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

Contact: Brian Brustkern
515/281-5834

FOR RELEASE June 20, 2025

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled $11,548,201 for the year ended June 30, 2023, a 5.9% increase over the prior year. Expenses for County operations for the year ended June 30, 2023 totaled $10,400,589, a 13.9% increase over the prior year. The increase in revenues is due primarily to an increase in contributions of road and bridges paid for by the Iowa Department of Transportation and the increase in expenses is due primarily to an increase in various bridge and asphalt projects.

AUDIT FINDINGS:

Sand reported ten findings related to the receipt and expenditure of taxpayer funds. They are found on pages 82 through 91 of this report. The findings address issues such as lack of segregation of duties, material amounts of receivables and capital assets not properly recorded, lack of bank reconciliations being completed timely, lack of written policies and procedures regarding capital assets and the computer system, lack of accounting policies and procedures manual and disbursements exceeding appropriations before amendment. Sand provided the County with recommendations to address each of these findings.

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

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

# # #

WAYNE COUNTY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2023

Wayne County

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834

May 30, 2025

Officials of Wayne County
Corydon, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Wayne County for the year ended June 30, 2023. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa, and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Wayne 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,

Rob Sand
Auditor of State

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(continued)

Wayne County

Officials

(Before January 2023)

Name	Title	Term Expires
David Dotts	Board of Supervisors	Jan 2023
Tom Swearingin	Board of Supervisors	Jan 2023
Donald Seams	Board of Supervisors	Jan 2025
Michelle Dooley	County Auditor	Jan 2025
Kim Swearingin	County Treasurer	(Resigned Jul 2021)
Amanda Cooper (Appointed Jul 2021)	County Treasurer	Nov 2022
Angie Horton	County Recorder	Jan 2023
Keith Davis	County Sheriff	Jan 2025
Alan Wilson	County Attorney	Jan 2023
Brandon Carpenter	County Assessor	Jan 2028

(After January 2023)

Name	Title	Term Expires
Donald Seams	Board of Supervisors	(Resigned Jul 2023)
Todd Wilson (Elected Oct 2023)	Board of Supervisors	Jan 2025
Lance Lange	Board of Supervisors	Jan 2027
Chris Moore	Board of Supervisors	Jan 2027
Michelle Dooley	County Auditor	Jan 2025
Amanda Cooper	County Treasurer	Jan 2027
Angie Horton	County Recorder	Jan 2027
Keith Davis	County Sheriff	Jan 2025
Alan Wilson	County Attorney	Jan 2027
Brandon Carpenter	County Assessor	Jan 2028

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Des Moines, Iowa 50319-0006

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Independent Auditor's Report

To the Officials of Wayne 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 Wayne County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the 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 Wayne County as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, Wayne County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wayne County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wayne County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 56 through 68 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 Wayne County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 30, 2025 on our consideration of Wayne 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 Wayne County's internal control over financial reporting and compliance.

Brian R. Brustkern, CPA
Deputy Auditor of State

May 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2023 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, Subscription-Based Information Technology Arrangements (SBITAs), during fiscal year 2023. The implementation for this standard revised certain asset and liability accounts related to SBITAs, however had no effect on the beginning net position for governmental activities.

- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the County Rural Offices of Social Services (CROSS) Mental Health Region prior to June 30, 2022.

- Revenues of the County's governmental activities increased 5.9%, or approximately $639,000, from fiscal year 2022 to fiscal year 2023. Capital grants, contributions and restricted interest increased approximately $786,000 due to an increase in contributions of roads and bridges paid for by the Iowa Department of Transportation.

- Program expenses of the County's governmental activities increased 13.9%, or approximately $1,269,000 from fiscal year 2022 to fiscal year 2023. The roads and transportation function increased approximately $817,000 due to an increase in various bridge and asphalt projects.

- The County's net position increased 4.6%, or approximately $1,148,000, over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

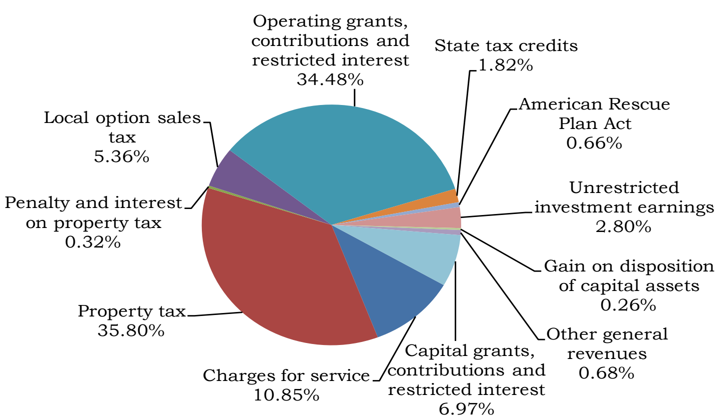
Net Position of Governmental Activities
(Expressed in Thousands)

	June 30, 2023	June 30, 2022 (Not Restated)
Current and other assets	$ 17,229	16,976
Capital assets	17,486	16,792
Total assets	34,715	33,768
Deferred outflows of resources	617	613
Long-term liabilities	2,783	1,940
Other liabilities	1,586	688
Total liabilities	4,369	2,628
Deferred inflows of resources	5,067	7,005
Net position:		
Net investment in capital assets	16,592	15,700
Restricted	7,957	8,092
Unrestricted	1,347	956
Total net position	$ 25,896	24,748

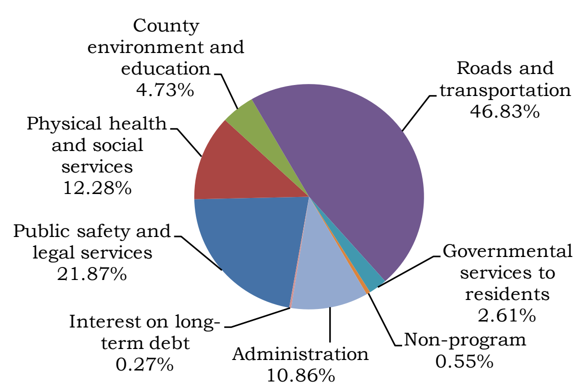
Net position of Wayne County's governmental activities increased 4.6% (approximately $25.9 million compared to approximately $24.7 million). The largest portion of the County's net position is invested in capital assets (e.g., infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately $391,000 over the prior year, from a balance of approximately $956,000 to a balance of approximately $1,347,000. The increase is primarily due to a decrease in the pension related deferred inflows.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2023	2022 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	$ 1,253	715
Operating grants, contributions and restricted interest	3,982	3,703
Capital grants, contributions and restricted interest	805	19
General revenues:		
Property tax	4,136	4,483
Penalty and interest on property tax	37	38
State tax credits	210	244
Local option sales tax	619	640
American Rescue Plan Act	76	228
Unrestricted investment earnings	323	17
Gain on disposition of capital assets	30	714
Other general revenues	78	109
Total revenues	11,549	10,910
Program expenses:		
Public safety and legal services	2,275	1,897
Physical health and social services	1,277	1,165
Mental health	-	173
County environment and education	492	421
Roads and transportation	4,871	4,054
Governmental services to residents	271	276
Administration	1,130	1,041
Non-program	57	72
Interest on long-term debt	28	33
Total expenses	10,401	9,132
Change in net position	1,148	1,778
Net position beginning of year	24,748	22,970
Net position end of year	$ 25,896	24,748

Revenues by Source



Expenses by Program



Wayne County's governmental activities net position increased approximately $1,148,000 during the year. Revenues for governmental activities increased approximately $639,000 over the prior year, including capital grants, contributions and restricted interest which increased over the prior year approximately $786,000, or 4,136.8%. The significant increase in revenues was primarily the result of an increase in contributions of road and bridges paid for by the Iowa Department of Transportation.

The County decreased property tax rates for fiscal year 2023 an average of 8.85%. This decrease reduced the County's property tax revenue approximately $347,000 in fiscal year 2023. Based on increases in property tax levy rates and total assessed valuation, property tax revenue is budgeted to increase approximately $317,000 next year.

The cost of all governmental activities this year was approximately $10.4 million compared to approximately $9.1 million last year. However, as shown in the Statement of Activities on page 19, the amount taxpayers ultimately financed for these activities was approximately $4.4 million because some of the cost was paid by those who directly benefited from the programs (approximately $1,253,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $4,787,000). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2023 from approximately $4,437,000 to approximately $6,040,000, primarily due to the increase in contributions of roads and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Wayne County completed the year, its governmental funds reported a combined fund balance of approximately $10.3 million, a decrease of approximately $164,000 from last year's total of approximately $10.5 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 $125,303, or 2.6%, to $4,663,824 primarily due to a decrease in property taxes. Expenditures increased $28,437, or less than one percent, to $4,547,720. The ending fund balance increased by $55,648 or 1.5%, compared to the prior year.

- Special Revenue, Rural Services Fund revenues increased $78,202 or 5.2% over the prior year and expenditures increased $224,398 or 32.4% over the prior year. Revenues and expenses increased primarily due to an increase in law enforcement services provided to cities in the County. The ending fund balance decreased by $125,757, or 12.9%, compared to the prior year.

- Special Revenue, Secondary Roads Fund revenues increased $477,134, or 14.6%, over the prior year, due primarily to an increase in intergovernmental receipts. Expenditures increased $715,094, or 17.7%, over the prior year, due primarily to various bridge and asphalt projects. The ending fund balance decreased by $158,042, or 3.3%, compared to the prior year.

- Special Revenue, Local Option Sales Tax Fund revenues increased $12,736, or 2.0%, primarily due to an increase in local option sales tax received. Expenditures increased $37,280, or 6.5%, primarily due to purchase of a vehicle. The ending fund balance increased by $44,584, or 4.7%, compared to the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Wayne County amended its budget one time. The amendment was made in April 2023 to increase revenues and expenditures related to additional grant funding received and capital assets to be purchased.

The County's receipts were $1,687,317 more than budgeted, a variance of 17.49%. The most significant variance resulted from the County receiving more in intergovernmental revenues, such as ARPA funding, than anticipated.

Total disbursements were $3,051,845 less than the amended budget. Actual disbursements for the public safety and legal services, roads and transportation and capital projects functions were $265,443, $985,308 and $1,329,872, respectively, less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Wayne County had approximately $17.8 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities and roads and bridges. This is a net increase (including additions and deletions) of approximately $645,000, or 3.8%, over last year.

The County had depreciation/amortization expense of $1,188,451 in fiscal year 2023 and total accumulated depreciation/amortization of $10,770,264 at June 30, 2023.

More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2023, Wayne County had $1,180,000 of general obligation bonds outstanding, compared to $1,405,000 at June 30, 2022. The County paid $225,000 of principal on the general obligation bonds during the year ended June 30, 2023.

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. Wayne County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $30.4 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

Wayne County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.1% versus 2.9% a year ago. These indicators were taken into account when adopting the budget for fiscal year 2024. Revenues in the operating budget are approximately $9.80 million, an increase of 1.56% from the final fiscal year 2023 budget. Budgeted disbursements are expected to increase approximately $1,215,000 from the final fiscal year 2023 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease approximately $386,000, or 13.17% by the close of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Wayne 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 Wayne County Auditor's Office, 100 N. Lafayette, Corydon, Iowa, 50060.

Basic Financial Statements

Wayne County

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 11,091,913
Component units	12,460
Receivables:	
Property tax:	
Delinquent	8,344
Succeeding year	4,495,000
Penalty and interest on property tax	32,550
Accounts	47,921
Accrued interest	272
Opioid settlement	154,953
Due from other governments	430,765
Lease receivable	24,020
Inventories	461,073
Prepaid insurance	107,282
Capital assets not being depreciated	362,925
Capital assets, net of accumulated depreciation/amortization	17,485,986
Total assets	34,715,464
Deferred Outflows of Resources	
Pension related deferred outflows	598,358
OPEB related deferred outflows	18,372
Total deferred outflows of resources	616,730

Wayne County

Statement of Net Position

June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	436,813
Accrued interest payable	1,967
Salaries and benefits payable	132,889
Due to other governments	8,784
Unearned revenues	1,005,677
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	230,000
IT subscription liability	24,335
Compensated absences	95,885
Portion due or payable after one year:	
General obligation bonds	950,000
IT subscription liability	50,141
Compensated absences	137,963
Net pension liability	937,999
Total OPEB liability	357,167
Total liabilities	4,369,620
Deferred Inflows of Resources	
Lease related	24,020
Unavailable property tax revenue	4,495,000
Pension related deferred inflows	312,656
OPEB related deferred inflows	235,167
Total deferred inflows of resources	5,066,843
Net Position	
Net investment in capital assets	16,592,468
Restricted for:	
Supplemental levy purposes	1,290,702
Rural services purposes	852,064
Secondary roads purposes	4,484,159
Conservation purposes	92,045
Debt service	984,590
Opioid Abatement	191,032
Other purposes	61,966
Unrestricted	1,346,705
Total net position	$ 25,895,731

See notes to financial statements.

Wayne County

Wayne County

Statement of Activities

Year ended June 30, 2023

	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants, Contributions and Restricted Interest	Program Revenues: Capital Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Position
Functions/Programs:					
Governmental activities:					
Public safety and legal services	2,275,864	163,851	187,497	-	(1,924,516)
Physical health and social services	1,276,883	406,103	315,619	-	(555,161)
County environment and education	491,527	73,565	40,010	-	(377,952)
Roads and transportation	4,870,896	317,191	3,413,396	805,154	(335,155)
Governmental services to residents	270,879	158,382	44	-	(112,453)
Administration	1,129,686	74,929	25,182	-	(1,029,575)
Non-program	56,529	58,858	-	-	2,329
Interest and fees on long-term debt	28,325	-	-	-	(28,325)
Total	$ 10,400,589	1,252,879	3,981,748	805,154	(4,360,808)
General Revenues:					
Property and other county tax levied for:					
General purposes					4,135,937
Penalty and interest on property tax					36,874
State tax credits and replacements					209,815
Local option sales tax					618,429
American Rescue Plan Act					76,070
Unrestricted investment earnings					323,253
Gain on disposition of capital assets					30,000
Miscellaneous					78,042
Total general revenues					5,508,420
Change in net position					1,147,612
Net position beginning of year					24,748,119
Net position end of year					$ 25,895,731

See notes to financial statements.

Wayne County

Balance Sheet
Governmental Funds

June 30, 2023

			Special
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	$ 4,718,831	855,196	4,246,037
Component units	-	-	-
Receivables:			
Property tax:			
Delinquent	7,801	543	-
Succeeding year	3,167,000	1,328,000	-
Penalty and interest on property tax	32,550	-	-
Accounts	46,786	-	1,135
Opioid settlement	-	-	-
Accrued interest	272	-	-
Due from other governments	54,678	3,243	308,505
Lease receivable	24,020	-	-
Inventories	-	-	461,073
Prepaid items	63,844	8,063	32,253
Total assets	$ 8,115,782	2,195,045	5,049,003
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 61,542	5,129	361,660
Salaries and benefits payable	67,169	9,852	55,868
Due to other governments	8,120	-	163
Unearned revenues	1,005,677	-	-
Total liabilities	1,142,508	14,981	417,691
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	3,167,000	1,328,000	-
Other	40,351	543	25,619
Lease related	24,020	-	-
Total deferred inflows of resources	3,231,371	1,328,543	25,619
Fund balances:			
Nonspendable:			
Inventories	-	-	461,073
Prepaid expense	63,844	8,063	32,253
Restricted for:			
Supplemental levy purposes	1,230,028	-	-
Rural services purposes	-	843,458	-
Secondary roads purposes	-	-	4,112,367
Conservation purposes	7,006	-	-
Debt service	-	-	-
Opioid abatement	-	-	-
Other purposes	41,502	-	-
Assigned for promotion of public health	27,742	-	-
Unassigned	2,371,781	-	-
Total fund balances	3,741,903	851,521	4,605,693
Total liabilities, deferred inflows of resources and fund balances	$ 8,115,782	2,195,045	5,049,003

See notes to financial statements.

Revenue Local Option Sales Tax	Nonmajor	Total
926,112	129,122	10,875,298
-	12,460	12,460
-	-	8,344
-	-	4,495,000
-	-	32,550
-	-	47,921
-	154,953	154,953
-	-	272
64,339	-	430,765
-	-	24,020
-	-	461,073
3,122	-	107,282
993,573	296,535	16,649,938
8,482	-	436,813
-	-	132,889
501	-	8,784
-	-	1,005,677
8,983	-	1,584,163
-	-	4,495,000
-	154,953	221,466
-	-	24,020
-	154,953	4,740,486
-	-	461,073
3,122	-	107,282
-	-	1,230,028
-	-	843,458
-	-	4,112,367
-	85,039	92,045
981,468	-	981,468
-	36,079	36,079
-	20,464	61,966
-	-	27,742
-	-	2,371,781
984,590	141,582	10,325,289
993,573	296,535	16,649,938

Wayne County

Wayne County

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

June 30, 2023

Total governmental fund balances (page 21)		$ 10,325,289
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 $28,619,175 and the accumulated depreciation/amortization is $10,770,264.		17,848,911
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.		221,466
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 in governmental activities in the Statement of Net Position.		216,615
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	$ 616,730	
Deferred inflows of resources	(547,823)	68,907
Long-term liabilities, including general obligation bonds payable, IT subscription liability, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(2,785,457)
Net position of governmental activities (page 17)		$ 25,895,731

See notes to financial statements.

Wayne County

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

Year ended June 30, 2023

		Special	
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	$ 2,818,088	1,319,488	-
Local option sales tax	-	-	-
Penalty and interest on property tax	35,873	-	-
Intergovernmental	981,223	256,095	3,417,949
Licenses and permits	358	11,445	25,245
Charges for service	465,876	1,800	12
Use of money and property	333,678	-	-
Miscellaneous	28,728	1,133	291,934
Total revenues	4,663,824	1,589,961	3,735,140
Expenditures:			
Operating:			
Public safety and legal services	1,292,387	739,035	-
Physical health and social services	1,275,989	68,503	-
County environment and education	381,355	104,889	-
Roads and transportation	-	-	4,341,556
Governmental services to residents	330,808	4,425	-
Administration	1,191,111	-	-
Debt service	-	-	-
Capital projects	76,070	-	421,449
Total expenditures	4,547,720	916,852	4,763,005
Excess (deficiency) of revenues over (under) expenditures	116,104	673,109	(1,027,865)
Other financing sources (uses):			
Transfers in	-	-	869,823
Transfers out	(70,957)	(798,866)	-
Sale of capital assets	10,501	-	-
Total other financing sources (uses)	(60,456)	(798,866)	869,823
Change in fund balances	55,648	(125,757)	(158,042)
Fund balances beginning of year	3,686,255	977,278	4,763,735
Fund balances end of year	$ 3,741,903	851,521	4,605,693

See notes to financial statements.

Revenue		
Local Option Sales Tax	Nonmajor	Total
-	-	4,137,576
618,429	-	618,429
-	-	35,873
-	8,614	4,663,881
-	-	37,048
-	1,650	469,338
35,732	1,987	371,397
-	47,038	368,833
654,161	59,289	10,702,375
355,877	2,836	2,390,135
-	9,708	1,354,200
-	25,405	511,649
-	-	4,341,556
-	1,722	336,955
-	-	1,191,111
253,700	-	253,700
-	-	497,519
609,577	39,671	10,876,825
44,584	19,618	(174,450)
-	-	869,823
-	-	(869,823)
-	-	10,501
-	-	10,501
44,584	19,618	(163,949)
940,006	121,964	10,489,238
984,590	141,582	10,325,289

Wayne County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 25)		$ (163,949)
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	$ 998,640	
Capital assets contributed by the Department of Transporation	805,154	
Depreciation/amortization expense	(1,188,451)	615,343
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.		30,000
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property tax	(1,639)	
Other	(46,547)	(48,186)
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.		248,858
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.		372,027
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	(15,622)	
Pension reduction	68,829	
OPEB reduction	612	
Interest on long-term debt	375	54,194
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.		39,325
Change in net position of governmental activities (page 19)		$ 1,147,612

See notes to financial statements.

Wayne County

Statement of Net Position
Proprietary Fund

June 30, 2023

		Internal Service Employee Group Health
Assets		
Cash and cash equivalents	$	216,615
Liabilities		
Accounts payable		-
Net Position		
Restricted for employee health	$	216,615

See notes to financial statements.

Wayne County

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

Year Ended June 30, 2023

		Internal Service Employee Group Health
Operating revenues:		
Reimbursements from operating funds		$ 971,573
Reimbursements from employees and others		22,189
Total operating revenues		993,762
Operating expenses:		
Medical claims	$ 84,690	
Insurance premiums	860,793	
Administrative fees	8,954	954,437
Operating income		39,325
Net income		39,325
Net position beginning of year		177,290
Net position end of year		$ 216,615

See notes to financial statements.

Wayne County

Statement of Cash Flows
Proprietary Fund

Year Ended June 30, 2023

	Internal Service Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 971,573
Cash received from employees and others	22,189
Cash paid to suppliers for services	(956,099)
Net cash provided by operating activities	37,663
Cash and cash equivalents beginning of year	178,952
Cash and cash equivalents end of year	$ 216,615
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 39,325
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in liabilities:	
Accounts payable	(1,662)
Net cash provided by operating activities	$ 37,663

See notes to financial statements.

Wayne County

Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 1,104,960
Other County officials	53,633
Receivables:	
Property tax:	
Delinquent	46,517
Succeeding year	8,709,000
Accounts	4,317
Assessments	36,505
Due from other governments	48,304
Total assets	10,003,236
Liabilities	
Accounts payable	175
Salaries and benefits payable	3,656
Due to other governments	358,112
Trusts payable	44,448
Compensated absences	9,168
Total liabilities	415,559
Deferred Inflows of Resources	
Unavailable property tax revenue	8,709,000
Net position	
Restricted for individuals, organizations and other governments	$ 878,677

See notes to financial statements.

Wayne County

Statement of Changes in Fiduciary Net Position
Custodial Funds

Year Ended June 30, 2023

Additions:		
Property and other county tax	$	8,003,733
911 surcharge		177,151
State tax credits		515,208
Office fees and collections		623,723
Auto licenses, use tax and postage		2,426,265
Assessments		2,304
Trusts		445,887
Miscellaneous		295,280
Total additions		12,489,551
Deductions:		
Agency remittances:		
To other funds		488,891
To other governments		11,474,344
Trusts paid out		445,887
Total deductions		12,409,122
Change in net position		80,429
Net position beginning of year		798,248
Net position end of year	$	878,677

See notes to financial statements.

(1) Summary of Significant Accounting Policies

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

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

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

Wayne County Sheriff's Canine has been incorporated under Chapter 504A of the Code of Iowa to receive donations to aid the Wayne County Sheriff's Office. These donations are to be used to fund the training and care of a canine for law enforcement use. The financial activity of the component unit is included as a Special Revenue Fund of the County.

Wayne County Sheriff's Reserve has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Wayne County Sheriff's Office. These donations are to be used to fund the reserve officers who assist the County Sheriff, as requested. The financial activity of this component unit is included as a Special Revenue Fund of the County.

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: Wayne County Assessor's Conference Board, Wayne County Emergency Management Commission and the Wayne 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: Wayne, Ringgold and Decatur County Solid Waste Commission, Ten Fifteen Regional Transit Agency Board, South Iowa Area Crime Commission, Wayne County Development Corporation Board, Chariton Valley Rural Economic Development Incorporated Board, Southeast Iowa Case Management Board, Wayne County Empowerment Board, County Rural Offices of Social Services and Southeast Iowa Response Group.

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required 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 Option Sales Tax Fund is used to account for local option sales tax revenues used in the funding of the general obligation bonds issued for the acquisition and construction of the jail or any other jail related expenses.

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 balances and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

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

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

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

Asset Class		Amount
Infrastructure	$	60,000
Land, buildings and improvements		25,000
Intangibles		25,000
Equipment and vehicles		5,000
Right-to-use leased assets		5,000
Right-to-use subscription assets		50,000

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

Asset Class	Estimated Useful Lives (In Years)
Infrastructure	5 - 70
Buildings and improvements	20 - 50
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	2 - 10
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	2 - 20

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

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

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

> Wayne County uses its estimated incremental borrowing rate as the discount rate for leases.
>
> The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements (SBITA) – Wayne County has entered into a contract that conveys control of the right-to-use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of $50,000, or more.

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

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

> Wayne County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.
>
> The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s), which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, 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 government-wide and governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

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

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

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

Pensions – For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense (reduction), 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 (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated prior to approval of an amendment and at year end.

(2) Cash, Cash Equivalents and Pooled Investments

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

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of $1,897,814. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in the IPAIT is unrated.

(3) Interfund Transfers

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

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	$ 70,957
	Special Revenue:	
	Rural Services	798,866
		$ 869,823

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

(4) Capital Assets

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

	Balance Beginning of Year (as restated)	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	$ 285,030	-	-	285,030
Construction in progress	27,848	969,481	(919,434)	77,895
Total capital assets not being depreciated/amortized	312,878	969,481	(919,434)	362,925
Capital assets being depreciated/amortized:				
Buildings	5,285,014	26,023	-	5,311,037
Improvements other than buildings	113,439	-	-	113,439
Equipment and vehicles	5,336,208	1,030,614	(319,639)	6,047,183
Right-to-use subscription asset	98,334	-	-	98,334
Infrastructure, road network	15,792,846	893,411	-	16,686,257
Total capital assets being depreciated/amortized	26,625,841	1,950,048	(319,639)	28,256,250
Less accumulated depreciation/amortization for:				
Buildings	1,848,079	107,372	-	1,955,451
Improvements other than buildings	56,214	3,781	-	59,995
Equipment and vehicles	2,889,442	577,505	(153,338)	3,313,609
Right-to-use subscription asset	-	25,106	-	25,106
Infrastructure, road network	4,941,416	474,687	-	5,416,103
Total accumulated depreciation/amortization	9,735,151	1,188,451	(153,338)	10,770,264
Total capital assets being depreciated/amortized, net	16,890,690	761,597	(166,301)	17,485,986
Governmental activities capital assets, net	$ 17,203,568	1,731,078	(1,085,735)	17,848,911

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 146,350
Physical health and social services	22,369
County environment and education	51,319
Roads and transportation	929,771
Governmental services to residents	6,069
Administration	32,573
Total depreciation/amortization expense - governmental activities	$ 1,188,451

(5) County Farm Lease Receivable

The County owns the Wayne County Farm. Effective May 1, 2019, the County entered into a six-year lease with a citizen of Wayne County whereby the farm is operated by Tyson Polsdofer. The County is to receive annual rent payments of $24,500 with an implicit rate of 2.0%.

Year Ending June 30,		Amount
2024	$	24,500
Less interest		(480)
Present value	$	24,020

(6) Due to Other Governments

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

Fund	Description		Amount
General	Services	$	8,120
Special Revenue:			
Secondary roads	Services		163
Local Option Sales Tax	Services		501
Total for governmental funds		$	8,784
Custodial:			
County Offices	Collections	$	9,185
Agricultural Extension Education			1,691
Schools			58,498
Community Colleges			6,654
Corporations and Special Assessments			30,169
Townships			3,220
Auto License and Use Tax			204,368
County Hospital			19,689
Other			24,638
Total for custodial funds		$	358,112

(7) Long-Term Liabilities

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

	General Obligation Bonds	IT Subscription Liability	Compensated Absences	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance beginning of year of year, as restated	$ 1,405,000	98,334	218,226	(844,387)	316,323	1,193,496
Increases	-	-	170,838	1,782,386	60,279	2,013,503
Decreases	225,000	23,858	155,216	-	19,435	423,509
Balance end of year	$ 1,180,000	74,476	233,848	937,999	357,167	2,783,490
Due within one year	$ 230,000	24,335	95,885	-	-	350,220

Bonds Payable

On September 1, 2020, the County issued $1,850,000 general obligation local option sales and services tax refunding bonds, Series 2020A with an interest rate of 2% per annum. The bond was issued to refund the outstanding general obligation local option sales and services tax refunding bonds, Series 2012A and to pay costs associated with issuance of the bonds. During the year ended June 30, 2023, the County paid principal of $225,000 and interest of $28,100 on the bonds.

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

	Local Option Sales and Services Tax Refunding Bonds Issued Sep 1, 2020			
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2024	2.00%	$ 230,000	23,600	253,600
2025	2.00	230,000	19,000	249,000
2026	2.00	235,000	14,400	249,400
2027	2.00	240,000	9,700	249,700
2028	2.00	245,000	4,900	249,900
		$1,180,000	71,600	1,251,600

IT Subscription Liability

On February 26, 2020, the County entered into an IT subscription license and services information technology agreement with Tyler Technologies Inc. for financial software. An initial IT subscription liability was recorded in the amount of $124,160. The agreement requires annual payments of $25,825 over 5 years with an initial payment made July 31, 2021 for $25,825, with an interest rate of 2.00% and final payment due July 31, 2025. During the year ended June 30, 2023, principal and interest paid were $23,858 and $1,967, respectively. Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	IT Subscription Liability Principal	Interest	Total
2024	$ 24,335	1,490	25,825
2025	24,822	1,003	25,825
2026	25,319	506	25,825
Totals	$ 74,476	2,999	77,475

(8) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

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

The County's contributions to IPERS for the year ended June 30, 2023 were $372,027.

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of $937,999 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.024827%, which was a decrease of 0.219762% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense (reduction) of $(68,829). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 136,666	18,240
Changes of assumptions	1,078	62,025
Net difference between projected and actual earnings on IPERS' investments	-	182,004
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	88,587	50,387
County contributions subsequent to the measurement date	372,027	-
Total	$ 598,358	312,656

$372,027 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	$ (163,874)
2025	(108,863)
2026	(217,278)
2027	404,395
2028	(705)
Total	$ (86,325)

There were no non-employer contributing entities to IPERS.

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	$ 2,475,177	937,999	(414,369)

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

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

(9) Other Postemployment Benefits (OPEB)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	69
Total	69

Total OPEB Liability – The County's total OPEB liability of $357,167 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

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

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

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

Mortality rates for general retirees are from the SOA Pub-2010 General Headcount Weighted Morality Table fully generational using Scale MP-2021. Mortality rates for Protection and Sheriffs retirees are from the SOA PUB-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021. Mortality rates for Surviving Spouses are from the SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 316,323
Changes for the year:	
Service cost	45,481
Interest	14,798
Differences between expected and actual experiences	(18,610)
Changes in assumptions	(825)
Net changes	40,844
Total OPEB liability end of year	$ 357,167

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

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

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	$ 378,229	357,167	337,029

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 it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	$ 317,246	357,167	404,275

OPEB Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense (reduction) of $(612). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,412	169,955
Changes in assumptions	11,960	65,212
Total	$ 18,372	235,167

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

Year Ending June 30,	Amount
2024	$ (60,889)
2025	(40,690)
2026	(37,965)
2027	(25,318)
2028	(25,320)
Thereafter	(26,613)
	$ (216,795)

(10) Risk Management

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

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2023 were $199,937.

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

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of $1,000,000 and $320,000, 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 the employee and County contributions and is administered through a service agreement with Auxiant. Claims in excess of coverage are insured through purchase of stop loss insurance.

The payments of plan contributions to the Internal Service, 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 made to Auxiant. The County's contribution to the fund for the year ended June 30, 2023 was $971,573.

Amounts payable from the Internal Service, Employee Group Health Fund at June 30, 2023 for incurred but not reported (IBNR) and reported but not paid claims has been estimated but has not been actuarially determined since the County is exempt from obtaining an actuarial opinion under Chapter 509A.15(4) of the Code of Iowa. The combined County liability for unpaid claims is as follows:

Unpaid claims beginning of year	$ 1,662
Incurred claims (including claims incurred but not reported at June 30, 2023)	84,690
Payments:	
Payment on claims during the year	86,352
Unpaid claims end of year	$ -

(12) Construction Commitment

The County entered into a contract totaling $1,477,388 for a Courthouse HVAC project. As of June 30, 2023, costs of $19,950 on the project have been incurred. The $1,457,438 balance remaining on the project at June 30, 2023 will be paid as work on the project progresses.

(13) Accounting Change

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

	Capital Assets	Long-term Liabilities IT Subscription Liability
Balances June 30, 2022, as previously reported	$ 17,105,234	-
Change to implement GASBS No. 96	98,334	98,334
Balances July 1, 2022, as restated	$ 17,203,568	98,334

Required Supplementary Information

Wayne County

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

Required Supplementary Information

Year ended June 30, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	$ 4,738,242	-	4,738,242
Penalty and interest on property tax	35,873	-	35,873
Intergovernmental	5,274,358	-	5,274,358
Licenses and permits	32,835	-	32,835
Charges for service	512,878	-	512,878
Use of money and property	371,125	-	371,125
Miscellaneous	372,857	5,431	367,426
Total receipts	11,338,168	5,431	11,332,737
Disbursements:			
Public safety and legal services	2,350,983	2,689	2,348,294
Physical health and social services	1,366,650	-	1,366,650
County environment and education	509,624	-	509,624
Roads and transportation	4,147,845	-	4,147,845
Governmental services to residents	300,617	-	300,617
Administration	1,194,204	-	1,194,204
Non-program	-	-	-
Debt service	253,700	-	253,700
Capital projects	501,128	-	501,128
Total disbursements	10,624,751	2,689	10,622,062
Excess (deficiency) of receipts over (under) disbursements	713,417	2,742	710,675
Other financing sources, net	10,501	-	10,501
Change in balances	723,918	2,742	721,176
Balance beginning of year	10,163,840	9,718	10,154,122
Balance end of year	$ 10,887,758	12,460	10,875,298

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net Variance
4,585,993	4,585,993	152,249
-	-	35,873
4,604,509	4,664,509	609,849
9,750	9,750	23,085
363,656	363,656	149,222
18,025	18,025	353,100
3,487	3,487	363,939
9,585,420	9,645,420	1,687,317
2,506,237	2,613,737	265,443
1,294,697	1,468,361	101,711
497,653	601,831	92,207
5,133,153	5,133,153	985,308
409,510	409,510	108,893
1,342,615	1,342,615	148,411
10,000	10,000	10,000
263,700	263,700	10,000
1,831,000	1,831,000	1,329,872
13,288,565	13,673,907	3,051,845
(3,703,145)	(4,028,487)	4,739,162
-	-	10,501
(3,703,145)	(4,028,487)	4,749,663
6,962,317	6,962,317	3,191,805
3,259,172	2,933,830	7,941,468

Wayne County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 11,338,168	(635,793)	10,702,375
Expenditures	10,624,751	252,074	10,876,825
Net	713,417	(887,867)	(174,450)
Other financing sources, net	10,501	-	10,501
Beginning fund balances	10,163,840	325,398	10,489,238
Ending fund balances	$ 10,887,758	(562,469)	10,325,289

See accompanying independent auditor's report.

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund and the Special Revenue Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by $385,342. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated prior to approval of an amendment and at year end.

Wayne County

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

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

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability (asset)	0.024827%	0.244589% **	0.032521%	0.029191%
County's proportionate share of the net pension liability (asset)	$ 938	(844)	2,285	1,690
County's covered payroll	$ 3,623	3,527	3,349	3,124
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.89%	-23.93%	68.23%	54.10%
IPERS' net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%	85.45%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.031671%	0.034472%	0.033592%	0.032972%	0.030954%
2,004	2,296	2,114	1,629	1,228
3,085	3,075	2,893	2,907	2,796
64.96%	74.67%	73.07%	56.04%	43.92%
83.62%	82.21%	81.82%	85.19%	87.61%

Wayne County

Schedule of County Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	$ 372	340	333	318
Contributions in relation to the statutorily required contribution	(372)	(340)	(333)	(318)
Contribution deficiency (excess)	$ -	-	-	-
County's covered payroll	$ 3,974	3,623	3,527	3,349
Contributions as a percentage of covered payroll	9.36%	9.38%	9.44%	9.50%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
299	280	280	264	268	256
(299)	(280)	(280)	(264)	(268)	(256)
-	-	-	-	-	-
3,124	3,085	3,075	2,893	2,907	2,796
9.57%	9.08%	9.11%	9.13%	9.22%	9.16%

Wayne County

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

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

Wayne County

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

For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	$ 45,481	57,281	53,262	48,231
Interest cost	14,798	10,508	11,184	15,454
Difference between expected and actual experiences	(18,610)	(147,146)	(20,399)	14,964
Changes in assumptions	(825)	(26,849)	11,277	(103,493)
Net change in total OPEB liability	40,844	(106,206)	55,324	(24,844)
Total OPEB liability beginning of year	316,323	422,529	367,205	392,049
Total OPEB liability end of year	$ 357,167	316,323	422,529	367,205
Covered-employee payroll	$ 3,782,641	3,235,200	3,183,651	3,083,439
Total OPEB liability as a percentage of covered-employee payroll	9.4%	9.8%	13.3%	11.9%

See accompanying independent auditor's report.

	2019	2018
	45,548	40,740
	15,319	16,993
	(26,499)	(160,951)
	7,388	19,588
	41,756	(83,630)
	350,293	433,923
	392,049	350,293
	2,773,593	2,686,289
	14.1%	13.0%

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

- Changed mortality assumptions to the SOA Public Plan 2010 tables.

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

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

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

Supplementary Information

Wayne County

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

			Special
	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Resource Enhancement and Protection
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	$ 328	4	5,089
Component units	-	-	-
Receivable:			
Opioid settlement	-	-	-
Total assets	$ 328	4	5,089
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Deferred inflows of resources:			
Unavailable revenues:			
Other	-	-	-
Fund balances:			
Restricted for:			
Conservation purposes	-	-	5,089
Opioid abatement	-	-	-
Other purposes	328	4	-
Total fund balances	328	4	5,089
Total liabilities, deferred inflows of resources and fund balances	$ 328	4	5,089

See accompanying independent auditor's report.

Revenue						
Duncan Bequest	Veterans Affairs Donations	Wayne County Sheriff's Canine	Wayne County Sheriff's Reserve	Wayne County Sheriff's Forfeiture	Opioid Settlement	Total
79,950	5,270	-	-	2,402	36,079	129,122
-	-	7,843	4,617	-	-	12,460
-	-	-	-	-	154,953	154,953
79,950	5,270	7,843	4,617	2,402	191,032	296,535
-	-	-	-	-	154,953	154,953
79,950	-	-	-	-	-	85,039
-	-	-	-	-	36,079	36,079
-	5,270	7,843	4,617	2,402	-	20,464
79,950	5,270	7,843	4,617	2,402	36,079	141,582
79,950	5,270	7,843	4,617	2,402	191,032	296,535

Wayne County

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

Year ended June 30, 2023

	Special		
	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Resource Enhancement and Protection
Revenues:			
Intergovernmental	$ -	-	8,614
Charges for service	1,650	-	-
Use of money and property	44	-	500
Miscellaneous	-	-	-
Total revenues	1,694	-	9,114
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
Physical health and social services	-	-	-
County environment and education	-	-	25,405
Governmental services to residents	1,722	-	-
Total expenditures	1,722	-	25,405
Excess (deficiency) of revenues over (under) expenditures	(28)	-	(16,291)
Fund balances beginning of year	356	4	21,380
Fund balances end of year	$ 328	4	5,089

See accompanying independent auditor's report.

Revenue						
Duncan Bequest	Veterans Affairs Donations	Wayne County Sheriff's Canine	Wayne County Sheriff's Reserve	Wayne County Sheriff's Forfeiture	Opioid Settlement	Total
-	-	-	-	-	-	8,614
-	-	-	-	-	-	1,650
1,303	140	-	-	-	-	1,987
-	5,868	5,408	23	1,189	34,550	47,038
1,303	6,008	5,408	23	1,189	34,550	59,289
-	-	2,408	281	147	-	2,836
-	4,708	-	-	-	5,000	9,708
-	-	-	-	-	-	25,405
-	-	-	-	-	-	1,722
-	4,708	2,408	281	147	5,000	39,671
1,303	1,300	3,000	(258)	1,042	29,550	19,618
78,647	3,970	4,843	4,875	1,360	6,529	121,964
79,950	5,270	7,843	4,617	2,402	36,079	141,582

Wayne County

Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	1,691	182,651	58,498
Other County officials	53,633	-	-	-
Receivables:				
Property tax:				
Delinquent	-	325	465	11,380
Succeeding year	-	132,000	189,000	4,661,000
Accounts	-	-	-	-
Assessments	-	-	-	-
Due from other governments	-	-	11	-
Total assets	53,633	134,016	372,127	4,730,878
Liabilities				
Accounts payable	-	-	-	-
Salaries and benefits payable	-	-	2,410	-
Due to other governments	9,185	1,691	-	58,498
Trusts payable	44,448	-	-	-
Compensated absences	-	-	7,128	-
Total liabilities	53,633	1,691	9,538	58,498
Deferred Inflows of Resources				
Unavailable revenues	-	132,000	189,000	4,661,000
Net Position				
Restricted for individuals, organizations and other governments	$ -	325	173,589	11,380

See accompanying independent auditor's report.

Community Colleges	Corporations and Special Assessments	Townships	Auto License and Use Tax	County Hospital	Other	Total
6,654	30,169	3,220	204,368	19,689	598,020	1,104,960
-	-	-	-	-	-	53,633
1,344	29,031	108	-	3,862	2	46,517
542,000	1,326,000	290,000	-	1,568,000	1,000	8,709,000
-	-	-	-	-	4,317	4,317
-	36,505	-	-	-	-	36,505
-	-	-	-	-	48,293	48,304
549,998	1,421,705	293,328	204,368	1,591,551	651,632	10,003,236
-	-	-	-	-	175	175
-	-	-	-	-	1,246	3,656
6,654	30,169	3,220	204,368	19,689	24,638	358,112
-	-	-	-	-	-	44,448
-	-	-	-	-	2,040	9,168
6,654	30,169	3,220	204,368	19,689	28,099	415,559
542,000	1,326,000	290,000	-	1,568,000	1,000	8,709,000
1,344	65,536	108	-	3,862	622,533	878,677

Wayne County

Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	$ -	124,757	180,735	4,342,271
911 surcharge	-	-	-	-
State tax credits	-	7,055	10,121	224,424
Office fees and collections	622,073	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	265,792	-	-	-
Miscellaneous	-	-	53	-
Total additions	887,865	131,812	190,909	4,566,695
Deductions:				
Agency remittances:				
To other funds	415,948	-	-	-
To other governments	206,125	131,891	194,430	4,569,138
Trusts paid out	265,792	-	-	-
Total deductions	887,865	131,891	194,430	4,569,138
Changes in net position	-	(79)	(3,521)	(2,443)
Net position beginning of year	-	404	177,110	13,823
Net position end of year	$ -	325	173,589	11,380

See accompanying independent auditor's report.

Community Colleges	Corporations and Special Assessments	Townships	Auto License and Use Tax	County Hospital	Other	Total
489,217	1,130,463	282,201	-	1,453,130	959	8,003,733
-		-	-	-	177,151	177,151
24,715	155,869	10,659	-	82,310	55	515,208
-	-	-	-	-	1,650	623,723
-	-	-	2,426,265	-	-	2,426,265
-	2,304	-	-	-	-	2,304
-	-	-	-	-	180,095	445,887
-	9,941	-	-	-	285,286	295,280
513,932	1,298,577	292,860	2,426,265	1,535,440	645,196	12,489,551
-	-	-	72,943	-	-	488,891
514,193	1,300,982	292,932	2,353,322	1,536,287	375,044	11,474,344
-	-	-	-	-	180,095	445,887
514,193	1,300,982	292,932	2,426,265	1,536,287	555,139	12,409,122
(261)	(2,405)	(72)	-	(847)	90,057	80,429
1,605	67,941	180	-	4,709	532,476	798,248
1,344	65,536	108	-	3,862	622,533	878,677

Wayne County

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

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	$ 4,137,576	4,485,781	4,395,988	3,974,571
Local option sales tax	618,429	640,285	684,916	329,977
Penalty and interest on property tax	35,873	36,261	55,593	17,459
Intergovernmental	4,663,881	4,496,738	4,605,257	4,201,231
Licenses and permits	37,048	19,796	14,490	11,300
Charges for service	469,338	467,930	459,201	500,152
Use of money and property	371,397	60,064	63,135	161,870
Miscellaneous	368,833	151,129	149,503	250,036
Total	$ 10,702,375	10,357,984	10,428,083	9,446,596
Expenditures:				
Operating:				
Public safety and legal services	$ 2,390,135	2,072,276	1,943,680	1,847,055
Physical health and social services	1,354,200	1,369,004	1,252,363	1,100,370
Mental health	-	175,837	259,600	301,492
County environment and education	511,649	404,373	314,569	320,044
Roads and transportation	4,341,556	3,863,267	3,653,512	3,832,716
Governmental services to residents	336,955	306,289	282,114	285,761
Administration	1,191,111	1,172,641	1,012,187	988,383
Non-program	-	-	-	-
Debt service	253,700	253,100	263,904	268,405
Capital projects	497,519	412,493	201,862	6,174
Total	$ 10,876,825	10,029,280	9,183,791	8,950,400

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
3,674,570	2,990,686	3,554,995	3,440,155	3,254,269	3,277,371
525,831	388,857	385,113	363,926	366,504	323,187
36,556	35,630	39,154	39,549	43,522	42,957
4,463,856	3,614,486	4,270,062	3,869,303	4,034,730	3,813,119
12,562	11,466	12,613	11,575	12,449	9,308
508,649	550,760	589,249	520,778	400,590	460,157
191,547	164,185	52,441	80,772	117,174	120,187
104,512	179,618	146,381	73,096	118,867	117,087
9,518,083	7,935,688	9,050,008	8,399,154	8,348,105	8,163,373
1,805,383	1,614,296	1,537,927	1,369,170	1,330,364	1,280,674
1,024,636	1,091,819	805,990	824,298	1,018,362	1,091,508
516,110	228,772	409,138	392,324	436,851	360,302
373,036	365,047	457,866	294,654	418,031	349,682
2,858,777	3,409,233	3,356,622	2,714,833	3,107,983	2,964,008
259,197	259,248	251,759	276,100	217,187	220,096
899,546	814,277	806,510	770,687	908,230	821,703
638	12,730	15,867	25,447	12,763	10,678
265,488	268,283	260,743	328,664	458,634	457,486
860,351	365,801	787,545	190,937	245,717	268,205
8,863,162	8,429,506	8,689,967	7,187,114	8,154,122	7,824,342

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

To the Officials of Wayne 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 Wayne County, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne 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 Wayne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne 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 Wayne County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-004 and 2023-008 to be significant deficiencies.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Wayne County's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Wayne 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.

Wayne County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Wayne County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Wayne 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 Wayne 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 30, 2025

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 Segregation of Duties

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

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

		Applicable Offices
(1)	Collection and deposit preparation functions were not performed by an individual who does not record and account for cash receipts. Custodian of change funds is not prohibited from handling other cash receipts.	Treasurer, Recorder, Sheriff and New Venture Group Home
(2)	Incoming mail is not opened by an employee who is not authorized to make entries to the accounting records. Controls are strengthened when an independent mail opener prepares a listing of checks received in the mail, then forwards the mail and checks to accounting personnel for processing. The independent mail opener should then test the list of mail receipts to proper recording and deposit.	Recorder and Sheriff
(3)	A listing of cash and checks received by mail is not regularly prepared by someone independent of cash and receipt functions or compared to cash receipt records or bank deposits.	Treasurer and New Venture Group Home
(4)	Bank accounts are not reconciled by an individual who does not sign checks, handle or record cash. In addition, monthly reviews of bank reconciliations by an independent person were not documented.	Treasurer, Recorder and New Venture Group Home
(5)	The person who signs checks was not independent of the person preparing the checks, approving disbursements and recording cash receipts.	Recorder, Sheriff and New Venture Group Home

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

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

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

Treasurer – We do our best to have segregated duties, but as a small office of three, it's difficult to fully segregate. End of day batches and deposits for Tax, Motor Vehicle and Drivers License are all verified by two people. Mail is sorted by myself and given to my deputy and clerk to process, with the exception if we are short staffed. Then, either the deputy or the clerk processes all the mail, unless the work load is heavy and I will assist. Treasurer's office staff is not considered an independent source.

Recorder – We do have difficulty segregating some of the duties as there are only 2 full time staff members in this office and one part time clerk. We do our best to double check each other's work. We utilize daily spreadsheets for our daily transactions so that we can cross reference and double check totals at the end of the day. We utilize a fee book and a cash register for daily transactions as well. Asking a staff member from another office to oversee our procedures is not truly feasible due to the fact that they are busy with their own work. We are constantly checking each other's work as we go through the process of balancing at the end of the day. We do try to rotate the daily balancing process so that we each have a different tasks on different days.

Sheriff – A review will be made upon the ongoing procedures that we have utilized during my 29 years of serving as the Sheriff. If there are accommodations that can be made we will attempt to implement them.

New Venture Group Home – Due to the limited number of staff, it is difficult to reduce segregation of duties. Another employee will double check balanced bank statements.

Conclusions –

Treasurer, Recorder, Sheriff and New Venture Group Home – Responses acknowledged. To strengthen controls, the Treasurer, Recorder, Sheriff and New Venture Group Home should continue to review operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials and staff from other offices.

2023-002 Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the County's financial statements.

Condition – Material amounts of receivables and capital assets were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

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

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

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

Response – Some previous fiscal years receivables were missed or not entered in a timely manner. Now that the bank reconciliations are current, receivables are entered as they are received and are not missed. Bank accounts are checked daily by two people and all deposits are verified that they have been entered into the financial system. The County will put in writing our policies and procedures to improve the County's control over its capital assets.

Conclusion – Response accepted.

2023-003 County Treasurer Bank Reconciliations

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

Condition – Monthly reconciliation of all bank account balances, including investments, to the Treasurer's book balance was not performed for the entire fiscal year. At the year ended June 30, 2023, significant unresolved variances existed between the bank balance and the general ledger (book balance). The County identified various unrecorded transactions that were subsequently recorded eliminating the variance.

Cause – Policies have not been established and procedures have not been implemented to reconcile all bank account balances, including investments, to the Treasurer's book balance in a timely manner. The variances between the bank balance and the general ledger were due, in part, to the County updating their financial accounting software during the previous fiscal year.

Effect – The lack of timely reconciliations of all bank account balances, including investments, to the Treasurer's book balance can result in unrecorded transactions, undetected errors and opportunity for misappropriation.

Recommendation – Monthly bank reconciliations, including all bank account balances and investments, should be reconciled timely, at least monthly, to the Treasurer's book balance. The monthly reconciliation should be reviewed by an independent person and the review should be documented by the signature or initials of the reviewer and the date of the review.

Response – Going forward all bank accounts will be reconciled on a monthly basis, reviewed by two people – initialed and dated.

Conclusion – Response accepted.

2023-004 Capital Assets

Criteria – An effective internal control system provides for internal controls related to reconciling capital assets to asset/property records to ensure the accuracy of financial records and insurance needs and maintaining control over capital assets.

Condition – The County does not have procedures in place requiring the following:

- Periodic observations of capital assets by an individual having no responsibility for the assets.

- Physical inventory reconciliation to detailed capital asset records.

Cause – Management has not required procedures to be implemented for the above controls.

Effect – A lack of procedures could result in lost or misappropriated capital assets. If the capital asset listing is not properly maintained, the financial reports could be misstated due to an omission or an incorrect inclusion.

Recommendation – The County should develop written policies and procedures addressing the above items in order to improve the County's control over its capital assets.

Response – Capital asset resolution is passed annually and communicated to Department Heads and Elected Officials. Claims are reviewed when entered to see if a capital asset form needs to be filled out and approved by the Board of Supervisors. We do our due diligence to ensure we have the most up to date capital asset list possible.

Conclusion – Response acknowledged. The County should develop written policies and procedures to require periodic observations of capital assets by an individual having no responsibility for the assets and to require a physical inventory reconciliation to detailed capital asset records.

2023-005 Accounting Policies and Procedures Manual

Criteria – Accounting policies and procedures manuals provide the following benefits:

(1) Aid in training additional or replacement staff.

(2) Help achieve uniformity in accounting and in the application of policies and procedures.

(3) Save supervisory time by recording decisions so they will not have to be made each time the same, or a similar, situation arises.

Condition – The Treasurer's Office does not have an accounting policies and procedures manual.

Cause – The Treasurer's Office has been unaware of the need for an accounting policies and procedures manual.

Effect – Lack of an accounting policies and procedures manual could result in the Treasurer Office's lack of ability to continue operating effectively and efficiently in the event there is accounting staff turnover.

Recommendation – An accounting policies and procedures manual should be developed for the County Treasurer.

Response – An accounting policy was created in fiscal year 2024 and procedure manuals have been in place for many years and are updated as needed. These provide staff with step-by-step instructions on procedures that are done in office. I encourage staff to use these procedures to become familiarized and confident in completing different processes.

Conclusion – Response accepted.

2023-006 Disaster Recovery Plan

Criteria – Properly designed policies and procedures pertaining to control activities over the County's computer systems and implementation of the policies and procedures help provide reasonable assurance financial information is safeguarded and reliable, regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Condition – The County does not have a written disaster recovery plan which provides for a backup site, procedures to be followed to prepare the site for equipment and identifies staff responsibilities.

Cause – Management has not required a written disaster recovery plan.

Effect – The failure to have a formal disaster recovery plan could result in the County's inability to function in the event of a disaster or continue County business without interruption.

Recommendation – The County should establish a written disaster recovery plan.

Response – The County will work on developing a disaster recovery plan.

Conclusion – Response accepted.

2023-007 Journal Entries

Criteria – An independent review of all journal entries helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County's financial statements.

Condition – Approval and review for journal entries was not documented.

Cause – The County has a limited number of employees and procedures have not been designed to document the review and approval of journal entries.

Effect – Lack of independent approval of transactions could adversely affect the County's 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 – An independent person should review the journal entries and document the review by signing or initialing as evidence of the review.

Response – Going forward, journal entries will be reviewed and are to be initialed and dated by another staff member. Journal entries began getting initialed off in fiscal year 2024, and initialed and dated in fiscal year 2025.

Conclusion – Response accepted.

2023-008 Debit Card

Criteria – Internal controls over safeguarding assets constitutes a process, effected by an entity's governing body, management and other personnel designated to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from error or misappropriation. Such processes include establishing policies addressing proper asset use and proper supporting documentation.

Condition – The New Venture Group Home has a debit card available for use. Unlike credit cards, debit cards offer limited ability to set guidelines for access and limited, if any, repercussions for fraudulent transactions. In addition, there is no process for prior approval of purchases made with a debit card.

Cause – Officials have been unaware of the repercussions of allowing the use of debit cards.

Effect – Allowing the use of debit cards could result in unauthorized transactions and the opportunity for misappropriations.

Recommendation – The New Venture Group Home should prohibit the use of debit cards for purchases.

Response – New Venture will continue to use the designated debit card. It will be under supervision of the Director. All receipts and transactions are recorded and accounted for every month. A policy will be put into the New Venture handbook regarding the use of the debit card.

Conclusion – Response acknowledged. The New Venture Group Home should prohibit the use of debit cards.

Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements in certain departments exceeded the amounts appropriated prior to approval of an appropriation amendment by the Board of Supervisors and at year end.

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

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

Response – Budgets will be amended before disbursements are allowed to exceed the appropriation.

Conclusion – Response accepted.

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

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

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

Name, Title and Business Connection	Transaction Description	Amount
Alan Wilson, County Attorney, Owner of Miles Law Firm	Legal services	$ 3,540
Todd Wilson, Board of Supervisors, Spouse to Aylissa Wilson	Therapy services	2,920
Michelle Dooley, County Auditor, Relative to Shelby Dooley	Well fill	500
David Rhodes Environmental Health Director	Well fill	500
Garrett Abel, Sheriff's Office Deputy, Owner of Riflemans' Armory LLC	Uniform accessories	99

The above transactions do not appear to represent conflicts of interest in accordance with Chapter 331.342(j) of the Code of Iowa since the total transactions with each vendor were less than $6,000 during the fiscal year.

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

2023-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

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

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

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

2023-J Separately Maintained Records – The Wayne County Pioneer Cemetery Commission maintains separate accounting records for its operations. Monthly financial reports are not provided to the County and the activity of the Cemetery Commission is not included in the County's accounting records, financial reports or budget.

Recommendation – Chapter 331.552 of the Code of Iowa states, in part, the county treasurer shall "keep a true account of all receipts and disbursements of the county." For better accountability, financial and budgetary control, the financial activity and balances of all County accounts should be reported to the County Board of Supervisors on a monthly basis and included in the County's accounting records, financial reports and budget.

Response – The County holds all new funds for Pioneer Cemetery and will begin processing disbursements on behalf of Pioneer Cemetery Commission once they exhaust the funding they are holding.

Conclusion – Response accepted.

Staff

This audit was performed by:

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