



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

November 15, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$21,344,751 for the year ended June 30, 2023, a 43.8% increase. Expenses for County operations for the year ended June 30, 2023 totaled \$12,687,517, less than one percent decrease. The significant increase in the revenues is due primarily to an increase in contributions from the Iowa Department of Transportation for road infrastructure.

AUDIT FINDINGS:

Sand reported five findings related to the receipt and expenditure of taxpayer funds. They are found on pages 78 through 83 of this report. The findings address issues such as a lack of segregation of duties, lack of a formal disaster recovery plan and disbursements exceeding budgeted amounts. Sand provided the County with recommendations to address each of these findings.

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

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

#

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

Page 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

October 18, 2024

Officials of Page County
Clarinda, Iowa

Dear Board Members:

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

Sincerely,

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

Rob Sand
Auditor of State

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Page County

Officials

(Before January 2023)

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

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Judy Clark (Appointed Jan 2023)	Board of Supervisors	Nov 2023
Jacob Holmes	Board of Supervisors	Jan 2025
Chuck Morris	Board of Supervisors	(Resigned Jan 2023)
Todd Maher	Board of Supervisors	Jan 2027
Melissa Wellhausen	County Auditor	Jan 2025
Angie Dow	County Treasurer	Jan 2027
Brenda Esaias	County Recorder	Jan 2027
Lyle Palmer	County Sheriff	Jan 2025
Carl Sonksen	County Attorney	Jan 2027
Jason Renander	County Assessor	Jan 2028



**OFFICE OF AUDITOR OF STATE
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Independent Auditor's Report

To the Officials of Page County:

Report on the Audit of the Financial Statements

Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 52 through 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Page County’s basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 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 October 18, 2024 on our consideration of Page County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Page County’s internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

October 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2023 FINANCIAL HIGHLIGHTS

- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Southwest Mental Health Region prior to June 30, 2022.
- Revenues of the County's governmental activities increased 43.8%, or approximately \$6,497,000, from fiscal year 2022 to fiscal year 2023. The significant increase in revenue is primarily due to an increase in capital contributions for road infrastructure.
- Program expenses of the County's governmental activities decreased less than one percent, or approximately \$59,000 from fiscal year 2022 to fiscal year 2023.
- The County's net position increased 24.6% or approximately \$8,657,000 over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, 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, and 3) the Debt Service Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities		
	June 30,	
	2023	2022
Current and other assets	\$ 21,503,798	21,880,257
Capital assets	33,634,930	27,135,349
Total assets	55,138,728	49,015,606
Deferred outflows of resources	693,289	731,439
Long-term liabilities	2,853,261	1,835,240
Other liabilities	1,916,721	3,273,239
Total liabilities	4,769,982	5,108,479
Deferred inflows of resources	7,176,306	9,401,071
Net position:		
Net investment in capital assets	33,634,930	27,135,349
Restricted	7,506,160	6,561,907
Unrestricted	2,744,639	1,531,239
Total net position	\$ 43,885,729	35,228,495

Page County’s combined net position of governmental activities increased 24.6% (approximately \$35.2 million compared to approximately \$43.9 million).

The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and construction in progress). This net position component increased approximately \$6.5 million, or 24.0%, from the prior year. The increase is primarily due to the construction of multiple secondary road projects.

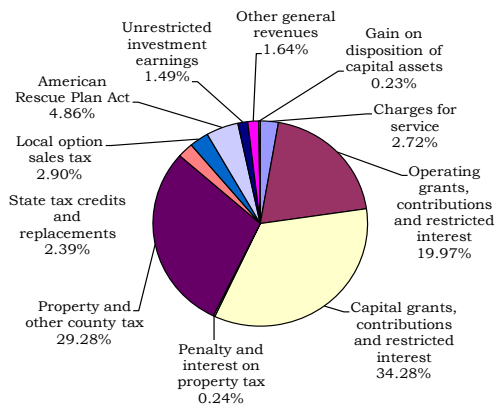
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$944,000, or 14.4%, over the prior year. This increase is primarily due to an increase in the amounts held at year end for supplemental levy purposes in the General Fund and for secondary roads purposes 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 approximately \$1,213,000 over the prior year. This increase is primarily due to the repayment of general obligation bonds and increase in investment earnings.

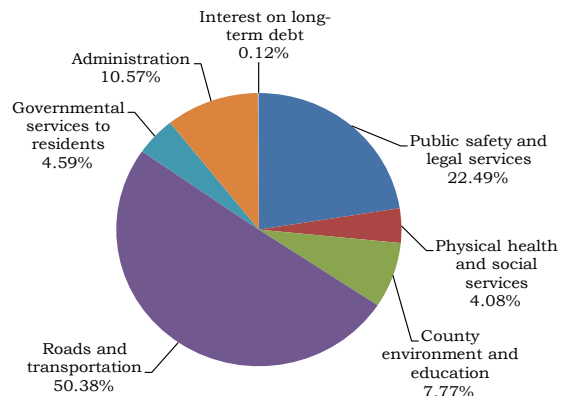
Changes in Net Position of Governmental Activities

	Year ended June 30,	
	2023	2022
Revenues:		
Program revenues:		
Charges for service	\$ 581,350	674,974
Operating grants, contributions and restricted interest	4,262,236	4,616,540
Capital grants, contributions and restricted interest	7,316,532	1,288,470
General revenues:		
Property and other county tax	6,251,199	6,291,687
Penalty and interest on property tax	50,947	54,535
State tax credits and replacements	509,253	509,445
Local option sales tax	618,884	634,236
American Rescue Plan Act	1,038,087	526,584
Unrestricted investment earnings	318,841	34,571
Gain on disposition of capital assets	47,080	85,037
Other general revenues	350,342	131,398
Total revenues	21,344,751	14,847,477
Program expenses:		
Public safety and legal services	2,853,096	2,701,933
Physical health and social services	517,806	476,053
Mental health	-	411,396
County environment and education	985,270	933,381
Roads and transportation	6,391,679	6,443,573
Governmental services to residents	582,545	518,384
Administration	1,341,350	1,238,001
Non-program	248	-
Interest on long-term debt	15,523	23,353
Total expenses	12,687,517	12,746,074
Change in net position	8,657,234	2,101,403
Net position beginning of year	35,228,495	33,127,092
Net position end of year	\$ 43,885,729	35,228,495

Revenues by Source



Expenses by Program



Revenues for governmental activities increased approximately \$6,497,000 from the prior year. The increase is primarily due to an increase in capital grants, contributions and restricted interest from the Iowa Department of Transportation for infrastructure assets.

For fiscal year 2023, taxable property valuation increased approximately \$43,065,000 from the prior year. The Countywide property tax levy decreased \$.043031 per \$1,000 of taxable valuation from the prior year, the debt service levy decreased \$.01820 per \$1,000 of taxable valuation and the mental health levy was eliminated. Overall, property tax revenue decreased approximately \$40,000 from the prior year.

The cost of all governmental activities this year was consistent with prior years remaining at approximately \$12.7 million. As shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for governmental activities was approximately \$500,000 because some of the cost was paid by those directly benefited from the programs (approximately \$581,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$11,579,000). Overall, the County's governmental activities program revenues, including intergovernmental aid and charges for service increased in fiscal year 2023 from approximately \$6,600,000 to approximately \$12,160,000. The County paid for the remaining "public benefit" portion of governmental activities with property tax (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements. Also, as discussed above, the County received contributions of road and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Page County completed the year, its governmental funds reported a combined fund balance of approximately \$12.4 million, an increase of approximately \$1.4 million above last year's total of approximately \$11.0 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund, the operating fund for Page County, ended the current year with a balance of \$7,242,046, an increase of \$825,308 over the prior year ending balance of \$6,416,738. Revenues increased \$965,263, and expenditures increased \$550,685. The increase in revenues and expenditures is due primarily to the County using the American Rescue Plan Act (ARPA) grant for courthouse renovation and technology.
- The Special Revenue, Rural Services Fund ended fiscal year 2023 with a \$69,559 balance compared to the June 30, 2022 balance of \$76,197. Revenues increased \$28,776, or 2.0%, and expenditures increased \$3,945, or less than one percent when compared to the prior year.
- The Special Revenue, Secondary Roads Fund ended fiscal year 2023 with a \$3,494,856 balance compared to the June 30, 2022 balance of \$3,029,493. Revenues increased \$250,455, or 6.1%, from fiscal year 2022 while expenditures decreased \$445,121, or 8.0%. The decrease in expenditures is due primarily to the purchase of two large vehicles that occurred in the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Page County amended its budget one time. The amendment was made in May 2023. The amendment resulted in a total increase in budgeted receipts of \$15,681 and an increase in budgeted disbursements of \$275,681. The reason for the amendment was an increase in road and bridge projects, veteran’s affairs and conservation expenses.

Overall, the County’s receipts were \$1,028,997 more than the final budget, a variance of 8.66%. Total disbursements were \$920,459 less than the amended budget. Actual disbursements for roads and transportation function were \$288,387 less than budgeted. Also, disbursements for the administration function were \$220,708 less than budgeted. This was due to anticipated expenditures not occurring.

During the year ended June 30, 2023, two departments exceeded the amounts appropriated prior to approval of an amendment.

Even with the budget amendment, the County exceeded the budgeted amount in the debt service function for the year ended June 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Page County had approximately \$33.6 million invested in a broad range of capital assets, including public safety equipment, buildings, roads and bridges. This is an increase of approximately \$6.5 million, or 24.0%, from the prior year.

	Capital Assets of Governmental Activities at Year End	
	June 30,	
	2023	2022
Land	\$ 874,232	874,232
Construction in progress	7,316,532	-
Buildings and improvements	1,744,834	1,630,434
Equipment and vehicles	2,599,680	2,223,387
Infrastructure	21,099,652	22,407,296
Total	\$ 33,634,930	27,135,349

Page County’s depreciation expense totaled \$2,380,818 in fiscal year 2023 and total accumulated depreciation was \$22,909,153 at June 30, 2023. Additional information about the County’s capital assets is included in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2023, Page County had \$435,000 of general obligation bonds outstanding compared to \$770,000 at June 30, 2022.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County’s corporate limits. Page County’s outstanding debt of \$435,000 is significantly below its constitutional debt limit of approximately \$61 million. Additional information about the County’s long-term debt is included in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Page County's elected and appointed officials and citizens considered many factors when setting the 2024 County budget, tax rates and fees that apply for the various county services. One of those factors is the economy. Unemployment in the County now stands at 2.7% versus 2.4% a year ago. This compares with the State's unemployment rate of 2.9% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation in the operating budget are approximately \$25.9 million, an increase of approximately 19.0% from the final fiscal year 2023 budget. Budgeted disbursements are \$15.3 million.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Page County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Page County Auditor's Office, by mail at 112 E Main, Clarinda, Iowa 51632 or by telephone at (712) 542-3219.

Basic Financial Statements

Page County
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 13,212,758
Receivables:	
Property tax:	
Delinquent	7,130
Succeeding year	6,662,000
Interest and penalty on property tax	22,382
Accounts	7,861
Opioid settlement	350,887
Loan	170,000
Due from other governments	418,462
Lease receivable	75,980
Inventories	576,338
Capital assets not being depreciated	8,190,764
Capital assets, net of accumulated depreciation	<u>25,444,166</u>
Total assets	<u>55,138,728</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>693,289</u>

Page County
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	444,862
Salaries and benefits payable	86,589
Due to other governments	26,083
Unearned revenues	1,359,187
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	350,000
Compensated absences	169,093
Total OPEB liability	8,418
Portion due or payable after one year:	
General obligation bonds	85,000
Compensated absences	308,513
Net pension liability	1,256,082
Total OPEB liability	676,155
Total liabilities	4,769,982
Deferred Inflows of Resources	
Lease related	75,980
Unavailable property tax revenue	6,662,000
Pension related deferred inflows	438,326
Total deferred inflows of resources	7,176,306
Net Position	
Net investment in capital assets	33,634,930
Restricted for:	
Supplemental levy purposes	2,265,197
Rural services purposes	35,191
Secondary roads purposes	3,294,904
Opioid abatement	442,805
Other purposes	1,468,063
Unrestricted	2,744,639
Total net position	\$ 43,885,729

See notes to financial statements.

Page County

Page 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	\$ 2,853,096	115,778	2,000	-	(2,735,318)
Physical health and social services	517,806	13,415	179,412	-	(324,979)
County environment and education	985,270	38,838	10,553	-	(935,879)
Roads and transportation	6,391,679	44,504	4,070,271	7,316,532	5,039,628
Governmental services to residents	582,545	300,931	-	-	(281,614)
Administration	1,341,350	62,076	-	-	(1,279,274)
Non-program	248	5,808	-	-	5,560
Interest on long-term debt	15,523	-	-	-	(15,523)
Total	\$ 12,687,517	581,350	4,262,236	7,316,532	(527,399)
General Revenues:					
Property and other county tax levied for:					
General purposes					6,001,027
Debt service					250,172
Penalty and interest on property tax					50,947
State tax credits and replacements					509,253
Local option sales tax					618,884
American Rescue Plan Act					1,038,087
Unrestricted investment earnings					318,841
Gain on disposal of capital assets					47,080
Miscellaneous					350,342
Total general revenues					9,184,633
Change in net position					8,657,234
Net position beginning of year					35,228,495
Net position end of year					\$ 43,885,729

See notes to financial statements.

Page County
Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue				Total
	General	Rural Services	Secondary Roads	Nonmajor	
Assets					
Cash, cash equivalents and pooled investments	\$ 8,736,506	73,202	2,791,254	1,583,517	13,184,479
Receivables:					
Property tax:					
Delinquent	6,735	45	-	350	7,130
Succeeding year	4,949,000	1,454,000	-	259,000	6,662,000
Interest and penalty on property tax	22,382	-	-	-	22,382
Accounts	4,576	1,310	1,039	-	6,925
Opioid settlement	-	-	-	350,887	350,887
Loan	170,000	-	-	-	170,000
Due from other governments	20,239	2,845	343,270	50,466	416,820
Lease receivable	75,980	-	-	-	75,980
Inventories	-	-	576,338	-	576,338
Total assets	\$ 13,985,418	1,531,402	3,711,901	2,244,220	21,472,941
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 248,725	2,357	191,260	1,200	443,542
Salaries and benefits payable	56,054	5,264	25,271	-	86,589
Due to other governments	25,392	177	514	-	26,083
Unearned revenues	1,359,187	-	-	-	1,359,187
Total liabilities	1,689,358	7,798	217,045	1,200	1,915,401
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	4,949,000	1,454,000	-	259,000	6,662,000
Other	29,034	45	-	351,235	380,314
Lease related	75,980	-	-	-	75,980
Total deferred inflows of resources	5,054,014	1,454,045	-	610,235	7,118,294
Fund balances:					
Nonspendable:					
Inventories	-	-	576,338	-	576,338
Restricted for:					
Supplemental levy purposes	2,319,931	-	-	-	2,319,931
Rural services purposes	-	69,559	-	-	69,559
Secondary roads purposes	-	-	2,918,518	-	2,918,518
Local option sales tax purposes	-	-	-	1,268,201	1,268,201
Drainage district purposes	-	-	-	77,671	77,671
Conservation land acquisition	35,053	-	-	-	35,053
Debt service	170,000	-	-	137,364	307,364
Opioid abatement	-	-	-	91,918	91,918
Other purposes	29,507	-	-	57,631	87,138
Unassigned	4,687,555	-	-	-	4,687,555
Total fund balances	7,242,046	69,559	3,494,856	1,632,785	12,439,246
Total liabilities, deferred inflows of resources and fund balances	\$ 13,985,418	1,531,402	3,711,901	2,244,220	21,472,941

See notes to financial statements.

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

June 30, 2023

Total governmental fund balances (page 20) \$ 12,439,246

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$56,544,083 and the accumulated depreciation is \$22,909,153. 33,634,930

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. 380,314

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 29,537

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

Deferred outflows of resources	\$ 693,289	
Deferred inflows of resources	<u>(438,326)</u>	254,963

Long-term liabilities, including general obligation bonds payable, compensated absences payable, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (2,853,261)

Net position of governmental activities (page 17) \$ 43,885,729

See notes to financial statements.

Exhibit E

Page County

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

Year ended June 30, 2023

	Special Revenue				Total
	General	Rural Services	Secondary Roads	Nonmajor	
Revenues:					
Property and other county tax	\$ 4,628,621	1,372,819	-	250,205	6,251,645
Local option sales tax	-	-	-	618,884	618,884
Interest and penalty on property tax	54,281	-	-	-	54,281
Intergovernmental	1,663,779	94,303	4,070,271	32,180	5,860,533
Licenses and permits	323	5,705	6,373	-	12,401
Charges for service	417,045	-	-	2,512	419,557
Use of money and property	401,076	-	-	2,884	403,960
Miscellaneous	96,025	2,143	259,564	82,567	440,299
Total revenues	7,261,150	1,474,970	4,336,208	989,232	14,061,560
Expenditures:					
Operating:					
Public safety and legal services	2,628,264	336,865	-	-	2,965,129
Physical health and social services	473,730	65,071	-	6,230	545,031
County environment and education	1,398,426	36,129	-	52,165	1,486,720
Roads and transportation	-	-	4,995,676	-	4,995,676
Governmental services to residents	617,573	3,583	-	-	621,156
Administration	1,361,391	3,196	-	169,100	1,533,687
Debt service	85,720	-	-	266,032	351,752
Capital projects	-	-	94,464	-	94,464
Total expenditures	6,565,104	444,844	5,090,140	493,527	12,593,615
Excess (deficiency) of revenues over (under) expenditures	696,046	1,030,126	(753,932)	495,705	1,467,945
Other financing sources (uses):					
Transfers in	129,262	127,531	1,219,295	45	1,476,133
Transfers out	-	(1,164,295)	-	(311,838)	(1,476,133)
Total other financing sources (uses)	129,262	(1,036,764)	1,219,295	(311,793)	-
Change in fund balances	825,308	(6,638)	465,363	183,912	1,467,945
Fund balances beginning of year	6,416,738	76,197	3,029,493	1,448,873	10,971,301
Fund balances end of year	\$ 7,242,046	69,559	3,494,856	1,632,785	12,439,246

See notes to financial statements.

Page County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 23) \$ 1,467,945

**Amounts reported for governmental activities in the Statement of
Activities are different because:**

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 1,516,787	
Capital assets contributed by the Iowa Department of Transportation	7,316,532	
Depreciation expense	<u>(2,380,818)</u>	6,452,501

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. 47,080

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	(446)	
Other	<u>(85,783)</u>	(86,229)

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. 335,000

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 430,222

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	(15,026)	
OPEB expense	(81,913)	
Pension expense	76,889	
Interest on long-term debt	<u>1,228</u>	(18,822)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. 29,537

Change in net position of governmental activities (page 19) \$ 8,657,234

See notes to financial statements.

Page County
Statement of Net Position
Proprietary Fund

June 30, 2023

	<u>Internal Service- Employee Group Health</u>
Assets	
Cash and cash equivalents	\$ 28,279
Accounts Receivable	936
Due from Other Governments	<u>1,642</u>
Total Assets	<u>30,857</u>
Liabilities	
Accounts Payable	<u>1,320</u>
Net Position	
Unrestricted	<u>\$ 29,537</u>

See notes to financial statements.

Page County

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

Year ended June 30, 2023

	<u>Internal Service-Employee Group Health</u>
Operating revenues:	
Reimbursements from operating funds	\$ 28,279
Reimbursements from others	<u>2,578</u>
Total operating revenues	30,857
Operating expenses:	
Administrative and other fees	<u>1,320</u>
Operating income	29,537
Net position beginning of year	<u>-</u>
Net position end of year	<u>\$ 29,537</u>

See notes to financial statements.

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

	<u>Internal Service-Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 28,279
Net cash provided by operating activities	28,279
Cash and cash equivalents beginning of year	<u>-</u>
Cash and cash equivalents end of year	<u>\$ 28,279</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 29,537
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts receivable	(936)
Due from other governments	(1,642)
Accounts payable	<u>1,320</u>
Net cash provided by operating activities	<u>\$ 28,279</u>

See notes to financial statements.

Page County
Statement of Fiduciary Net Position –
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 1,426,147
Other County officials	45,844

Receivables:

Property tax:

Delinquent	32,899
Succeeding year	17,298,000

Accounts	7,617
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Special assessments	6,436
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Due from other governments	52,318
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Total assets	18,869,261
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Liabilities

Accounts payable	6,238
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Salaries and benefits payable	4,291
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Due to other governments	965,673
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Trusts payable	20,276
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Compensated absences	19,224
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Total liabilities	1,015,702
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Deferred Inflows of Resources

Unavailable property tax revenue	17,298,000
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Net Position

Restricted for individuals, organizations and other governments	\$ 555,559
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See notes to financial statements.

Page County

Page County

Statement of Changes in Fiduciary Net Position –
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 16,468,205
911 surcharge	211,768
State tax credits	1,568,219
Drivers license fees	84,796
Office fees and collections	545,519
Auto licenses, use tax and postage	5,130,478
Assessments	15,571
Trusts	602,366
Miscellaneous	74,885
Total additions	<u>24,701,807</u>
Deductions:	
Agency remittances:	
To other funds	386,724
To other governments	23,753,259
Trusts paid out	605,530
Total deductions	<u>24,745,513</u>
Change in net position	(43,706)
Net position beginning of year	<u>599,265</u>
Net position end of year	<u>\$ 555,559</u>

See notes to financial statements.

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

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

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Page County Landfill and Juvenile Detention Center. The County also participates in the following jointly governed organizations: Alcohol Assistance Agency, 4th Judicial District Department of Correctional Services, Golden Hills Resource Conservation and Development, Southwest Iowa Planning Council, Decategorization, West Central Development Corporation and the Southwest Iowa MHDS Region.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation.

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for 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 investments 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 become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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 amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. 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, road network	\$ 50,000
Land, buildings and improvements	25,000
Intangibles	50,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings and improvements	40 - 50
Infrastructure, road network	5 - 65
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	3 - 10

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

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

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

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

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

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

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

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused compensatory time, vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, propriety 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 propriety fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or propriety 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 and OPEB expense, information has been determined based on Page County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amount budgeted in the debt service function, disbursements in two departments exceeded the amounts appropriated and disbursements in two department exceeded the amount appropriated prior to approval of the budget amendment.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 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.

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$2,989,306. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

(3) Interfund Transfers

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

Transfer to	Transfer from	Amount
General	Special Revenue:	
	Local Option Sales Tax	<u>\$ 129,262</u>
Special Revenue:	Special Revenue:	
Rural Services	Local Option Sales Tax	<u>127,531</u>
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	1,164,295
	Local Option Sales Tax	<u>55,000</u>
Special Revenue:	Special Revenue:	1,219,295
County Recorder's	County Recorder's	
Records Management	Electronic Transaction Fee	<u>45</u>
Total		<u>\$ 1,476,133</u>

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

(4) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 874,232	-	-	874,232
Construction in progress	-	7,416,532	(100,000)	7,316,532
Total capital assets not being depreciated	<u>874,232</u>	<u>7,416,532</u>	<u>(100,000)</u>	<u>8,190,764</u>
Capital assets being depreciated:				
Buildings and improvements	5,077,466	247,446	-	5,324,912
Equipment and vehicles	9,122,757	1,156,641	(217,680)	10,061,718
Infrastructure, road network	32,791,489	175,200	-	32,966,689
Total capital assets being depreciated	<u>46,991,712</u>	<u>1,579,287</u>	<u>(217,680)</u>	<u>48,353,319</u>
Less accumulated depreciation for:				
Buildings and improvements	3,447,032	133,046	-	3,580,078
Equipment and vehicles	6,899,370	764,928	(202,260)	7,462,038
Infrastructure, road network	10,384,193	1,482,844	-	11,867,037
Total accumulated depreciation	<u>20,730,595</u>	<u>2,380,818</u>	<u>(202,260)</u>	<u>22,909,153</u>
Total capital assets being depreciated, net	<u>26,261,117</u>	<u>(801,531)</u>	<u>(15,420)</u>	<u>25,444,166</u>
Governmental activities capital assets, net	<u>\$ 27,135,349</u>	<u>6,615,001</u>	<u>(115,420)</u>	<u>33,634,930</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 120,679
Physical health and social services	1,480
County environment and education	76,530
Roads and transportation	2,073,914
Administration	<u>108,215</u>
Total depreciation expense - governmental activities	<u>\$ 2,380,818</u>

(5) County Farmland Lease Receivable

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

Year Ending June 30,	Amount
2024	\$ 77,500
Less interest	<u>(1,520)</u>
Present value	<u>\$ 75,980</u>

(6) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 25,392
Special Revenue:		
Rural Services	Services	177
Secondary Roads and Rural Services		<u>514</u>
Total for governmental funds		<u>\$ 26,083</u>
Custodial:		
County Offices	Collections	\$ 26,353
Agricultural Extension Education		11,121
County Assessor		178
Schools		167,060
Community Colleges		17,553
Corporations		75,801
Townships		4,226
Auto License and Use Tax		464,891
All other		<u>198,490</u>
Total for custodial funds		<u>\$ 965,673</u>

(7) Long-Term Liabilities

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

	General Obligation Bonds	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 770,000	462,580	(831,931)	602,660	1,003,309
Increases	-	281,575	-	77,052	358,627
Decreases	335,000	266,549	(2,088,013)	(4,861)	(1,491,325)
Balance end of year	\$ 435,000	477,606	1,256,082	684,573	2,853,261
Due within one year	\$ 350,000	169,093	-	8,418	527,511

Bonds Payable

In November 2015, the County entered into a loan agreement for the issuance of \$1,205,000 of general obligation solid waste management and refunding bonds to pay the costs of expanding and upgrading the Page County Landfill. The bonds bear interest at a rate of 2.10% per annum with a final maturity of June 1, 2025. During the year ended June 30, 2023, the County paid principal and interest of \$80,000 and \$4,970 respectively, on the bonds.

On November 7, 2017, the County entered into a general obligation emergency communication equipment bond agreement in the amount of \$1,740,000. The bond proceeds were used to acquire and install emergency communications equipment and systems. The loan agreement bears interest at a rate of 2.05% per annum with final maturity on June 1, 2024. During the year ended June 30, 2023, the County paid principal and interest of \$255,000 and \$10,533, respectively, on the bonds.

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

General Obligation Bonds						
Year	Solid Waste Management and Refunding			Emergency Communications Equipment		
	Issued Nov 24, 2015			Issued Nov 7, 2017		
Ending June 30,	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.10%	\$ 85,000	3,570	2.05%	\$ 265,000	5,431
2025	2.10	85,000	1,785		-	-
Total		\$ 170,000	5,355		\$ 265,000	5,431
Year	Totals					
Ending June 30,	Principal	Interest	Total			
2024	\$ 350,000	9,001	359,001			
2025	85,000	1,785	86,785			
Total	\$ 435,000	10,786	445,786			

During the year ended June 30, 2023 the County retired \$335,000 of general obligation debt.

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

(8) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 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 \$430,222.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$1,256,082 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 plan 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 0.033246%, which was a decrease of 0.207735% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$76,889. 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	\$ 149,337	23,311
Changes of assumptions	1,370	66,171
Net difference between projected and actual earnings on IPERS investments	-	214,743
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	112,360	134,101
County contributions subsequent to the measurement date	430,222	-
Total	<u>\$ 693,289</u>	<u>438,326</u>

\$430,222 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	\$ (204,171)
2025	(145,360)
2026	(284,460)
2027	469,067
2028	<u>(10,335)</u>
Total	<u>\$ (175,259)</u>

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100.0%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,131,298	1,256,082	(393,921)

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.

(9) Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>81</u>
Total	<u>82</u>

Total OPEB Liability – The County’s total OPEB liability of \$684,573 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2023)	2.60% per annum.
Rates of salary increase (effective June 30, 2023)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2023)	4.13% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	7.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 tables. Annual retirement probabilities are based on varying rates by age and runover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 602,660
Changes for the year:	
Service cost	52,478
Interest	26,276
Differences between expected and actual experiences	30,501
Changes in assumptions	(1,702)
Benefit payments	<u>(25,640)</u>
Net changes	<u>81,913</u>
Total OPEB liability end of year	<u>\$ 684,573</u>

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

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current discount rate.

	<u>1% Decrease (3.13%)</u>	<u>Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
Total OPEB liability	\$ 728,477	684,573	643,460

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.

	<u>1% Decrease (6.00%)</u>	<u>Healthcare Cost Trend Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Total OPEB liability	\$ 622,653	684,573	756,537

OPEB Expense – For the year ended June 30, 2023, the County recognized OPEB expense of \$81,913. Under the alternative measurement method, all deferred outflows/inflows of resources related to OPEB are fully recognized immediately.

(10) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2023 were \$174,544.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amounts of \$1,000,000 and \$250,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County’s health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Auxiant Inc. The agreement is subject to automatic renewal provisions. The County assumes a liability for the difference between the employee deductible (\$750 for single and \$1,500 for family) and the County deductible on the policy (\$5,000 for single and \$10,000 for family).

Administrative service fees and plan contributions are paid monthly from the County’s operating funds to a separate account administered by Auxiant Inc. The County records the plan assets and related liabilities of the Employee Group Health Fund as an Internal Service Fund. The County’s contribution for the year ended June 30,2023 was \$28,279.

(12) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Clarinda offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

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

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Clarinda	Urban renewal and economic development projects	\$ 30,767
	Chapter 404 tax abatement program	2,899

(13) Subsequent Events

In January 2024, the County issued \$1,495,000 of general obligation solid waste disposal bonds. The bonds are being used to pay the costs of improvements to the County's solid waste disposal system/landfills.

Also, in April 2024, the County issued \$9,000,000 of General Obligation County Jail Bonds. The bonds are being used to pay the costs of constructing, furnishing and equipping the County jail.

Required Supplementary Information

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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	\$ 6,869,515	-	6,869,515
Interest and penalty on property tax	54,274	-	54,274
Intergovernmental	4,809,467	-	4,809,467
Licenses and permits	11,352	-	11,352
Charges for service	422,504	-	422,504
Use of money and property	405,980	2,575	403,405
Miscellaneous	343,714	-	343,714
Total receipts	<u>12,916,806</u>	<u>2,575</u>	<u>12,914,231</u>
Disbursements:			
Public safety and legal services	3,014,909	-	3,014,909
Physical health and social services	556,521	-	556,521
County environment and education	1,418,420	-	1,418,420
Roads and transportation	5,053,613	-	5,053,613
Governmental services to residents	634,416	-	634,416
Administration	1,551,848	-	1,551,848
Non-program	-	-	-
Debt service	351,752	-	351,752
Capital projects	100,000	-	100,000
Total disbursements	<u>12,681,479</u>	<u>-</u>	<u>12,681,479</u>
Excess (deficiency) of receipts over (under) disbursements	235,327	2,575	232,752
Other financing sources, net	-	-	-
Change in fund balances	235,327	2,575	232,752
Balance beginning of year	<u>12,949,152</u>	<u>75,096</u>	<u>12,874,056</u>
Balance end of year	<u>\$ 13,184,479</u>	<u>77,671</u>	<u>13,106,808</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
6,866,671	6,866,671	2,844
31,040	31,040	23,234
4,338,731	4,348,731	460,736
20,400	20,400	(9,048)
310,535	310,535	111,969
81,255	81,255	322,150
220,921	226,602	117,112
<u>11,869,553</u>	<u>11,885,234</u>	<u>1,028,997</u>
3,198,683	3,198,683	183,774
653,251	663,251	106,730
1,490,956	1,506,637	88,217
5,092,000	5,342,000	288,387
659,108	659,108	24,692
1,772,556	1,772,556	220,708
8,000	8,000	8,000
351,703	351,703	(49)
100,000	100,000	-
<u>13,326,257</u>	<u>13,601,938</u>	<u>920,459</u>
(1,456,704)	(1,716,704)	1,949,456
20,000	20,000	(20,000)
(1,436,704)	(1,696,704)	1,929,456
9,877,981	9,877,981	2,996,075
<u>8,441,277</u>	<u>8,181,277</u>	<u>4,925,531</u>

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Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash	Accrual	Modified
	Basis	Adjustments	Accrual
			Basis
Revenues	\$ 12,916,806	1,144,754	14,061,560
Expenditures	12,681,479	(87,864)	12,593,615
Net	235,327	1,232,618	1,467,945
Other financing sources, net	-	-	-
Beginning fund balances	12,949,152	(1,977,851)	10,971,301
Ending fund balances	\$ 13,184,479	(745,233)	12,439,246

See accompanying independent auditor's report.

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Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$275,681. The budget amendment is reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements exceeded the amount budgeted in the debt service function, disbursements in two departments exceeded the amounts appropriated and disbursements in two departments exceeded the amounts appropriated prior to approval of the amendment.

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

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability (asset)	0.033246%	0.240981% **	0.043235%	0.039053%
County's proportionate share of the net pension liability (asset)	\$ 1,256	(832)	3,037	2,261
County's covered payroll	\$ 4,398	4,393	4,168	3,947
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.56%	-18.94%	72.86%	57.28%
IPERS' net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%	85.45%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.040834%	0.042945%	0.040899%	0.039699%	0.038324%
2,584	2,861	2,574	1,961	1,520
3,929	3,770	3,494	3,427	3,291
65.77%	75.89%	73.67%	57.22%	46.19%
83.62%	82.21%	81.82%	85.19%	87.61%

Page 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	\$ 430	412	414	395
Contributions in relation to the statutorily required contribution	<u>(430)</u>	<u>(412)</u>	<u>(414)</u>	<u>(395)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 4,611	4,398	4,393	4,168
Contributions as a percentage of covered payroll	9.33%	9.37%	9.42%	9.48%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
376	355	343	318	313	301
(376)	(355)	(343)	(318)	(313)	(301)
-	-	-	-	-	-
3,947	3,929	3,770	3,494	3,427	3,291
9.53%	9.04%	9.10%	9.10%	9.13%	9.15%

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Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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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	\$ 52,478	113,903	123,325	73,691
Interest cost	26,276	21,171	26,236	37,576
Difference between expected and actual experiences	30,501	(299,474)	(149,961)	(255,827)
Changes in assumptions	(1,702)	(67,728)	26,768	45,326
Benefit payments	(25,640)	(35,818)	(37,242)	(31,977)
Net change in total OPEB liability	81,913	(267,946)	(10,874)	(131,211)
Total OPEB liability beginning of year	602,660	870,606	881,480	1,012,691
Total OPEB liability end of year	\$ 684,573	602,660	870,606	881,480
Covered-employee payroll	\$ 4,690,633	3,991,592	4,161,242	4,063,234
Total OPEB liability as a percentage of covered-employee payroll	14.59%	15.10%	20.92%	21.69%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
72,872	74,183
40,482	30,489
(77,571)	134,736
25,771	(22,084)
<u>(43,651)</u>	-
17,903	217,324
<u>994,788</u>	<u>777,464</u>
<u>1,012,691</u>	<u>994,788</u>
3,815,688	3,695,582
26.54%	26.92%

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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

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Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	Special		
	Resource Enhancement and Protection	Local Option Sales Tax	County Recorder's Records Management
Assets			
Cash, cash equivalents and pooled investments	\$ 34,978	1,217,735	9,860
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Opioid settlement	-	-	-
Due from other governments	-	50,466	-
Total assets	\$ 34,978	1,268,201	9,860
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenue:			
Succeeding year property tax	-	-	-
Other	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Restricted for:			
Local option sales tax purposes	-	1,268,201	-
Drainage purposes	-	-	-
Debt service	-	-	-
Opioid abatement	-	-	-
Other purposes	34,978	-	9,860
Total fund balances	34,978	1,268,201	9,860
Total liabilities, deferred inflows of resources and fund balances	\$ 34,978	1,268,201	9,860

See accompanying independent auditor's report.

Revenue						
Local Government Opioid Abatement	Drainage Districts	Sheriff Special Investigation	Special Law Enforcement	Debt Service		Total
93,118	77,671	4,836	7,957	137,362		1,583,517
-	-	-	-	350		350
-	-	-	-	259,000		259,000
350,887	-	-	-	-		350,887
-	-	-	-	-		50,466
444,005	77,671	4,836	7,957	396,712		2,244,220
1,200	-	-	-	-		1,200
-	-	-	-	259,000		259,000
350,887	-	-	-	348		351,235
350,887	-	-	-	259,348		610,235
-	-	-	-	-		1,268,201
-	77,671	-	-	-		77,671
-	-	-	-	137,364		137,364
91,918	-	-	-	-		91,918
-	-	4,836	7,957	-		57,631
91,918	77,671	4,836	7,957	137,364		1,632,785
444,005	77,671	4,836	7,957	396,712		2,244,220

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

Year ended June 30, 2023

	<u>Special</u>		
	Resource Enhancement and Protection	Local Option Sales Tax	County Recorder's Records Management
Revenues:			
Property and other county tax	\$ -	-	-
Local option sales tax	-	618,884	-
Intergovernmental	10,553	-	-
Charges for service	-	-	2,512
Use of money and property	15	-	294
Miscellaneous	-	-	-
Total revenues	<u>10,568</u>	<u>618,884</u>	<u>2,806</u>
Expenditures:			
Operating:			
Physical health and social services	-	-	-
County environment and education	12,215	39,950	-
Administration	-	169,100	-
Debt service	-	-	-
Total expenditures	<u>12,215</u>	<u>209,050</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(1,647)	409,834	2,806
Other financing sources (uses):			
Transfers in	-	-	45
Transfers out	-	(311,793)	-
Total other financing sources (uses)	<u>-</u>	<u>(311,793)</u>	<u>45</u>
Change in fund balances	(1,647)	98,041	2,851
Fund balances beginning of year	<u>36,625</u>	<u>1,170,160</u>	<u>7,009</u>
Fund balances end of year	<u>\$ 34,978</u>	<u>1,268,201</u>	<u>9,860</u>

See accompanying independent auditor's report.

Revenue							
County Recorder's Electronic Transaction Fee	Local Government Opioid Abatement	Drainage Districts	Sheriff Special Investigation	Special Law Enforcement	Debt Service	Total	
-	-	-	-	-	250,205	250,205	
-	-	-	-	-	-	618,884	
-	-	-	-	-	21,627	32,180	
-	-	-	-	-	-	2,512	
-	-	2,575	-	-	-	2,884	
-	82,567	-	-	-	-	82,567	
-	82,567	2,575	-	-	271,832	989,232	
-	6,230	-	-	-	-	6,230	
-	-	-	-	-	-	52,165	
-	-	-	-	-	-	169,100	
-	-	-	-	-	266,032	266,032	
-	6,230	-	-	-	266,032	493,527	
-	76,337	2,575	-	-	5,800	495,705	
-	-	-	-	-	-	45	
(45)	-	-	-	-	-	(311,838)	
(45)	-	-	-	-	-	(311,793)	
(45)	76,337	2,575	-	-	5,800	183,912	
45	15,581	75,096	4,836	7,957	131,564	1,448,873	
-	91,918	77,671	4,836	7,957	137,364	1,632,785	

Page 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	\$ -	11,121	325,352	167,060
Other County officials	45,844	-	-	-
Receivables:				
Property tax:				
Delinquent	-	291	509	13,414
Succeeding year	-	214,000	374,000	9,962,000
Accounts	785	-	-	-
Special assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	46,629	225,412	699,861	10,142,474
Liabilities				
Accounts payable	-	-	527	-
Salaries and benefits payable	-	-	3,258	-
Due to other governments	26,353	11,121	178	167,060
Trusts payable	20,276	-	-	-
Compensated absences	-	-	18,329	-
Total liabilities	46,629	11,121	22,292	167,060
Deferred Inflows of Resources				
Unavailable revenues	-	214,000	374,000	9,962,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	291	303,569	13,414

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
17,553	75,801	4,226	464,891	360,143	1,426,147
-	-	-	-	-	45,844
1,537	17,136	10	-	2	32,899
1,122,000	5,395,000	230,000	-	1,000	17,298,000
-	-	-	-	6,832	7,617
-	-	-	-	6,436	6,436
-	-	-	-	52,318	52,318
1,141,090	5,487,937	234,236	464,891	426,731	18,869,261
-	-	-	-	5,711	6,238
-	-	-	-	1,033	4,291
17,553	75,801	4,226	464,891	198,490	965,673
-	-	-	-	-	20,276
-	-	-	-	895	19,224
17,553	75,801	4,226	464,891	206,129	1,015,702
1,122,000	5,395,000	230,000	-	1,000	17,298,000
1,537	17,136	10	-	219,602	555,559

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Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	199,282	257,086	9,674,257
911 surcharge	-	-	-	-
State tax credits	-	17,598	22,412	751,554
Drivers license fees	-	-	-	-
Office fees and collections	538,344	-	4,658	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	228,891	-	-	-
Miscellaneous	-	-	685	-
Total additions	767,235	216,880	284,841	10,425,811
Deductions:				
Agency remittances:				
To other funds	209,527	-	-	-
To other governments	329,878	216,896	296,130	10,427,008
Trusts paid out	227,830	-	-	-
Total deductions	767,235	216,896	296,130	10,427,008
Changes in net position	-	(16)	(11,289)	(1,197)
Net position beginning of year	-	307	314,858	14,611
Net position end of year	\$ -	291	303,569	13,414

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
1,037,889	5,075,443	222,431	-	1,817	16,468,205
-	-	-	-	211,768	211,768
81,215	682,449	12,830	-	161	1,568,219
-	-	-	84,796	-	84,796
-	-	-	-	2,517	545,519
-	-	-	5,130,478	-	5,130,478
-	-	-	-	15,571	15,571
-	-	-	-	373,475	602,366
-	-	-	-	74,200	74,885
1,119,104	5,757,892	235,261	5,215,274	679,509	24,701,807
-	-	-	177,197	-	386,724
1,119,178	5,758,076	235,262	5,038,077	332,754	23,753,259
-	-	-	-	377,700	605,530
1,119,178	5,758,076	235,262	5,215,274	710,454	24,745,513
(74)	(184)	(1)	-	(30,945)	(43,706)
1,611	17,320	11	-	250,547	599,265
1,537	17,136	10	-	219,602	555,559

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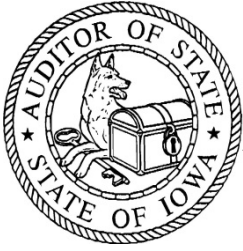
Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 6,251,645	6,295,841	6,201,901	5,948,250
Local option sales tax	618,884	634,236	690,803	461,796
Interest and penalty on property tax	54,281	55,441	82,887	23,097
Intergovernmental	5,860,533	5,226,469	9,275,373	6,630,074
Licenses and permits	12,401	30,678	24,687	26,579
Charges for service	419,557	457,070	486,077	410,418
Use of money and property	403,960	112,071	124,200	209,325
Miscellaneous	440,299	282,979	357,099	170,856
Total	\$ 14,061,560	13,094,785	17,243,027	13,880,395
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,965,129	2,986,932	2,826,386	2,759,520
Physical health and social services	545,031	532,359	590,672	479,416
Mental health	-	424,709	380,413	425,132
County environment and education	1,486,720	962,620	520,737	485,315
Roads and transportation	4,995,676	5,477,992	5,097,268	4,840,750
Governmental services to residents	621,156	595,680	633,420	620,335
Administration	1,533,687	1,284,382	1,397,555	1,358,925
Non-program	-	-	2,450	245
Debt service	351,752	428,964	431,440	428,189
Capital projects	94,464	57,269	4,394,944	2,182,470
Total	\$ 12,593,615	12,750,907	16,275,285	13,580,297

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
5,718,334	5,624,460	5,241,137	5,418,070	4,550,314	4,466,421
440,938	485,962	431,247	412,218	403,628	406,390
53,037	51,352	59,892	52,115	83,438	56,108
4,459,386	4,872,070	4,372,662	4,267,236	4,003,434	3,883,318
18,164	24,724	20,525	17,242	13,884	16,865
389,670	426,320	371,363	373,075	379,472	377,446
254,669	105,382	68,458	67,730	59,777	59,527
157,377	317,322	309,385	383,906	197,340	275,950
11,491,575	11,907,592	10,874,669	10,991,592	9,691,287	9,542,025
2,798,049	4,421,799	2,190,226	2,676,214	1,788,843	1,756,049
473,318	459,162	512,465	494,686	636,517	495,523
322,827	512,499	338,967	1,026,314	1,298,439	887,263
468,123	392,336	496,626	403,329	350,488	460,764
4,432,989	4,704,886	4,154,401	4,883,735	3,828,285	3,846,334
593,529	586,563	545,207	514,415	467,828	447,565
1,296,778	1,164,348	1,088,495	1,101,689	1,053,451	1,037,211
-	11,740	-	1,111	1,111	4,666
429,542	430,708	156,463	192,139	191,548	190,269
83,122	929,421	170,267	52,452	-	24,038
10,898,277	13,613,462	9,653,117	11,346,084	9,616,510	9,149,682



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

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

To the Officials of Page County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Page County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 to be material weaknesses.

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

Report on Compliance and Other Matters

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

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


Page County's Responses to Findings

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

Purpose of this Report

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

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



Brian R. Brustkern, CPA
Deputy Auditor of State

October 18, 2024

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 Segregation of Duties

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

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

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

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

Page County

Schedule of Findings

Year ended June 30, 2023

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

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

Response and Corrective Action Planned –

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

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

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

Recorder – We will work on ways to implement internal control and will continue to segregate duties as much as possible with limited staff.

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

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

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

Page County

Schedule of Findings

Year ended June 30, 2023

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 equipment additions were not properly recorded in the County's financial statements. Also, approvals for deletions are not always supported by written documentation. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Cause – County policies do not require, and procedures have not been established to require independent review of capital assets and other transactions to ensure the County's financial statements are accurate and reliable.

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

Recommendation – The county should establish procedures to ensure all capital assets are identified and properly reported in the County's financial statements. Information should include appropriate details to ensure that assets are properly deleted from the fixed assets records in a timely manner.

Response – We will work to ensure this is completed appropriately.

Conclusion – Response accepted.

Page County

Schedule of Findings

Year ended June 30, 2023

2023-003 Disaster Recovery Plan

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

Condition – The County’s disaster recovery plan is missing the following elements:

- Identification of steps for recovery of system.
- Identification of computer equipment needed for temporary processing.
- Identification of business location(s) which could be used to process critical applications in the event of an emergency.
- Requirement a copy of the disaster recovery plan be kept off site.
- Inventory of all hardware and components (e.g.: make, model numbers, serial numbers, etc.).
- Inventory of all software applications (e.g.: operating system and software applications, release versions and vendor names).
- Requirement copies of all user documentation and policy and procedures manuals be located off site.

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

Effect – Lack of written policies for computer-based system could result in a loss of data or compromised data, resulting in unreliable financial information. The failure to have a complete formal disaster recovery plan could result in the City’s inability to function in the event of a disaster or continue City business without interruption.

Recommendation – A complete written disaster recovery plan should be developed.

Response – We will work to ensure this is completed.

Conclusion – Response accepted.

Page County

Schedule of Findings

Year ended June 30, 2023

Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023 exceeded the amount budgeted in the debt service function. Also, disbursements in two departments exceeded the amounts appropriated and disbursements in two departments exceeded the amounts appropriated prior to the approval of the amendment.

Recommendation – The budgets should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget. Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriations.

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

Conclusion – Response accepted.

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

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

2023-D Business Transactions – The following business transactions between the County and County officials or employees were noted.

Name, Title and Business Connection	Transaction Description	Amount
Lindsey Stephens, Deputy Sherriff Owner of Twin Oaks Lawn & Landscaping	Mowing services	\$ 745
Troy Sands, Reserve Deputy	Engineering services	140

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

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.

Page County

Schedule of Findings

Year ended June 30, 2023

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

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

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

2023-J Property Tax on County Owned Farmland – Chapter 427.1(2) of the Code of Iowa states the property of a County, when devoted to public use and not held for pecuniary profit, shall not be taxed. The County holds farmland which is leased out annually for profit and the County does not remit property tax on the farmland leased for profit.

Recommendation – The County should remit property tax on the farmland leased for profit.

Response – The County Assessor will assess the farmland for taxation.

Conclusion – Response accepted.

Page County

Staff

This audit was performed by:

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Tammy A. Hollingsworth, CIA, Manager
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