



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 22, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$97,741,298 for the year ended June 30, 2023, a 1.8% increase. Expenses for County operations for the year ended June 30, 2023, totaled \$82,250,741, a less than 1% increase.

AUDIT FINDINGS:

Sand reported six findings related to the receipt and expenditure of taxpayer funds. They are found on pages 101 through 106 of this report. The findings address issues such as errors in reporting capital assets and payables, preparation and review of bank reconciliations for the Sheriff's Office Jail account. Also, the budget appropriation was exceeded for one department and noncompliance with Chapter 554D.114 of the Code of Iowa pertaining to retaining cancelled checks. 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](#).

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

Pottawattamie County



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Rob Sand
Auditor of State

October 24, 2024

Officials of Pottawattamie County
Council Bluffs, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Pottawattamie 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 Pottawattamie 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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Pottawattamie County

Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Scott Belt	Board of Supervisors	Jan 2023
Lynn Grobe	Board of Supervisors	Jan 2023
Justin Schultz	Board of Supervisors	Jan 2023
Brian Shea	Board of Supervisors	Jan 2025
Tim Wichman	Board of Supervisors	Jan 2025
Melvyn Houser	County Auditor	Jan 2025
Lea Voss	County Treasurer	Jan 2023
Mark Brandenburg	County Recorder	Jan 2023
Andrew Brown	County Sheriff	Jan 2025
Matthew Wilber	County Attorney	Jan 2023
Penny Ravlin	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Brian Shea	Board of Supervisors	Jan 2025
Tim Wichman	Board of Supervisors	Jan 2025
Scott Belt	Board of Supervisors	Jan 2027
Jeff Jorgensen	Board of Supervisors	Jan 2027
Susan Miller	Board of Supervisors	Jan 2027
Melvyn Houser	County Auditor	Jan 2025
Lea Voss	County Treasurer	Jan 2027
Andrew Moats	County Recorder	Jan 2027
Andrew Brown	County Sheriff	Jan 2025
Matthew Wilber	County Attorney	Jan 2027
Penny Ravlin	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Pottawattamie County:

Report on the Audit of the Financial Statements

Opinions

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

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, the previously issued financial statements have been restated for the correction of a material misstatement in the respective period. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 68 through 80 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 Pottawattamie 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 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2024 on our consideration of Pottawattamie 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 Pottawattamie County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

October 24, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pottawattamie 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 Iowa Mental Health and Disability Services Region prior to June 30, 2022.
- Pottawattamie County's governmental activities revenues decreased less than 1%, or approximately \$89,000, from fiscal year 2022. Charges for service increased approximately \$1,734,000 while operating grants, contributions and restricted interest decreased approximately \$3,437,000, capital grants, contributions and restricted interest increased approximately \$4,269,000 and American Rescue Plan Act revenue decreased approximately \$3,607,000.
- Pottawattamie County's governmental activities expenses decreased less than 1%, or approximately \$654,000, from the prior year. Public safety and legal services and non-program increased approximately \$3,249,000 and \$1,678,000, respectively. Mental health and county environment and education decreased \$2,759,000 and \$2,965,000, respectively.
- The County's net position increased 8.58%, or approximately \$15,491,000 during fiscal year 2023.
- During fiscal year 2023, Pottawattamie County established an Enterprise Fund for the Mt. Crescent Ski Area. Pottawattamie County's business type activities revenues were approximately \$1,859,000 during fiscal year 2023.
- Pottawattamie County's business type activities expenses were approximately \$1,180,000, during fiscal year 2023.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES:

Government-wide Financial Statements

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about activities in a way that 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 and report two kinds 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.
- Business type activities include the Pottawattamie County Mt. Crescent Ski Area. This activity is financed primarily by user charges.

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. These governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general government 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) Proprietary funds account for the County's Enterprise Fund and Internal Service, Employee Group Health Fund. The enterprise funds report services for which the County charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. Pottawattamie County's Enterprise, Mt. Crescent Ski Area Fund accounts for the financial activity of the Pottawattamie County Mt. Crescent Ski Area. 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 the proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

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

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

GOVERNMENT WIDE FINANCIAL ANALYSIS

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

	Net Position at Year-End (Expressed in Thousands)					
	Governmental Activities		Business Type Activities		Total	
	June 30,		June 30,		June 30,	
	2022	2022	2022	2022	2022	2022
	2023 (Not Restated)	2023 (Not Restated)	2023 (Not Restated)	2023 (Not Restated)	2023 (Not Restated)	
Current and other assets	\$ 141,777	154,092	359	-	142,136	154,092
Capital assets	145,272	135,293	2,707	-	147,979	135,293
Total assets	287,049	289,385	3,066	-	290,115	289,385
Deferred outflows of resources	5,960	6,104	32	-	5,992	6,104
Long-term liabilities	33,244	29,387	51	-	33,295	29,387
Other liabilities	13,997	15,317	17	-	14,014	15,317
Total liabilities	47,241	44,704	68	-	47,309	44,704
Deferred inflows of resources	52,736	70,232	18	-	52,754	70,232
Net position:						
Net investment in capital assets	129,866	126,669	2,707	-	132,573	126,669
Restricted	33,642	28,939	-	-	33,642	28,939
Unrestricted	29,524	24,945	305	-	29,829	24,945
Total net position	\$ 193,032	180,553	3,012	-	196,044	180,553

Net position of Pottawattamie County's governmental activities increased 6.93% (approximately \$193.0 million compared to approximately \$180.5 million). Net position for business type activities was new for the County in fiscal year 2023.

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 4.7%, or approximately \$5,904,000.

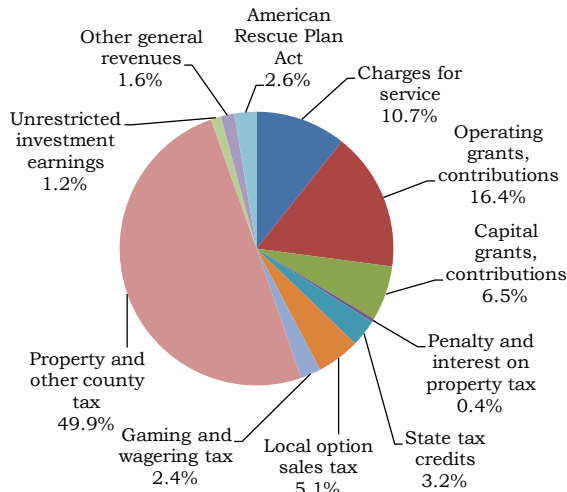
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$4,703,000, or 16.3%. This increase is primarily due to an increase in the amount restricted for other purposes, specifically the amount restricted for supplemental levy purposes and secondary roads purposes.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$24.9 million at June 30, 2022 to approximately \$29.8 million at the end of this year, an increase of 19.6%. The increase is due to an increase in the net pension liability.

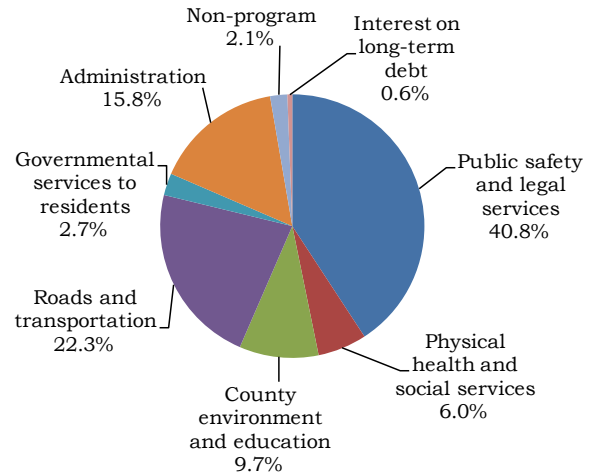
Changes in Net Position for the Year Ended June 30,
(Expressed in Thousands)

	Governmental		Business Type		Total	
	Activities		Activities			
	June 30,		June 30,		June 30,	
	2023	2022	2023	2022	2023	2022
	(Not Restated)		(Not Restated)		(Not Restated)	
Revenues:						
Program revenues:						
Charges for service	\$ 10,275	8,541	1,389	-	11,664	8,541
Operating grants, contributions and restricted interest	15,718	19,155	-	-	15,718	19,155
Capital grants, contributions and restricted interest	6,252	1,983	470	-	6,722	1,983
General revenues:						
Property and other county tax	47,733	47,506	-	-	47,733	47,506
Penalty and interest on property tax	411	448	-	-	411	448
State tax credits	3,028	3,234	-	-	3,028	3,234
Local option sales tax	4,877	4,563	-	-	4,877	4,563
Gaming and wagering tax	2,335	2,433	-	-	2,335	2,433
American Rescue Plan Act	2,492	6,099	-	-	2,492	6,099
Unrestricted investment earnings	1,185	169	-	-	1,185	169
Other general revenues	1,576	1,840	-	-	1,576	1,840
Total revenues	95,882	95,971	1,859	-	97,741	95,971
Program expenses:						
Public safety and legal services	33,176	29,927	-	-	33,176	29,927
Physical health and social services	4,841	4,571	-	-	4,841	4,571
Mental health	-	2,759	-	-	-	2,759
County environment and education	7,847	10,812	-	-	7,847	10,812
Roads and transportation	18,079	17,273	-	-	18,079	17,273
Governmental services to residents	2,199	2,275	-	-	2,199	2,275
Administration	12,789	13,625	-	-	12,789	13,625
Non-program	1,678	-	-	-	1,678	-
Interest on long-term debt	462	483	-	-	462	483
Mt. Crescent Ski Area	-	-	1,180	-	1,180	-
Total expenses	81,071	81,725	1,180	-	82,251	81,725
Change in net position	14,811	14,246	679	-	15,490	14,246
Net position beginning of year, as restated	178,221	166,307	2,333	-	180,554	166,307
Net position end of year	\$ 193,032	180,553	3,012	-	196,044	180,553

Revenues by Source



Expenses by Program



Pottawattamie County's total net position increased approximately \$15,491,000 during the year. Revenues for the County increased approximately \$1,770,000 from the prior year. The increase was primarily due to charges for service at the Mt. Crescent Ski Area.

The County decreased property tax rates for fiscal year 2023 an average of 3.8% primarily as a result of eliminating the mental health levy rate. However, due to an increase of in taxable valuation of 6.1%, the County's property tax revenue increase approximately \$227,000. Based on increases in total assessed valuation, property tax revenue is budgeted to increase an additional \$855,000 next year.

The cost of all governmental activities this year was approximately \$81.0 million compared to approximately \$81.7 million last year. However, as shown in the Statement of Activities on pages 20-21, the amount taxpayers ultimately financed for these activities was approximately \$48.8 million because some of the cost was paid by those who directly benefited from the programs (approximately \$10,275,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$21,970,000). Overall, the County's governmental program revenues, including intergovernmental aid and charges for services, increased in fiscal year 2023 from approximately \$29,679,000 to approximately \$32,245,000. The County received contributions of roads and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As Pottawattamie County completed the year, its governmental funds reported a combined fund balance of approximately \$72.3 million, a decrease of approximately \$1,600,000 from last year's total of approximately \$73.9 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues decreased approximately \$1,152,000 from the prior year due to the receipt of less federal grants for ARPA. Expenditures decreased approximately \$2,530,000 as the County used less ARPA funds for various projects when compared to the prior year. The ending fund balance increased approximately \$3,405,000, or 8.3%, to approximately \$44,257,000.
- Special Revenue, Rural Services Fund revenues increased approximately \$369,000 over the prior year. Expenditures decreased approximately \$1,093,000 due principally to the completion of an economic development project in fiscal year 2022. This decrease in expenditures resulted in an increase in the Rural Services Fund ending balance of approximately \$1,151,000, or 69.8%.
- There were no significant changes in revenues and expenditures of the Special Revenue, Secondary Roads Fund. The fund balance at year end increased approximately \$1,547,000, or 13.4%, over the prior year to approximately \$13,089,000.
- There were no significant changes in revenues, expenditures, and fund balance of the Debt Service Fund.
- During the year ended June 30, 2023, the County issued \$1,745,000 of general obligation capital loan notes to help finance renovation of the County courthouse, County Jail and Sheriff's, construction of a storage shed for the County Jail and Sheriff's Office, equipment for peace officer and emergency services and vehicles for the Sheriff. The proceeds from the bonds were placed in the Capital Projects Fund to account for these projects. Unspent bond and note proceeds totaling \$7,810,611 from the Series 2023 notes and previous issuances remained in the Capital Projects Fund at the end of the year.

Proprietary Fund Highlights

During fiscal year 2023, the County established an Enterprise Fund for the Mt. Crescent Ski Area.

BUDGETARY HIGHLIGHTS

Over the course of the year, Pottawattamie County amended its budget two times. The first amendment was made in August 2022 and resulted in an increase of \$3,930,478 in budgeted receipts and an increase of \$12,473,891 in budgeted disbursements. The largest increase in budgeted disbursements was in the capital projects function as a result of anticipated spending for approved American Rescue Plan Act (ARPA) projects. The second amendment was made in February 2023 and resulted in an increase of \$520,687 in budgeted receipts and an increase of \$1,655,142 in budgeted disbursements. This amendment was made to provide for additional disbursements related to insurance adjustments, fuel inflation, grant-pass through activity, bonding, and an anticipated purchase of property.

The County’s receipts were \$873,471 less than budgeted, a variance of less than 1%.

Total disbursements were \$31,878,383 less than the amended budget. Actual disbursements for the county environment and education, capital projects and administration functions were \$12,356,982, \$9,093,402 and \$5,853,358, respectively, less than budgeted. This was primarily due to ARPA projects being delayed due to weather and flood buyouts from 2019 that were not received prior to year-end.

The County did not exceed the budgeted amounts for the year ended June 30, 2023. However, disbursements in one department exceeded amounts appropriated at year end.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Pottawattamie County had approximately \$147.9 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$12,625,000, or 9.3%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023	2022
Land	\$ 8,446	8,636
Right-to-use land	225	-
Intangibles, not amortized	4,185	4,185
Construction in progress	25,011	15,491
Buildings and improvements	29,417	31,107
Right-to-use leased building	50	72
Equipment and vehicles	15,975	16,059
Intangibles, amortized	505	596
Infrastructure	61,458	59,147
Total	\$ 145,272	135,293

Pottawattamie County had depreciation/amortization expense of \$8,394,864 in fiscal year 2023 and total accumulated depreciation/amortization of approximately \$131.3 million at June 30, 2023. Capital assets for business type activities totaled \$2,707,249 (net of accumulated depreciation) at June 30, 2023. More detailed information about the County’s capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2023, Pottawattamie County had \$23,217,000 of long-term debt outstanding compared to approximately \$24,243,000 outstanding at June 30, 2022, as shown below.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2023	2022
General obligation bonds	\$ 17,765	18,640
General obligation capital loan notes	5,190	5,530
Lease agreements	262	73
Total	\$ 23,217	24,243

The County continues to carry a general obligation bond rating of Aa1 assigned by national rating agencies to the County's debt. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Pottawattamie County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$521 million. Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Pottawattamie County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates and fees charged for the various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.1% versus 2.9% a year ago. This compares with the State's unemployment rate of 3.1% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation (i.e., actual beginning balance plus next year budgeted revenues) in the operating budget are approximately \$160 million, a decrease of 4.4% from the final fiscal year 2023 budget. Property tax receipts (benefiting from a rate increase and increases in assessed valuations) are expected to increase. Intergovernmental and miscellaneous receipts are expected to decrease approximately \$855,000 and \$1,466,000, respectively. Budgeted disbursements are expected to be approximately \$116.7 million, a decrease of 7.6% from the final fiscal year 2023 budget. The County has added no major new programs or initiatives to the fiscal year 2024 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease approximately \$28,897,000 by the close of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Pottawattamie 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 Pottawattamie County Auditor Melvyn Houser or County Finance Officer Becky Lenihan at the Pottawattamie County Auditor's Office, by mail at 227 S. 6th Street, Council Bluffs, Iowa 51501 or by telephone at (712) 328-5700.

Pottawattamie County

Basic Financial Statements

Exhibit A

Pottawattamie County
Statement of Net Position
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 83,313,860	358,699	83,672,559
Receivables:			
Property tax:			
Delinquent	126,440	-	126,440
Succeeding year	49,210,000	-	49,210,000
Interest and penalty on property tax	1,204,683	-	1,204,683
Accounts	302,442	-	302,442
Opioid settlement	2,198,983	-	2,198,983
Drainage assessments	50	-	50
Due from other governments	3,426,991	-	3,426,991
Leases receivable	166,299	-	166,299
Inventories	1,072,097	-	1,072,097
Prepaid items	755,383	-	755,383
Capital assets not being depreciated/amortized	37,867,564	1,532,753	39,400,317
Capital assets net of accumulated depreciation/amortization	107,404,605	1,174,496	108,579,101
Total assets	287,049,397	3,065,948	290,115,345
Deferred Outflows of Resources			
Pension related deferred outflows	5,249,248	27,562	5,276,810
OPEB related deferred outflows	710,448	4,747	715,195
Total deferred outflows of resources	5,959,696	32,309	5,992,005

Pottawattamie County
Statement of Net Position
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Liabilities			
Accounts payable	2,641,548	17,125	2,658,673
Accrued interest payable	40,752	-	40,752
Salaries and benefits payable	1,407,360	-	1,407,360
Due to other governments	344,424	-	344,424
Unearned revenue	9,562,939	-	9,562,939
Long-term liabilities:			
Portion due or payable within one year:			
Lease agreement	29,525	-	29,525
General obligation bonds	880,000	-	880,000
General obligation capital loan notes	2,165,000	-	2,165,000
Compensated absences	1,671,391	3,052	1,674,443
Total OPEB liability	112,885	754	113,639
Portion due or payable after one year:			
Lease agreement	232,093	-	232,093
General obligation bonds	16,885,000	-	16,885,000
General obligation capital loan notes	3,025,000	-	3,025,000
Compensated absences	1,003,282	6,035	1,009,317
Net pension liability	5,101,178	26,785	5,127,963
Total OPEB liability	2,138,120	14,286	2,152,406
Total liabilities	47,240,497	68,037	47,308,534
Deferred Inflows of Resources			
Lease related	166,299	-	166,299
Unavailable property tax revenue	49,210,000	-	49,210,000
Pension related deferred inflows	2,895,242	15,201	2,910,443
OPEB related deferred inflows	464,949	3,107	468,056
Total deferred inflows of resources	52,736,490	18,308	52,754,798
Net Position			
Net investment in capital assets	129,866,162	2,707,249	132,573,411
Restricted for:			
Supplemental levy purposes	10,149,316	-	10,149,316
Rural services purposes	2,767,371	-	2,767,371
Secondary roads purposes	12,888,808	-	12,888,808
Opioid abatement	2,807,382	-	2,807,382
Debt service	844,880	-	844,880
Other purposes	4,184,681	-	4,184,681
Unrestricted	29,523,506	304,663	29,828,169
Total net position	\$ 193,032,106	3,011,912	196,044,018

See notes to financial statements.

Pottawattamie County

Statement of Activities

Year ended June 30, 2023

	Expenses	Program Revenues		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety and legal services	\$ 33,175,820	5,400,584	374,183	-
Physical health and social services	4,841,533	224,462	2,421,190	-
County environment and education	7,846,896	1,021,662	603,957	-
Roads and transportation	18,078,794	142,544	8,421,244	6,251,858
Governmental services to residents	2,198,703	1,635,935	-	-
Administration	12,789,460	260,856	3,897,216	-
Non-program	1,678,183	1,588,536	-	-
Interest on long-term debt	461,620	-	-	-
Total governmental activities	81,071,009	10,274,579	15,717,790	6,251,858
Business type activities:				
Mt. Crescent Ski Area	1,179,732	1,389,250	-	469,866
Total	\$ 82,250,741	11,663,829	15,717,790	6,721,724

General Revenues:

Property and other county tax levied for:

General purposes

Debt service

Penalty and interest on property tax

State tax credits and replacements

Local option sales tax

Gaming and wagering tax

American Rescue Plan Act

Unrestricted investment earnings

Gain on disposition of capital assets

Miscellaneous

Total general revenues

Change in net position

Net position beginning of year, as restated

Net position end of year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Type Activities	Total
(27,401,053)	-	(27,401,053)
(2,195,881)	-	(2,195,881)
(6,221,277)	-	(6,221,277)
(3,263,148)	-	(3,263,148)
(562,768)	-	(562,768)
(8,631,388)	-	(8,631,388)
(89,647)	-	(89,647)
(461,620)	-	(461,620)
(48,826,782)	-	(48,826,782)
-	679,384	679,384
(48,826,782)	679,384	(48,147,398)
44,988,250	-	44,988,250
2,744,760	-	2,744,760
411,563	-	411,563
3,027,981	-	3,027,981
4,877,118	-	4,877,118
2,335,049	-	2,335,049
2,491,689	-	2,491,689
1,185,557	4	1,185,561
297,784	-	297,784
1,278,200	-	1,278,200
63,637,951	4	63,637,955
14,811,169	679,388	15,490,557
178,220,937	2,332,524	180,553,461
\$ 193,032,106	3,011,912	196,044,018

Pottawattamie County

Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 53,915,030	2,263,881	11,707,082
Component unit	-	-	-
Receivables:			
Property tax:			
Delinquent	105,375	13,716	-
Succeeding year	39,797,000	6,550,000	-
Interest and penalty on property tax	1,204,683	-	-
Accounts	285,006	16,621	815
Opioid settlement	-	-	-
Drainage assessments	-	-	-
Due from other governments	2,367,349	62,271	944,850
Advance to other funds	-	540,000	-
Leases receivable	166,299	-	-
Inventories	-	-	1,072,097
Prepaid items	742,410	-	-
Total assets	\$ 98,583,152	9,446,489	13,724,844
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	509,953	35,813	452,945
Salaries and benefits payable	1,182,143	43,896	181,321
Due to other governments	310,311	364	1,505
Advance from other funds	-	-	-
Unearned revenue	9,562,939	-	-
Total liabilities	11,565,346	80,073	635,771
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	39,797,000	6,550,000	-
Other	2,797,376	14,026	-
Lease related	166,299	-	-
Total deferred inflows of resources	42,760,675	6,564,026	-
Fund balances:			
Nonspendable:			
Inventories	-	-	1,072,097
Prepaid items	742,410	-	-
Advance to other funds	-	540,000	-
Restricted for:			
Supplemental levy purposes	8,989,559	-	-
Rural services purposes	-	2,251,390	-
Secondary roads purposes	-	-	12,016,976
Drainage warrants/drainage improvement certificates	-	-	-
Conservation purposes	362,534	-	-
Law enforcement purposes	-	-	-
Debt service	-	-	-
Capital projects	-	-	-
Opioid abatement	-	-	-
Other purposes	349,316	11,000	-
Assigned for:			
Property tax relief	4,338,461	-	-
County Attorney's Office	304,693	-	-
Land purchase	3,686,317	-	-
Conservation structures	142,326	-	-
Unassigned	25,341,515	-	-
Total fund balances	44,257,131	2,802,390	13,089,073
Total liabilities, deferred inflows of resources and fund balances	\$ 98,583,152	9,446,489	13,724,844

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
878,283	9,421,097	2,782,080	80,967,453
-	-	1,221,646	1,221,646
7,349	-	-	126,440
2,863,000	-	-	49,210,000
-	-	-	1,204,683
-	-	-	302,442
-	-	2,198,983	2,198,983
-	-	50	50
-	-	52,521	3,426,991
-	-	-	540,000
-	-	-	166,299
-	-	-	1,072,097
-	12,973	-	755,383
<u>3,748,632</u>	<u>9,434,070</u>	<u>6,255,280</u>	<u>141,192,467</u>
-	1,622,713	20,124	2,641,548
-	-	-	1,407,360
-	746	31,498	344,424
-	-	540,000	540,000
-	-	-	9,562,939
<u>-</u>	<u>1,623,459</u>	<u>591,622</u>	<u>14,496,271</u>
2,863,000	-	-	49,210,000
7,349	-	2,199,033	5,017,784
-	-	-	166,299
<u>2,870,349</u>	<u>-</u>	<u>2,199,033</u>	<u>54,394,083</u>
-	-	-	1,072,097
-	12,973	-	755,383
-	-	-	540,000
-	-	-	8,989,559
-	-	-	2,251,390
-	-	-	12,016,976
-	-	10,754	10,754
-	-	1,418,523	1,781,057
-	-	128,735	128,735
878,283	-	-	878,283
-	7,797,638	-	7,797,638
-	-	608,399	608,399
-	-	1,838,214	2,198,530
-	-	-	4,338,461
-	-	-	304,693
-	-	-	3,686,317
-	-	-	142,326
-	-	(540,000)	24,801,515
<u>878,283</u>	<u>7,810,611</u>	<u>3,464,625</u>	<u>72,302,113</u>
<u>3,748,632</u>	<u>9,434,070</u>	<u>6,255,280</u>	<u>141,192,467</u>

Pottawattamie County

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

June 30, 2023

Total governmental fund balances (page 23) \$ 72,302,113

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 \$276,602,582 and the accumulated depreciation/amortization is \$131,330,413. 145,272,169

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. 5,017,784

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. Part of the assets and liabilities of the Internal Service Fund are allocated to governmental activities in the Statement of Net Position. 1,124,761

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

Deferred outflows of resources	\$ 5,959,696	
Deferred inflows of resources	<u>(3,360,191)</u>	2,599,505

Long-term liabilities, including lease agreements payable, bonds payable, notes payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (33,284,226)

Net position of governmental activities (page 19) **\$ 193,032,106**

See notes to financial statements.

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

Year ended June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 40,960,709	6,379,674	-
Local option sales tax	-	731,567	3,413,983
Interest and penalty on property tax	331,893	-	-
Intergovernmental	14,371,989	703,968	8,421,244
Licenses and permits	313	306,415	61,470
Charges for service	3,459,703	90,094	-
Use of money and property	1,111,813	-	-
Miscellaneous	1,970,461	5,138	94,110
Total revenues	62,206,881	8,216,856	11,990,807
Expenditures:			
Operating:			
Public safety and legal services	32,683,786	480,047	-
Physical health and social services	4,829,829	193,800	-
County environment and education	4,265,952	1,070,116	-
Roads and transportation	515,796	-	15,071,889
Governmental services to residents	2,226,392	9,752	-
Administration	14,498,534	11,610	-
Debt service	-	-	-
Capital projects	-	-	217,827
Total expenditures	59,020,289	1,765,325	15,289,716
Excess (deficiency) of revenues over (under) expenditures	3,186,592	6,451,531	(3,298,909)
Other financing sources (uses):			
Sale of capital assets	147,575	-	34,950
Transfers in	437	-	5,415,582
Transfers out	(154,732)	(5,300,000)	(604,800)
Lease agreements	225,330	-	-
General obligation notes issued	-	-	-
Premium on notes issued	-	-	-
Total other financing sources (uses)	218,610	(5,300,000)	4,845,732
Change in fund balances	3,405,202	1,151,531	1,546,823
Fund balances beginning of year	40,851,929	1,650,859	11,542,250
Fund balances end of year	\$ 44,257,131	2,802,390	13,089,073

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,745,374	-	-	50,085,757
-	-	731,568	4,877,118
84	-	-	331,977
176,694	-	43,905	23,717,800
-	-	-	368,198
-	-	12,830	3,562,627
15,251	95,173	42,250	1,264,487
-	350,000	994,276	3,413,985
<u>2,937,403</u>	<u>445,173</u>	<u>1,824,829</u>	<u>87,621,949</u>
-	-	101,440	33,265,273
-	-	10,464	5,034,093
-	-	1,374,103	6,710,171
-	-	-	15,587,685
-	-	16,119	2,252,263
-	-	-	14,510,144
3,510,689	-	-	3,510,689
-	10,366,243	-	10,584,070
<u>3,510,689</u>	<u>10,366,243</u>	<u>1,502,126</u>	<u>91,454,388</u>
<u>(573,286)</u>	<u>(9,921,070)</u>	<u>322,703</u>	<u>(3,832,439)</u>
-	-	-	182,525
639,786	-	4,164	6,059,969
-	-	(437)	(6,059,969)
-	-	-	225,330
-	1,745,000	-	1,745,000
-	88,894	-	88,894
<u>639,786</u>	<u>1,833,894</u>	<u>3,727</u>	<u>2,241,749</u>
66,500	(8,087,176)	326,430	(1,590,690)
<u>811,783</u>	<u>15,897,787</u>	<u>3,138,195</u>	<u>73,892,803</u>
<u>878,283</u>	<u>7,810,611</u>	<u>3,464,625</u>	<u>72,302,113</u>

Pottawattamie County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 27) \$ (1,773,215)

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

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

Expenditures for capital assets	\$ 14,339,362	
Capital assets contributed by the Iowa Department of Transportation	6,251,858	
Depreciation/amortization expense	<u>(8,394,864)</u>	12,196,356

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

115,259

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	(17,588)	
Other	<u>138,957</u>	121,369

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

Issued	(1,970,330)	
Repaid	<u>2,996,712</u>	1,026,382

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.

3,072,395

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	(68,786)	
Interest on long-term debt	175	
Pension expense	631,800	
OPEB expense	<u>(175,845)</u>	387,344

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. Part of the change in net position of the Internal Service Fund is allocated to governmental activities.

(517,246)

Change in net position of governmental activities (page 21)

\$ 14,628,644

See notes to financial statements.

Pottawattamie County
Statement of Net Position
Proprietary Fund

June 30, 2023

	Business Type Activities	Governmental Activities
	Enterprise - Mt. Crescent Ski Area	Internal Service - Employee Group Health
Assets		
Current assets:		
Cash and cash equivalents	\$ 352,574	835,837
Cash held by health plan trustee	-	295,049
Total current assets	<u>352,574</u>	<u>1,130,886</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>2,707,249</u>	-
Total assets	\$ 3,059,823	1,130,886
Deferred Outflows of Resources		
Pension related deferred outflows	27,562	-
OPEB related deferred outflows	<u>4,747</u>	-
Total deferred outflows of resources	<u>32,309</u>	-
Liabilities		
Accounts payable	17,125	-
Long term liabilities:		
Portion due or payable within one year:		
Compensated absences	3,052	-
Total OPEB liability	754	-
Portion due or payable after one year:		
Compensated absences	6,035	-
Net pension liability	26,785	-
Total OPEB liability	<u>14,286</u>	-
Total Liabilities	<u>68,037</u>	-
Pension related deferred inflows	15,201	-
OPEB related deferred inflows	<u>3,107</u>	-
Total deferred inflows of resources	<u>18,308</u>	-
Net Position		
Net investment in capital assets	2,707,249	-
Unrestricted	<u>298,538</u>	<u>1,130,886</u>
Total net position	3,005,787	1,130,886
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. Part of the assets and liabilities of the Internal Service Fund are allocated to business type activities in the Statement of Net Position.	<u>6,125</u>	
Net position of business type activities (page 19)	\$ 3,011,912	

See notes to financial statements.

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

Year ended June 30, 2023

	Business Type Activities	Governmental Activities
	Enterprise - Mt. Crescent Ski Area	Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds	\$ -	9,913,482
Miscellaneous	-	142,456
Ski lesson fees	115,653	-
Admission fees	710,772	-
Equipment rental fees	365,699	-
Cabin rental fees	4,754	-
Miscellaneous fees	29,619	-
Concession sales	142,655	-
Merchandise sales	8,194	-
Gift card sales	525	-
Gift package sales	3,008	-
Total operating revenues	1,380,879	10,055,938
Operating expenses:		
Medical claims	-	1,731,804
Administrative and other fees	-	183,471
Insurance premiums	-	8,652,470
Salaries	403,332	-
Employee benefits	134,282	-
Supplies	180,953	-
Utilities	568	-
Repairs and improvements	23,401	-
Other services and charges	273,993	-
Depreciation	160,953	-
Total operating expenses	1,177,482	10,567,745
Change in net position	203,397	(511,807)
Non-operating revenues:		
Interest income	-	686
Contributed capital	469,866	-
Total non-operating revenues	469,866	686
Change in net position	673,263	(511,121)
Net position beginning of year, as restated	2,332,524	1,642,007
Net position end of year	3,005,787	1,130,886
Change in net position	673,263	
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. Part of the change in net position of the Internal Service Fund is allocated to business type activities in the Statement of Activities.	6,125	
Change in net position of business type activities (page 21)	\$ 679,388	

See notes to financial statements.

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

	Business Type Activities	Governmental Activities
	Enterprise - Mt. Crescent Ski Area	Internal Service - Employee Group Health
Cash flows from operating activities:		
Cash received from operating funds	\$ -	9,913,482
Cash received from miscellaneous operations	-	142,456
Cash received from ski lesson fees	115,653	-
Cash received from admission fees	710,772	-
Cash received from equipment rental fees	365,699	-
Cash received from cabin rental fees	4,754	-
Cash received from miscellaneous fees	29,619	-
Cash received from concession sales	142,655	-
Cash received from merchandise sales	8,194	-
Cash received from gift card sales	525	-
Cash received from gift package sales	3,008	-
Cash paid for medical claims	-	(1,731,804)
Cash paid for administrative and other fees	-	(183,471)
Cash paid for insurance premiums	-	(8,652,470)
Cash paid to employees for services	(500,703)	-
Cash paid to suppliers	(461,790)	-
Net cash used by operating activities	418,386	(511,807)
Cash flows from capital and related financing activities		
Acquisition of capital assets	(65,812)	-
Cash flows from investing activities:		
Interest on investments	-	686
Net increase (decrease) in cash and cash equivalents	352,574	(511,121)
Cash and cash equivalents beginning of year	-	1,642,007
Cash and cash equivalents end of year	\$ 352,574	1,130,886
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 203,397	(511,807)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	160,953	-
Changes in assets and liabilities:		
Accounts payable	17,125	-
Compensated absences	9,087	-
Net pension liability	26,785	-
Total OPEB liability	15,040	-
Deferred outflows of resources	(32,309)	-
Deferred inflows of resources	18,308	-
Net cash provided (used) by operating activities	\$ 418,386	(511,807)

See notes to financial statements.

Pottawattamie County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 9,342,801
Other County officials	430,986
Receivables:	
Property tax:	
Delinquent	428,577
Succeeding year	158,347,000
Accounts	35,950
Special assessments	922,962
Drainage assessments	4,311,428
Due from other governments	1,538,915
Prepaid items	<u>247,143</u>
Total assets	<u>175,605,762</u>

Liabilities

Accounts payable	403,873
Stamped warrants payable	3,679,633
Salaries and benefits payable	118,052
Due to other governments	4,625,755
Trusts payable	116,434
Compensated absences	<u>611,208</u>
Total liabilities	<u>9,554,955</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>158,347,000</u>
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Net position

Restricted for individuals, organizations and other governments	<u>\$ 7,703,807</u>
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See notes to financial statements.

Pottawattamie County
Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 154,538,228
911 surcharge	149,363
State tax credits	9,121,241
Intergovernmental	17,201,764
Office fees and collections	2,830,976
Auto licenses, use tax and postage	33,825,037
Assessments	1,607,354
Trusts	9,370,627
Miscellaneous	654,950
Total additions	<u>229,299,540</u>
Deductions:	
Agency remittances:	
To other funds	4,260,276
To other governments	217,332,176
Trusts paid out	7,218,204
Operating expenses	1,876,902
Total deductions	<u>230,687,558</u>
Change in net position	(1,388,018)
Net position beginning of year	<u>9,091,825</u>
Net position end of year	<u>\$ 7,703,807</u>

See notes to financial statements.

Pottawattamie County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

Pottawattamie 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, Pottawattamie 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 Pottawattamie 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.

Certain 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 Pottawattamie County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. The County has other drainage districts which are managed and supervised by elected trustees. The financial transactions of these districts are reported as a Custodial Fund. Financial information of the individual drainage districts can be obtained from the Pottawattamie County Auditor's Office.

The Conservation Foundation has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Pottawattamie County Conservation Board. These donations are to be used to purchase items not included in the County's budget. The financial transactions of the Foundation are reported as a Special Revenue Fund.

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

In addition, the County is involved in the following jointly governed organizations: Western Iowa Development Association, Metropolitan Area Planning Agency and Southwest Iowa Transit Authority. Financial transactions of these organizations are not included in the County's financial statements.

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, which are supported by property tax, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

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 three categories.

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

The County reports the following major proprietary fund:

Enterprise:

The Mt. Crescent Ski Area Fund is used to account for the operation and maintenance of the County's ski reaction area.

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. The principal operating revenues of the County's Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses and depreciation/amortization on capital assets. All revenues and expenses not meeting these definitions 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.

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.

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

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

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due 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 applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Intangibles - right-of-way	50,000
Right-to-use leased assets	50,000
Intangibles - other	100,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Infrastructure	10 - 100
Buildings and improvements	10 - 50
Intangibles - other	2 - 50
Right-to-use leased assets	2 - 50
Equipment	3 - 20
Vehicles	3 - 15

Leases – County as Lessee – Pottawattamie County is the lessee for a lease of office space and land. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial individual value of \$50,000 or more.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Enterprise, Mt. Crescent Ski Area and Internal Service, Employee Group Health Fund are designated for operating costs and anticipated future catastrophic losses of the County, respectively.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements in one department exceeded the amounts budgeted at year end.

(2) Cash, Cash Equivalents and Pooled Investments

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

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

At June 30, 2023, the Conservation Foundation had the following investments:

<u>Investments</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Conservation Foundation:		
Vanguard Mutual Funds	<u>\$ 428,041</u>	<u>519,785</u>

The Conservation Foundation uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the mutual fund of \$519,785 was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

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

(3) Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Special Revenue Rural Services	Special Revenue: Industrial Park Urban Renewal	\$ 540,000

During fiscal year 2021, the County approved an interfund advance from the Special Revenue, Rural Services Fund to the Special Revenue, Urban Renewal Fund for \$540,000. This debt was not certified as tax increment financing debt until fiscal year 2023. The interfund advance was made to pay for road paving fees in the urban renewal area. The amounts will be repaid with tax increment financing receipts as they are collected.

(4) 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: Hitchcock Nature Area	\$ 437
Special Revenue: Secondary Roads	General	115,582
	Special Revenue: Rural Services	5,300,000
		<u>5,415,582</u>
Special Revenue: Veterans Affairs Donation	General	4,164
Debt Service	General	34,986
	Special Revenue: Secondary Roads	604,800
		<u>639,786</u>
Total		<u>\$ 6,059,969</u>

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

(5) Capital Assets

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

	Restated, Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 7,270,696	1,175,000	-	8,445,696
Right-to-use - leased land	-	225,330	-	225,330
Intangibles, road network	4,185,189	-	-	4,185,189
Construction in progress	15,491,128	15,683,442	6,163,221	25,011,349
Total capital assets not being depreciated/amortized	26,947,013	17,083,772	6,163,221	37,867,564
Capital assets being depreciated/amortized:				
Buildings	48,686,793	317,238	338,000	48,666,031
Improvements other than buildings	4,437,616	-	-	4,437,616
Right-to-use - leased buildings	93,844	-	-	93,844
Equipment and vehicles	45,582,040	3,341,976	2,003,976	46,920,040
Intangibles, other	1,324,356	-	-	1,324,356
Infrastructure, road network	127,304,847	6,074,160	-	133,379,007
Infrastructure, other	3,569,889	344,235	-	3,914,124
Total capital assets being depreciated/amortized	230,999,385	10,077,609	2,341,976	238,735,018
Less accumulated depreciation/amortization for:				
Buildings	20,788,780	1,126,638	223,277	21,692,141
Improvements other than buildings	1,815,890	179,000	-	1,994,890
Right-to-use - leased buildings	22,081	22,081	-	44,162
Equipment and vehicles	29,787,794	2,984,251	1,827,018	30,945,027
Intangibles, other	728,523	90,506	-	819,029
Infrastructure, road network	71,397,652	3,899,375	-	75,297,027
Infrastructure, other	445,124	93,013	-	538,137
Total accumulated depreciation/amortization	124,985,844	8,394,864	2,050,295	131,330,413
Total capital assets being depreciated/amortized, net	106,013,541	1,682,745	291,681	107,404,605
Governmental activities capital assets, net	\$ 132,960,554	18,766,517	6,454,902	145,272,169
Business type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,365,000	-	-	1,365,000
Construction in progress	-	167,753	-	167,753
Total capital assets not being depreciated/amortized	1,365,000	167,753	-	1,532,753
Capital assets being depreciated/amortized:				
Buildings	596,250	27,721	-	623,971
Improvements other than buildings	-	172,030	-	172,030
Equipment and vehicles	321,111	168,174	-	489,285
Infrastructure, other	118,125	-	-	118,125
Total capital assets being depreciated/amortized	1,035,486	367,925	-	1,403,411
Less accumulated depreciation/amortization for:				
Buildings	8,623	15,707	-	24,330
Improvements other than buildings	-	9,529	-	9,529
Equipment and vehicles	56,583	130,992	-	187,575
Infrastructure, other	2,756	4,725	-	7,481
Total accumulated depreciation/amortization	67,962	160,953	-	228,915
Total capital assets being depreciated/amortized, net	967,524	206,972	-	1,174,496
Buisness type activities capital assets, net	\$ 2,332,524	374,725	-	2,707,249

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 2,093,593
Physical health and social services		47,156
County environment and education		516,132
Roads and transportation		5,089,548
Governmental services to residents		39,060
Administration		<u>609,375</u>
Total depreciation/amortization expense - governmental activities		<u>\$ 8,394,864</u>
Business type activities:		
Mt. Crescent Ski Area		<u>\$ 160,953</u>

(6) Lease Receivable

The County rents out parcels of land for farming or business uses. These leases have varying terms including inception dates from May 2021 through March 2022, with annual and semi-annual payments of \$3,218 to \$9,000 and have terms remaining of 1½ to 4 years. During year ended June 30, 2023, principal and interest payments received were approximately \$34,856 and \$1,341, respectively.

The County leases office space to Southwest Iowa Mental Health and Disabilities Services Region. Effective July 1, 2022, the County entered into a five-year agreement for \$34,250 per annum and an implicit interest rate of 3.0%. During the year ended June 30, 2023, the County received \$34,250 in principal.

Governmental activities future principal and interest lease receivables as of June 30, 2023, are as follows:

Year Ending June 30,	Land			Office Space		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 21,767	832	22,599	\$ 30,431	3,819	34,250
2025	8,483	517	9,000	31,344	2,906	34,250
2026	8,738	262	9,000	32,284	1,966	34,250
2027	-	-	-	33,252	998	34,250
	<u>\$ 38,988</u>	<u>1,611</u>	<u>40,599</u>	<u>\$ 127,311</u>	<u>9,689</u>	<u>137,000</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 52,198	4,651	56,849
2025	39,827	3,423	43,250
2026	41,022	2,228	43,250
2027	33,252	998	34,250
	<u>\$ 166,299</u>	<u>11,300</u>	<u>177,599</u>

(7) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 310,311
Special Revenue:		
Rural Services		364
Secondary Roads		1,505
Conservation Local Option Tax		2,158
Community Improvement to Increase Economic Stability		29,340
Capital Projects		746
Total for governmental funds		<u>\$ 344,424</u>
Custodial:		
Mental Health Region	Collections	\$ 44,668
Schools		552,017
Community Colleges		52,515
Corporations		508,334
Auto License and Use Tax		2,812,031
All other		656,190
Total for custodial funds		<u>\$ 4,625,755</u>

(8) Long-Term Liabilities

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

Governmental Activities:	Lease Agreements	General Obligation Bonds	General Obligation Capital Loan Notes	Compensated Absences	Net Pension Liability (asset)	Total OPEB Liability	Total
							Total
Balance beginning of year	\$ 73,000	18,640,000	5,530,000	2,605,887	(10,591,432)	2,537,464	18,794,919
Increases	225,330	-	1,745,000	2,453,173	15,692,610	236,210	20,352,323
Decreases	36,712	875,000	2,085,000	2,384,387	-	522,669	5,903,768
Balance end of year	<u>\$ 261,618</u>	<u>17,765,000</u>	<u>5,190,000</u>	<u>2,674,673</u>	<u>5,101,178</u>	<u>2,251,005</u>	<u>33,243,474</u>
Due within one year	<u>\$ 29,525</u>	<u>880,000</u>	<u>2,165,000</u>	<u>1,671,391</u>	<u>-</u>	<u>112,885</u>	<u>4,858,801</u>

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

Business Type Activities:	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
				Total
Balance beginning of year	\$ -	-	-	-
Increases	10,912	26,785	18,532	56,229
Decreases	1,825	-	3,492	5,317
Balance end of year	<u>\$ 9,087</u>	<u>26,785</u>	<u>15,040</u>	<u>50,912</u>
Due within one year	<u>\$ 3,052</u>	<u>-</u>	<u>754</u>	<u>3,806</u>

Lease Agreements

On July 23, 2008, the County had entered into a lease agreement for land to erect a communications tower and related facilities with Wayne C. Brandes Revocable Trust who reserved the right to renegotiate the amount of rent on January 1, 2023. The term of the lease shall be five years starting on January 1, 2009, with the option to renew the lease for five additional 5-year terms. Due to the unknown amount of rent for calendar year 2023 and subsequent periods the lease was not disclosed in the audit report ending June 30, 2022. As of January 1, 2023 an initial lease liability was recorded in the amount of \$225,330. The agreement requires annual payments on or before the first day of January and shall be adjusted by 3% times the rent paid for the previous calendar year. An initial payment was made on December 15, 2022 for \$15,127, with an implicit interest rate of 4.0%. Final payment is to be made on or before January 1, 2038. During the year ended June 30, 2023, principal paid was \$15,127.

On October 1, 2019, the County had entered into a lease agreement for space to house County offices with an initial lease liability of \$128,613. The agreement requires monthly payments of \$1,983 over 6 years, with an implicit interest rate of 3.5% and final payment due September 1, 2025. During the year ended June 30, 2023, the County paid principal of \$21,585 and interest of \$2,211.

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

Year Ending June 30,	Land			County Offices		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 7,172	8,408	15,580	\$ 22,353	1,443	23,796
2025	7,927	8,121	16,048	23,148	648	23,796
2026	8,725	7,804	16,529	5,914	35	5,949
2027	9,570	7,455	17,025	-	-	-
2028	10,463	7,073	17,536	-	-	-
2029-2033	67,597	28,296	95,893	-	-	-
2034-2038	98,749	12,417	111,166	-	-	-
	<u>\$ 210,203</u>	<u>79,574</u>	<u>289,777</u>	<u>\$ 51,415</u>	<u>2,126</u>	<u>53,541</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 29,525	9,851	39,376
2025	31,075	8,769	39,844
2026	14,639	7,839	22,478
2027	9,570	7,455	17,025
2028	10,463	7,073	17,536
2029-2033	67,597	28,296	95,893
2034-2038	98,749	12,417	111,166
	<u>\$ 261,618</u>	<u>81,700</u>	<u>343,318</u>

General Obligation Bonds

On October 27, 2020, the County issued \$2,045,000 of general obligation local option sales and services tax bond with an interest rate of 1.00% per annum to pay costs of land acquisition and construction and equipping of county shops to service secondary roads. During the year ended June 30, 2023, the County paid principal of \$190,000 and interest of \$16,600 on the bond.

On August 18, 2021, the County issued \$12,000,000 general obligation urban renewal bonds with an interest rate of 2% per annum to pay costs of planning, undertaking, and carrying out urban renewal projects. During the year ended June 30, 2023, the County paid principal of \$400,000 and interest of \$227,000 on the bonds.

On October 12, 2021, the County issued \$5,955,000 general obligation local option sales tax bonds with an interest rate of 2% per annum to pay costs of land acquisition, construction and equipping of county shops to service secondary roads. During the year ended June 30, 2023, the County paid principal of \$285,000 and interest of \$112,600 on the bonds.

Year Ending June 30,	Issued Oct 27, 2020			Issued Aug 18, 2021		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	1.00%	\$ 195,000	14,700	2.00%	\$ 400,000	219,000
2025	1.00	200,000	12,750	2.00	725,000	211,000
2026	1.00	205,000	10,750	2.00	740,000	196,500
2027	1.00	210,000	8,700	2.00	800,000	181,700
2028	1.00	215,000	6,600	2.00	825,000	165,700
2029-2033	1.00	445,000	6,700	2.00	4,500,000	571,000
2034-2036		-	-	2.00	2,960,000	119,200
Total		\$ 1,470,000	60,200		\$ 10,950,000	1,664,100

Year Ending June 30,	Issued Oct 12, 2021			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2024	2.00%	\$ 285,000	106,900	\$ 880,000	340,600	1,220,600
2025	2.00	290,000	101,200	1,215,000	324,950	1,539,950
2026	2.00	290,000	95,400	1,235,000	302,650	1,537,650
2027	2.00	295,000	89,600	1,305,000	280,000	1,585,000
2028	2.00	295,000	83,700	1,335,000	256,000	1,591,000
2029-2033	2.00	2,245,000	314,400	7,190,000	892,100	8,082,100
2034-2036	2.00	1,645,000	64,300	4,605,000	183,500	4,788,500
Total		\$ 5,345,000	855,500	\$ 17,765,000	2,579,800	20,344,800

General Obligation Capital Loan Notes

On June 7, 2016, the County issued \$4,670,000 of general obligation capital loan refunding notes with interest rates ranging from 2.00% to 2.25% per annum. A portion of the notes (\$1,850,000) was issued to pay for improvements and equipment in County offices, a sprinkler system, improvements, equipment and repair of the County jail, all essential county purposes. A portion of the notes (\$600,000) was issued to pay costs of body cameras and vehicles for the Sheriff's department, general county purposes. A portion of the notes (\$2,220,000) was issued as a current refunding to retire the outstanding balance of general obligation capital loan notes issued October 27, 2009. During the year ended June 30, 2023, the County paid principal of \$90,000 and interest of \$10,125 on the notes.

On March 6, 2018, the County issued \$5,260,000 of general obligation capital loan notes with interest rates ranging from 1.45% to 2.25% per annum. A portion of the notes (\$550,000) was issued to pay for equipping public buildings and computers and software from the Zuercher Suite pertaining to document management, storage and retrieval. A portion of the notes (\$1,300,000) was issued to pay for peace officer communications equipment and other emergency services communication equipment and system provided in the Zuercher Suite, radio upgrades and improvements to the Carson Tower. A portion of the notes (\$520,000) was issued to pay for the cost of equipping, remodeling and reconstruction of the Sheriff's Department and the Jail. A portion of the notes (\$370,000) was issued to pay for the works and facilities useful for the collections and disposal of solid waste, including vehicles and buildings used for recycling. A portion of the notes (\$120,000) was issued to pay for the equipping of public buildings, including the digitalization of records in the County Recorder's Office. A portion of the notes (\$300,000) was issued to pay for equipping, remodeling and reconstruction of the courthouse basement. A portion of the notes (\$900,000) was issued to pay for equipping, remodeling and reconstruction of the first floor of the courthouse. A portion of the notes (\$900,000) was issued to pay for architectural and engineering studies, plans and designs for the future equipping, remodeling, reconstruction and extension of the current Law Enforcement Center building. A portion of the notes (\$300,000) was issued to pay for the costs of vehicles for the Sheriff's Department. During the year ended June 30, 2023, the County paid principal of \$700,000 and interest of \$26,400 on the notes.

On October 27, 2020, the County issued \$4,610,000 of general obligation capital loan notes with an interest rate of 3% per annum. A portion of the notes (\$900,000) was issued to pay costs of equipping, remodeling or reconstruction of public buildings including equipping the Courthouse with a fiber network and for software and card readers for multiple doors on County buildings. A portion of the notes (\$455,000) to pay for the costs of peace officers communication equipment and other emergency services communication equipment and systems including a vehicle for emergency response situations. A portion of the notes (\$45,000) to pay the costs of a risk management vehicle and, (\$300,000) to pay the costs of sheriffs' vehicles. A portion of the notes (\$300,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including a maintenance building and shower facility at Botna Bend Park. A portion of the notes (\$280,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including a new dock and asphalt parking at Narrows Park. A portion of the notes (\$150,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including RV hook-ups and hard surface roads at Old Towne Park. A portion of the notes (\$180,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including a shower facility at Arrowhead Park. A portion of the notes (\$300,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including entrance renovation, a 3-lane entry and additional parking at Hitchcock Park. A portion of the notes (\$200,000) for acquisition and development of land for a public park or other recreation or conservation purpose, including road resurfacing at County Parks. A portion of the notes (\$600,000) was issued to pay costs of equipping, remodeling or reconstruction of public buildings including equipping jail with programable logic control upgrades. A portion of the notes (\$900,000) was issued to pay costs of equipping, remodeling or reconstruction of public buildings including equipping the courthouse with access controls and video surveillance and the jail with camera upgrades. During the year ended June 30, 2023, the County paid principal of \$750,000 and interest of \$64,800 on the notes.

On August 18, 2021 the County issued \$1,905,000 general obligation capital loan notes with an interest rate of 2% per annum. A portion of the notes (\$1,175,000) was issued to pay the costs of acquisition and development of land for a public parks or conservation purposes. A portion of the notes (\$300,000) to pay the costs and acquisition and equipping sheriff vehicles. A portion of notes (\$25,000) for the cost of acquisition and equipping a vehicle for planning and zoning. A portion of the notes (\$300,000) to pay the costs of acquiring and equipping of a road grader for secondary roads. A portion of the notes (\$60,000) to pay the costs of equipping public buildings including computer hardware and software upgrades. A portion of the notes (\$45,000) to pay the costs of issuing the obligations. During the year ended June 30, 2023, the County paid principal of \$225,000 and interest of \$33,600 on the bonds.

On August 17, 2022, the County issued \$1,745,000 general obligation capital loan notes with an interest rate of 4% per annum. A portion of the notes (55,500) was used to pay bond legal fees. A portion of the notes (487,000) was issued to equip and remodel the Courthouse, County Jail and Sheriff's office, and construction of a new storage shed for the County Jail and Sheriff's office. A portion of the notes (172,500) to pay for peace officer equipment and other emergency services communication equipment. A portion of the notes (300,000) was issued to acquire and equip new Sheriff vehicles for the operations of the county and the health and safety of its citizens. A portion of the notes (300,000) will be used to acquire new mowing equipment for secondary roads department. A portion of the notes (300,000) will be used for the acquisition and development of a public park or other recreation or conservation purpose, approximately 9 sites and 10 full hookups at Arrowhead Park. A portion of the notes (40,000) will be used to pay for the development and acquisition of land, including the improvement, reconstruction and equipping of existing camping cabins at Arrowhead Park. A portion of the notes (90,000) will pay for the development and improvement of Hitchcock Park. During the year ended June 30, 2023, the County Paid principal of \$320,000 and interest of \$55,064 on the bonds.

Annual debt service requirements to maturity for the general obligation capital loan notes are as follows:

Year Ending June 30,	Issued Jun 7, 2016			Issued Mar 6, 2018		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	2.00%	\$ 90,000	8,325	2.25%	\$ 520,000	11,700
2025	2.25	95,000	6,525	-	-	-
2026	2.25	95,000	4,388	-	-	-
2027	2.25	100,000	2,250	-	-	-
2028	-	-	-	-	-	-
2029-2032	-	-	-	-	-	-
Total		<u>\$ 380,000</u>	<u>21,488</u>		<u>\$ 520,000</u>	<u>11,700</u>

Year Ending June 30,	Issued Oct 27, 2020			Issued Aug 18, 2021		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2024	3.00%	\$ 750,000	42,300	2.00%	\$ 230,000	29,100
2025	3.00	660,000	19,800	2.00	235,000	24,500
2026	-	-	-	2.00	240,000	19,800
2027	-	-	-	2.00	245,000	15,000
2028	-	-	-	2.00	250,000	10,100
2029-2032	-	-	-	2.00	255,000	5,100
Total		<u>\$ 1,410,000</u>	<u>62,100</u>		<u>\$ 1,455,000</u>	<u>103,600</u>

Year Ending June 30,	Issued Aug 17, 2022			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
2024	4.00%	\$ 575,000	57,000	\$ 2,165,000	148,425	2,313,425
2025	4.00	325,000	34,000	1,315,000	84,825	1,399,825
2026	4.00	150,000	21,000	485,000	45,188	530,188
2027	4.00	125,000	15,000	470,000	32,250	502,250
2028	4.00	125,000	10,000	375,000	20,100	395,100
2029-2032	4.00	125,000	5,000	380,000	10,100	390,100
		<u>\$ 1,425,000</u>	<u>142,000</u>	<u>\$ 5,190,000</u>	<u>340,888</u>	<u>5,530,888</u>

(9) Pension Plan

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

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

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

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

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

The formula used to calculate a Sheriff’s, deputy’s and protection occupation member’s monthly IPERS benefit includes:

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

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

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

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

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

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 8.76% of covered payroll, for a total rate of 17.52%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2023 totaled \$3,088,527.

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 \$5,127,963 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.135727% which was a decrease of 2.932235% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$601,244. 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	\$ 1,465,288	136,929
Changes of assumptions	7,903	784,961
Net difference between projected and actual earnings on IPERS' investments	-	1,611,619
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	715,092	376,934
County contributions subsequent to the measurement date	<u>3,088,527</u>	<u>-</u>
Total	<u>\$ 5,276,810</u>	<u>2,910,443</u>

\$3,088,527 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	\$ (1,330,148)
2025	(949,792)
2026	(1,993,849)
2027	3,582,298
2028	<u>(30,669)</u>
Total	<u>\$ (722,160)</u>

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

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

Discount Rate – The discount rate used to measure the total pension 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)	\$ 18,697,480	5,127,963	(6,801,807)

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.

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

(10) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, 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 Pottawattamie 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	8
Active employees	<u>452</u>
Total	<u>460</u>

Total OPEB Liability – The County's total OPEB liability of \$2,266,045 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)	3.00% per annum.
Rates of salary increase (effective June 30, 2023)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2023)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	5.00% for all years

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% 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 RP 2014 annuitant distinct mortality table adjusted to 2006 with MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 2,537,464</u>
Changes for the year:	
Service cost	132,506
Interest	56,444
Changes of benefit terms	63,284
Differences between expected and actual experiences	2,508
Changes in assumptions	(412,522)
Benefit payments	<u>(113,639)</u>
Net changes	<u>(271,419)</u>
Total OPEB liability end of year	<u>\$ 2,266,045</u>

Changes of assumptions reflect a change in the discount rate from 2.16% in fiscal year 2022 to 3.65% 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 (2.65%) or 1% higher (4.65%) than the current discount rate.

	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$ 2,481,756	2,266,045	2,071,031

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 (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 2,012,348	2,266,045	2,565,044

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense of \$189,245. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 299,064	93,036
Changes in assumptions	416,131	375,020
Total	<u>\$ 715,195</u>	<u>468,056</u>

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

Year Ending June 30,	Amount
2024	\$ 50,650
2025	50,650
2026	50,650
2027	50,650
2028	47,509
Thereafter	(2,970)
	<u>\$ 247,139</u>

(11) 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 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 \$831,814.

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

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$5,000,000 and \$500,000, 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.

(12) Employee Health Insurance Plan

The Internal Services, Employee Group Health Fund was established to accumulate and allocate health insurance costs internally among the County's various functions and 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 Employee Benefit Systems (EBS). The agreement is subject to automatic renewal provisions. The County self-funds up to \$4,000 per individual or \$8,000 per family, with employees contributing the first \$750 and \$1,500, respectively.

Administrative service fees and premiums are paid monthly from the County's operating funds to a separate account administered by EBS. During the year ended June 30, 2024, the County paid \$9,348,808 to the EBS account. The cash balance held by EBS was \$295,049 at year end.

(13) Deferred Compensation Plan

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

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

(14) Development Agreements

On April 21, 2021, The County entered into a development agreement with Armstrong Investments LLC (developer). The Developer repaired waterlines and a road located in the Industrial Park Urban Renewal Area. As part of the construction the Developer is paying certain costs related to repairing water lines which will serve the Developer and other property situated within the Industrial Park. The County agreed to make ten annual tax increment financing rebate payments to the Developer, not to exceed the lesser of actual costs or a cumulative total of \$200,000. At June 30, 2023 actual total costs on the agreement were \$158,679. The Developer further acknowledged and agreed that before making any Development Property TIF available to fund the payments to the Developer, the County will first deduct therefrom an amount sufficient to pay the Debt Service on the County Internal Advance. This debt was not certified as tax increment financing debt until fiscal year 2023. See footnote 3 for additional information.

The County's obligation is limited to the amount of tax increment financing receipts. These agreements are not general obligations of the County. However, the agreements are subject to the constitutional debt limitation of the County.

(15) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the County provided tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15 and 403 of the Code of Iowa. For these types of projects, the other entities enter into agreements with developers which require the other entities, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the other entities as part of these agreements.

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 Council Bluffs	Urban renewal and economic development projects	\$ 384,097
City of Treynor	Urban renewal and economic development projects	5,031
City of Underwood	Urban renewal and economic development projects	30,451
City of Walnut	Urban renewal and economic development projects	19,888

(16) Construction Commitment

The County has entered into contracts including change orders totaling \$18,036,175 for various county projects. As of June 30, 2023, costs of \$11,463,165 have been incurred. The \$6,573,010 balance remaining on the contract at June 30, 2023 will be paid as work on the projects progress.

(17) Jointly Governed Organization

The County participates in the Southwest Iowa Juvenile Emergency Services Board, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. Financial transactions of this organization are included in the County's financial statements as a Custodial Fund because of the County's fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2023:

Additions:

Reimbursements from Counties:

Pottawattamie County	\$ 1,127,152	
Shelby County	84,063	
Harrison County	122,553	
Cass County	181,982	
Audubon County	35,411	
Mills County	117,165	
Montgomery County	70,360	
Fremont County	89,759	
Page County	<u>90,375</u>	\$ 1,918,820
State direct receiving grant		45,000
State reimbursement		307,223
Interest on investments		6,080
Miscellaneous		<u>24,219</u>
Total additions		2,301,342
Deductions:		
Salaries	1,096,162	
Employee benefits	456,230	
Commodities and nutrition services	65,187	
Office supplies	25,514	
Communications and transportation	3,886	
Professional services	17,804	
Utilities	25,163	
Building repair and maintenance	114,635	
Insurance	63,838	
Refunds to counties	243,300	
Miscellaneous	<u>8,483</u>	<u>2,120,202</u>
Net		181,140
Balance beginning of year		<u>654,968</u>
Balance end of year		<u>\$ 836,108</u>

(18) Voluntary Termination Benefit Program for the County Assessor’s Office

A voluntary termination benefit program has been established for County Assessor employees. The program allows employees who are eligible, upon a bona fide retirement, to use the value of their unused sick leave to pay the employer’s share of the monthly premium of the County Assessor group health insurance plan after their retirement.

Upon retirement, employees shall first receive cash payment for accumulated, unused sick leave, converted at the employee’s current regular hourly rate of pay, up to \$3,000, payable with the final payroll warrant which includes the employee’s retirement date.

The value of the remaining balance of the accrued sick leave will be converted based upon the original balance (before the cash payment). The remainder of the sick leave value is calculated as follows, based on the number of the employee’s sick leave hours before the cash payment:

<u>If the sick leave balance is:</u>	<u>The conversion rate is:</u>
Zero to 750 hours	60% of the value
Over 750 hours to 1,500 hours	80% of the value
Over 1,500 hours	100% of the value

The final calculated dollar value will be credited to the employee’s Sick Leave upon Retirement account. Each month, the County Assessor’s Office will pay 100% of the employer’s share of the selected group health insurance premium from the retiree’s Sick Leave upon Retirement account. The retiree is responsible for any additional premiums associated with the employee/retiree share.

The County Assessor’s Office will continue to pay its share of the health insurance premium each month until the converted value of the retiree’s Sick Leave upon Retirement balance is exhausted, the employee is eligible for Medicare or the employee waives the benefit, whichever comes first. The converted value of the sick leave can only be applied to the County Assessors’ Office’s share of health insurance premium payments.

All program benefits are financed on a pay-as-you-go basis by the County Assessor’s Office. A compensated absences liability of \$345,021 has been recorded in the Custodial, County Assessor Fund for this benefit program.

For the year ended June 30, 2023, two employees have retired and received benefits totaling \$11,552 under the Sick Leave upon Retirement program.

(19) Transfer Station Closure Care

To comply with state regulations, the County is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the County is required to maintain a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station in the current year.

The total closure care costs for the County as of June 30, 2023 have been estimated at \$6,842. The County has restricted \$11,000 at June 30, 2023 in the Special Revenue, Rural Services Fund to cover these costs.

(20) Error Correction

Beginning net position for governmental activities and business type activities were restated to properly report the beginning balance for capital assets, as follows:

	Governmental Activities		Business Type Activities	
	Capital Assets	Net Investment in Capital Assets	Capital Assets	Net Investment in Capital Assets
Balances June 30, 2022, as previously reported	\$ 135,293,078	126,669,149	-	-
Change to move capital assets to the Enterprise, Mt. Crescent Ski Area	(2,332,524)	(2,332,524)	2,332,524	2,332,524
Balances July 1, 2022, as restated	<u>\$ 132,960,554</u>	<u>124,336,625</u>	<u>2,332,524</u>	<u>2,332,524</u>

Pottawattamie County

Required Supplementary Information

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

Required Supplementary Information

Year ended June 30, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 55,079,779	-	55,079,779
Interest and penalty on property tax	332,362	-	332,362
Intergovernmental	24,840,160	-	24,840,160
Licenses and permits	365,164	-	365,164
Charges for service	3,561,698	-	3,561,698
Use of money and property	1,264,489	41,535	1,222,954
Miscellaneous	3,346,822	440,277	2,906,545
Total receipts	<u>88,790,474</u>	<u>481,812</u>	<u>88,308,662</u>
Disbursements:			
Public safety and legal services	36,336,318	-	36,336,318
Physical health and social services	4,994,326	-	4,994,326
County environment and education	7,610,359	250,845	7,359,514
Roads and transportation	15,179,980	-	15,179,980
Governmental services to residents	2,253,073	-	2,253,073
Administration	15,064,603	-	15,064,603
Debt service	3,510,689	-	3,510,689
Capital projects	9,589,639	-	9,589,639
Total disbursements	<u>94,538,987</u>	<u>250,845</u>	<u>94,288,142</u>
Excess (deficiency) of receipts over (under) disbursements	(5,748,513)	230,967	(5,979,480)
Other financing, sources, net	<u>2,139,532</u>	<u>-</u>	<u>2,139,532</u>
Change in balances	(3,608,981)	230,967	(3,839,948)
Balance beginning of year	<u>85,798,080</u>	<u>1,001,433</u>	<u>84,796,647</u>
Balance end of year	<u>\$ 82,189,099</u>	<u>1,232,400</u>	<u>80,956,699</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
54,304,792	54,404,792	674,987
147,000	147,000	185,362
24,326,996	25,006,011	(165,851)
307,300	307,300	57,864
3,030,375	3,925,525	(363,827)
246,255	314,255	908,699
2,368,250	5,077,250	(2,170,705)
<u>84,730,968</u>	<u>89,182,133</u>	<u>(873,471)</u>
36,858,953	37,058,953	722,635
5,270,775	5,608,651	614,325
15,905,346	19,716,496	12,356,982
17,014,270	17,689,270	2,509,290
2,557,037	2,557,037	303,964
17,275,661	20,917,961	5,853,358
3,494,250	3,935,116	424,427
13,661,200	18,683,041	9,093,402
<u>112,037,492</u>	<u>126,166,525</u>	<u>31,878,383</u>
(27,306,524)	(36,984,392)	31,004,912
1,745,000	1,745,000	394,532
(25,561,524)	(35,239,392)	31,399,444
78,279,482	78,279,482	6,517,165
<u>52,717,958</u>	<u>43,040,090</u>	<u>37,916,609</u>

Pottawattamie County
 Budgetary Comparison Schedule – Budget to GAAP Reconciliation
 Required Supplementary Information
 Year ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 88,790,474	(1,168,525)	87,621,949
Expenditures	94,538,987	(3,084,599)	91,454,388
Net	(5,748,513)	1,916,074	(3,832,439)
Other financing sources, net	2,139,532	(80,308)	2,059,224
Beginning fund balances	85,798,080	(11,905,277)	73,892,803
Ending fund balances	<u>\$ 82,189,099</u>	<u>(10,069,511)</u>	<u>72,119,588</u>

See accompanying independent auditor's report.

Pottawattamie County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$14,129,033. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements did not exceed the amount budgeted by function. However, disbursements in one department exceeded the amount appropriated at year end.

Pottawattamie County

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

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability (asset)	0.135727%	3.067962% **	0.246463%	0.215954%
County's proportionate share of the net pension liability (asset)	\$ 5,128	(10,591)	17,313	12,505
County's covered payroll	\$ 31,661	31,154	29,369	28,360
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	16.20%	(34.00)%	58.95%	44.09%
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 amount 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
0.220005%	0.254000%	0.245823%	0.218903%	0.198134%
13,922	16,920	15,470	10,815	7,858
26,891	27,371	25,415	24,863	24,508
51.77%	61.82%	60.87%	43.50%	32.06%
83.62%	82.21%	81.82%	85.19%	87.61%

Pottawattamie 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	\$ 3,089	2,952	2,942	2,829
Contributions in relation to the statutorily required contribution	<u>(3,089)</u>	<u>(2,952)</u>	<u>(2,942)</u>	<u>(2,829)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 33,222	31,661	31,154	29,369
Contributions as a percentage of covered payroll	9.30%	9.32%	9.44%	9.63%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
2,737	2,474	2,532	2,355	2,324	2,289
(2,737)	(2,474)	(2,532)	(2,355)	(2,324)	(2,289)
-	-	-	-	-	-
28,360	26,891	27,371	25,415	24,863	24,508
9.65%	9.20%	9.25%	9.27%	9.35%	9.34%

Pottawattamie County

Pottawattamie County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

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

Pottawattamie County

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

For the Last Seven Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 132,506	128,647	100,787	97,851
Interest cost	56,444	54,564	79,748	79,562
Changes of benefit terms	63,284	-	-	-
Difference between expected and actual experiences	2,508	-	(127,494)	-
Changes in assumptions	(412,522)	-	293,566	-
Benefit payments	(113,639)	(86,367)	(167,417)	(182,635)
Net change in total OPEB liability	(271,419)	96,844	179,190	(5,222)
Total OPEB liability beginning of year	2,537,464	2,440,620	2,261,430	2,266,652
Total OPEB liability end of year	\$ 2,266,045	2,537,464	2,440,620	2,261,430
Covered-employee payroll	\$ 32,579,732	29,878,200	29,007,961	27,439,137
Total OPEB liability as a percentage of covered-employee payroll	6.96%	8.49%	8.41%	8.24%

See accompanying independent auditor's report.

2019	2018	2017
59,432	57,701	43,437
60,905	60,020	57,423
-	-	-
311,343	-	248,898
240,863	-	125,289
(95,417)	(94,017)	(82,807)
577,126	23,704	392,240
1,689,526	1,665,822	1,273,582
2,266,652	1,689,526	1,665,822
26,639,939	25,355,419	24,616,912
8.51%	6.66%	6.77%

Pottawattamie County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2023

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

- Changed mortality assumptions to RP2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

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	3.65%
Year ended June 30, 2022	2.16%
Year ended June 30, 2021	2.16%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.50%
Year ended June 30, 2018	3.58%
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

Pottawattamie County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	Conservation Local Option Tax	Resource Enhance- ment and Protection	County Recorder's Records Management	Local Government Opioid Abatement	Drainage Districts	Special Soil Conservation District East
Assets						
Cash, cash equivalents and pooled investments:						
County Treasurer Component unit	\$ 194,565	56,216	40,957	608,399	10,754	776,979
Opioid settlement	-	-	-	2,198,983	-	-
Drainage assessments receivable	-	-	-	-	50	-
Due from other governments	17,507	-	-	-	-	17,507
Total assets	\$ 212,072	56,216	40,957	2,807,382	10,804	794,486
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 13,037	-	100	-	-	4,166
Advance from other funds	-	-	-	-	-	-
Due to other governments	2,158	-	-	-	-	-
Total liabilities	15,195	-	100	-	-	4,166
Deferred inflows of resources:						
Unavailable revenues:						
Other	-	-	-	2,198,983	50	-
Fund balances:						
Restricted for:						
Drainage warrants/drainage improvement certificates	-	-	-	-	10,754	-
Conservation purposes	196,877	-	-	-	-	-
Law enforcement purposes	-	-	-	-	-	-
Opioid abatement	-	-	-	608,399	-	-
Other purposes	-	56,216	40,857	-	-	790,320
Unassigned	-	-	-	-	-	-
Total fund balances	196,877	56,216	40,857	608,399	10,754	790,320
Total liabilities, deferred inflows of resources and fund balances	\$ 212,072	56,216	40,957	2,807,382	10,804	794,486

See accompanying independent auditor's report.

Revenue								
Soil Conservation District West	Conservation Foundation	Animal Shelter Donations	County Attorney Drug Forfeiture	Special Law Enforcement	Industrial Park Urban Renewal	Community Improvement To Increase Economic Stability	Veterans Affairs Donation	Total
566,769	-	24,690	201,853	128,735	-	155,522	16,641	2,782,080
-	1,221,646	-	-	-	-	-	-	1,221,646
-	-	-	-	-	-	-	-	2,198,983
-	-	-	-	-	-	-	-	50
17,507	-	-	-	-	-	-	-	52,521
584,276	1,221,646	24,690	201,853	128,735	-	155,522	16,641	6,255,280
1,821	-	-	-	-	-	-	1,000	20,124
-	-	-	-	-	540,000	-	-	540,000
-	-	-	-	-	-	29,340	-	31,498
1,821	-	-	-	-	540,000	29,340	1,000	591,622
-	-	-	-	-	-	-	-	2,199,033
-	-	-	-	-	-	-	-	10,754
-	1,221,646	-	-	-	-	-	-	1,418,523
-	-	-	-	128,735	-	-	-	128,735
-	-	-	-	-	-	-	-	608,399
582,455	-	24,690	201,853	-	-	126,182	15,641	1,838,214
-	-	-	-	-	(540,000)	-	-	(540,000)
582,455	1,221,646	24,690	201,853	128,735	(540,000)	126,182	15,641	3,464,625
584,276	1,221,646	24,690	201,853	128,735	-	155,522	16,641	6,255,280

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

Year ended June 30, 2023

	Special						
	Conservation Local Option Tax	Resource Enhance- ment and Protection	County Recorder's Records Management	Local Government Opioid Abatement	Drainage Districts	Juvenile Diversion	Soil Conservation District East
Revenues:							
Local option sales tax	\$ 243,856	-	-	-	-	-	243,856
Intergovernmental	-	31,009	-	-	-	-	-
Charges for service	-	-	12,830	-	-	-	-
Use of money and property	-	427	288	-	-	-	-
Miscellaneous	-	-	-	511,700	-	-	-
Total revenues	243,856	31,436	13,118	511,700	-	-	243,856
Expenditures:							
Operating:							
Public safety and legal services	-	-	-	-	-	-	-
Physical health and social services	-	-	-	-	-	7,204	-
County environment and education	292,821	15,446	-	-	-	-	136,904
Governmental services to residents	-	-	16,119	-	-	-	-
Total expenditures	292,821	15,446	16,119	-	-	7,204	136,904
Excess (deficiency) of revenues over (under) expenditures	(48,965)	15,990	(3,001)	511,700	-	(7,204)	106,952
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Change in fund balances	(48,965)	15,990	(3,001)	511,700	-	(7,204)	106,952
Fund balances beginning of year	245,842	40,226	43,858	96,699	10,754	7,204	683,368
Fund balances end of year	\$ 196,877	56,216	40,857	608,399	10,754	-	790,320

See accompanying independent auditor's report.

Revenue										
Soil Conservation District West	Conservation Foundation	Animal Shelter Donations	County Attorney Drug Forfeiture	Special Law Enforcement	Hitchcock Nature Area	Industrial Park Urban Renewal	Community Improvement To Increase Economic Stability	Veterans Affairs Donation		Total
243,856	-	-	-	-	-	-	-	-	-	731,568
-	-	-	4,883	8,013	-	-	-	-	-	43,905
-	-	-	-	-	-	-	-	-	-	12,830
-	41,535	-	-	-	-	-	-	-	-	42,250
-	440,277	1,123	-	-	-	-	31,697	9,479	-	994,276
243,856	481,812	1,123	4,883	8,013	-	-	31,697	9,479	-	1,824,829
-	-	-	100,000	1,440	-	-	-	-	-	101,440
-	-	-	-	-	-	-	-	3,260	-	10,464
105,629	250,845	1,260	-	-	-	540,000	31,198	-	-	1,374,103
-	-	-	-	-	-	-	-	-	-	16,119
105,629	250,845	1,260	100,000	1,440	-	540,000	31,198	3,260	-	1,502,126
138,227	230,967	(137)	(95,117)	6,573	-	(540,000)	499	6,219	-	322,703
-	-	-	-	-	-	-	-	4,164	-	4,164
-	-	-	-	-	(437)	-	-	-	-	(437)
-	-	-	-	-	(437)	-	-	4,164	-	3,727
138,227	230,967	(137)	(95,117)	6,573	(437)	(540,000)	499	10,383	-	326,430
444,228	990,679	24,827	296,970	122,162	437	-	125,683	5,258	-	3,138,195
582,455	1,221,646	24,690	201,853	128,735	-	(540,000)	126,182	15,641	-	3,464,625

Pottawattamie County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Mental Health Region	Schools	Community Colleges
Assets						
Cash, cash equivalents and pooled investments:						
County Treasurer	\$ -	4,065	1,248,181	1,869,769	552,017	52,515
Other County officials	430,986	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	1,571	5,190	-	213,721	20,827
Succeeding year	-	638,000	1,812,000	-	77,786,000	7,898,000
Accounts	21	-	-	13,509	-	-
Special assessments	-	-	-	-	-	-
Drainage assessments	-	-	-	-	-	-
Due from other governments	-	-	-	708	-	-
Prepaid items	-	-	-	177,445	-	-
Total assets	431,007	643,636	3,065,371	2,061,431	78,551,738	7,971,342
Liabilities						
Accounts payable	-	-	8,272	375,504	-	-
Stamped warrants payable	-	-	-	-	-	-
Salaries and benefits payable	-	-	45,316	-	-	-
Due to other governments	314,573	4,065	3,135	44,668	552,017	52,515
Trusts payable	116,434	-	-	-	-	-
Compensated absences	-	-	512,183	-	-	-
Total liabilities	431,007	4,065	568,906	420,172	552,017	52,515
Deferred Inflows of Resources						
Unavailable revenues	-	638,000	1,812,000	-	77,786,000	7,898,000
Net Position						
Restricted for individuals, organizations and other governments	\$ -	1,571	684,465	1,641,259	213,721	20,827

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Special Assessments	SWI Juvenile Emergency Services Board	911 Surcharge	Auto License and Use Tax	Other	Total
508,334	7,160	71,830	-	623,649	655,780	2,812,031	937,470	9,342,801
-	-	-	-	-	-	-	-	430,986
184,446	2,785	-	-	-	-	-	37	428,577
68,926,000	1,277,000	-	-	-	-	-	10,000	158,347,000
-	-	-	-	-	22,420	-	-	35,950
-	-	922,637	325	-	-	-	-	922,962
-	-	174,033	724,250	-	-	-	3,413,145	4,311,428
-	-	-	-	310,973	149,659	-	1,077,575	1,538,915
-	-	-	-	69,698	-	-	-	247,143
69,618,780	1,286,945	1,168,500	724,575	1,004,320	827,859	2,812,031	5,438,227	175,605,762
-	-	-	-	13,017	4,306	-	2,774	403,873
-	-	-	-	-	-	-	3,679,633	3,679,633
-	-	-	-	62,926	-	-	9,810	118,052
508,334	7,160	71,830	-	18,304	-	2,812,031	237,123	4,625,755
-	-	-	-	-	-	-	-	116,434
-	-	-	-	73,965	-	-	25,060	611,208
508,334	7,160	71,830	-	168,212	4,306	2,812,031	3,954,400	9,554,955
68,926,000	1,277,000	-	-	-	-	-	10,000	158,347,000
184,446	2,785	1,096,670	724,575	836,108	823,553	-	1,473,827	7,703,807

Pottawattamie County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Mental Health Region	Schools	Community Colleges
Additions:						
Property and other county tax	\$ -	629,390	1,901,853	-	76,775,831	7,696,802
911 surcharge	-	-	-	-	-	-
State tax credits	-	40,061	124,226	-	3,407,841	596,652
Intergovernmental	-	-	-	6,453,831	-	-
Office fees and collections	2,818,139	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Trusts	7,052,552	-	-	40,124	-	-
Miscellaneous	-	12	587	76,203	-	-
Total additions	<u>9,870,691</u>	<u>669,463</u>	<u>2,026,666</u>	<u>6,570,158</u>	<u>80,183,672</u>	<u>8,293,454</u>
Deductions:						
Agency remittances:						
To other funds	1,551,678	-	-	1,599,541	-	-
To other governments	1,266,461	669,585	2,368,210	7,718,894	80,207,285	8,296,058
Trusts paid out	7,052,552	-	-	-	-	-
Operating expenses	-	-	-	-	-	-
Total deductions	<u>9,870,691</u>	<u>669,585</u>	<u>2,368,210</u>	<u>9,318,435</u>	<u>80,207,285</u>	<u>8,296,058</u>
Changes in net position	-	(122)	(341,544)	(2,748,277)	(23,613)	(2,604)
Net position beginning of year	-	1,693	1,026,009	4,389,536	237,334	23,431
Net position end of year	<u>\$ -</u>	<u>1,571</u>	<u>684,465</u>	<u>1,641,259</u>	<u>213,721</u>	<u>20,827</u>

See accompanying independent auditor's report.

Corporations	Townships	City Special Assessments	Special Assessments	SWI Juvenile Emergency Services Board	911 Surcharge	License and Use Tax	Other	Total
66,292,610	1,228,456	-	-	-	-	-	13,286	154,538,228
-	-	-	-	-	149,363	-	-	149,363
4,898,947	52,621	-	-	-	-	-	893	9,121,241
-	-	-	-	2,295,262	-	-	8,452,671	17,201,764
-	-	-	-	-	-	-	12,837	2,830,976
-	-	-	-	-	-	33,825,037	-	33,825,037
-	-	857,510	724,190	-	-	-	25,654	1,607,354
-	-	-	-	-	-	-	2,277,951	9,370,627
-	-	-	-	6,080	572,044	-	24	654,950
71,191,557	1,281,077	857,510	724,190	2,301,342	721,407	33,825,037	10,783,316	229,299,540
-	-	-	-	142,919	-	966,138	-	4,260,276
71,197,909	1,281,225	825,349	766,138	100,381	446,900	32,858,899	9,328,882	217,332,176
-	-	-	-	-	-	-	165,652	7,218,204
-	-	-	-	1,876,902	-	-	-	1,876,902
71,197,909	1,281,225	825,349	766,138	2,120,202	446,900	33,825,037	9,494,534	230,687,558
(6,352)	(148)	32,161	(41,948)	181,140	274,507	-	1,288,782	(1,388,018)
190,798	2,933	1,064,509	766,523	654,968	549,046	-	185,045	9,091,825
184,446	2,785	1,096,670	724,575	836,108	823,553	-	1,473,827	7,703,807

Pottawattamie County

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

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 50,085,757	49,931,800	47,940,390	46,785,270
Local option sales tax	4,877,118	4,563,168	4,672,432	4,281,173
Interest and penalty on property tax	331,977	370,954	647,035	257,363
Intergovernmental	23,717,800	27,383,439	22,144,689	17,795,586
Licenses and permits	368,198	361,374	378,194	364,289
Charges for service	3,562,627	3,646,145	3,627,681	3,210,669
Use of money and property	1,264,487	221,820	394,846	791,053
Miscellaneous	3,413,985	3,174,129	1,815,164	1,952,439
Total	\$ 87,621,949	89,652,829	81,620,431	75,437,842
Expenditures:				
Operating:				
Public safety and legal services	\$ 33,265,273	30,544,647	29,599,216	28,630,031
Physical health and social services	5,034,093	4,715,364	6,091,234	4,168,025
Mental health	-	2,983,089	2,387,114	1,967,655
County environment and education	6,710,171	11,876,056	5,868,548	5,490,306
Roads and transportation	15,587,685	15,092,434	15,269,158	15,234,656
Governmental services to residents	2,252,263	2,401,794	2,370,740	2,347,702
Administration	14,510,144	16,098,642	13,672,306	8,240,170
Debt service	3,510,689	3,405,304	2,900,022	4,014,081
Capital projects	10,584,070	5,841,163	7,740,323	4,147,726
Total	\$ 91,454,388	92,958,493	85,898,661	74,240,352

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
45,581,389	44,958,746	44,891,722	45,486,380	45,742,273	39,548,540
3,864,062	3,341,048	3,494,236	3,196,050	4,349,793	3,405,980
370,328	355,815	339,351	347,738	384,464	344,692
17,195,198	15,611,477	17,530,095	16,583,665	17,741,021	16,549,486
981,308	208,602	246,073	222,617	349,597	306,705
3,070,466	3,140,296	3,009,434	2,901,437	2,718,505	2,696,599
775,086	458,157	129,399	140,007	147,657	160,514
1,687,670	2,037,362	2,236,008	2,008,879	2,530,247	1,162,080
73,525,507	70,111,503	71,876,318	70,886,773	73,963,557	64,174,596
27,538,819	26,663,989	24,694,953	24,491,150	23,413,305	22,832,688
3,556,376	3,491,566	4,296,741	4,847,817	5,155,835	5,410,187
2,026,370	2,499,749	2,547,003	3,469,916	8,580,556	2,613,398
5,165,521	5,499,199	4,516,085	4,804,455	5,420,349	7,374,041
15,226,457	13,886,826	12,061,549	12,107,500	11,758,649	9,700,321
2,193,031	2,113,367	2,165,946	2,008,389	2,069,334	1,942,339
7,429,696	7,745,381	7,139,445	6,886,005	6,540,195	6,205,492
3,023,707	2,971,908	3,334,750	4,339,507	4,077,315	3,793,670
4,692,556	3,732,016	3,430,468	7,406,853	1,127,231	1,580,254
70,852,533	68,604,001	64,186,940	70,361,592	68,142,769	61,452,390

Schedule 6

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

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Public Health:			
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5881AO52E	\$ 189,456
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5881A091E	10,185
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5883A052	<u>485,002</u>
			<u>684,643</u>
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00002128118	<u>63,501</u>
Total U.S. Department of Agriculture			<u>748,144</u>
U.S. Department of Housing and Urban Development:			
Passed through Iowa of Economic Development Authority:			
Community Development Block Grants/State's, program and Non-Entitlement Grants in Hawaii	14.228	18-DTR-004	35,546
Community Development Block Grants/State's, program and Non-Entitlement Grants in Hawaii	14.228	19-DRMB-006	<u>202,218</u>
Total U.S. Department of Housing and Urban Development			<u>237,764</u>
U.S. Department of Transportation:			
Passed through Omaha - Council Bluffs Metropolitan Area Planning Agency:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	23903100001	<u>60,129</u>
Passed through Iowa Department of Public Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	402-MOPT, Task 74-00-00	1,699
State and Community Highway Safety	20.600	402-MOPT, Task 00-30-00	<u>2,364</u>
			<u>4,063</u>
Total U.S. Department of Transportation			<u>64,192</u>
U.S. Department of Treasury:			
COVID-19, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS			
	21.027	FY23	<u>2,491,689</u>
Total U.S. Department of Treasury			<u>2,491,689</u>
U.S. Department of Health and Human Services:			
Passed through Mills County Board of Health			
Public Health Emergency Preparedness	93.069	5881BT07-E2	<u>8,199</u>
Passed through Iowa Department of Public Health:			
Hospital Preparedness Program(HPP) and Public Health Emergency Preparedness (OHEP) Aligned			
Cooperative Agreements	93.074	5885BT478	<u>280,451</u>
Guardianship Assistance	93.090		<u>17</u>
Affordable Care Act (ACA) Personal Responsibility	93.092	5883CH15P	<u>29,380</u>
Opioid State Targeted Response (STR)	93.136	5882AP05A	<u>11,468</u>
Family Planning Services	93.217	5883FP09	<u>112,603</u>
Immunization Cooperative Agreements	93.268	5883I474	<u>18,895</u>
Public Health Crisis: MonkeyPox	93.354	5883AP05A	<u>2,400</u>
HIV Care Formula Grant	93.917	5882AP05A	86,129
HIV Care Formula Grant	93.917	5883AP05A	<u>66,502</u>
			<u>152,631</u>
HIV Prevention Activites_Health Department Based	93.940	5882AP05A	8,092
HIV Prevention Activites_Health Department Based	93.940	5883AP05A	<u>11,888</u>
			<u>19,980</u>

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

Grantor/Program	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention Program	93.472	00002128118	1,937
Refugee and Entrant Assistance_State Administered Programs	93.566	00002128118	126
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002128118	14,221
Foster Care_Title IV-E	93.658	00002128118	13,189
Adoption Assistance	93.659	00002128118	7,275
Social Services Block Grant	93.667	00002128118	16,445
Children's Health Insurance Program	93.767	00002128118	1,118
Medicaid Cluster:			
Medical Assistance Program	93.778	00002128118	72,486
Total U.S. Department of Health and Human Services			762,821
U.S. Department of Homeland Security:			
Passed through Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4483 DR IA	519,449
Hazard Mitigation Grant Program	97.039	HMPG DR-4421-IA-048	697,232
Total U.S. Department of Homeland Security			1,216,681
Total			\$ 5,521,291

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

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

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

See accompanying independent auditor's report.



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

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Auditor of State

State Capitol Building
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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 Pottawattamie County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Pottawattamie 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 24, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

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.

Pottawattamie County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Pottawattamie County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Pottawattamie 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 Pottawattamie 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 24, 2024

Pottawattamie County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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

To the Officials of Pottawattamie County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Pottawattamie County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Pottawattamie County's major federal program for the year ended June 30, 2023. Pottawattamie County's major federal program is identified in Part 1 of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Pottawattamie County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pottawattamie County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Brian R. Brustkern, CPA
Deputy Auditor of State

October 24, 2024

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

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (e) The audit did not disclose audit findings required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (f) The major program was Assistance Listing Number 21.027 COVID-19, Coronavirus State and Local Recovery Funds.
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (h) Pottawattamie County did not qualify as a low-risk auditee.

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

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 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 capital asset additions and construction in progress were not properly included on the county’s capital asset listing and assets remained on the asset listing after they were disposed, sold or traded. In addition, there were payables which were not recorded correctly in the County’s financial statements. Adjustments were subsequently made by the County to properly record these amounts in the financial statements.

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

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

Recommendation – The County should establish procedures to ensure all capital asset and construction in progress and payables activity is identified and properly reported in the County’s financial statements.

Response – A Fixed Asset policy is in the process of being put in place. There has been so many capital projects and construction in progress the last few years and we rely heavily on our Department Heads/Elected Officials to turn in the fixed asset forms to us. The acquisition and disposal asset have been placed on the intranet for added convenience. We are trying to get the files cleaned up. The Auditor’s Office will put better internal controls in place to prevent these deficiencies in the future. The Auditor’s office will review payables to ensure proper reporting.

Conclusion – Response accepted.

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

2023-002 County Sheriff Jail Account Bank Reconciliations

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

Condition – Bank to book reconciliations were not performed for the jail account for each month during the fiscal year ended June 30, 2023.

Cause – Procedures have not been designed and implemented to ensure the jail account is reconciled, reviewed and approved each month.

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

Recommendation – The County Sheriff should establish procedures to ensure monthly bank reconciliations are performed, reviewed and approved for the jail account, and the independent reviews are documented by the signature or initials of the reviewer and the date of the review.

Response – We will create a policy that requires bank reconciliations to be performed, reviewed and approved monthly for the jail account.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

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

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over the major federal program were noted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part IV: Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023, did not exceed the amounts budgeted by function. However, disbursements in one department exceeded the amount appropriated at year end.

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

Response – The reappropriation process wasn't clearly understood. The Department that went over is a pass-through department. Their fund runs in the negative on a regular basis due to them being on a Federal Government fiscal year which is different than that of the County.

Conclusion – Response accepted.

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

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

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

2023-E Restricted Donor Activity – No transactions were noted between the County, County officials, 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 surety bond coverage should be reviewed annually to ensure coverage is adequate for current operations.

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

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

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

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-J Solid Waste Fees – No instances of noncompliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

2023-K Financial Assurance – The County has elected to demonstrate financial assurance for the landfill transfer station closure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The amount the County has restricted for closure care at June 30, 2023 exceeds the total estimated costs at that date and, accordingly, the costs are fully funded.

2023-L Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the County to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The image of the back of each cancelled check was not obtained for two of the accounts maintained by the County Sheriff's Office.

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

Response – A process has been put in place in the Jail for any cancelled checks. A copy of the front and back of each cancelled check will be electronically stored.

Conclusion – Response accepted.

2023-M Tax Increment Financing (TIF) – Chapter 403.19 of the Code of Iowa provides a municipality shall certify indebtedness to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax to repay the certified indebtedness. We noted the following regarding the County's TIF debt certification. On the County's TIF debt certification due December 1, 2022, the County certified \$900,000, based on a joint agreement between the City of Council Bluffs and Pottawattamie County that TIF indebtedness would not exceed \$900,000. Actual TIF indebtedness was \$840,884. The County over certified TIF indebtedness by \$59,116.

Recommendation – The County should consult TIF legal counsel to determine the disposition of the County's TIF certifications and should work with the County Auditor to ensure the proper amount of debt is certified. The County should ensure the TIF debt certification complies with Chapter 403 of the Code of Iowa and includes only allowable debt approved by the Board of Supervisors prior to certification.

Response – The County will work to determine the correct debt certification needed. We will decertify the excess amount of \$59,116. The County will consult TIF legal counsel to determine the disposition of the County's TIF certifications. In the future we will do our best to ensure that debt certification complies with Chapter 403 of the Code of Iowa and include only allowable debt approved by the Board of Supervisors.

Conclusion – Response accepted.

Pottawattamie County

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

2023-N Financial Condition – Although the Special Revenue, Industrial Park Urban Renewal Fund has a zero cash balance at June 30, 2023, the modified accrual basis unassigned fund balance deficit was \$540,000.

Recommendation – The County should investigate alternatives to eliminate this deficit balance.

Response – The Special Revenue, Industrial Park Urban Renewal Fund will start to generate revenue so the fund can be reimbursed and then will no longer have a deficit balance.

Conclusion – Response accepted.

Pottawattamie County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
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Nichole D. Tucker, Senior Auditor II
April R. Davenport, Senior Auditor
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