u>\$ 9,536,809</u>	<u>3,862,842</u>	<u>238,095</u>

See notes to financial statements.

Revenue				
Secondary Roads	Debt Service	Capital Projects	Nonmajor	Total
-	2,965,492	-	-	17,563,066
-	-	-	-	3,087,532
-	-	-	-	107,872
5,874,920	145,096	-	244,271	13,372,213
51,177	-	-	-	189,040
-	-	-	20,217	1,502,484
-	24,198	17,348	23,730	1,474,371
11,798	-	559,450	53,876	1,300,391
5,937,895	3,134,786	576,798	342,094	38,596,969
-	-	-	1,296	10,830,734
-	-	-	-	2,507,435
-	-	-	63,866	4,392,318
8,332,416	-	-	-	9,653,664
-	-	-	1,171	1,320,183
-	-	-	-	4,328,571
-	3,087,631	-	-	3,399,184
2,030	-	3,082,941	-	3,671,294
8,334,446	3,087,631	3,082,941	66,333	40,103,383
(2,396,551)	47,155	(2,506,143)	275,761	(1,506,414)
3,333,549	-	500,000	-	3,833,549
-	-	-	-	(3,833,549)
-	-	-	-	1,649,113
3,333,549	-	500,000	-	1,649,113
936,998	47,155	(2,006,143)	275,761	142,699
6,669,781	67,770	2,538,012	558,313	22,582,694
7,606,779	114,925	531,869	834,074	22,725,393

Warren 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) \$ 142,699

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	\$ 5,204,812	
Capital assets contributed by the Iowa Department of Transportation	460,575	
Right-to-use subscription assets	1,649,113	
Depreciation/amortization expense	<u>(5,420,529)</u>	1,893,971

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. 195,029

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	(2,981)	
Other	<u>(489,907)</u>	(492,888)

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

Issued	(1,649,113)	
Repaid	<u>2,314,485</u>	665,372

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. 1,120,724

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	(57,091)	
Pension expense	163,389	
OPEB expense	(24,888)	
Interest on long-term debt	<u>7,457</u>	88,867

The Internal Service Fund is used by management to charge the costs of fuel station services to individual funds and other entities. The change in net position of the Internal Service Fund is reported with governmental activities. 2,969

Change in net position of governmental activities (page 21) \$ 3,616,743

See notes to financial statements.

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

	Internal Service - Fuel Station
Assets	
Cash and cash equivalents	\$ 245,822
Due from other funds	58,488
Due from other governments	38,479
Inventories	20,069
Total assets	362,858
Liabilities	
Accounts payable	41,098
Due to other governments	25
Total liabilities	41,123
Net Position	
Unrestricted	\$ 321,735

See notes to financial statements.

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

Year ended June 30, 2023

		<u>Internal Service - Fuel Station</u>
Operating revenues:		
Reimbursements from operating funds		\$ 473,742
Reimbursements from other governments		354,299
Fuel and other tax refunds		<u>29,209</u>
Total operating revenues		857,250
Operating expenses:		
Fuel	\$ 812,389	
State fuel and other taxes	33,537	
Utilities	300	
Insurance	2,691	
Repairs	4,734	
Tank fees	<u>630</u>	<u>854,281</u>
Operating income		2,969
Net position beginning of year		<u>318,766</u>
Net position end of year		<u>\$ 321,735</u>

See notes to financial statements.

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

	Internal Service - Fuel Station
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 458,811
Cash received from other governments	366,546
Cash received from other sources	29,209
Cash paid to suppliers	(864,920)
Net cash used by operating activities	(10,354)
Cash and cash equivalents beginning of year	256,176
Cash and cash equivalents end of year	\$ 245,822
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 2,969
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Due from other funds	(9,930)
Due from other governments	7,247
Inventories	16,823
Accounts payable	(27,438)
Due to other governments	(25)
Net cash used by operating activities	\$ (10,354)

See notes to financial statements.

Warren County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 4,945,787
Other County officials	197,975
Receivables:	
Property tax:	
Delinquent	95,131
Succeeding year	91,037,000
Accounts	21,882
Due from other governments	72,161
Special assessments	355,760
Prepays	36,944
	<hr/>
Total assets	96,762,640

Liabilities

Accounts payable	222,877
Salaries and benefits payable	13,408
Due to other governments	2,534,006
Trusts payable	282,321
Compensated absences	79,730
	<hr/>
Total liabilities	3,132,342

Deferred Inflows of Resources

Unavailable property tax revenue	91,037,000
	<hr/>
Net position	\$ 2,593,298

See notes to financial statements.

Warren County

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended June 30, 2023

Additions:	
Property and other county tax	\$ 87,790,545
911 surcharge	329,319
State tax credits	3,886,697
Office fees and collections	1,569,389
Auto licenses, use tax and postage	23,445,123
Assessments	56,991
Trusts	888,656
Miscellaneous	<u>292,346</u>
Total additions	<u>118,259,066</u>
Deductions:	
Agency remittances:	
To other funds	904,900
To other governments	115,816,375
Trusts paid out	<u>1,661,435</u>
Total deductions	<u>118,382,710</u>
Change in net position	(123,644)
Net position beginning of year	<u>2,716,942</u>
Net position end of year	<u>\$ 2,593,298</u>

See notes to financial statements.

Warren County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

Warren 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, Warren 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 Warren County (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationships with the County.

Blended Component Unit – The following component unit is an entity which is legally separate from the County, but is so intertwined with the County it is, in substance, the same as the County. It is reported as part of the County and blended into the appropriate fund.

The Friends of Warren County Conservation has been incorporated under Chapter 504A of the Code of Iowa to solicit and accept gifts from persons or organizations for development and enhancement of environmental education and conservation projects within the scope of the jurisdiction of the Warren County Conservation Board. The financial activity of the component unit has been blended as a Special Revenue Fund of the County.

Joint Venture – The County operates a Joint Vehicle Fueling Facility under a 28E agreement with the City of Indianola and the Indianola Community School District. The County records the activity of this joint venture in a Proprietary Fund.

Jointly Governed Organizations – The County also 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: Warren County Assessor’s Conference Board, Warren County Emergency Management Commission and Warren 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 or incorporated under Iowa law: The Housing Authority of Warren County, the Central Iowa Regional Transportation Planning Alliance, the Central Iowa Community Services and the Des Moines Area Metropolitan Planning Organization.

The County also participates in the Des Moines Metropolitan Wastewater Reclamation Authority (WRA), a jointly governed organization established pursuant to Chapter 28E of the Iowa Code.

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 unit. 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 notes and other debt attributable to the acquisition, construction or improvement of those assets.

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

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 American Rescue Plan Act Fund is used to account for grant revenues to be used for purposes of the Act.

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.

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and 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.

Special Assessments Receivable – Special assessments receivable represent the amounts assessed to 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 on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represents assessments which have been made but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

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

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

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

Asset Class	Estimated Useful lives (In Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Infrastructure	10 - 65
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	2 - 20
Intangibles	5 - 20
Equipment	3 - 20
Vehicles	5 - 15

Leases – **County as Lessee** – Warren County is the lessee for a noncancellable lease of equipment and buildings. 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 \$5,000 or more.

At the commencement 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 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 Warren County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

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

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

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

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

County as Lessor – Warren County is a lessor for a noncancellable lease of farmland, a building and subleases on two leased buildings. 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 Warren County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Warren 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.

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

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

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

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

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) 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 time, vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, 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 related to OPEB and OPEB expense, information has been determined based on Warren County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

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

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Fuel Station Fund is designated for operation of the fuel station.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the county environment and education function exceeded the budget at year end. In addition, expenditures exceeded the amounts budgeted prior to the amendment in the county environment and education, governmental services to residents and capital projects functions.

(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 deposits in credit unions at June 30, 2023 which were covered by letters of credit held by the County.

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$5,774,598 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated for credit risk purpose.

At June 30, 2023 the Friends of Warren County Conservation (Friends) a blended component unit, had \$314,960 invested in mutual funds. The Friends use the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value of the Friends mutual funds were determined using quoted market prices (Level 1 inputs).

Interest rate risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue:	
	Rural Services Basic	\$ 1,465
	Secondary Roads	1,180
	Liberty Center Sewer	131
		<u>2,776</u>
Internal Service:		
Fuel Station	General	36,399
	Special Revenue:	
	Secondary Roads	22,089
		<u>58,488</u>
Total		<u>\$ 61,264</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

(4) 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:		
Capital Projects	General	\$ 500,000
Secondary Roads	General	184,205
	Special Revenue:	
	Rural Services	3,149,344
		<u>3,333,549</u>
Total		<u>\$ 3,833,549</u>

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

(5) **Capital Assets**

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

	Restated, Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,754,912	-	-	2,754,912
Construction in progress	47,012,350	3,620,849	47,168,200	3,464,999
Construction in progress - Infrastructure	1,423,486	460,575	-	1,884,061
Intangibles	371,169	-	-	371,169
Total capital assets not being depreciated/amortized	51,561,917	4,081,424	47,168,200	8,475,141
Capital assets being depreciated/amortized:				
Buildings	7,016,346	36,226,588	-	43,242,934
Improvements other than buildings	1,122,824	11,279,065	-	12,401,889
Equipment and vehicles	12,765,499	1,441,539	715,458	13,491,580
Equipment, internal service	92,333	-	-	92,333
Right-to-use leased buildings	226,330	-	-	226,330
Right-to-use leased equipment	154,532	-	8,868	145,664
Right-to-use subscription asset	293,390	1,649,113	-	1,942,503
Infrastructure, road network	76,193,891	-	-	76,193,891
Infrastructure, other	1,573,186	-	-	1,573,186
Total capital assets being depreciate/amortized	99,438,331	50,596,305	724,326	149,310,310
Less accumulated depreciation/amortization for:				
Buildings	4,189,600	929,257	-	5,118,857
Improvements other than buildings	343,315	1,180,183	-	1,523,498
Equipment and vehicles	8,459,069	1,048,297	715,458	8,791,908
Equipment, internal service	92,333	-	-	92,333
Right-to-use leased buildings	63,777	63,777	-	127,554
Right-to-use leased equipment	32,616	39,956	8,868	63,704
Right-to-use subscription asset	-	206,824	-	206,824
Infrastructure, road network	27,944,885	1,901,430	-	29,846,315
Infrastructure, other	1,017,864	50,805	-	1,068,669
Total accumulated depreciation/amortization	42,143,459	5,420,529	724,326	46,839,662
Total capital assets being depreciated/amortized, net	57,294,872	45,175,776	-	102,470,648
Governmental activities capital assets, net	\$ 108,856,789	49,257,200	47,168,200	110,945,789

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 2,209,757
Physical health and social services	73,012
County environment and education	224,792
Roads and transportation	2,711,777
Governmental services to residents	6,329
Administration	194,862
Total depreciation/amortization expense - governmental activities, excluding the Internal Service Fund	\$ 5,420,529

(6) Lease Receivable

Effective March 1, 2015, the county entered into a 25-year lease with a wireless service provider to erect, operate and maintain communications equipment. The County is to receive a yearly payment at an initial rent of \$24,000 which shall annually increase by two percent with an implicit rate of 3.50%. In fiscal year 2023, the County received \$27,753 under the agreement.

Effective July 1, 2022, the County entered into a 20-year lease with a judicial district of the Department of Corrections to provide office space located within the Warren County Justice Center. The County is to receive a monthly payment at an initial rent of \$1,000, which shall increase to \$1,500 in fiscal year 2033 and shall increase to \$1,800 in fiscal year 2038 with an implicit rate of 3.00%. In fiscal year 2023, the County received \$12,000 under the agreement.

Effective July 1, 2022, the County entered into a 2-year lease with Central Iowa Community Services to sub-lease office space. The County is to receive a monthly payment \$931 with an implicit rate of 3.00%. In fiscal year 2023, the County received \$11,172 under the agreement.

Effective July 1, 2022, the County entered into a 2-year lease with a mental health services provider to sub-lease office space. The County is to receive a monthly payment \$931 with an implicit rate of 3.00%. In fiscal year 2023, the County received \$11,172 under the agreement.

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

Year Ending June 30,	Wireless Service Provider				Department of Corrections			
	Mar 1, 2015				Jul 1, 2022			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	3.50%	\$ 14,104	14,204	28,308	3.00%	\$ 5,340	6,660	12,000
2025	3.50	15,181	13,693	28,874	3.00	5,500	6,500	12,000
2026	3.50	16,307	13,144	29,451	3.00	5,665	6,335	12,000
2027	3.50	17,486	12,554	30,040	3.00	5,835	6,165	12,000
2028	3.50	18,718	11,922	30,640	3.00	6,010	5,990	12,000
2029-2033	3.50	114,119	48,526	162,645	3.00	38,864	27,136	66,000
2034-2038	3.50	154,352	25,220	179,572	3.00	74,509	19,091	93,600
2039-2042	3.50	61,909	1,923	63,832	3.00	80,290	6,110	86,400
Total		\$ 412,176	141,186	553,362		\$ 222,013	83,987	306,000

Year Ending June 30,	Central Iowa Community Services				Mental Health Services Provider			
	Jul 1, 2022				Jul 1, 2022			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	3.00%	\$ 10,989	183	11,172	3.00%	\$ 10,989	183	11,172
2025		-	-	-		-	-	-
2026		-	-	-		-	-	-
2027		-	-	-		-	-	-
2028		-	-	-		-	-	-
2029-2033		-	-	-		-	-	-
2034-2038		-	-	-		-	-	-
2039-2042		-	-	-		-	-	-
Total		\$ 10,989	183	11,172		\$ 10,989	183	11,172

Year Ending June 30,	Total		
	Principal	Interest	Total
	2024	\$ 41,422	21,230
2025	20,681	20,193	40,874
2026	21,972	19,479	41,451
2027	23,321	18,719	42,040
2028	24,728	17,912	42,640
2029-2033	152,983	75,662	228,645
2034-2038	228,861	44,311	273,172
2039-2042	142,199	8,033	150,232
Total	\$ 656,167	225,539	881,706

(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:

Fund	Description	Amount
General	Services	\$ 114,123
Special Revenue:		
Rural Services	Services	750
Secondary Roads	Services	3,661
Total for governmental funds		<u>\$ 118,534</u>
Custodial:		
Schools	Collections	\$ 218,440
Community Colleges		8,639
Corporations		108,852
Townships		5,699
Auto License and Use Tax		2,085,448
All other		106,928
Total for custodial funds		<u>\$ 2,534,006</u>

(8) Long-Term Liabilities

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

	General Obligation Capital Loan Notes	Rural Development Loan Agreement	Lease Agreements	IT Subscription Liability	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year, restated	\$ 43,612,142	56,000	287,466	293,390	916,813	(1,757,615)	962,417	44,370,613
Increases	-	-	-	1,649,113	453,991	4,993,934	171,988	7,269,026
Decreases	1,965,244	28,000	102,593	218,648	396,900	-	68,927	2,780,312
Balance end of year	\$ 41,646,898 *	28,000	184,873	1,723,855	973,904	3,236,319	1,065,478	48,859,327
Due within one year	\$ 1,803,000	28,000	99,900	154,635	360,629	-	13,719	2,459,883

* The unamortized premium on the notes was \$4,035,898 as of June 30, 2023.

General Obligation Capital Loan Notes

On December 5, 2018, the County issued \$9,500,000 of general obligation capital loan notes, Series 2018A, with an interest rate ranging from 3.00% to 4.00% per annum. The notes were issued for construction of the Law Enforcement Center and Courthouse (Justice Center).

On December 30, 2019, the County issued \$9,080,000 of general obligation capital loan notes, Series 2019, with an interest rate ranging from 2.20% to 4.00% per annum. The notes were issued for the acquisition of peace officer and other emergency services communication equipment and systems.

On February 20, 2020, the County issued \$240,000 of general obligation capital loan notes, Series 2020, with an interest rate of 3.90% per annum. The notes were issued for the acquisition, enlargement, improvement, and equipping of county buildings, including information technology hardware and software.

On April 30, 2020, the County issued \$20,400,000 of general obligation capital loan notes, Series 2020A, with an interest rate of 5.0% per annum. The notes were issued to pay for the cost of designing, constructing, furnishing, and equipping the new Justice Center at the present site, to include County Sheriff's offices, 911 communications, booking and inmate detention, law enforcement and emergency services training facility, Emergency Management Office, County Attorney's offices, Iowa District Court Services and essential county purposes.

On August 3, 2021, the Board of Supervisors authorized \$690,000 of general obligation capital loan notes, Series 2021A, to pay costs of the acquisition of peace officer and other emergency services communication equipment and systems.

On April 22, 2022, the Board of Supervisors authorized \$3,505,000 of general obligation capital loan notes, Series 2022, to pay costs of design, construction, erecting and equipping of a public building including a secondary roads shop and the acquisition of real estate.

A summary of the general obligation capital loan notes is as follows:

Year Ending June 30,	Justice Center Issued Dec 5, 2018				Communications Equipment Issued Dec 30, 2019			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	4.00%	\$ 420,000	288,394	708,394	4.00%	\$ 380,000	307,168	687,168
2025	4.00	435,000	271,594	706,594	4.00	395,000	291,967	686,967
2026	4.00	455,000	254,194	709,194	4.00	410,000	276,168	686,168
2027	3.25	470,000	235,994	705,994	4.00	425,000	259,767	684,767
2028	3.00	485,000	220,719	705,719	4.00	445,000	242,768	687,768
2029-2033	3.00-4.00	2,670,000	869,057	3,539,057	2.20-4.00	2,500,000	932,838	3,432,838
2034-2038	3.38-3.50	3,200,000	345,125	3,545,125	2.20-4.00	2,950,000	484,487	3,434,487
2039					4.00	660,000	26,400	686,400
Total		8,135,000	2,485,077	10,620,077		8,165,000	2,821,563	10,986,563
Unamortized premium		-				705,330		
Total payable		\$ 8,135,000				\$ 8,870,330		

Year Ending June 30,	Information Technology Equipment and Acquisition, Improvement and Equipping of County Buildings Issued Feb 20, 2020				Justice Center Issued Apr 30, 2020			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	3.90%	\$ 48,000	3,744	51,744	5.00%	\$ 730,000	864,000	1,594,000
2025	3.90	48,000	1,872	49,872	5.00	765,000	827,500	1,592,500
2026		-	-	-	5.00	805,000	789,250	1,594,250
2027		-	-	-	5.00	845,000	749,000	1,594,000
2028		-	-	-	5.00	890,000	706,750	1,596,750
2029-2033		-	-	-	5.00	5,155,000	2,821,250	7,976,250
2034-2038		-	-	-	5.00	6,570,000	1,397,250	7,967,250
2039		-	-	-	5.00	1,520,000	76,000	1,596,000
Total		96,000	5,616	101,616		17,280,000	8,231,000	25,511,000
Unamortized premium		-				3,330,568		
Total payable		\$ 96,000				\$ 20,610,568		

Year Ending June 30,	Communications Equipment Issued Aug 18, 2021				Secondary Roads Shop Issued May 3, 2022			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2024	2.00%	\$ 30,000	11,525	41,525	3.00%	\$ 195,000	100,050	295,050
2025	2.00	35,000	10,925	45,925	3.00	200,000	94,200	294,200
2026	2.00	35,000	10,225	45,225	3.00	205,000	88,200	293,200
2027	2.00	35,000	9,525	44,525	3.00	215,000	82,050	297,050
2028	2.00	35,000	8,825	43,825	3.00	220,000	75,600	295,600
2029-2033	2.00	185,000	34,063	219,063	3.00	1,205,000	274,950	1,479,950
2034-2038	2.00	200,000	16,400	216,400	3.00	1,095,000	83,400	1,178,400
2039	2.00	45,000	900	45,900	3.00	-	-	-
Total		600,000	102,388	702,388		3,335,000	798,450	4,133,450
Unamortized premium		-				-		
Total payable		\$ 600,000				\$ 3,335,000		

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 1,803,000	1,574,881	3,377,881
2025	1,878,000	1,498,058	3,376,058
2026	1,910,000	1,418,037	3,328,037
2027	1,990,000	1,336,336	3,326,336
2028	2,075,000	1,254,662	3,329,662
2029-2033	11,715,000	4,932,158	16,647,158
2034-2038	14,015,000	2,326,662	16,341,662
2039	2,225,000	103,300	2,328,300
Total	37,611,000	14,444,094	52,055,094
Unamortized premium	4,035,898		
Total payable	\$ 41,646,898		

During the year ended June 30, 2023. The County retired \$1,965,244 general obligation capital loan notes and amortized premium.

Rural Development Loan Agreement

During the year ended June 30, 2014, the County entered into a loan agreement with Interstate 35 Telephone Company for an interest free \$280,000 USDA Rural Economic Development loan for a road construction project to aid in economic development. The loan requires 10 payments of \$28,000 on December 15 of each year. The following is a schedule of future loan payments:

Year Ending June 30,	Interest Rate	Amount
2024	0%	\$ 28,000

During the year ended June 30, 2023, the County retired \$28,000 of the loan agreement.

Lease Agreements

Between January 1, 2018 and May 23, 2022, the County entered into various noncancelable lease agreements for printers and copiers. The agreements require monthly payments with estimated implicit interest rates from 2.00% to 5.00%. During the year ended June 30, 2023, the County paid principal of \$39,988 and interest of \$3,605 on these agreements.

On March 12, 2009, the County entered into a lease agreement for the Northern Warren Fire and Emergency Response Agency office building rental with an initial lease liability of \$57,500. The agreement requires monthly payments of \$625 plus interest over twenty years with an interest rate of 6% and final payment due on February 1, 2029. During the year ended June 30, 2023, the County paid principal of \$7,500 and interest of \$2,794 on the agreement.

On April 16, 2019, the County entered into a lease agreement for DHS office space with an initial lease liability of \$168,830. The agreement requires monthly payments of \$5,039 over three years with estimated implicit interest rate of 5% and final payment due on June 1, 2024. During the year ended June 30, 2023, the County paid principal of \$55,997 and interest of \$4,471 on the agreement.

Year Ending June 30,	Printer Agreements			Fire and Emergency Response Building		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 33,450	2,143	35,593	\$ 7,500	2,344	9,844
2025	22,649	1,161	23,810	7,500	1,894	9,394
2026	17,782	549	18,331	7,500	1,444	8,944
2027	9,630	111	9,741	7,500	994	8,494
2028	-	-	-	7,500	544	8,044
2029	-	-	-	5,000	113	5,113
Totals	\$ 83,511	3,964	87,475	\$ 42,500	7,333	49,833

Year Ending June 30,	Local Human Services Building			Total		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 58,862	1,606	60,468	\$ 99,812	6,093	105,905
2025	-	-	-	30,149	3,055	33,204
2026	-	-	-	25,282	1,993	27,275
2027	-	-	-	17,130	1,105	18,235
2028	-	-	-	7,500	544	8,044
2029	-	-	-	5,000	113	5,113
Totals	\$ 58,862	1,606	60,468	\$ 184,873	12,903	197,776

IT Subscription Liability

On June 24, 2019, the County entered into a software subscription license and maintenance services agreement with Motorola Solutions for emergency management software and dispatch service functionality. The County began using the dispatch service functionality in fiscal year 2020 and recorded an initial subscription liability in the amount of \$293,390. The County began using the emergency management software functionality in fiscal year 2023 and recorded an initial subscription liability in the amount of \$1,649,113. The agreement requires increasing annual payments over 10 years, with an implicit interest rate of 4.00% and final payment due October 1, 2031. During the year ended June 30, 2023, principal and interest paid were \$218,648. Future principal and interest payments are as follows:

Year Ending June 30,	Motorola Software		
	Principal	Interest	Total
2024	\$ 154,635	68,954	223,589
2025	169,785	62,769	232,554
2026	181,869	55,977	237,846
2027	194,621	48,703	243,324
2028	208,075	40,918	248,993
2029-2032	814,870	81,014	895,884
Totals	\$ 1,723,855	358,335	2,082,190

(9) 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 were \$1,120,724.

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$3,236,319 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.085659%, which was a decrease of 0.423460% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense (reduction) of \$(163,389). 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	\$ 320,655	57,720
Changes of assumptions	3,382	136,946
Net difference between projected and actual earnings on IPERS' investments	-	498,135
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	156,391	29,327
County contributions subsequent to the measurement date	1,120,724	-
Total	<u>\$ 1,601,152</u>	<u>722,128</u>

\$1,120,724 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	\$ (440,156)
2025	(320,799)
2026	(649,520)
2027	1,169,052
2028	(277)
Total	<u>\$ (241,700)</u>

There were no non-employer contributing entities to IPERS.

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

Sensitivity of the 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)	\$ 7,698,609	3,236,319	(690,606)

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.

(10) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical and prescription drug 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 Warren County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug 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	2
Active employees	<u>156</u>
Total	<u>158</u>

Total OPEB Liability – The County's total OPEB liability of \$1,065,478 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 plus merit/productivity increases
Discount rate (effective June 30, 2023)	4.13% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	7.0% initial rate decreasing by .5% annually to an ultimate rate of 4.5%.

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

Mortality rates are from the SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 962,417
Changes for the year:	
Service cost	127,929
Interest	44,059
Differences between expected and actual experiences	(39,446)
Changes in assumptions	(3,013)
Benefit payments	<u>(26,468)</u>
Net changes	<u>103,061</u>
Total OPEB liability end of year	<u>\$ 1,065,478</u>

Changes of assumptions reflect a change in the discount rate from 2.19% 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	\$ 1,142,886	1,065,478	992,455

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 932,115	1,065,478	1,224,185

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 \$51,356. 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	\$ -	563,825
Changes in assumptions	44,734	95,775
Total	\$ 44,734	659,600

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

Year Ending June 30,	Amount
2024	\$ (120,632)
2025	(120,635)
2026	(92,593)
2027	(92,592)
2028	(88,506)
Thereafter	(99,908)
	<u>\$ (614,866)</u>

(11) Risk Management

The County is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Joint Vehicle Fueling Facility

The County, under a 28E agreement with the City of Indianola and the Indianola Community School District, agreed to design, construct and operate a "Joint Vehicle Fueling Facility." The County is the owner/operator with the County Engineer administering the facility. The cost of constructing the facility is shared under the following percentages: Warren County, 53%, City of Indianola, 18%, and the Indianola Community School District, 29%. All annual operating expenses are shared in the same ratio. The cost of fuel provided to members is on an individual usage basis at the same cost paid by the Joint Venture. Upon termination or closure, no money will be returned to any of the parties. The County accounts for the project and fuel reimbursements in an Internal Service Fund.

(13) 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 Nationwide, Empower Retirement, LLC and Edward Jones and do not constitute a liability of the County.

(14) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the County 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:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Norwalk	Urban renewal and economic development projects	\$ 409,706
City of Carlisle	Urban renewal and economic development projects	15,811
City of Hartford	Urban renewal and economic development projects	1,963

(15) Construction Commitments

The County entered into a contract totaling \$6,181,000 for the construction of a Secondary Roads shop. As of June 30, 2023, costs of \$1,592,617 on the project have been incurred. The \$4,588,383 balance remaining on the project at June 30, 2023, will be paid as work on the project progresses.

(16) Accounting Change

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

	Capital Assets	Long-term Liabilities IT Subscription Liability
Balances June 30, 2022, as previously reported	\$ 108,563,399	-
Change to implement GASBS No. 96	293,390	293,390
Balances July 1, 2022, as restated	\$ 108,856,789	293,390

Required Supplementary Information

Warren 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	\$ 20,640,636	-	20,640,636
Interest and penalty on property tax	107,872	-	107,872
Intergovernmental	13,372,279	-	13,372,279
Licenses and permits	187,915	-	187,915
Charges for service	1,504,003	-	1,504,003
Use of money and property	1,351,744	20,911	1,330,833
Miscellaneous	1,590,909	52,589	1,538,320
Total receipts	38,755,358	73,500	38,681,858
Disbursements:			
Public safety and legal services	9,555,429	-	9,555,429
Physical health and social services	2,505,272	-	2,505,272
County environment and education	4,294,879	50,350	4,244,529
Roads and transportation	9,945,960	-	9,945,960
Governmental services to residents	1,350,722	-	1,350,722
Administration	4,492,800	-	4,492,800
Debt service	3,399,185	-	3,399,185
Capital projects	6,076,281	-	6,076,281
Total disbursements	41,620,528	50,350	41,570,178
Excess (deficiency) of receipts over (under) disbursements	(2,865,170)	23,150	(2,888,320)
Other financing sources, net	1,117	-	1,117
Changes in balances	(2,864,053)	23,150	(2,887,203)
Balance beginning of year	28,251,682	406,720	27,844,962
Balance end of year	\$ 25,387,629	429,870	24,957,759

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
20,158,320	20,158,320	482,316
114,336	114,336	(6,464)
13,082,575	13,682,575	(310,296)
123,575	143,575	44,340
1,745,290	1,745,290	(241,287)
219,050	869,050	461,783
559,192	1,084,192	454,128
<u>36,002,338</u>	<u>37,797,338</u>	<u>884,520</u>
9,263,770	9,957,465	402,036
2,982,343	3,022,343	517,071
2,199,163	3,444,163	(800,366)
11,937,450	13,824,450	3,878,490
1,181,055	1,426,055	75,333
4,512,275	5,004,775	511,975
3,412,250	3,412,250	13,065
905,000	6,495,000	418,719
<u>36,393,306</u>	<u>46,586,501</u>	<u>5,016,323</u>
(390,968)	(8,789,163)	5,900,843
5,000	5,000	(3,883)
(385,968)	(8,784,163)	5,896,960
21,511,678	27,683,561	161,401
<u>21,125,710</u>	<u>18,899,398</u>	<u>6,058,361</u>

Warren 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	\$ 38,755,358	(158,389)	38,596,969
Expenditures	41,620,528	(1,517,145)	40,103,383
Net	(2,865,170)	1,358,756	(1,506,414)
Other financing sources, net	1,117	1,647,996	1,649,113
Beginning fund balances	28,251,682	(5,668,988)	22,582,694
Ending fund balances	\$ 25,387,629	(2,662,236)	22,725,393

See accompanying independent auditor's report.

Warren 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 the blended component unit, 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 ten 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 and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$10,193,195. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the county environment and education function and disbursements exceeded the amount budgeted before the budget amendment for the county environment and education, governmental services to residents and capital projects functions.

Warren County

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

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability/asset	0.085659%	0.509119% **	0.101348%	0.095766%
County's proportionate share of the net pension liability (asset)	\$ 3,236	(1,758)	7,119	5,545
County's covered payroll	\$ 10,445	9,904	9,570	9,100
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	30.98%	-17.75%	74.39%	60.93%
IPERS' net position as a percentage of the total pension liability	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
0.095721%	0.100352%	0.103706%	0.100788%	0.1006971%
6,057	6,685	6,257	4,979	4,242
8,752	8,389	8,307	8,043	8,459
69.21%	79.69%	75.32%	61.90%	50.15%
83.62%	82.21%	81.82%	85.19%	87.61%

Warren County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 1,121	976	932	905
Contributions in relation to the statutorily required contribution	<u>(1,121)</u>	<u>(976)</u>	<u>(932)</u>	<u>(905)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 12,048	10,445	9,904	9,570
Contributions as a percentage of covered payroll	9.30%	9.34%	9.41%	9.46%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
866	790	763	755	731	768
(866)	(790)	(763)	(755)	(731)	(768)
-	-	-	-	-	-
9,100	8,752	8,389	8,307	8,043	8,459
9.52%	9.03%	9.10%	9.09%	9.09%	9.08%

Warren County

Warren 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.

Warren 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	\$ 127,929	132,367	125,288	137,648
Interest cost	44,059	28,638	31,965	50,030
Difference between expected and actual experiences	(39,446)	(250,893)	(66,976)	(350,275)
Changes in assumptions	(3,013)	(106,215)	34,846	(18,816)
Benefit payments	(26,468)	(33,371)	(19,144)	(40,406)
Net change in total OPEB liability	103,061	(229,474)	105,979	(221,819)
Total OPEB liability beginning of year	962,417	1,191,891	1,085,912	1,307,731
Total OPEB liability end of year	\$ 1,065,478	962,417	1,191,891	1,085,912
Covered-employee payroll	\$ 11,877,458	9,246,232	9,814,635	9,757,225
Total OPEB liability as a percentage of covered-employee payroll	9.0%	10.4%	12.1%	11.1%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
131,615	109,516
50,672	49,853
(70,772)	(249,936)
33,981	25,621
<u>(30,733)</u>	<u>(49,799)</u>
<u>114,763</u>	<u>(114,745)</u>
<u>1,192,968</u>	<u>1,307,713</u>
<u>1,307,731</u>	<u>1,192,968</u>
9,053,077	8,768,113
14.4%	13.6%

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

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

Supplementary Information

Warren County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	County Recorder's Records Management	Resource Enhancement and Protection	Special Attorney Forfeiture
Assets			
Cash, cash equivalents and pooled investments	\$ 35,986	96,710	6,363
Receivables:			
Accounts	-	-	-
Opioid settlement	-	-	-
Total assets	\$ 35,986	96,710	6,363
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Due to other funds	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Other	\$ -	-	-
Fund balances:			
Restricted for:			
Conservation purposes	-	-	-
Opioid Abatement	-	-	-
Other purposes	35,986	96,710	6,363
Total fund balances	35,986	96,710	6,363
Total liabilities, deferred inflows of resources and fund balances	\$ 35,986	96,710	6,363

See accompanying independent auditor's report.

Revenue				
Sheriff Forfeiture	Friends of Conservation	Liberty Center Sewer	Opioid Abatement	Total
10,845	429,870	28,588	225,443	833,805
-	-	400	-	400
-	-	-	800,989	800,989
10,845	429,870	28,988	1,026,432	1,635,194
-	-	131	-	131
-	-	-	800,989	800,989
-	429,870	-	-	429,870
-	-	-	225,443	225,443
10,845	-	28,857	-	178,761
10,845	429,870	28,857	225,443	834,074
10,845	429,870	28,988	1,026,432	1,635,194

Warren County

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

Year ended June 30, 2023

	County Recorder's Records Management	Resource Enhancement and Protection	Special Attorney Forfeiture
Revenues:			
Intergovernmental	\$ -	18,828	-
Charges for service	9,882	-	-
Use of money and property	734	2,085	-
Miscellaneous	-	-	1,287
Total revenues	10,616	20,913	1,287
Expenditures:			
Operating:			
Public safety and legal services	-	-	1,296
County environment and education	-	-	-
Governmental services to residents	1,171	-	-
Total expenditures	1,171	-	1,296
Excess (deficiency) of revenues over (under) expenditures	9,445	20,913	(9)
Fund balances beginning of year	26,541	75,797	6,372
Fund balances end of year	\$ 35,986	96,710	6,363

See accompanying independent auditor's report.

Revenue

Sheriff Forfeiture	Friends of Conservation	Liberty Center Sewer	Opioid Abatement	Total
-	-	-	225,443	244,271
-	-	10,335	-	20,217
-	20,911	-	-	23,730
-	52,589	-	-	53,876
-	73,500	10,335	225,443	342,094
-	-	-	-	1,296
-	50,350	13,516	-	63,866
-	-	-	-	1,171
-	50,350	13,516	-	66,333
-	23,150	(3,181)	225,443	275,761
10,845	406,720	32,038	-	558,313
10,845	429,870	28,857	225,443	834,074

Warren County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,665	1,979,714	218,440
Other County officials	197,975	-	-	-
Receivables:				
Property tax:				
Delinquent	-	492	1,653	65,750
Succeeding year	-	361,000	1,209,000	49,936,000
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Special assessments	-	-	-	-
Prepaid	-	-	36,944	-
Total assets	\$ 197,975	363,157	3,227,311	50,220,190
Liabilities				
Accounts payable	\$ -	-	154,567	-
Salaries and benefits payable	-	-	9,970	-
Due to other governments	92,714	1,665	-	218,440
Trusts payable	105,261	-	-	-
Compensated absences	-	-	46,390	-
Total liabilities	197,975	1,665	210,927	218,440
Deferred Inflows of Resources				
Unavailable revenues	-	361,000	1,209,000	49,936,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	492	1,807,384	65,750

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
8,639	108,852	5,699	2,085,448	537,330	4,945,787
-	-	-	-	-	197,975
2,553	10,577	14,085	-	21	95,131
1,964,000	36,388,000	900,000	-	279,000	91,037,000
-	-	-	-	21,882	21,882
-	-	-	-	72,161	72,161
-	-	-	-	355,760	355,760
-	-	-	-	-	36,944
1,975,192	36,507,429	919,784	2,085,448	1,266,154	96,762,640
-	-	-	-	68,310	222,877
-	-	-	-	3,438	13,408
8,639	108,852	5,699	2,085,448	12,549	2,534,006
-	-	-	-	177,060	282,321
-	-	-	-	33,340	79,730
8,639	108,852	5,699	2,085,448	294,697	3,132,342
1,964,000	36,388,000	900,000	-	279,000	91,037,000
2,553	10,577	14,085	-	692,457	2,593,298

Warren County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	330,609	1,109,642	47,008,399
911 surcharge	-	-	-	-
State tax credits	-	17,579	60,186	2,037,589
Office fees and collections	1,507,494	-	61,895	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	241,299	-	-	-
Miscellaneous	-	-	15,779	-
Total additions	1,748,793	348,188	1,247,502	49,045,988
Deductions:				
Agency remittances:				
To other funds	117,181	-	-	-
To other governments	501,047	348,168	1,158,179	49,048,173
Trusts paid out	1,130,565	-	-	-
Total deductions	1,748,793	348,168	1,158,179	49,048,173
Changes in net position	-	20	89,323	(2,185)
Net position beginning of year	-	472	1,718,061	67,935
Net position end of year	\$ -	492	1,807,384	65,750

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
1,714,870	36,462,103	886,341	-	278,581	87,790,545
-	-	-	-	329,319	329,319
78,473	1,642,450	39,004	-	11,416	3,886,697
-	-	-	-	-	1,569,389
-	-	-	23,445,123	-	23,445,123
-	-	-	-	56,991	56,991
-	-	-	-	647,357	888,656
-	-	-	-	276,567	292,346
1,793,343	38,104,553	925,345	23,445,123	1,600,231	118,259,066
-	-	-	787,719	-	904,900
1,793,047	38,111,150	925,010	22,657,404	1,274,197	115,816,375
-	-	-	-	530,870	1,661,435
1,793,047	38,111,150	925,010	23,445,123	1,805,067	118,382,710
296	(6,597)	335	-	(204,836)	(123,644)
2,257	17,174	13,750	-	897,293	2,716,942
2,553	10,577	14,085	-	692,457	2,593,298

Warren 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	\$ 17,563,066	18,572,015	18,329,070	15,980,046
Local option sales tax	3,087,532	3,419,863	3,208,850	2,164,907
Interest and penalty on property tax	107,872	117,745	162,498	54,053
Intergovernmental	13,372,213	9,685,695	9,186,857	8,735,873
Licenses and permits	189,040	142,115	156,125	129,135
Charges for service	1,502,484	1,605,014	1,680,370	1,513,013
Use of money and property	1,474,371	180,745	276,753	572,381
Miscellaneous	1,300,391	418,723	472,473	489,717
Total	\$ 38,596,969	34,141,915	33,472,996	29,639,125
Expenditures:				
Operating:				
Public safety and legal services	\$ 10,830,734	8,550,165	7,254,224	6,714,929
Physical health and social services	2,507,435	2,413,464	2,309,950	2,477,379
Mental health	-	1,273,049	1,247,455	1,598,828
County environment and education	4,392,318	2,023,399	1,808,615	1,799,101
Roads and transportation	9,653,664	8,350,431	8,546,887	8,410,145
Governmental services to residents	1,320,183	1,216,853	1,102,083	1,013,481
Administration	4,328,571	3,901,739	3,073,432	3,130,156
Debt service	3,399,184	3,232,352	3,047,228	2,334,108
Capital projects	3,671,294	18,916,098	17,142,292	10,660,849
Total	\$ 40,103,383	49,877,550	45,532,166	38,138,976

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
14,512,622	13,716,587	13,234,723	13,057,120	12,526,162	12,568,621
762,937	-	-	-	-	-
108,317	114,285	126,729	113,771	105,612	128,175
7,862,119	7,615,062	7,556,639	8,251,314	7,822,979	9,073,956
119,615	116,540	99,983	76,680	71,705	73,395
1,470,899	1,376,945	1,348,773	1,357,697	1,167,838	1,115,148
635,449	315,712	197,283	132,365	110,328	71,693
534,735	965,868	826,595	552,700	648,796	565,025
26,006,693	24,220,999	23,390,725	23,541,647	22,453,420	23,596,013
6,609,813	5,929,122	5,253,486	4,955,299	4,562,327	4,879,166
2,587,953	2,842,401	2,934,056	3,070,206	2,880,433	3,524,239
1,415,448	803,456	1,034,261	1,001,248	2,568,192	1,221,108
1,605,128	1,758,619	1,637,970	1,375,122	1,236,705	1,589,388
7,293,107	6,577,352	6,799,465	6,911,348	6,029,085	6,133,405
1,063,550	964,063	995,409	1,008,855	903,560	921,227
2,922,329	2,856,591	2,996,712	2,806,497	2,788,473	2,848,934
164,467	95,043	102,213	93,604	33,355	46,301
5,132,567	1,902,581	1,656,556	1,938,279	808,335	1,955,605
28,794,362	23,729,228	23,410,128	23,160,458	21,810,465	23,119,373



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

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

To the Officials of Warren County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Warren 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 June 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Warren 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 Warren County's internal control. Accordingly, we do not express an opinion on the effectiveness of Warren County's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-004 through 2023-007 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Warren 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 noncompliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 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.

Warren County's Responses to Findings

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

June 27, 2024

Warren County

Schedule of Findings

Year ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 Segregation of Duties

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

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) Incoming mail is opened by an employee who is authorized to make entries to the accounting records.	Recorder, Treasurer, Engineer, 911, Emergency Management, and Conservation
2) Generally, one individual may have control over collecting, depositing, posting and daily reconciling of receipts for which no compensating controls exist.	Recorder, Sheriff, Engineer, Emergency Management, Conservation, Friends of Warren County Conservation, Congregate Meals, and 911
3) 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.	Sheriff and Friends of Warren County Conservation
4) The person who signs checks is not independent of the person preparing checks, approving disbursements and recording cash receipts.	Recorder, Sheriff, and Friends of Warren County Conservation

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

Warren County

Schedule of Findings

Year ended June 30, 2023

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

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports. Independent reviews of transactions, reconciliations and reports should be documented by the initials or signature of the reviewer and the date of the review.

Responses –

- (a) Recorder – The Recorder's Office has four employees and one part time employee. We do rotate duties and take turns weekly with the morning deposits and evening balancing. We attempt to segregate duties as much as possible with our available staff.
- (b) Treasurer – Limited staff makes it necessary for everyone to be able to do many functions.
- (c) Engineer – Limited staffing and funding for County Government.
- (d) Emergency Management – The Warren County Emergency Management Commission has only one employee (EMA Coordinator) to manage all functions of the office. A full report (including hard copies) of receipts and expenditures is given by the Coordinator at each Commission Meeting. In the absence of the Coordinator, the Commission Chair may render the bills and receipts of the Emergency Management Office.
- (e) Conservation – We will try to have our Naturalist open mail then have the Office Manager process what comes in.
- (f) Friends of Warren County Conservation – Any sort of income that comes in through the mail or across the front desk is recorded by the office manager on a spreadsheet on her desktop. Those funds and the funds that come from our Square account are then processed and recorded on a tracking spreadsheet. The checks are processed for deposit by the director. We are a small nonprofit volunteer organization, so we do not have enough staff to segregate duties, At our monthly meeting with the board we prepare a journal of the previous months QuickBooks. The Office manager signs off that her deposits match the QuickBooks journal. An officer of the Friends of Conservation confirms the director journal, the office manager receipts, and the QuickBooks report agree. Going forward I plan to include the bank statement as part of the official packet.

Warren County

Schedule of Findings

Year ended June 30, 2023

- (g) 911 – The Warren County Joint 911 Service Board employs me as their sole employee and in doing so I have the responsibility of all duties in the office. I receive and open all mail sent to this office. All incoming checks are marked “For Deposit Only” when received and are entered into the department receipt book along with a Warren County receipt being made. I scan copies of all receipts and checks into the file that is backed up by the Warren County IT prior to delivering deposits to the Warren County Treasurer’s Office. I also maintain an Excel spreadsheet that has a running total of all receipts into the office.
- (h) Sheriff – A Sargent will provide an additional review of the Sheriff’s Office monthly Commissary reconciliation and reports as well as the Sheriff’s monthly Civil account reconciliation. A copy of the monthly D.A.R.E. report will be reviewed by the Sargent or the Sheriff.
- (i) Congregate Meals – We have an additional individual at each site. Going forward we will utilize these individuals to verify the daily receipts. We will continue to have the deposits and reconciliations handled by two separate individuals.

Conclusions – Responses accepted for Conservation, Friends of Conservation and Congregate Meals.

Responses acknowledged. Recorder, Treasurer, Engineer, Emergency Management, E-911 and Sheriff offices should continue to review current operating procedures for the areas noted to obtain the maximum internal control possible. The officials should utilize current personnel or employees from other County offices to provide additional control through review of financial transactions, reconciliations and reports.

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 receivables, payables and capital asset additions and deletions were not properly recorded in the County’s financial statements.

Cause – County procedures have not been established to ensure all receivables, payables and capital asset additions and deletions are properly accounted for and recorded in the County’s financial statements.

Effect – Lack of procedures resulted in County employees not detecting the errors in the normal course of performing their assigned functions.

Warren County

Schedule of Findings

Year ended June 30, 2023

Recommendation – The County should establish procedures to ensure all receivables, payables and capital asset additions and deletions are identified and properly recorded in the County’s financial statements.

Response – The County will have Budget Director review invoices to catch any not properly labeled for accrual. We will also ask the Auditor’s and Treasurer’s office to use best judgment and reach out to Department Heads if they think an item was not labeled properly. Additionally, we will work on having a Department Head meeting to reestablish capital asset purchasing procedures. The Budget Director will work with Auditor’s office so they can flag capital assets not turned into the Board and send us a copy of the invoice.

Conclusion – Response accepted.

2023-003 Bank Reconciliations

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

Condition – Bank reconciliations were not prepared for the County Recorder’s office and bank reconciliations were not prepared for 8 of 12 for the County Sheriff’s DARE account.

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

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

Recommendation – The offices should prepare bank reconciliations and have an independent person review the reconciliations for propriety. The reviews should be documented by the signature or initials of the reviewer and the date of the review.

Responses –

- (a) County Recorder – A new excel form has been created and will be used to track the bank reconciliation going forward.
- (a) County Sheriff – The Warren County D.A.R.E. coordinator, advised that our current software will not generate a “Monthly Report’ for reconciliations unless there has been activity. The D.A.R,E account does not have activity every month as is a smaller program. The Coordinator will work to establish a software report that indicates the account is reconciled/checked every month, even when account activity is non-existent.

Conclusion – Responses accepted.

Warren County

Schedule of Findings

Year ended June 30, 2023

2023-004 County Sheriff's Office Trust Listing

Criteria – An effective internal control system provides for internal controls by the County Sheriff's Office for the assets held in trust on behalf of others.

Condition – A current trust listing is not maintained and reconciled with book balances on a monthly basis. A trust listing was generated March 26, 2024 and totaled \$8,259, \$42,278 less than the calculated book balance of \$50,537. We were unable to determine the reason for this variance. The trust listing should agree to the balance of funds on hand (i.e., book balance) to ensure all Trustees are identified and the proper funds are available to pay the Trusts.

Cause – Policies and procedures have not been established by the County Sheriff's Office to maintain a current trust listing and reconcile the trust listing with book balances.

Effect – Lack of policies and procedures could adversely affect the County Sheriff's Office ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions. Lack of an accurate trust listing also increases the risk of trusts not being paid out, not being paid to the appropriate trustee or an incorrect amount being paid.

Recommendation – A list of trusts on hand should be prepared and reconciled to book balances monthly. Variances should be reviewed and resolved timely. The trust reconciliation should be reviewed by an independent person and signed or initialed and dated by the independent reviewer.

Response – The Sheriff's Office will work toward establishing procedures to generate a monthly balance report between the trust listing and bank statements, but due to the timing of monies in and out of the Trust when weighed against the delay of an issued check from the bank clearing, coupled with the monthly timeline, a procedure is unknown at this time. Gun permit monies are deposited several times per week, garnishments are deposited weekly, but held for up to 120 per the execution. Monies collected from gun permits are paid out to the state monthly and county quarterly. Garnishments are paid out upon expiration of the execution or when paid in full, whichever occurs first. With all these variables, a formula to calculate the exact monthly balance between the trust listing and the bank statement is unknown to us currently.

Conclusion – Response acknowledged. The trust listing should be prepared monthly and independently reviewed.

Warren County

Schedule of Findings

Year ended June 30, 2023

2023-005 Timely Receipt Deposit

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

Condition – Receipts are not always deposited to the bank timely. Three 911 receipts totaling \$60,306 were not remitted timely. The receipts were deposited anywhere from 34 to 67 days from date of receipt. In addition, 12 checks for the county auditor totaling \$9,502 were not deposited until 34 to 181 days after issuance. There was also a check to Veterans Affairs for \$10,000 not deposited until 42 days after receipt.

Cause – Policies and procedures have not been designed and implemented to ensure all incoming cash and checks are deposited timely.

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

Recommendation – Procedures should be established to ensure all receipts are deposited timely immediately.

Responses –

E-911 – This past couple of years my job duties increased immensely with participating in the planning of the new Warren County Justice Center which includes my office and dispatch. I was also appointed the contact person for the Warren County Radio Communication project. Both of these projects are wrapping up and there has been some restructuring within the county to relieve me of some of the responsibilities I had in regard to the radio system. This will allow me more time to focus on my core duties and responsibilities to process receipts in a timely manner.

Auditor – As of September 2023 all receipts are deposited by the end of the month.

Veterans Affairs – We believe we turned it in as soon as we received the check. It was either a mail or deposit delay. We will remain vigilant in verifying all checks are deposited in a timely manner.

Conclusion – E-911 and Auditor responses accepted. Response is acknowledged for Veterans Affairs. All deposits should be deposited timely.

Warren County

Schedule of Findings

Year ended June 30, 2023

2023-006 Disbursements

Criteria – Internal controls over safeguarding assets is a process, effected by an entity’s governing body, management and other personnel designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from error or misappropriation. Such processes include establishing policies addressing proper supporting documentation, including properly marking supporting documentation as paid to prevent repayment of invoices.

Condition – The County could not locate support for 5 of 35 transactions selected. Additionally, we noted five invoices paid twice by the County, resulting in overpayments of \$1,980.

Cause – Policies and procedures were not established to ensure supporting documentation is effectively cancelled and policies were not established to ensure supporting documents for claims paid is maintained and can be located.

Effect – Disbursements could be paid multiple times if the supporting documentation is not marked as paid.

Recommendation – Procedures should be implemented to ensure supporting documentation is effectively marked as paid to prevent being paid again. The County should seek reimbursement for the overpayment.

Response – The Auditor’s office stamps in invoices as paid when claims are completed. Our current software does not identify duplicate invoices. Each department head would be responsible for ensuring claims are not submitted twice. We will remind department heads.

Conclusion – Response accepted.

2003-007 Credit Card Disbursements

Criteria – The County’s credit card policy states claims for payment of credit card expenses shall include the original invoice, receipt or proof of publication that coincides with the amount(s) listed on the claim. Credit card receipts are not acceptable unless itemized to indicate what was purchased. In addition, the claim should include a description of service, the purpose of the trip and destination.

Condition – We observed three credit card payment transactions which were not supported by receipts and three credit card payments with some transactions unsupported or inadequately supported.

Cause – Policies and procedures for credit card transactions have been established, but additional procedures need to be put in place to ensure these are followed.

Effect – Improper purchases could be made and go undetected.

Recommendation – Procedures should be implemented to ensure the County credit card policy is followed.

Warren County

Schedule of Findings

Year ended June 30, 2023

Response – Going forward department heads will need to be more specific on some supplies purchased. Auditor’s office will verify all credit card submittals have all documentation required.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Warren County

Schedule of Findings

Year ended June 30, 2023

Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – During the year ended June 30, 2023, disbursements exceeded the amount budgeted in the county environment and education, governmental services to residents and capital projects functions prior to the budget amendment. In addition, the county environment and education expenditures exceeded the budget at year end.

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

Response – Will start to run budget reports by function and not only departments to catch this sooner.

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.

- Because certain utility bills were not paid timely, we noted \$2,715 in late fees and interest was paid by the County.
- Certain credit card statements were not paid timely, we noted \$324 in late fees and interest was paid by the County.
- One credit card statement included a \$39 over limit fee.
- Two credit card transactions included a total of \$11 in sales tax.
- One transaction for purchase of an alcoholic beverage for \$9.

Recommendation – The County should ensure disbursements are supported and the public purpose of each transaction is documented. Additionally, the County should ensure claims are paid timely to avoid late fees and interest charges. Also, the County should ensure sales tax is not paid.

Warren County

Schedule of Findings

Year ended June 30, 2023

Responses –

- As of January 2024, the BOS issued a resolution that utility bills can be paid by the Auditor for timely purposes. Department Heads need to submit these bills in a timely manner. The main utility bills are now being handled by the Facilities Director. Prior employee is no longer with the County.
- Credit Card payments are now being paid by the 15th of each month. We no longer depend on mail services. The Treasurer personally delivers the check to the bank monthly.
- Employee who purchased alcoholic beverage is no longer with the county. The Auditor’s office will look more closely at items that are reimbursable.

Conclusion – Responses 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 transaction between the County and County officials or employees was noted:

Name, Title and Business Connection	Transaction Description	Amount
Andy Coffman, Secondary Roads motor grader operator, brother owns Coffman Glass	Glass supplies	\$ 6,042
Chrissy Mathews, Dispatcher	Printing/design services	135

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transaction Chrissy Mathews do not appear to represent conflicts of interest since the total transactions were less than \$6,000 during the fiscal year.

The transactions with Coffman Glass do not appear to represent a conflict of interest in accordance with Chapter 331.342(2)(d) since the employee’s salary is not directly affected by the transactions and the duties of employment do not directly involve procurement or preparation of any part of the transactions.

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

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.

Warren County

Schedule of Findings

Year ended June 30, 2023

2023-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the 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).

2023-J 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 back of each cancelled check was not obtained by the County Sheriff for its Commissary or DARE accounts.

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

Response – The Sheriff’s Office will work with People’s Bank to collect copies of the Commissary Account checks starting in April of 2024. The Sheriff’s Office will obtain copies of checks utilized for the D.A.R.E account starting in April of 2024.

Conclusion – Response accepted.

2023-K County Sheriff’s D.A.R.E. Account – The County Sheriff maintains a bank account for the D.A.R.E. program. The account had revenues of \$6,299 expenditures of \$5,789 and an ending bank balance of \$18,462. The financial activity of this account is not reflected in the County’s financial statements and has not been included in the County’s annual budget.

Recommendation – Collections for the D.A.R.E program should be remitted to the County Treasurer and credited to a Special Revenue Fund in order to properly reflect this activity in the County’s budget and financial statements.

Response – The Sheriff’s Office will work with the budget director and deputy in charge of this account to discuss the creation of a Special Revenue Fund for D.A.R.E. collections. It should be noted D.A.R.E. is not funded by Public Tax dollars, but rather by donations and fund-raising events.

Conclusion – Response accepted.

Warren County

Schedule of Findings

Year ended June 30, 2023

2023-L Public Safety Answering Point (PSAP) Expenditures – Chapter 34A.7(5) of the Code of Iowa requires PSAP transactions be used for the following:

- The repayment of any bonds issued for the benefit of or loan made to the Joint 911 Service Board,
- Actual recurring costs of operating the 911 service plan, or
- If monies remain after fully paying for recurring costs incurred in the preceding year, the remainder may be spent for nonrecurring costs of operating the 911 service plan, not to exceed costs as approved by the program manager.

We identified 5 transactions totaling \$4,819 in legal expenditures that are not allowed under Chapter 34A.7(5) of the Code of Iowa for use in the 911 surcharge source category.

Recommendation – Warren County 911 should review disbursements to ensure that they are in compliance with requirements established by section 34A.7(5) of the Code of Iowa. The County should work with the Iowa Department of Homeland Security to identify allowable costs and make corrections as needed.

Response – The five transactions were all for legal services rendered to the Warren County Joint 911 Service Board. We have discussed with the Warren County Attorney to provide legal consultation whenever possible going forward.

Conclusion – Response accepted.

2023-P Commissary Account – A separate bank account is maintained for the collections and expenditures of the commissary account. The commissary account is used to purchase items for resale. Any profit at the end of the year is to be remitted to the County. As provided by section 331.902 of the Code of Iowa, “Unless otherwise specifically provided by statute, the fees and charges collected by the auditor, treasurer, recorder, and sheriff, and their deputies or employees, belong to the county.” As a result of maintaining a separate bank account, collections and expenditures are not reflected in the County’s accounting system and have not been included in the County’s annual budget or financial report.

Items, such as supplies and equipment for the Jail, were purchased out of the commissary collections without being included in the County’s budget, appropriations and disbursement process required by section 331.506 of the Code of Iowa and were not filed and audited by the Board of Supervisors before payment in accordance with section 331.504(7) and (8) of the Code of Iowa.

Recommendation – The Board should establish a maximum balance to be kept in the Commissary account. All collections for the Commissary account profits should be remitted to the County Treasurer and all expenditures should be reflected in the County’s accounting system, annual budget, and financial report. Expenditures from the Commissary account should only be used to pay vendors for items ordered by jail inmates.

Warren County

Schedule of Findings

Year ended June 30, 2023

Response – The Sheriff's Office will work with Board of Supervisors to establish a maximum balance to be kept in the Commissary account for allowable commissary purchases, per the Code of Iowa. It is my concern, however, that if all funds are remitted to the General Fund, they could be misallocated unintentionally. I would suggest the Sheriff's office and the Board work to establish procedures to oversee the Commissary Balance oversight, but keep funds separate so as not co-mingle or misallocate unintentionally.

Conclusion – Response accepted.

Warren County

Staff

This audit was performed by:

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