



## OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834

Rob Sand  
Auditor of State

### NEWS RELEASE

FOR RELEASE

May 20, 2025

Contact: Brian Brustkern  
515/281-5834

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

#### **FINANCIAL HIGHLIGHTS:**

The County's revenues totaled \$20,667,809 for the year ended June 30, 2024, an 8.37% decrease over the prior year. Expenses for County operations for the year ended June 30, 2024, totaled \$17,978,384, a 2.60% increase over the prior year. The significant decrease in revenues was primarily due to a decrease in secondary road infrastructure contributed by the Iowa Department of Transportation and American Rescue Plan Act funds.

#### **AUDIT FINDINGS:**

Sand reported six findings related to the receipt and expenditure of taxpayer funds. They are found on pages 86 through 90 of this report. The findings address a lack of segregation of duties in the County Sheriff's Office and County Recorder's Office and lack of complete bank reconciliations for the County Sheriff's Commissary account. Also, the budget was exceeded for the non-program function. Sand provided the County with recommendations to address each of these findings.

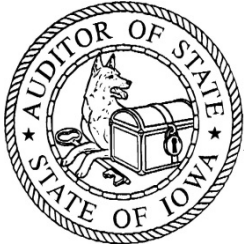
Four of the findings discussed above are repeated from the prior year. The County Board of Supervisors and other elected officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible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

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

# # #

**POWESHIEK COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2024**

**Poweshiek County**



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Telephone (515) 281-5834

Rob Sand  
Auditor of State

May 8, 2025

Officials of Poweshiek County  
Montezuma, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Poweshiek County for the year ended June 30, 2024. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Poweshiek County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

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

Rob Sand  
Auditor of State

## Table of Contents

	<u>Page</u>
Officials	4
Independent Auditor's Report	5-7
Management's Discussion and Analysis	8-15
Basic Financial Statements:	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Position	A 18-19
Statement of Activities	B 21
Governmental Fund Financial Statements:	
Balance Sheet	C 22-23
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D 25
Statement of Revenues, Expenditures and Changes in Fund Balances	E 26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F 28
Proprietary Fund Financial Statements:	
Statement of Net Position	G 29
Statement of Revenues, Expenses and Changes in Fund Net Position	H 30
Statement of Cash Flows	I 31
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position – Custodial Funds	J 32
Statement of Changes in Fiduciary Net Position – Custodial Funds	K 33
Notes to Financial Statements	34-58
Required Supplementary Information:	
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds	60
Budget to GAAP Reconciliation	61
Notes to Required Supplementary Information – Budgetary Reporting	63
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)	64-65
Schedule of County Contributions	66-67
Notes to Required Supplementary Information – Pension Liability	69
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	70-71
Notes to Required Supplementary Information – OPEB Liability	72
Supplementary Information:	<u>Schedule</u>
Nonmajor Governmental Funds:	
Combining Balance Sheet	1 74-75
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2 76-77
Custodial Funds:	
Combining Schedule of Fiduciary Net Position	3 78-79
Combining Schedule of Changes in Fiduciary Net Position	4 80-81
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5 82-83

Table of Contents  
(continued)

	<u>Page</u>
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 <u>Government Auditing Standards</u>	84-85
Schedule of Findings	86-90
Staff	91

**Poweshiek County**

**Officials**

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



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Rob Sand  
Auditor of State

### Independent Auditor's Report

To the Officials of Poweshiek County:

#### Report on the Audit of the Financial Statements

##### Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County, Iowa, as of and for the year ended June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County as of June 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Poweshiek County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### 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 Poweshiek County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the 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 the Poweshiek County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Poweshiek County's ability to continue as a going concern for a reasonable period of time.

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

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 60 through 72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Poweshiek County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 8, 2025 on our consideration of Poweshiek County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Poweshiek County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA  
Deputy Auditor of State

May 8, 2025

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Poweshiek County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### 2024 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities decreased 8.37%, or approximately \$1,887,000 from fiscal year 2023 to fiscal year 2024. Capital grants, contributions and restricted interest decreased approximately \$1,733,000. American Rescue Plan revenues decreased approximately \$1,334,000. The decrease in capital grants and contributions was due primarily to a decrease in infrastructure assets contributed by the Iowa Department of Transportation. The decrease in American Rescue Plan was due to the end of the funding for the program.
- Program expenses of the County's governmental activities increased 2.60%, or approximately \$454,000 from fiscal year 2023 to fiscal year 2024. County environment and education increased approximately \$1,085,000, primarily due to a fund advance for projects in the Secondary Roads Fund. Administration decreased approximately \$1,118,000, primarily due to American Rescue Plan expenses decreasing.
- The County's net position at June 30, 2024, increased 4.82%, or approximately \$2,690,000, over the June 30, 2023, balance.

### USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

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

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

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

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

### *Fund Financial Statements*

The County has three kinds of funds:

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

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Poweshiek County's combined net position at the end of fiscal year 2024 totaled approximately \$58 million, compared to approximately \$56 million at the end of fiscal year 2023. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2024	2023
Current and other assets	\$ 30,246	31,197
Capital assets	48,160	45,329
Total assets	78,406	76,526
Deferred outflows of resources	1,607	1,050
Long-term liabilities	9,340	10,344
Other liabilities	849	1,220
Total liabilities	10,189	11,564
Deferred inflows of resources	11,343	10,220
Net position:		
Net investment in capital assets	42,773	40,149
Restricted	12,590	11,772
Unrestricted	3,118	3,871
Total net position	\$ 58,481	55,792

Net position of Poweshiek County's governmental activities increased 4.82% (approximately \$58 million compared to approximately \$56 million).

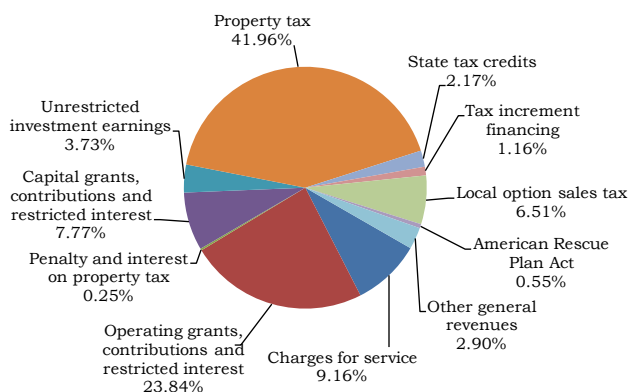
The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$2,624,000, or 6.5%, over the prior year. This increase is primarily due to infrastructure assets contributed by the Iowa Department of Transportation for bridge projects.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$818,000, or 6.9%.

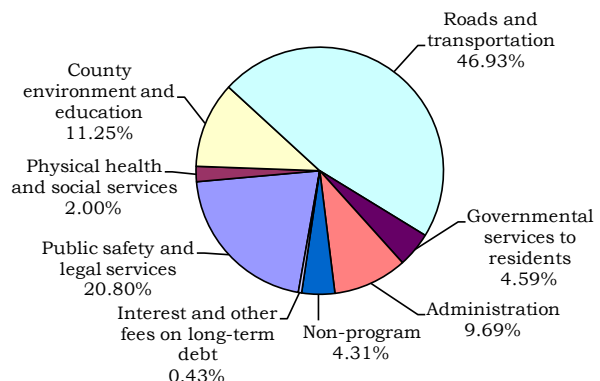
Unrestricted net position – the part of net position which can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$753,000, or 19.4%, from the prior year. The decrease is primarily due to an increase in amounts of advances to/from other funds related to secondary roads projects that will ultimately be funded by tax increment financing.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2024	2023
Revenues:		
Program revenues:		
Charges for service	\$ 1,894	1,893
Operating grants, contributions and restricted interest	4,928	4,667
Capital grants, contributions and restricted interest	1,606	3,339
General revenues:		
Property tax	8,672	8,225
Tax increment financing	240	402
Penalty and interest on property tax	51	61
State tax credits	449	472
Local option sales tax	1,345	1,187
Unrestricted investment earnings	770	559
American Rescue Plan Act	114	1,448
Other general revenues	599	302
Total revenues	20,668	22,555
Program expenses:		
Public safety and legal services	3,740	3,582
Physical health and social services	360	321
County environment and education	2,023	938
Roads and transportation	8,435	8,244
Governmental services to residents	825	673
Administration	1,742	2,860
Non-program	775	803
Interest and other fees on long-term debt	78	103
Total expenses	17,978	17,524
Change in net position	2,690	5,031
Net position beginning of year	55,791	50,760
Net position end of year	\$ 58,481	55,791

**Revenues by Source**



**Expenses by Program**



The County levied property tax rate went from \$6.97394 to \$6.96184 per \$1,000 of taxable valuation for fiscal year 2024, a decrease of less than one percent. Countywide taxable valuations in Poweshiek County have changed as follows: \$1,291,096,169 in fiscal year 2022 to \$1,459,153,922 in fiscal year 2023 to \$1,467,702,358 in fiscal year 2024. Rural taxable valuations in the County have changed as follows: \$867,093,591 in fiscal year 2022 to \$992,782,865 in fiscal year 2023, to \$1,024,104,962 in fiscal year 2024. Based on the increases in the taxable valuations, property tax revenue was budgeted to increase approximately \$354,724 for fiscal year 2024.

Revenues for governmental activities decreased approximately \$1,887,000 from the prior year. Capital grants this year decreased approximately \$1,733,000, or 52%, from the prior year, primarily due to a decrease in Farm to Market projects contributed by the Iowa Department of Transportation. Expenditures for governmental activities increased approximately \$454,000, or 2.60% from the prior year.

The cost of all governmental activities this year was approximately \$18.0 million compared to approximately \$17.5 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$10 million because some of the cost was paid by those directly benefiting from the programs (approximately \$1.9 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$6.5 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, decreased in fiscal year 2024 from approximately \$9,899,000 to approximately \$8,428,000. As discussed above, the County received less in contributions of infrastructure paid for by the Iowa Department of Transportation.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As Poweshiek County completed the year, its governmental funds reported a combined fund balance of approximately \$16.1 million, a decrease of approximately \$2 million from last year's total of approximately \$18.1 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 \$846,000, or 11.25%, compared to the prior year. Expenditures decreased approximately \$620,000, or 8.67%, compared to the prior year. The ending fund balance decreased approximately \$28,000 from the prior year to approximately \$4,616,000. The decrease in revenues is primarily due to a decrease in ARPA funding, approximately \$1.3 million was received in fiscal year 2023, and none in fiscal year 2024. The decrease in expenditures is due primarily to an approximately \$1.3 million decrease in ARPA spending in fiscal year 2024.
- Special Revenue, Rural Services Fund revenues increased approximately \$239,000, or 6.0%, over the prior year. Expenditures increased approximately \$106,000, or 7.4%. The increase in revenues and expenditures is primarily due to increases in property and other tax revenues and county environment and education expense, respectively. The Rural Services Fund ending fund balance decreased approximately \$99,000 from the prior year to approximately \$846,000.
- Special Revenue, Secondary Roads Fund revenues decreased approximately \$58,000, or 1.3%, from the prior year, primarily due to a decrease receipt of federal funds for Department of Transportation projects. Expenditures increased approximately \$145,000, or 1.8%, over the prior year primarily due to increases in road maintenance projects, equipment parts, and non-capital bridge and culvert projects. The Secondary Roads Fund ending fund balance decreased approximately \$62,000 from the prior year to approximately \$4,966,000.
- Special Revenue, Local Option Sales Tax (LOST) Fund revenue increased approximately \$158,000, or 13.3% over the prior year. Transfers out to the Debt Service and Secondary Roads Funds increased approximately \$166,000, or 19.8%. The LOST Fund ending fund balance increased approximately \$342,000 over the prior year to approximately \$3,654,000.

- Special Revenue, Urban Renewal Fund revenues decreased approximately \$164,000, or 39.2% from the prior year. The decrease is primarily due to a decrease in Tax Increment Financing receipts. Expenditures increased approximately \$1,170,000 due to urban renewal project costs increasing over the prior year. The Urban Renewal Fund ending fund balance decreased approximately \$1,111,000 from the prior year to a deficit of approximately \$1,315,000.
- Debt Service Fund revenues increased approximately \$111,000, from approximately \$913,000 in fiscal year 2023 to approximately \$1,023,000 in fiscal year 2024. The increase in revenues was primarily due to an increase in the amount of interest received in fiscal year 2024. Expenditures decreased approximately \$135,000, from approximately \$1,399,000 in fiscal year 2023 to approximately \$1,264,000 in fiscal year 2024. The ending fund balance increased approximately \$161,000 over the prior year to approximately \$337,000.
- The Capital Projects Fund received approximately \$414,000 of federal and state grants in fiscal year 2023 and none in fiscal year 2024. Expenditures decreased approximately \$564,000, or 28.8% over the prior year, due to payments related to the emergency services communications project. The ending fund balance decreased approximately \$1,396,000 from the prior year to approximately \$823,000.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Poweshiek County amended its budget two times. The first amendment was made in December 2023 and resulted in an increase in budgeted disbursements covering four different functions. The second amendment was made in May 2024 and resulted in an increase in the budgeted disbursements for two functions. The budgeted amendments primarily related to increased disbursements at Diamond Lake.

Total disbursements were approximately \$2,463,000 less than the amended budget. Actual disbursements for the public safety and legal services and capital projects functions were approximately \$657,000 and \$1,068,000, respectively, less than budgeted due to more funds being budgeted than disbursed for salaries, fewer vehicle repairs than expected and the radio project not being completed within the fiscal year.

Even with budget amendments, the County exceeded the budgeted amounts in the nonprogram function for the year ended June 30, 2024.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2024, Poweshiek County had approximately \$48 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is a net increase (including additions and deletions) of approximately \$3 million, or 6%, over last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2024	2023 *
Land	\$ 2,093	2,093
Construction in progress	13,997	12,801
Buildings	6,651	6,816
Improvements other than buildings	125	133
Equipment and vehicles	4,692	4,331
Right-to-use leased assets	86	49
Right-to-use subscription assets	-	51
Infrastructure	20,516	19,056
	<u>\$ 48,160</u>	<u>45,330</u>

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

Capital assets contributed by the Iowa Department of Transportation	\$ 1,524
Racom warning sirens construction in progress	1,396
Purchase of four vehicles and an end loader for Secondary Roads	594
County Sheriff and Conservation vehicles	152
Radio System for Sheriff	226
Total	<u>\$ 3,892</u>

The County had depreciation/amortization expense of approximately \$1,960,000 for fiscal year 2024 and total accumulated depreciation/amortization of approximately \$20,814,000 at June 30, 2024. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

**Long-Term Debt**

At June 30, 2024, Poweshiek County had approximately \$5,907,000 of long-term debt outstanding, compared to \$7,050,000 at June 30, 2023.

Outstanding Debt of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2024	2023
General obligation refunding bonds	\$ 1,435	1,985
General obligation communications bond	4,385	4,965
Lease agreements	87	49
IT subscription liability	-	51
Total	\$ 5,907	7,050

Debt decreased as a result of the County making scheduled principal payments on bond, notes and right-to-use lease and IT subscription agreements outstanding. During the year, principal payments totaled \$1,202,837.

The County carries a general obligation bond rating of Aa3 assigned by national rating agencies. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County’s corporate limits. The County’s outstanding general obligation debt of \$5,820,000 (excluding unamortized premiums) is significantly below its constitutional debt limit of approximately \$126 million. Additional information about the County’s long-term debt is presented in Note 7 to the financial statements.

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

Poweshiek County’s elected and appointed officials considered many factors when setting the fiscal year 2024 budget, tax rates and fees charged for various county activities. One of those factors is the economy. Unemployment in the County now stands at 2.7% versus 2.9% a year ago. This compares with the State’s unemployment rate of 2.8% and the national rate of 4.1%.

**CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT**

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

**Poweshiek County**

## **Basic Financial Statements**

**Exhibit A**

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Poweshiek County  
Statement of Net Position  
June 30, 2024

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 18,209,691
Receivables:	
Property tax:	
Delinquent	615
Succeeding year	8,815,000
Succeeding year tax increment financing	1,451,000
Penalty and interest on property tax	6,346
Accounts	10,219
Accrued interest	95,963
Opioid settlement	348,504
Due from other governments	585,049
Inventories	509,348
Prepaid insurance	213,824
Capital assets not being depreciated/amortized	16,089,221
Capital assets, net of accumulated depreciation/amortization	<u>32,071,217</u>
<b>Total assets</b>	<u>78,405,997</u>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	1,287,593
OPEB related deferred outflows	<u>319,181</u>
<b>Total deferred outflows of resources</b>	<u>1,606,774</u>

Poweshiek County  
Statement of Net Position  
June 30, 2024

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Accounts payable	377,865
Accrued interest payable	9,229
Salaries and benefits payable	202,105
Due to other governments	23,976
Unearned revenue	236,105
Long-term liabilities:	
Portion due or payable within one year:	
General obligation notes and bonds	1,150,000
Lease agreement	22,144
Landfill postclosure care	30,000
Compensated absences	235,728
OPEB liability	62,778
Portion due or payable after one year:	
General obligation notes and bonds	4,964,244
Lease agreement	64,898
Compensated absences	66,757
OPEB liability	1,215,191
Net pension liability	<u>1,528,277</u>
<b>Total liabilities</b>	<u>10,189,297</u>
<b>Deferred Inflows of Resources</b>	
Unavailable revenue:	
Property tax revenue	8,815,000
Tax increment financing revenue	1,451,000
Pension related deferred inflows	121,968
OPEB related deferred inflows	<u>954,743</u>
<b>Total deferred inflows of resources</b>	<u>11,342,711</u>
<b>Net Position</b>	
Net investment in capital assets	42,772,976
Restricted for:	
Supplemental levy purposes	280,493
Rural services purposes	755,315
Secondary roads purposes	4,827,109
Conservation land acquisition	212,143
Landfill postclosure care	1,711,933
Debt service	337,467
Capital improvements	3,654,215
Opioid abatement	524,274
Other purposes	287,117
Unrestricted	<u>3,117,721</u>
<b>Total net position</b>	<u>\$ 58,480,763</u>

See notes to financial statements.

**Poweshiek County**

Poweshiek County  
Statement of Activities  
Year ended June 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 3,740,722	526,310	30,428	-	(3,183,984)
Physical health and social services	359,809	25,191	282,747	-	(51,871)
County environment and education	2,023,213	132,156	85,550	-	(1,805,507)
Roads and transportation	8,434,813	180,144	4,156,993	1,606,015	(2,491,661)
Governmental services to residents	825,144	394,574	40,705	-	(389,865)
Administration	1,741,903	24,507	-	-	(1,717,396)
Non-program	774,829	611,086	-	-	(163,743)
Interest on long-term debt	77,951	-	331,748	-	253,797
Total	\$ 17,978,384	1,893,968	4,928,171	1,606,015	(9,550,230)
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					8,016,827
Debt service					654,761
Tax increment financing					239,901
Penalty and interest on property tax					51,202
State tax credits and replacements					449,138
Local option sales tax					1,344,633
Hotel/motel tax					39,861
Unrestricted investment earnings					769,948
Gain on disposition of capital assets					159,803
American Rescue Plan Act					113,924
Miscellaneous					399,657
Total general revenues					12,239,655
Change in net position					2,689,425
Net position beginning of year					55,791,338
Net position end of year					\$ 58,480,763

See notes to financial statements.



Poweshiek County  
Balance Sheet  
Governmental Funds  
June 30, 2024

	Special			
	General	Rural Services	Secondary Roads	Local Option Sales Tax
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 4,868,275	831,351	2,839,465	3,526,064
Receivables:				
Property tax:				
Delinquent	541	-	-	-
Succeeding year	4,387,000	3,776,000	-	-
Succeeding year tax increment financing	-	-	-	-
Penalty and interest on property tax	6,346	-	-	-
Accounts	6,697	2,877	645	-
Accrued interest	95,963	-	-	-
Opioid settlement	-	-	-	-
Due from other governments	72,552	26,174	357,795	128,151
Advance to other funds	-	-	1,329,702	-
Inventories	-	-	509,348	-
Prepaid insurance	66,177	35,388	112,259	-
<b>Total assets</b>	<b>\$ 9,503,551</b>	<b>4,671,790</b>	<b>5,149,214</b>	<b>3,654,215</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 90,779	17,524	101,385	-
Salaries and benefits payable	88,800	31,969	81,336	-
Due to other governments	23,321	155	-	-
Unearned revenue	236,105	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	439,005	49,648	182,721	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	4,387,000	3,776,000	-	-
Succeeding year tax increment financing	-	-	-	-
Other	61,937	-	-	-
Total deferred inflows of resources	4,448,937	3,776,000	-	-
Fund balances:				
Nonspendable:				
Inventories	-	-	509,348	-
Advance to other funds	-	-	1,329,702	-
Prepaid insurance	66,177	35,388	112,259	-
Restricted for:				
Supplemental levy purposes	280,493	-	-	-
Rural services purposes	-	810,754	-	-
Secondary roads purposes	-	-	3,015,184	-
Capital improvements	-	-	-	3,654,215
Landfill postclosure care	-	-	-	-
Debt service	-	-	-	-
Conservation land acquisition	212,143	-	-	-
Capital projects	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	54,261	-	-	-
Unassigned	4,002,535	-	-	-
Total fund balances	4,615,609	846,142	4,966,493	3,654,215
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 9,503,551</b>	<b>4,671,790</b>	<b>5,149,214</b>	<b>3,654,215</b>

See notes to financial statements.

Revenue				
Urban Renewal	Debt Service	Capital Projects	Nonmajor	Total
14,519	337,467	823,053	2,150,857	15,391,051
-	74	-	-	615
-	652,000	-	-	8,815,000
1,451,000	-	-	-	1,451,000
-	-	-	-	6,346
-	-	-	-	10,219
-	-	-	-	95,963
-	-	-	348,504	348,504
-	-	-	377	585,049
-	-	-	-	1,329,702
-	-	-	-	509,348
-	-	-	-	213,824
1,465,519	989,541	823,053	2,499,738	28,756,621
-	-	-	177	209,865
-	-	-	-	202,105
-	-	-	500	23,976
-	-	-	-	236,105
1,329,702	-	-	-	1,329,702
1,329,702	-	-	677	2,001,753
-	652,000	-	-	8,815,000
1,451,000	-	-	-	1,451,000
-	74	-	348,504	410,515
1,451,000	652,074	-	348,504	10,676,515
-	-	-	-	509,348
-	-	-	-	1,329,702
-	-	-	-	213,824
-	-	-	-	280,493
-	-	-	-	810,754
-	-	-	-	3,015,184
-	-	-	-	3,654,215
-	-	-	1,741,933	1,741,933
-	337,467	-	-	337,467
-	-	-	-	212,143
-	-	823,053	-	823,053
-	-	-	175,768	175,768
-	-	-	232,856	287,117
(1,315,183)	-	-	-	2,687,352
(1,315,183)	337,467	823,053	2,150,557	16,078,353
1,465,519	989,541	823,053	2,499,738	28,756,621

**Poweshiek County**

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

June 30, 2024

**Total governmental fund balances (page 23)** \$ 16,078,353

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$68,974,176 and the accumulated depreciation/amortization is \$20,813,738. 48,160,438

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. 410,515

The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 2,650,640

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

Deferred outflows of resources	\$ 1,606,774	
Deferred inflows of resources	<u>(1,076,711)</u>	530,063

Long-term liabilities, including bonds and notes payable, compensated absences payable, landfill postclosure payable, net pension liability, total OPEB liability, lease agreements payable and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (9,349,246)

**Net position of governmental activities (page 19)** \$ 58,480,763

See notes to financial statements.

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

Year ended June 30, 2024

	Special			
	General	Rural Services	Secondary Roads	Local Option Sales Tax
Revenues:				
Property and other county tax	\$ 4,418,512	3,638,279	-	-
Tax increment financing	-	-	-	-
Local option sales tax	-	-	-	1,344,633
Penalty and interest on property tax	49,217	-	-	-
Intergovernmental	700,954	451,070	4,278,040	-
Licenses and permits	128	19,982	112,567	-
Charges for service	620,639	38,822	-	-
Use of money and property	791,705	-	215	-
Miscellaneous	90,077	101,308	87,557	-
Total revenues	6,671,232	4,249,461	4,478,379	1,344,633
Expenditures:				
Operating:				
Public safety and legal services	2,903,571	1,204,369	-	-
Physical health and social services	304,438	58,246	-	-
County environment and education	470,078	195,241	-	-
Roads and transportation	-	-	7,756,711	-
Governmental services to residents	855,311	6,748	-	-
Administration	1,760,336	76,942	-	-
Non-program	156,370	-	-	-
Debt service	-	-	-	-
Capital projects	82,044	-	526,027	-
Total expenditures	6,532,148	1,541,546	8,282,738	-
Excess (deficiency) of revenues over (under) expenditures	139,084	2,707,915	(3,804,359)	1,344,633
Other financing sources (uses):				
Sale of capital assets	-	-	108,820	-
Transfers in	-	-	3,633,531	-
Transfers out	(227,043)	(2,806,488)	-	(1,002,300)
Lease agreements	59,937	-	-	-
Total other financing sources (uses)	(167,106)	(2,806,488)	3,742,351	(1,002,300)
Change in fund balances	(28,022)	(98,573)	(62,008)	342,333
Fund balances beginning of year	4,643,631	944,715	5,028,501	3,311,882
Adjustment - changes from nonmajor fund to major fund	-	-	-	-
Fund balances end of year	\$ 4,615,609	846,142	4,966,493	3,654,215

See notes to financial statements.

Revenue				
Urban Renewal	Debt Service	Capital Projects	Nonmajor	Total
-	654,761	-	-	8,711,552
239,901	-	-	-	239,901
-	-	-	-	1,344,633
-	-	-	-	49,217
-	36,768	-	40,128	5,506,960
-	-	-	-	132,677
-	-	-	3,152	662,613
14,606	331,748	-	8,641	1,146,915
-	-	-	97,173	376,115
254,507	1,023,277	-	149,094	18,170,583
-	-	-	-	4,107,940
-	-	-	-	362,684
1,365,905	-	-	11,532	2,042,756
-	-	-	-	7,756,711
-	-	-	5,729	867,788
-	-	-	-	1,837,278
-	-	-	-	156,370
-	1,264,248	-	-	1,264,248
-	-	1,395,732	1,826	2,005,629
1,365,905	1,264,248	1,395,732	19,087	20,401,404
(1,111,398)	(240,971)	(1,395,732)	130,007	(2,230,821)
-	-	-	-	108,820
-	402,300	-	-	4,035,831
-	-	-	-	(4,035,831)
-	-	-	-	59,937
-	402,300	-	-	168,757
(1,111,398)	161,329	(1,395,732)	130,007	(2,062,064)
-	176,138	2,218,785	1,816,765	18,140,417
(203,785)	-	-	203,785	-
(1,315,183)	337,467	823,053	2,150,557	16,078,353

## Poweshiek County

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

Year ended June 30, 2024

**Change in fund balances - Total governmental funds (page 27)** \$ (2,062,064)

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

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

Expenditures for capital assets	\$ 3,047,826	
Capital assets contributed by the Iowa Department of Transportation	1,523,931	
Right-to-use Leased Capital Assets	59,937	
Depreciation/amortization expense	<u>(1,959,742)</u>	2,671,952

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

159,803

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

Property tax	(103)	
Other	<u>46,538</u>	46,435

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

Issued	(59,937)	
Repaid	<u>1,257,251</u>	1,197,314

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.

521,682

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	1,240	
Accrued interest expense	1,883	
Landfill postclosure	30,000	
OPEB reduction	311,632	
Pension expense	<u>(216,139)</u>	128,616

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

25,687

**Change in net position of governmental activities (page 21)**

\$ 2,689,425

See notes to financial statements.

Poweshiek County  
Statement of Net Position  
Proprietary Fund  
June 30, 2024

	<u>Internal Service - Employee Group Health</u>
<b>Current Assets</b>	
Cash and cash equivalents	\$ 268,640
Investments	<u>2,550,000</u>
Total current assets	2,818,640
<b>Current Liabilities</b>	
Accounts payable	<u>168,000</u>
<b>Net Position</b>	
Restricted for employee health	<u>\$ 2,650,640</u>

See notes to financial statements.



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

Year ended June 30, 2024

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 1,179,366
Reimbursements from employees and others		325,337
Insurance reimbursements		<u>214,913</u>
Total operating revenues		1,719,616
Operating expenses:		
Medical claims	\$ 1,280,249	
Insurance premiums	315,139	
Administrative fees	144,880	
Miscellaneous	<u>1,200</u>	<u>1,741,468</u>
Operating loss		(21,852)
Non-operating revenues:		
Interest income		<u>47,539</u>
Net income		25,687
Net position beginning of year		<u>2,624,953</u>
Net position end of year		<u>\$ 2,650,640</u>

See notes to financial statements.

Poweshiek County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2024

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 1,179,366
Cash received from employees and others	325,337
Cash received from Insurance reimbursements	214,913
Cash paid to suppliers for services	<u>(1,751,968)</u>
Net cash used by operating activities	(32,352)
Cash flows from investing activities:	
Interest on investments	<u>47,539</u>
Net increase in cash and cash equivalents	15,187
Cash and cash equivalents beginning of year	<u>253,453</u>
Cash and cash equivalents end of year	<u>\$ 268,640</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (21,852)
Adjustment to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts payable	<u>(10,500)</u>
Net cash used by operating activities	<u>\$ (32,352)</u>

See notes to financial statements.

Poweshiek County  
Statement of Fiduciary Net Position –  
Custodial Funds

June 30, 2024

**Assets**

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 2,596,557
Other County officials	23,704

Receivables:

Property tax:

Delinquent	5,128
Succeeding year	35,278,000

Accounts	13,050
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Special assessment	41,697
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Due from other governments	<u>46,921</u>
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**Total assets**38,005,057**Liabilities**

Accounts payable	16,995
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Salaries and benefits payable	22,026
-------------------------------	--------

Due to other governments	903,486
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Trusts payable	2,069
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Compensated absences	<u>22,242</u>
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**Total liabilities**966,818**Deferred Inflows of Resources**

Unavailable property tax revenue	<u>35,278,000</u>
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**Net Position**

Restricted for individuals, organizations and other governments	<u>\$ 1,760,239</u>
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See notes to financial statements.

Poweshiek County

Statement of Changes in Fiduciary Net Position –  
Custodial Funds

June 30, 2024

Additions:	
Property and other county tax	\$ 34,182,650
911 surcharge	245,908
State tax credits	1,994,910
Office fees and collections	497,388
Auto licenses, use tax and postage	8,906,857
Assessments	7,552
Trusts	666,182
Miscellaneous	<u>479,874</u>
Total additions	<u>46,981,321</u>
Deductions:	
Agency remittances:	
To other funds	465,580
To other governments	45,672,123
Trusts paid out	<u>686,401</u>
Total deductions	<u>46,824,104</u>
Change in net position	157,217
Net position beginning of year	<u>1,603,022</u>
Net position end of year	<u>\$ 1,760,239</u>

See notes to financial statements.

Poweshiek County

Notes to Financial Statements

June 30, 2024

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

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

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

**A. Reporting Entity**

For financial reporting purposes, Poweshiek County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. The County has no component units which meet the Governmental Accounting Standards Board criteria.

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

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

B. Basis of Presentation

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

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation consists of \$1,711,933 for landfill post-closure care.

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

The Urban Renewal Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit which are stated at amortized cost. Investments at June 30, 2024 include \$2,550,000 non-negotiable certificates of deposit not meeting the definition of cash equivalents.

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



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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2023.

Penalty and Interest on Property Tax Receivable – Penalty and interest on property tax receivable represents the amount of penalty and interest that was due and payable but has not been collected.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction and recovery services.

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

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

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

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

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

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

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

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

At the commencement of a lease, the County initially measures the lease liability at the present value of 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 include how Poweshiek County determines the discount rate it uses to discount the expected lease payments to present value, lease term and least payments.

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

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

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

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 and compensatory hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Secondary Roads and Rural Services Funds.

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

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

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, disbursements exceeded the amounts budgeted in the non-program function.

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

The County's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$12,203,014. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

### (3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Road	General	\$ 227,043
	Special Revenue:	
	Rural Services	2,806,488
	Local Option Sales Tax	600,000
		<u>3,633,531</u>
Debt Service	Special Revenue:	
	Local Option Sales Tax	<u>402,300</u>
Total		<u>\$ 4,035,831</u>

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

### (4) Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 2,092,671	-	-	2,092,671
Construction in progress	12,800,826	3,613,237	2,417,513	13,996,550
Total capital assets not being depreciated/amortized	14,893,497	3,613,237	2,417,513	16,089,221
Capital assets being depreciated/amortized:				
Buildings	9,954,070	68,658	-	10,022,728
Improvements other than buildings	297,278	-	-	297,278
Equipment and vehicles	11,491,757	1,058,682	407,279	12,143,160
Right-to-use leased equipment	82,787	59,937	27,258	115,466
Right-to-use subscription asset	101,029	-	101,029	-
Infrastructure, road network	27,888,810	2,417,513	-	30,306,323
Total capital assets being depreciated/amortized	49,815,731	3,604,790	535,566	52,884,955
Less accumulated depreciation/amortization for:				
Buildings	3,137,720	233,743	-	3,371,463
Improvements other than buildings	164,570	7,190	-	171,760
Equipment and vehicles	7,161,237	687,919	398,262	7,450,894
Right-to-use leased equipment	33,372	22,878	27,258	28,992
Right-to-use subscription asset	50,515	50,514	101,029	-
Infrastructure, road network	8,833,131	957,498	-	9,790,629
Total accumulated depreciation/amortization	19,380,545	1,959,742	526,549	20,813,738
Total capital assets being depreciated/amortized, net	30,435,186	1,645,048	9,017	32,071,217
Governmental activities capital assets, net	<u>\$ 45,328,683</u>	<u>5,258,285</u>	<u>2,426,530</u>	<u>48,160,438</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 323,286
Physical health and social services	5,514
County environment and education	87,930
Roads and transportation	1,427,240
Governmental services to residents	2,193
Administration	113,579
Total depreciation/amortization expense - governmental activities	<u>\$ 1,959,742</u>

**(5) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2024, is as follows:

Fund	Description	Amount
General	Services	\$ 23,321
Special Revenue:		
Rural Services		155
Naturalist		500
Total for governmental funds		<u>23,976</u>
Custodial:		
Schools	Collections	\$ 141,262
Community Colleges		16,801
Corporations		52,557
Townships		692
Auto License and Use Tax		606,922
All other		85,252
Total for custodial funds		<u>\$ 903,486</u>

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

Receivable Fund	Payable Fund:	Amount
Special Revenue:	Special Revenue:	
Secondary Roads	Urban Renewal	<u>\$ 1,329,702</u>

The County has approved interfund loans from the Special Revenue, Secondary Roads Fund to the Special Revenue, Urban Renewal fund to pay for road improvements in the urban renewal area. The amounts will be repaid with tax increment financing receipts as they are collected. As of June 30, 2024, the balance of the interfund loans was \$1,329,702.

## (7) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024, is as follows:

	General Obligation Notes and Bonds	Lease Agreements	Subscription Liability	Compensated Absences	Estimated Liability for Landfill Postclosure	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year, as restated	\$ 7,298,658 *	48,927	51,015	303,725	60,000	980,912	1,600,661	10,343,898
Increases	-	59,937	-	698,462	-	547,365	214,679	1,520,443
Decreases	1,184,414 #	21,822	51,015	699,702	30,000	-	537,371	2,524,324
Balance end of year	\$ 6,114,244 *	87,042	-	302,485	30,000	1,528,277	1,277,969	9,340,017
Due within one year	\$ 1,150,000	22,144	-	235,728	30,000	-	62,778	1,500,650

\* The unamortized premium on the bonds was \$294,244 at June 30, 2024.

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

### General Obligation Refunding Bonds

On July 1, 2020, the County issued \$3,585,000 of general obligation refunding bonds, Series 2020, for the current refunding of \$3,670,000 general obligation refunding bonds issued March 29, 2012. The bonds bear an interest rate of 2.00% per annum. During the year ended June 30, 2024, the County paid principal of \$550,000 and paid interest of \$39,700 on the bonds.

### General Obligation Emergency Communication Bond

On February 17, 2021, the County issued \$6,060,000 of general obligation emergency communications bonds, Series 2021A. The bonds were issued to pay the costs of acquiring and installing emergency services communications systems and equipment. The bonds bear interest at rates ranging from 1.150% to 2.00% per annum. During the year ended June 30, 2024, the County paid principal of \$580,000 and paid interest of \$93,648.

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

Year Ending June 30,	Refunding Bonds Issued Jul 1, 2020				Communications Equipment Bond Issued Feb 17, 2021			
	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2025	2.00%	\$ 560,000	28,700	588,700	2.00%	\$ 590,000	82,048	672,048
2026	2.00	570,000	17,500	587,500	2.00	600,000	70,248	670,248
2027	2.00	305,000	6,100	311,100	2.00	615,000	58,248	673,248
2028	-	-	-	-	2.00	625,000	45,948	670,948
2029	-	-	-	-	2.00	640,000	33,448	673,448
2030-2031	-	-	-	-	1.15-2.00	1,315,000	28,296	1,343,296
Total		1,435,000	52,300	1,487,300		4,385,000	318,236	4,703,236
Unamortized premium		64,989				229,255		
Total payable		\$ 1,499,989				\$ 4,614,255		

Year Ending June 30,	Total		
	Principal	Interest	Total
2025	\$ 1,150,000	110,748	1,260,748
2026	1,170,000	87,748	1,257,748
2027	920,000	64,348	984,348
2028	625,000	45,948	670,948
2029	640,000	33,448	673,448
2030-2031	1,315,000	28,296	1,343,296
Total	5,820,000	370,536	6,190,536
Unamortized premium	294,244		
Total payable	\$ 6,114,244		



### Lease Agreements

On April 16, 2020, the County entered into a lease agreement for a postage system. An initial lease liability was recorded in the amount of \$10,561. The agreement requires quarterly payments of \$733, with an implicit interest rate of 2.0% and final payment due January 16, 2025. During the year ended June 30, 2024, principal and interest paid were \$2,851 and \$81, respectively.

On January 7, 2022, the County entered into a lease agreement for the County Treasurer printer system. An initial lease liability was recorded in the amount of \$12,344. The agreement requires monthly payments of \$216 over 5 years, with an implicit interest rate of 2.0% and final payment due January 7, 2027. During the year ended June 30, 2024, principal and interest paid were \$2,435 and \$157, respectively.

On June 23, 2022, the County entered into a lease agreement for the County Recorder printer system. Payments and the lease term did not begin until the lease was delivered in October 2022. An initial lease liability was recorded in the amount of \$10,965. The agreement requires monthly payments of \$192 over 5 years, with an implicit interest rate of 2.0% and final payment due October 8, 2027. During the year ended June 30, 2024, principal and interest paid were \$2,135 and \$169, respectively.

On April 10, 2023, the County entered into a lease agreement for the County Attorney printer system. An initial lease liability was recorded in the amount of \$21,659. The agreement requires monthly payments of \$379 over 5 years, with an implicit interest rate of 2.0% and final payment due March 10, 2028. During the year ended June 30, 2024, principal and interest paid were \$4,174 and \$374, respectively.

On January 1, 2024, the County Sheriff's Office entered into a lease agreement for a printer system. An initial lease liability was recorded in the amount of \$59,937. The agreement requires monthly payments of \$1,003 over 5 years 3 months, with implicit interest rate of 2.0% and final payment due March 1, 2029. During the year ended June 30, 2024, principal and interest paid were \$5,441 and \$577, respectively.

Future principal and interest lease payments as of June 30, 2024 are as follows:

Year Ending June 30,	County Treasurer Postage Machine			County Treasurer Printer		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 2,176	23	2,199	\$ 2,484	108	2,592
2026	-	-	-	2,535	57	2,592
2027	-	-	-	1,502	10	1,512
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
Totals	\$ 2,176	23	2,199	\$ 6,521	175	6,696

Year Ending June 30,	County Recorder Printer			County Attorney Printer		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 2,178	126	2,304	\$ 4,259	289	4,548
2026	2,222	82	2,304	4,344	204	4,548
2027	2,266	38	2,304	4,432	116	4,548
2028	765	3	768	3,383	28	3,411
2029	-	-	-	-	-	-
Totals	\$ 7,431	249	7,680	\$ 16,418	637	17,055

Year Ending June 30,	County Sheriff Printer			Total		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 11,047	989	12,036	\$ 22,144	1,535	23,679
2026	11,270	766	12,036	20,371	1,109	21,480
2027	11,497	539	12,036	19,697	703	20,400
2028	11,730	306	12,036	15,878	337	16,215
2029	8,952	75	9,027	8,952	75	9,027
Totals	\$ 54,496	2,675	57,171	\$ 87,042	3,759	90,801

**(8) Pension Plan**

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2024, 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 8.51% of covered payroll, for a total rate of 17.02%. 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, 2024 were \$521,682.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a liability of \$1,528,277 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the County's proportion was 0.033859%, which was an increase of 0.007896% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$216,139. At June 30, 2024, 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	\$ 386,982	7,464
Changes of assumptions	-	64,586
Net difference between projected and actual earnings on IPERS' investments	286,091	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	92,838	49,918
County contributions subsequent to the measurement date	521,682	-
Total	<u>\$ 1,287,593</u>	<u>121,968</u>

\$521,682 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
2025	\$ (18,028)
2026	(156,417)
2027	660,370
2028	131,832
2029	26,186
Total	<u>\$ 643,943</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 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, 2023 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 2023 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 4,566,401	1,528,277	(1,018,741)

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2024.

#### **(9) Other Postemployment Benefits (OPEB)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Active employees	<u>80</u>
Total	<u>91</u>

Total OPEB Liability – The County's total OPEB liability of \$1,277,969 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2024.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024, 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, 2022)	2.60% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2024)	4.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	8.00% initial rate decreasing by 1.00% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	<u>\$ 1,600,661</u>
Changes for the year:	
Service cost	86,946
Interest	65,482
Differences between expected and actual experiences	(331,089)
Changes in assumptions	62,251
Benefit payments	<u>(206,282)</u>
Net changes	<u>(322,692)</u>
Total OPEB liability end of year	<u><u>\$ 1,277,969</u></u>

Changes of assumptions reflect a change in the discount rate from 4.13% in fiscal year 2023 to 4.21% in fiscal year 2024.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.21%) or 1% higher (5.21%) than the current discount rate.

	<u>1% Decrease (3.21%)</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
Total OPEB liability	\$ 1,341,986	1,277,969	1,215,340

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 (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 1,180,315	1,277,969	1,387,727

OPEB Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense (reduction) of \$(311,632). At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 232,260	891,545
Changes in assumptions	86,921	63,198
Total	\$ 319,181	954,743

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

Year Ending June 30,	Amount
2025	\$ (257,778)
2026	(257,785)
2027	(52,037)
2028	(18,380)
Thereafter	(49,582)
	<u>\$ (635,562)</u>

## **(10) Risk Management**

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 803 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.



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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2024 were \$433,696.

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 \$500,000 each occurrence, each location. Property risks 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.

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, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

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

**(11) Employee Health Insurance Plan**

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

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2024 was \$1,179,366.

Amounts payable from the Employee Group Health Fund at June 30, 2024 total \$168,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$2,650,640 at June 30, 2024 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 178,500
Incurred claims (including claims incurred but not reported at June 30, 2024)	1,280,249
Payment on claims during the fiscal year	<u>(1,290,749)</u>
Unpaid claims end of year	<u>\$ 168,000</u>

**(12) Deferred Compensation Plan**

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

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

**(13) Post closure Care**

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

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and post closure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in post closure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the post closure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations. These costs for the Poweshiek County Sanitary Landfill have been estimated to be \$30,000 for post closure care as of June 30, 2024, and a liability of that amount has been recognized.

Chapter 111 of the Iowa Administrative Code has been promulgated to implement financial assurance rules. Since the Poweshiek County Sanitary Landfill stopped waste disposal prior to the Chapter 111 effective date of August 24, 1994, financial assurance is not required for the Landfill. However, the County has accumulated resources to fund post closure care and, at June 30, 2024, \$1,741,933 restricted for these purposes is reported in the Special Revenue, Sanitary Disposal Fund.

**(14) Tax Abatements**

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

### **Tax Abatements of Other Entities**

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

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2024, under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Brooklyn	Urban renewal and economic development projects	\$ 1,079
City of Grinnell	Urban renewal and economic development projects	12,177

### **(15) Financial Condition**

The Special Revenue, Urban Renewal Fund reported a fund balance deficit of \$1,315,183 at June 30, 2024. The County plans to eliminate the deficit through the collection of tax increment financing revenues in future fiscal years.

### **(16) Construction Commitment**

The County has entered into several contracts totaling \$8,690,519 for roadway paving and bridge projects. As of June 30, 2024, costs of \$6,771,109 on the projects have been incurred. The \$1,919,410 balance remaining on the contracts at June 30, 2024, will be paid as work on the projects progress.

The County has entered into contracts totaling \$6,299,812 for the Radio Communication Tower. As of June 30, 2024, costs of \$3,334,055 have been incurred. The \$2,965,757 balance remaining on the project at June 30, 2024, will be paid as work on the project progresses.

**(17) Restatement**

The beginning of year fund balances for the Poweshiek County Special Revenue Funds. Urban Renewal Fund and Nonmajor Funds were restated to reflect the change in classification of the Special Revenue Fund, Urban Renewal Fund from nonmajor to major presentation. The effect of the restatement is as follows:

	<u>Special Revenue Fund</u>	
	Urban	Nonmajor
	Renewal	Governmental
	(formerly	Funds
	nonmajor)	
Balances June 30, 2023,		
as previously reported	\$ -	1,816,765
Adjustment - change from nonmajor		
fund to major fund	(203,785)	203,785
Balances July 1, 2023, as restated	<u>\$ (203,785)</u>	<u>2,020,550</u>

### **Required Supplementary Information**

Poweshiek County

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

Required Supplementary Information

Year ended June 30, 2024

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
Receipts:				
Property and other county tax	\$ 10,261,332	9,922,057	9,922,057	339,275
Penalty and interest on property tax	49,217	-	-	49,217
Intergovernmental	5,461,817	5,392,976	5,480,976	(19,159)
Licenses and permits	130,955	27,175	27,175	103,780
Charges for service	686,119	628,890	628,890	57,229
Use of money and property	1,131,771	325,292	325,292	806,479
Miscellaneous	336,858	132,500	237,000	99,858
Total receipts	18,058,069	16,428,890	16,621,390	1,436,679
Disbursements:				
Public safety and legal services	4,003,160	4,528,298	4,659,798	656,638
Physical health and social services	361,353	426,556	506,556	145,203
County environment and education	697,875	758,739	758,739	60,864
Roads and transportation	9,359,602	8,111,513	9,461,513	101,911
Governmental services to residents	867,464	929,606	937,606	70,142
Administration	1,848,102	2,248,555	2,273,555	425,453
Non-program	160,794	95,334	95,334	(65,460)
Debt service	1,264,247	1,264,348	1,264,348	101
Capital projects	2,097,355	3,515,635	3,165,635	1,068,280
Total disbursements	20,659,952	21,878,584	23,123,084	2,463,132
Deficiency of receipts under disbursements	(2,601,883)	(5,449,694)	(6,501,694)	3,899,811
Other financing sources, net	108,820	-	-	145,203
Change in balances	(2,493,063)	(5,449,694)	(6,501,694)	4,045,014
Balance beginning of year	17,884,114	15,918,813	15,918,813	1,965,301
Balance end of year	\$ 15,391,051	10,469,119	9,417,119	6,010,315

See accompanying independent auditor's report.

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Poweshiek County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 18,058,069	112,514	18,170,583
Expenditures	20,659,952	(258,548)	20,401,404
Net	(2,601,883)	371,062	(2,230,821)
Other financing sources, net	108,820	59,937	168,757
Beginning fund balances	17,884,114	256,303	18,140,417
Ending fund balances	\$ 15,391,051	687,302	16,078,353

See accompanying independent auditor's report.



**Poweshiek County**

Poweshiek County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2024

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, 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 \$1,244,500. 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, 2024, disbursements exceeded the amount budgeted in the nonprogram function.

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Poweshiek County

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

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

Required Supplementary Information

	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.033859%	0.025963%	0.426287% **	0.040086%
County's proportionate share of the net pension liability (asset)	\$ 1,528	981	(1,472)	2,816
County's covered payroll	\$ 4,614	4,357	4,315	4,436
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.12%	22.52%	(34.11%)	63.48%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%

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

\*\* Overall net pension asset.

See accompanying independent auditor's report.



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Poweshiek County

Schedule of County Contributions

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

Required Supplementary Information

	2024	2023	2022	2021
Statutorily required contribution	\$ 522	457	434	429
Contributions in relation to the statutorily required contribution	(522)	(457)	(434)	(429)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 5,276	4,614	4,357	4,315
Contributions as a percentage of covered payroll	9.89%	9.90%	9.96%	9.94%

See accompanying independent auditor's report.



**Poweshiek County**

Poweshiek County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2024

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%.



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Poweshiek County

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

For the Last Seven Years  
Required Supplementary Information

	2024	2023	2022	2021
Service cost	\$ 86,946	74,461	109,603	110,995
Interest cost	65,482	59,440	31,121	39,963
Difference between expected and actual experiences	(331,089)	174,034	162,775	(144,326)
Changes in assumptions	62,251	(3,081)	(94,825)	27,194
Benefit payments	(206,282)	(164,416)	(119,121)	(108,352)
Net change in total OPEB liability	(322,692)	140,438	89,553	(74,526)
Total OPEB liability beginning of year	1,600,661	1,460,223	1,370,670	1,445,196
Total OPEB liability end of year	\$ 1,277,969	1,600,661	1,460,223	1,370,670
Covered-employee payroll	\$ 4,822,701	4,276,061	3,907,568	3,969,687
Total OPEB liability as a percentage of covered-employee payroll	26.5%	37.4%	37.4%	34.5%

See accompanying independent auditor's report.

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2020	2019	2018
115,462	113,418	255,165
59,817	71,458	119,490
(264,898)	(263,744)	(1,639,820)
(4,326)	32,167	48,668
(98,298)	(96,907)	(168,533)
(192,243)	(143,608)	(1,385,030)
1,637,439	1,781,047	3,166,077
1,445,196	1,637,439	1,781,047
3,844,733	4,014,008	3,897,947
37.6%	40.8%	45.7%

Poweshiek County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2024

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

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

## **Supplementary Information**

Poweshiek County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2024

				Special
	Resource Enhancement and Protection	County Recorder's Records Management	County Conservation Bequest	Conservation Easement
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 39,207	21,538	20,818	5,000
Receivables:				
Opioid settlement	-	-	-	-
Due from other governments	-	314	-	-
Total assets	<u>\$ 39,207</u>	<u>21,852</u>	<u>20,818</u>	<u>5,000</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	-	-	-
Due to other governments	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenue:				
Other	-	-	-	-
Fund balances:				
Restricted for:				
Landfill postclosure care	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	39,207	21,852	20,818	5,000
Total fund balances	<u>39,207</u>	<u>21,852</u>	<u>20,818</u>	<u>5,000</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 39,207</u>	<u>21,852</u>	<u>20,818</u>	<u>5,000</u>

See accompanying independent auditor's report.

Revenue					
Special Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Naturalist	Local Government Opioid Abatement	Total
20,628	117,208	1,742,047	8,643	175,768	2,150,857
-	-	-	-	348,504	348,504
-	-	63	-	-	377
20,628	117,208	1,742,110	8,643	524,272	2,499,738
-	-	177	-	-	177
-	-	-	500	-	500
-	-	177	500	-	677
-	-	-	-	348,504	348,504
-	-	1,741,933	-	-	1,741,933
-	-	-	-	175,768	175,768
20,628	117,208	-	8,143	-	232,856
20,628	117,208	1,741,933	8,143	175,768	2,150,557
20,628	117,208	1,742,110	8,643	524,272	2,499,738

Poweshiek County

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

Year ended June 30, 2024

				Special
	Resource Enhancement and Protection	County Recorder's Records Management	County Conservation Bequest	Conservation Easement
Revenues:				
Intergovernmental	\$ 12,384	-	-	-
Charges for service	-	3,089	-	-
Use of money and property	1,638	1,229	1,031	-
Miscellaneous	-	-	-	-
Total revenues	14,022	4,318	1,031	-
Expenditures:				
Operating:				
County environment and education	-	-	-	-
Governmental services to residents	-	5,729	-	-
Capital projects	1,826	-	-	-
Total expenditures	1,826	5,729	-	-
Excess (deficiency) of revenues over (under) expenditures	12,196	(1,411)	1,031	-
Fund balances beginning of year	27,011	23,263	19,787	5,000
Adjustment - changes from nonmajor fund to major fund	-	-	-	-
Fund balances end of year	\$ 39,207	21,852	20,818	5,000

See accompanying independent auditor's report.

Revenue						
Special Law Enforcement	County Attorney Forfeiture	Sanitary Disposal	Urban Renewal	Naturalist	Local Government Opioid Abatement	Total
-	-	27,744	-	-	-	40,128
-	-	63	-	-	-	3,152
-	-	-	-	-	4,743	8,641
-	3,435	-	-	2,616	91,122	97,173
-	3,435	27,807	-	2,616	95,865	149,094
-	-	10,765	-	767	-	11,532
-	-	-	-	-	-	5,729
-	-	-	-	-	-	1,826
-	-	10,765	-	767	-	19,087
-	3,435	17,042	-	1,849	95,865	130,007
20,628	113,773	1,724,891	(203,785)	6,294	79,903	1,816,765
-	-	-	203,785	-	-	203,785
20,628	117,208	1,741,933	-	8,143	175,768	2,150,557



Poweshiek County  
Combining Schedule of Fiduciary Net Position  
Custodial Funds

June 30, 2024

	County Offices	Holiday Lake RIZ	Agricultural Extension Education	County Assessor	Schools
<b>Assets</b>					
Cash, cash equivalents and pooled investments:					
County Treasurer	\$ -	1,056	1,835	356,269	141,262
Other County officials	23,704	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	-	33	65	2,368
Succeeding year	-	434,000	273,000	715,000	18,854,000
Accounts	-	-	-	-	-
Special assessment	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>23,704</b>	<b>435,056</b>	<b>274,868</b>	<b>1,071,334</b>	<b>18,997,630</b>
<b>Liabilities</b>					
Accounts payable	-	-	-	2,995	-
Salaries and benefits payable	-	-	-	19,335	-
Due to other governments	21,635	1,056	1,835	-	141,262
Trusts payable	2,069	-	-	-	-
Compensated absences	-	-	-	17,681	-
<b>Total liabilities</b>	<b>23,704</b>	<b>1,056</b>	<b>1,835</b>	<b>40,011</b>	<b>141,262</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	434,000	273,000	715,000	18,854,000
<b>Net Position</b>					
Restricted for individuals, organizations and other governments	\$ -	-	33	316,323	2,368

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	911 Service	Other	Total
16,801	52,557	692	606,922	1,120,783	298,380	2,596,557
-	-	-	-	-	-	23,704
243	2,419	-	-	-	-	5,128
2,449,000	12,008,000	90,000	-	-	455,000	35,278,000
-	-	-	-	13,050	-	13,050
-	-	-	-	-	41,697	41,697
-	-	-	-	46,921	-	46,921
2,466,044	12,062,976	90,692	606,922	1,180,754	795,077	38,005,057
-	-	-	-	13,444	556	16,995
-	-	-	-	-	2,691	22,026
16,801	52,557	692	606,922	-	60,726	903,486
-	-	-	-	-	-	2,069
-	-	-	-	-	4,561	22,242
16,801	52,557	692	606,922	13,444	68,534	966,818
2,449,000	12,008,000	90,000	-	-	455,000	35,278,000
243	2,419	-	-	1,167,310	271,543	1,760,239

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

Year ended June 30, 2024

	County Offices	Holiday Lake RIZ	Agricultural Extension Education	County Assessor	Schools
Additions:					
Property and other county tax	\$ -	365,841	268,367	528,952	20,620,204
911 surcharge	-	-	-	-	-
State tax credits	-	6,036	16,737	33,656	999,745
Office fees and collections	494,299	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	666,182	-	-	-	-
Miscellaneous	-	-	-	325	-
Total additions	1,160,481	371,877	285,104	562,933	21,619,949
Deductions:					
Agency remittances:					
To other funds	190,708	-	-	-	-
To other governments	283,372	371,877	285,105	679,158	21,620,124
Trusts paid out	686,401	-	-	-	-
Total deductions	1,160,481	371,877	285,105	679,158	21,620,124
Changes in net position	-	-	(1)	(116,225)	(175)
Net position beginning of year	-	-	34	432,548	2,543
Net position end of year	\$ -	-	33	316,323	2,368

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	911 Service	Other	Total
2,541,423	9,294,888	90,218	-	-	472,757	34,182,650
-	-	-	-	245,908	-	245,908
121,406	794,528	5,663	-	-	17,139	1,994,910
-	-	-	-	-	3,089	497,388
-	-	-	8,906,857	-	-	8,906,857
-	-	-	-	-	7,552	7,552
-	-	-	-	-	-	666,182
-	-	-	-	52,131	427,418	479,874
2,662,829	10,089,416	95,881	8,906,857	298,039	927,955	46,981,321
-	-	-	274,872	-	-	465,580
2,662,864	10,090,272	95,881	8,631,985	102,567	848,918	45,672,123
-	-	-	-	-	-	686,401
2,662,864	10,090,272	95,881	8,906,857	102,567	848,918	46,824,104
(35)	(856)	-	-	195,472	79,037	157,217
278	3,275	-	-	971,838	192,506	1,603,022
243	2,419	-	-	1,167,310	271,543	1,760,239

Poweshiek County

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

For the Last Ten Years

	2024	2023	2022	2021
Revenues:				
Property and other county tax	\$ 8,711,552	8,251,454	8,160,527	7,889,431
Tax increment financing	239,901	402,414	146,888	-
Local option sales tax	1,344,633	1,186,697	1,345,216	1,195,658
Penalty and interest on property tax	49,217	59,662	48,913	62,426
Intergovernmental	5,506,960	7,360,772	8,707,963	5,706,472
Licenses and permits	132,677	115,496	122,966	82,533
Charges for service	662,613	668,779	668,983	722,974
Use of money and property	1,146,915	769,911	96,490	94,650
Miscellaneous	376,115	306,936	124,975	172,984
Total	\$ 18,170,583	19,122,121	19,422,921	15,927,128
Expenditures:				
Operating:				
Public safety and legal services	\$ 4,107,940	3,736,493	3,422,848	3,595,484
Physical health and social services	362,684	326,929	363,392	295,945
Mental health	-	-	457,916	465,756
County environment and education	2,042,756	805,742	674,089	648,789
Roads and transportation	7,756,711	8,000,762	6,165,388	6,582,639
Governmental services to residents	867,788	732,572	684,112	602,480
Administration	1,837,278	2,942,297	3,197,826	1,255,531
Non-program	156,370	140,755	194,915	113,037
Debt service	1,264,248	1,399,367	1,401,058	799,962
Capital projects	2,005,629	2,234,281	3,135,989	1,875,925
Total	\$ 20,401,404	20,319,198	19,697,533	16,235,548

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
7,378,573	7,298,439	7,322,569	7,160,995	6,935,410	6,892,299
117,533	142,951	122,489	143,967	129,640	126,695
1,054,900	975,685	859,121	885,507	823,298	928,085
20,338	46,097	46,945	47,869	50,834	47,241
5,918,674	5,391,590	4,843,177	5,043,984	4,850,079	4,664,378
96,409	105,625	167,613	68,139	59,816	76,811
647,062	654,254	621,357	617,775	582,872	510,079
284,155	390,913	234,638	266,059	116,529	106,394
167,243	267,404	433,091	321,683	141,519	207,046
15,684,887	15,272,958	14,651,000	14,555,978	13,689,997	13,559,028
3,301,671	3,175,246	3,094,293	2,986,068	2,990,207	2,838,158
323,175	279,656	325,026	287,841	282,499	326,373
655,900	458,260	417,020	428,180	337,001	1,186,377
658,706	612,064	610,792	608,902	517,242	497,603
5,845,681	6,850,344	5,382,525	6,128,455	5,261,739	5,042,502
701,347	653,427	655,514	614,973	652,598	679,317
1,034,011	1,180,365	1,263,348	1,258,694	1,343,275	1,222,300
582,452	407,006	284,926	95,852	103,994	138,849
744,620	748,108	745,108	841,832	843,368	847,052
1,052,576	466,212	775,670	445,954	551,825	628,342
14,900,139	14,830,688	13,554,222	13,696,751	12,883,748	13,406,873



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

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Rob Sand  
Auditor of State

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

To the Officials of Poweshiek County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Poweshiek County, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2024-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item 2024-002 to be a significant deficiency.

### Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### Poweshiek County's Responses to Findings

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

### Purpose of this Report

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

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



Brian R. Brustkern, CPA  
Deputy Auditor of State

May 8, 2025



Poweshiek County

Schedule of Findings

Year ended June 30, 2024

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

2024-001 Segregation of Duties

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

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

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

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

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

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

Responses –

Sheriff – The Sheriff's Office has reviewed our procedures involving internal controls. We maximize the use of our limited staff and resources to ensure that prevention of loss from employee error or dishonesty is prevented.

Poweshiek County

Schedule of Findings

Year ended June 30, 2024

The Sheriff's Office has implemented controls where an employee retrieves the mail, sorts and prepares a daily document showing the date, name on check, check number and the amount of the check. The checks are then given to another employee to enter the information into the financial software and prepare the bank deposits. A separate employee will then deposit the monies to the bank.

The Sheriff will perform a monthly review of all the documents for accuracy and document the review in a timely manner.

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

Conclusion – Responses accepted.

2024-002 County Sheriff Bank Reconciliation

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

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

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

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

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

Response – Sheriff will receive the bank reconciliations in a timely manner from the employee that is assigned the management of the accounts and will review those accounts and return them to the same employee with documentation that they have been reviewed in a timely manner as well. If any differences are found it will be investigated and resolved immediately upon discovery.

Conclusion – Response accepted.

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

Poweshiek County

Schedule of Findings

Year ended June 30, 2024

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

2024-A Certified Budget – Disbursements for the year ended June 30, 2024 exceeded the amount budgeted in the nonprogram function.

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

Response – We did an amendment in December 2023, amending \$70,000 into other non-program current. In reviewing the amendment, I found that this was entered on the notice under physical health and social services. Our resolution was prepared correctly and entered under non-program current. My staff entered it in the system under department 23 instead of department 99. Our procedure going forward will be to have my employee prepare/enter information and I, as Auditor, will double check and verify that the amounts are included on the correct line/fund/department.

Conclusion – Response accepted.

2024-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Visa	Overlimit fee	\$ 39

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

Recommendation – The Board of Supervisors and the County Auditor should determine and document the public purpose served by these types of expenditures prior to authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including requirements for proper public purpose documentation.

Response – The overlimit fee occurred on the June 2024 Visa bill as a result of the April/May Visa bill. The Visa is used to purchase products and items from local retailers or services where accounts may not exist and to use for refueling the response vehicle.

In this instance, the Visa has a limit of \$1,000 for the month. In April 2024, the card had a balance of \$269.84 which a claim to pay was submitted to the Auditor’s Office for payment on time. In the time between the April payment of \$269.84 being processed with the card company, Emergency Management purchased fuel for the response vehicle totaling \$138.36 and equipment approved for an ARPA project totaling \$649.98. Together these charges equaled \$788.34 and the outstanding balance of \$269.84 had not yet been processed by the banking institution which led to a balance of \$1,058.18 on the card which is over the limit by \$58.18. This incurred the \$39 overlimit fee on the card.

Poweshiek County

Schedule of Findings

Year ended June 30, 2024

The bank was contacted by phone to waive the overlimit fee, which they refused to do. The overlimit fee was moved forward to the May statement at which time it was paid to bring the card balance to \$0 and eliminate further account issues, service charges or other accounting problems.

It is believed by Emergency Management that this issue was a technical error as the April statement had been paid on time with the Auditor's Office, and the delay in processing the payment for April rests with the banking institution or a delay in transition from the Auditor's Office to the banking institution – both of which are beyond the control of Poweshiek County and their offices.

Both the April 2024 balance of \$269.84 and the May balance of \$788.34 are under the allotted \$1,000 limit for the month and is reasonable and responsible to believe there would be no account issues; however, when combined our account became over the allotted limit. When contacted about this issue, the banking institution stated the overlimit fee could not be waived and would remain on the account until paid. The overlimit fee was balanced forward to the May statement at which time it was paid.

A reasonable solution for this issue would be to increase the limit on cards to a higher amount since our primary fuel provider no longer accepts account credit; therefore, fuel is placed on the card at least weekly which can significantly decrease the available limit on the card for other purchases whether they be routine/planned or an emergency purchase for supplies/equipment – which can often be the case in my office. It is also believed the bank's unwillingness to waive this fee resulted in the unnecessary charge on the account that also resulted in the use of public funds to pay for it.

Conclusion – Response accepted.

- 2024-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2024-D Business Transactions – No business transactions between the County and County officials or employees were noted.
- 2024-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the code of Iowa.
- 2024-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2024-G Board Minutes – No transactions were found which we believe should have been approved in the Board minutes but were not.
- 2024-H Deposits and Investments – No instances of noncompliance with the deposit and investments provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

Poweshiek County

Schedule of Findings

Year ended June 30, 2024

2024-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).

2024-J 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, 2023, the County certified \$1,329,702, actual TIF indebtedness was \$972,002. The County over certified TIF indebtedness by \$357,700.

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 – There were three payments, of which two were made prior to the December 1 debt certification deadline. The third payment was for our reimbursement to the City of Brooklyn for 1/2 of the project costs of Jackson Street (which is also V18). I received an email on 11/15/23 detailing our expense. The City of Brooklyn did not send us the invoice which reflected the same value in the prior email until April, after which we promptly paid them. The work for the project was completed in 2023 and all expenses were incurred by the City at that time. The County Auditor will ensure that with the debt certification, double verification is completed prior to having the Board of Supervisors approve debt certifications. In this matter, the Auditor was of the understanding that this entire amount was incurred prior to December 1. Will work with engineer and accounts payable in the future to ensure all certified debt has previously been incurred.

Conclusion – Response accepted.

2024-K Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.

2024-L Financial Condition – The Special Revenue, Urban Renewal Fund had a deficit balance of \$1,315,183 at June 30, 2024.

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

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

Conclusion – Response accepted.

Poweshiek County

Staff

This audit was performed by:

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