

CEDAR COUNTY, IOWA

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

JUNE 30, 2021

CEDAR COUNTY, IOWA

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CEDAR COUNTY, IOWA

Officials

(Before January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Bradley Gaul	Board of Supervisors	January 2023
Dawn Smith	Board of Supervisors	January 2023
Jon Bell	Board of Supervisors	January 2021
Jeff Kaufmann	Board of Supervisors	January 2021
Steve Agne	Board of Supervisors	January 2021
Cari Dauber	County Auditor	January 2021
Sandy Delaney	County Treasurer	January 2023
Melissa Bahnsen	County Recorder	January 2023
Warren Wethington	County Sheriff	January 2021
Jeffrey Renander	County Attorney	January 2023
Cynthia Severs Marx	County Assessor	January 2022

(After January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Bradley Gaul	Board of Supervisors	January 2023
Dawn Smith	Board of Supervisors	January 2023
Jon Bell	Board of Supervisors	January 2024
Jeff Kaufmann	Board of Supervisors	January 2024
Steve Agne	Board of Supervisors	January 2024
Cari Dauber	County Auditor	January 2024
Sandy Delaney	County Treasurer	January 2023
Melissa Bahnsen	County Recorder	January 2023
Warren Wethington	County Sheriff	January 2024
Jeffrey Renander	County Attorney	January 2023
Cynthia Severs Marx	County Assessor	January 2022



ANDERSON, LARKIN & CO., P.C.
Certified Public Accountants
"Your Success Is Our Business."

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Alexander T. Barr, CPA

INDEPENDENT AUDITOR'S REPORT

To the Officials of
Cedar County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cedar County, Iowa as of and for the year ended June 30, 2021 and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cedar County, Iowa, as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 17 to the financial statements, Cedar County, Iowa adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles 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, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 4 through 9 and 44 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 U.S. generally accepted auditing standards, 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 Cedar County, Iowa'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 two years ended June 30, 2020, (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditors previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the seven years ended June 30, 2018 (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 are not a required part of the basic financial statements.

The supplementary 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. Such 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information 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 February 15, 2022, on our consideration of Cedar County, Iowa'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 Cedar County, Iowa's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co., P.C.

Ottumwa, Iowa
February 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cedar County, Iowa 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, 2021. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

- ◆ The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 84, Fiduciary Activities, during fiscal year 2021. The beginning net position for fiduciary (custodial) funds was restated by \$324,217, to retroactively report in accordance with the GASBS
- ◆ County revenue increased 25.0%, or \$4,882,927 from fiscal year 2020 to 2021.
- ◆ County program expenses were 1.5%, or \$277,823 more in fiscal year 2021 than in 2020.
- ◆ The County's net position increased 11.7%, or \$5,410,127 during the year ended June 30, 2021.

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 Cedar County, Iowa 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 Cedar County, Iowa'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 Cedar County, Iowa 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 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 funds and the individual Custodial Funds.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

2. A Proprietary fund accounts for the County's Internal Service, 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, E911 service board and the County Assessor, to name a few.

The required financial statements for fiduciary funds is a Statement of Fiduciary Net Position and 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 net position for governmental activities.

Net Position of Governmental Activities

	June 30, <u>2021</u>	June 30, <u>2020</u>
Current and other assets	\$ 35,262,731	\$ 22,284,304
Capital assets	<u>44,896,346</u>	<u>40,593,092</u>
Total assets	<u>80,159,077</u>	<u>62,877,396</u>
Deferred outflows of resources	<u>1,399,562</u>	<u>1,241,902</u>
Long-term liabilities	15,465,646	5,207,272
Other liabilities	<u>2,541,065</u>	<u>773,962</u>
Total liabilities	<u>18,006,711</u>	<u>5,981,234</u>
Deferred inflows of resources	<u>11,736,653</u>	<u>11,732,916</u>
Net position:		
Net investment in capital assets	35,156,346	40,593,092
Restricted	16,971,848	6,827,881
Unrestricted	<u>(312,919)</u>	<u>(1,015,825)</u>
Total net position	\$ <u>51,815,275</u>	\$ <u>46,405,148</u>

Net position of the County's governmental activities increased by 11.7% (\$46,405,148 compared to \$51,815,275).

The largest portion of the County's net position is the investment in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The increase in restricted net position is primarily due to unspent debt proceeds.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased from \$(1,015,825) at June 30, 2020 to \$(312,919) at June 30, 2021 an increase of 69.2%. The increase is primarily due to unspent American Rescue Plan money received but unspent at year end.

Changes in Net Position of Governmental Activities

	June 30, <u>2021</u>	June 30, <u>2020</u>
Revenues:		
Program revenues:		
Charges for service	\$ 3,082,120	\$ 1,725,451
Operating grants, contributions and restricted interest	4,990,293	5,094,032
Capital grants, contributions and restricted interest	4,597,698	1,573,467
General revenues:		
Property tax	9,569,044	8,996,905
Local option sales tax	1,072,893	946,285
Unrestricted investment earnings	70,452	89,102
Other general revenues	<u>1,041,855</u>	<u>1,116,186</u>
Total revenues	<u>24,424,355</u>	<u>19,541,428</u>
Program expenses:		
Public safety and legal services	4,318,504	4,283,252
Physical health and social services	1,512,768	1,129,711
Mental health	443,481	677,541
County environment and education	1,885,762	1,388,266
Roads and transportation	8,339,482	8,854,640
Governmental services to residents	581,517	587,605
Administration	1,887,602	1,776,040
Non-program	7,652	8,316
Interest on long-term debt	<u>37,460</u>	<u>31,034</u>
Total expenses	<u>19,014,228</u>	<u>18,736,405</u>
Change in net position	5,410,127	805,023
Net position – Beginning of year	<u>46,405,148</u>	<u>45,600,125</u>
Net position – End of year	\$ <u>51,815,275</u>	\$ <u>46,405,148</u>

The results of governmental activities for the year resulted in Cedar County, Iowa's net position increasing by \$5,410,127. Revenues for governmental activities increased by \$4,882,927 from the prior year, including increases in capital grants, contributions and restricted interest. Expenditures increased by \$277,823 including increases in physical health and social services expenses.

The cost of all governmental activities this year was \$19,014,228 compared to \$18,736,405 last year. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities was only \$6,344,117 because some of the cost was paid by those directly benefited from the programs \$3,082,120 or by other governments and organizations that subsidized certain programs with grants and contributions \$9,587,991.

INDIVIDUAL MAJOR FUND ANALYSIS

As the County completed the year, its governmental funds reported a combined fund balance of \$20,546,241, which is an increase of \$10,695,735 from last year's total of \$9,850,506. The following are the main reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures increased by 11.1% and 8.3%, respectively, when compared to the prior year. The ending fund balance showed an increase from the prior year of \$769,423 (prior year increase was \$655,221) from \$4,476,084 to \$5,245,507.
- The County has continued to look for ways to effectively manage the cost of mental health services. For the year, expenditures totaled \$423,356, a decrease of 9.2% from the prior year. Revenues increased by \$294,973 or 101.7%. The Mental Health Fund balance at year end increased by \$161,742 (prior year decrease was \$175,930) from the prior year due primarily to increased revenues.
- Secondary Roads Fund expenditures increased \$5,444 from the prior year, and revenues increased \$446,563. As a result, there was an increase in the Secondary Roads Fund ending balance of \$283,765, or 7.9% (prior year decrease was \$284,780).

INDIVIDUAL MAJOR FUND ANALYSIS (Continued)

- The Rural Services Fund ending fund balance increased from the prior year by \$261,187 (\$196,625 in prior year) to \$1,420,690.
- The Capital Projects Fund ending fund balance increased \$9,298,051 to \$9,298,698. The increase was primarily due to proceeds from debt that were not spent by year end.

BUDGETARY HIGHLIGHTS

Over the course of the year, Cedar County, Iowa amended its budget twice. As a result of the amendments, budgeted receipts increased \$1,604,415 including \$1,268,852 for intergovernmental receipts. Budgeted disbursements increased \$2,287,476 (including \$746,000 for roads and transportation and \$1,055,000 for capital projects) as a result of the budget amendments.

The County's receipts were \$2,500,405 more than budgeted, a variance of 12.4%. The most significant variance resulted from the County receiving more intergovernmental receipts than anticipated. After the budget amendments, actual disbursements were \$3,574,228 less than the amounts budgeted. This includes \$387,241 and \$2,095,054 in the public safety and legal services and capital projects functions, respectively.

CAPTIAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021 Cedar County, Iowa had \$44,896,346 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, deletions and depreciation) of \$4,303,254 or 10.6% more than the prior year.

Capital Assets of Governmental Activities at Year End

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 2,253,386	\$ 2,253,386
Construction in progress	2,201,553	348,352
Intangibles	43,722	58,295
Buildings	2,262,958	2,359,566
Improvements other than buildings	200,161	214,277
Machinery and equipment	3,661,221	3,245,018
Infrastructure	<u>34,273,345</u>	<u>32,114,198</u>
Totals	\$ <u>44,896,346</u>	\$ <u>40,593,092</u>
The major additions for each year included:		
Buildings	\$ 14,038	\$ -
Improvements other than buildings	-	202,676
Construction in progress	2,201,553	370,620
Machinery and equipment	1,162,953	1,026,616
Infrastructure	<u>3,610,364</u>	<u>1,403,447</u>
	\$ <u>6,988,908</u>	\$ <u>3,003,359</u>

The County had depreciation expense of \$2,603,744 for the fiscal year and total accumulated depreciation as of June 30, 2021 of \$42,473,012.

CAPTIAL ASSETS AND DEBT ADMINISTRATION (Continued)

Long-term Liabilities

At June 30, 2021 the County had \$15,465,646 in other long-term liabilities compared to \$5,207,272 at June 30, 2020, as shown below.

Outstanding Long-term liabilities of Governmental Activities at Year-End

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Early retirement	\$ 1,100	\$ 10,207
General obligation bonds	9,740,000	-
Drainage warrants	81,126	542,255
Compensated absences	538,115	502,561
Net pension liability	4,349,136	3,413,710
Total OPEB liability	<u>756,169</u>	<u>738,539</u>
Total	\$ <u>15,465,646</u>	\$ <u>5,207,272</u>

The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. The County is well below its constitution debt limit of \$68,378,459. Other obligations include compensated absences and sick leave, early retirement, drainage warrants, landfill post closure monitoring, net pension liability and total OPEB liability. Additional information about the County's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Cedar County, Iowa's elected, and appointed officials and citizens considered many factors when setting the fiscal year 2022 budget, tax rates, and the fees charged for the various County activities. One of those factors is the economy. Unemployment in the County now stands at 4.0% versus 5.8% a year ago. This compares with the State's unemployment rate of 4.0% and the national rate of 5.9%.

Inflation in the State is lower than the national Consumer Price Index increase. The State's CPI increase was 5.4% for fiscal year 2021 compared with the national increase of 13.9%.

These indicators were taken into account when adopting the budget for fiscal year 2022. Amounts available for appropriation in the operating budget are decreasing by \$670,033 compared to the final fiscal year 2021 budget. Intergovernmental revenues are expected to make up the majority of this decrease. Budgeted disbursements are expected to increase by \$5,215,106 compared to the final fiscal year 2021 budget. Capital projects expenditures make up the majority of this increase. The County has added no major new programs or initiatives to the fiscal year 2022 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease \$8,934,088 by the close of fiscal year 2022.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Cedar County, Iowa'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 Cedar County Auditor's Office, 400 Cedar Street, Tipton, Iowa 52772.

BASIC FINANCIAL STATEMENTS

CEDAR COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash, cash equivalents and pooled investments	\$ 21,737,465
Receivables:	
Property tax:	
Delinquent	9,269
Succeeding year	11,333,693
Succeeding year tax increment financing	34,763
Accounts	98,049
Accrued interest	2,327
Drainage assessments	542,255
Due from other governments	732,833
Inventories	725,097
Prepaid expenses	46,980
Capital assets, net of accumulated depreciation	44,896,346
Total assets	<u>80,159,077</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension related deferred outflows	1,358,172
OPEB related deferred outflows	41,390
Total deferred outflows of resources	<u>1,399,562</u>
<u>LIABILITIES:</u>	
Accounts payable	132,780
Salaries and benefits payable	392,888
Due to other governments	12,716
Incurred but not reported claims	24,000
Unearned revenue	1,942,255
Accrued interest payable	36,426
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	595,000
Early retirement	1,100
Compensated absences	469,435
Portion due or payable after one year:	
General obligation bonds	9,145,000
Drainage warrants	81,126
Compensated absences	68,680
Total OPEB liability	756,169
Net pension liability	4,349,136
Total liabilities	<u>18,006,711</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable property tax revenue	11,333,693
Unavailable tax increment financing revenue	34,763
OPEB related deferred inflows	68,601
Pension related deferred inflows	299,596
Total deferred inflows of resources	<u>11,736,653</u>
<u>NET POSITION:</u>	
Net investment in capital assets	35,156,346
Restricted for:	
Supplemental levy	1,427,019
Mental health	467,154
Secondary roads	3,893,693
Rural services	1,420,690
Capital projects	9,298,698
Resource enhancement and protection	47,147
Drainage improvement	44,672
Public health	24,755
Conservation	96,024
Other purposes	251,996
Unrestricted	<u>(312,919)</u>
Total net position	<u>\$ 51,815,275</u>

See Notes to Financial Statements

CEDAR COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<u>FUNCTIONS/PROGRAMS:</u>					
Governmental activities:					
Public safety and legal services	\$ 4,318,504	\$ 646,468	\$ 11,448	\$ -	\$ (3,660,588)
Physical health and social services	1,512,768	148,377	97,045	-	(1,267,346)
Mental health	443,481	-	1,823	-	(441,658)
County environment and education	1,885,762	1,141,671	100,924	-	(643,167)
Roads and transportation	8,339,482	646,763	3,934,548	4,597,698	839,527
Governmental services to residents	581,517	480,224	449,242	-	347,949
Administration	1,887,602	9,371	395,263	-	(1,482,968)
Non-program	7,652	-	-	-	(7,652)
Interest on long-term debt	37,460	9,246	-	-	(28,214)
Total	\$ 19,014,228	\$ 3,082,120	\$ 4,990,293	\$ 4,597,698	(6,344,117)
<u>GENERAL REVENUES:</u>					
Property and other County tax levied for:					
General purposes					9,568,417
Debt service					627
Tax increment financing					33,031
Local option sales tax					1,072,893
Penalty and interest on property tax					58,541
State tax credits and replacements					663,124
Unrestricted investment earnings					70,452
Miscellaneous					287,159
Total general revenues					11,754,244
Change in net position					5,410,127
<u>NET POSITION</u> - Beginning of year					46,405,148
<u>NET POSITION</u> - End of year					\$ 51,815,275

CEDAR COUNTY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

		Special Revenue	
<u>ASSETS</u>	<u>General</u>	<u>Mental Health</u>	<u>Secondary Roads</u>
Cash, cash equivalents and pooled investments	\$ 7,161,712	\$ 479,408	\$ 2,749,135
Receivables:			
Property tax:			
Delinquent	6,177	356	-
Succeeding year	7,200,647	415,398	-
Succeeding year tax increment financing	-	-	-
Drainage assessments	-	-	-
Accounts	24,802	-	14,346
Accrued interest	2,302	-	-
Interfund receivable	-	-	15,000
Prepaid expenses	38,218	-	-
Due from other governments	125,460	-	539,655
Inventories	-	-	725,097
TOTAL ASSETS	\$ 14,559,318	\$ 895,162	\$ 4,043,233
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 50,665	\$ 8,179	\$ 35,289
Interfund payable	-	-	-
Salaries and benefits payable	237,801	3,207	114,207
Deferred revenues	1,809,038	-	-
Due to other governments	10,058	879	44
Total liabilities	<u>2,107,562</u>	<u>12,265</u>	<u>149,540</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	7,200,647	415,398	-
Succeeding year tax increment financing	-	-	-
Drainage assessments	-	-	-
Other	5,602	345	-
Total deferred inflows of resources	<u>7,206,249</u>	<u>415,743</u>	<u>-</u>
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	-	725,097
Prepaid expenses	38,218	-	-
Restricted for:			
Cemetery levy	15,238	-	-
Supplemental levy	1,427,019	-	-
Mental health	-	467,154	-
Secondary roads	-	-	3,168,596
Rural services	-	-	-
Capital projects	-	-	-
Resource enhancement and protection	47,147	-	-
Public health	24,755	-	-
Conservation	96,024	-	-
Debt service	-	-	-
Drainage improvements	-	-	-
Other purposes	16,259	-	-
Assigned:			
County sheriff	75,607	-	-
Veteran's aid	6,583	-	-
Unassigned	3,498,657	-	-
Total fund balances	<u>5,245,507</u>	<u>467,154</u>	<u>3,893,693</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,559,318	\$ 895,162	\$ 4,043,233

<u>Rural Services</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 1,383,110	\$ 9,298,698	\$ 224,438	\$ 21,296,501
2,109	-	627	9,269
2,969,090	-	748,558	11,333,693
-	-	34,763	34,763
-	-	542,255	542,255
-	-	58,901	98,049
-	-	25	2,327
-	-	-	15,000
-	-	-	38,218
67,718	-	-	732,833
-	-	-	725,097
<u>\$ 4,422,027</u>	<u>\$ 9,298,698</u>	<u>\$ 1,609,567</u>	<u>\$ 34,828,005</u>
\$ 2,860	\$ -	\$ 35,787	\$ 132,780
-	-	15,000	15,000
27,310	-	10,363	392,888
-	-	-	1,809,038
-	-	1,735	12,716
<u>30,170</u>	<u>-</u>	<u>62,885</u>	<u>2,362,422</u>
2,969,090	-	748,558	11,333,693
-	-	34,763	34,763
-	-	542,255	542,255
<u>2,077</u>	<u>-</u>	<u>607</u>	<u>8,631</u>
<u>2,971,167</u>	<u>-</u>	<u>1,326,183</u>	<u>11,919,342</u>
-	-	-	725,097
-	-	-	38,218
-	-	-	15,238
-	-	-	1,427,019
-	-	-	467,154
-	-	-	3,168,596
1,420,690	-	-	1,420,690
-	9,298,698	-	9,298,698
-	-	-	47,147
-	-	-	24,755
-	-	-	96,024
-	-	9,266	9,266
-	-	44,672	44,672
-	-	166,561	182,820
-	-	-	75,607
-	-	-	6,583
-	-	-	3,498,657
<u>1,420,690</u>	<u>9,298,698</u>	<u>220,499</u>	<u>20,546,241</u>
<u>\$ 4,422,027</u>	<u>\$ 9,298,698</u>	<u>\$ 1,609,567</u>	<u>\$ 34,828,005</u>

CEDAR COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES	\$	20,546,241
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AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$87,369,358 and the accumulated depreciation is \$42,473,012.

44,896,346

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds.

550,886

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.

292,509

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 fund, as follows:

Deferred outflows of resources

\$ 1,399,562

Deferred inflows of resources

(368,197)

1,031,365

Long-term liabilities, including accrued interest payable, early retirement, drainage warrants payable, compensated absences, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.

(15,502,072)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 51,815,275

CEDAR COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue		
General	Mental Health	Secondary Roads	
REVENUES:			
Property and other county tax	\$ 6,273,772	\$ 542,698	\$ -
Tax increment financing	-	-	-
Interest and penalty on property tax	58,541	-	-
Local option sales tax	-	-	206,894
Intergovernmental	1,762,736	40,577	5,261,210
Licenses and permits	20,144	-	21,920
Charges for service	781,558	-	124
Use of money and property	180,996	-	-
Miscellaneous	119,995	1,823	232,466
Total revenues	9,197,742	585,098	5,722,614
EXPENDITURES:			
Operating:			
Public safety and legal services	3,537,138	-	-
Physical health and social services	1,481,278	-	-
Mental health	10,440	423,356	-
County environment and education	749,798	-	-
Roads and transportation	-	-	7,090,901
Governmental services to residents	570,597	-	-
Administration	1,900,216	-	-
Non-program	7,652	-	-
Debt service	-	-	-
Capital projects	-	-	1,000,575
Total expenditures	8,257,119	423,356	8,091,476
Excess (deficiency) of revenues over (under) expenditures	940,623	161,742	(2,368,862)
Other financial sources (uses):			
Sale of capital assets	3,800	-	30,250
Proceeds from debt	-	-	-
Premiums on bonds sold	-	-	-
Transfers in	-	-	2,622,377
Transfers out	(175,000)	-	-
Total other financing sources (uses)	(171,200)	-	2,652,627
Change in fund balances	769,423	161,742	283,765
FUND BALANCES - Beginning of year	4,476,084	305,412	3,609,928
FUND BALANCES - End of year	\$ 5,245,507	\$ 467,154	\$ 3,893,693

See Notes to Financial Statements

EXHIBIT E

<u>Rural Services</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 2,767,894	\$ -	\$ -	\$ 9,584,364
-	-	33,031	33,031
-	-	-	58,541
865,999	-	-	1,072,893
151,491	-	93,674	7,309,688
8,362	-	-	50,426
51,064	-	640,710	1,473,456
-	-	359	181,355
-	311,934	499,410	1,165,628
<u>3,844,810</u>	<u>311,934</u>	<u>1,267,184</u>	<u>20,929,382</u>
655,409	-	28	4,192,575
-	-	-	1,481,278
-	-	-	433,796
255,837	-	1,097,552	2,103,187
-	-	-	7,090,901
-	-	-	570,597
-	-	67,874	1,968,090
-	-	-	7,652
-	-	414,409	414,409
-	770,207	-	1,770,782
<u>911,246</u>	<u>770,207</u>	<u>1,579,863</u>	<u>20,033,267</u>
<u>2,933,564</u>	<u>(458,273)</u>	<u>(312,679)</u>	<u>896,115</u>
-	-	-	34,050
-	9,740,000	-	9,740,000
-	16,324	9,246	25,570
-	-	225,000	2,847,377
<u>(2,672,377)</u>	-	-	<u>(2,847,377)</u>
<u>(2,672,377)</u>	<u>9,756,324</u>	<u>234,246</u>	<u>9,799,620</u>
261,187	9,298,051	(78,433)	10,695,735
<u>1,159,503</u>	<u>647</u>	<u>298,932</u>	<u>9,850,506</u>
\$ <u>1,420,690</u>	\$ <u>9,298,698</u>	\$ <u>220,499</u>	\$ <u>20,546,241</u>

CEDAR COUNTY, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 10,695,735
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	\$ 3,306,379	
Capital assets contributed by Iowa Department of Transportation	3,682,529	
Depreciation expense	<u>(2,603,744)</u>	4,385,164
In the statement of activities, the loss on the disposal of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		
		(81,910)
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 in the governmental funds, as follows:		
Property tax	(15,340)	
Other	<u>(149,926)</u>	(165,266)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments are as follows:		
Issued	(9,740,000)	
Repaid	<u>461,129</u>	(9,278,871)
The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflows of resources in the Statement of Net Position.		
		662,866
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	(35,554)	
Early retirement	9,107	
Interest on long-term debt	68,967	
Pension expense	(798,224)	
OPEB expense	<u>(5,118)</u>	(760,822)
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		
		<u>(46,769)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ <u>5,410,127</u>

See Notes to Financial Statements

CEDAR COUNTY, IOWASTATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021Internal Service -
Cedar County
Employee HealthASSETS:

Current assets:

Cash, cash equivalents and pooled investments
Prepaid expenses\$ 440,964
8,762TOTAL ASSETS 449,726LIABILITIES:

Current liabilities:

Incurred but not reported claims
Unearned revenue24,000
133,217TOTAL LIABILITIES 157,217NET POSITION:

Unrestricted

\$ 292,509

CEDAR COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2021

Internal Service -
Cedar County
Employee Health

OPERATING REVENUES:

Reimbursements from operating funds	\$	1,661,645
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OPERATING EXPENSES:

Medical claims, premiums and fees		<u>1,711,489</u>
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Operating loss		(49,844)
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NON-OPERATING REVENUES:

Interest income		<u>3,075</u>
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Net loss		(46,769)
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<u>NET POSITION</u> - Beginning of year		<u>339,278</u>
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<u>NET POSITION</u> - End of year	\$	<u>292,509</u>
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CEDAR COUNTY, IOWA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2021

Internal Service -
Cedar County
Employee Health

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from operating fund reimbursements	\$	1,654,568
Cash paid to suppliers for services		<u>(1,583,827)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>70,741</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments		<u>3,075</u>
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NET INCREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS		73,816
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<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - Beginning of year		<u>367,148</u>
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<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - End of year	\$	<u>440,964</u>
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RECONCILIATION OF OPERATING LOSS TO NETCASH PROVIDED BY OPERATING ACTIVITIES:

Operating loss	\$	(49,844)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Decrease in prepaid expenses		123,662
Increase in incurred by not reported claims		4,000
Decrease in unearned revenue		<u>(7,077)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<u>70,741</u>
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CEDAR COUNTY, IOWA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

ASSETS:

Cash, cash equivalents and pooled investments:

County Treasurer	\$	1,599,356
Other County officials		209,174

Receivables:

Property tax receivable:

Delinquent		27,780
Succeeding year		30,009,632

Due from other governments		25,553
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Accounts		9
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Accrued interest		5,140
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Total assets		31,876,644
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LIABILITIES:

Accounts payable		2,217
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Due to other governments		1,534,350
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Salaries and benefits payable		14,538
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Compensated absences		10,968
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Trusts payable		156,551
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Total liabilities		1,718,624
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DEFERRED INFLOWS OF RESOURCES:

Unavailable property tax receivable		30,009,632
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NET POSITION:

Restricted for Individuals, organizations and other governments	\$	148,388
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CEDAR COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2021

ADDITIONS:

Property and other county tax	\$ 26,977,674
E911 surcharge	205,836
State tax credits	2,215,456
Assessments	49,817
Office fees and collections	8,738,096
Trusts	1,224,985
Interest on investments	264
Miscellaneous	70,194
Total additions	<u>39,482,322</u>

DEDUCTIONS:

Agency remittances:	
To other funds	537,632
To other governments	37,928,135
Trusts paid out	<u>1,192,384</u>
Total deductions	<u>39,658,151</u>
Change in net position	(175,829)
Net position beginning of year, as restated	<u>324,217</u>
Net position end of year	<u>\$ 148,388</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

For financial reporting purposes, Cedar County, Iowa 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 the 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 Cedar County, Iowa (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.

One drainage district has been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although this district is legally separate from the County, it is controlled, managed and supervised by the Cedar County Board of Supervisors. The drainage district is reported as a Special Revenue Fund. Financial information of the drainage district can be obtained from the Cedar County Auditor's office.

The Cedar County Solid Waste Commission has been established pursuant to Chapter 28E of the Code of Iowa for the disposal of solid waste and the acquisition, operation and use of public disposal areas. Although the Commission is legally separate from the County, the Commission provides services almost entirely to the County and it would be considered misleading to exclude the Commission due to its relationship with the County. The Solid Waste Commission's closure surety, as required by Chapter 106.18 of the Iowa Administrative Code, is included in the Solid Waste Disposal Fund and is required to provide additional surety against any possible additional closure costs. Financial information of the Solid Waste Commission can be obtained from the Cedar County Auditor's Office.

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: County Assessor's Conference Board, County Emergency Management Commission and County Joint E911 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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 that are not paid from other funds.

Special Revenue

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, intellectual disabilities and developmental disabilities services.

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Special Revenue (Continued)

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

Additionally, the County reports the following funds:

Proprietary Fund

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

Fiduciary Funds

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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-reimbursements grant resources to such programs, followed by categorical block grants, and then by general revenues

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 which is valued at amortized cost 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 deferred inflows 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.

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

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

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

Interfund Receivable/Payable – During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2021 balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Prepaid Expenses – The County has paid for services that will not be a benefit until future periods. These amounts are reflected as a prepaid expenses asset in the financial statements.

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 one year.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Intangibles	150,000
Land, buildings and improvements	5,000
Machinery and Equipment	2,500

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Infrastructure	10-65
Intangibles	15
Buildings and improvements	10-50
Machinery and Equipment	3-20

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services, Secondary Roads Funds and Solid Waste Disposal Funds.

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

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

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

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the Cedar County, Iowa's actuarial 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, Mental Health, Rural Services, Secondary Roads Funds and Solid Waste Disposal Funds.

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

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

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

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

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

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, Cedar County Employee 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.

F. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2021 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 uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$26,172. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

NOTE 3: INTERFUND RECEIVABLES AND PAYABLES

The detail of interfund receivables and payables for the year ended June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Tax Increment Financing	\$ <u>15,000</u>

The balance between the Secondary Roads and Tax Increment Financing Funds represents a short-term loan. These balances are not included on the government-wide Statement of Net Position.

NOTE 4: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 2,622,377
Solid Waste Disposal	Rural Services	50,000
Solid Waste Disposal	General	<u>175,000</u>
		\$ <u>2,847,377</u>

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,253,386	\$ -	\$ -	\$ 2,253,386
Construction in progress	<u>348,352</u>	<u>2,201,553</u>	<u>348,352</u>	<u>2,201,553</u>
Total capital assets not being depreciated	<u>2,601,738</u>	<u>2,201,553</u>	<u>348,352</u>	<u>4,454,939</u>
Capital assets being depreciated:				
Intangibles	218,600	-	-	218,600
Buildings	4,813,047	14,038	-	4,827,085
Improvements other than buildings	258,297	-	-	258,297
Machinery and equipment	9,830,254	1,162,953	474,302	10,518,905
Infrastructure	<u>63,132,816</u>	<u>3,958,716</u>	-	<u>67,091,532</u>
Total capital assets being depreciated	<u>78,253,014</u>	<u>5,135,707</u>	<u>474,302</u>	<u>82,914,419</u>
Less accumulated depreciation for:				
Intangibles	160,305	14,573	-	174,878
Buildings	2,453,481	110,646	-	2,564,127
Improvements other than buildings	44,020	14,116	-	58,136
Machinery and equipment	6,585,236	664,840	392,392	6,857,684
Infrastructure	<u>31,018,618</u>	<u>1,799,569</u>	-	<u>32,818,187</u>
Total accumulated depreciation	<u>40,261,660</u>	<u>2,603,744</u>	<u>392,392</u>	<u>42,473,012</u>
Total capital assets being depreciated, net	<u>37,991,354</u>	<u>2,531,963</u>	<u>81,910</u>	<u>40,441,407</u>
Governmental activities capital assets, net	\$ <u>40,593,092</u>	\$ <u>4,733,516</u>	\$ <u>430,262</u>	\$ <u>44,896,346</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 153,137
Physical health and social services	6,858
County environment and education	119,423
Roads and transportation	2,276,047
Governmental services to residents	21,113
Administration	<u>27,166</u>
Total depreciation expense – governmental activities	\$ <u>2,603,744</u>

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 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, 2021 is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 10,058
Special Revenue:		
Mental health	Services	879
Secondary roads	Services	44
Solid waste disposal	Services	<u>1,735</u>
Total for governmental funds		\$ <u>12,716</u>
Custodial:		
Schools	Collections	\$ 165,369
Corporations		46,468
Area schools		14,368
Auto license and use tax		693,875
Townships		5,011
Agricultural extension education		2,374
E911		437,108
All other		<u>169,777</u>
Total for agency funds		\$ <u>1,534,350</u>

NOTE 7: LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	<u>General Obligation Bonds</u>	<u>Early Retirement</u>	<u>Drainage Warrants</u>	<u>Compensated Absences</u>	<u>Total OPEB Liability</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance beginning of year	\$ -	\$ 10,207	\$ 542,255	\$ 502,561	\$ 738,539	\$ 3,413,710	\$ 5,207,272
Increases	9,740,000	-	-	466,431	17,630	935,426	11,159,487
Decreases	<u>-</u>	<u>9,107</u>	<u>461,129</u>	<u>430,877</u>	<u>-</u>	<u>-</u>	<u>901,113</u>
Balance end of year	\$ <u>9,740,000</u>	\$ <u>1,100</u>	\$ <u>81,126</u>	\$ <u>538,115</u>	\$ <u>756,169</u>	\$ <u>4,349,136</u>	\$ <u>15,465,646</u>
Due within one year	\$ <u>595,000</u>	\$ <u>1,100</u>	\$ <u>-</u>	\$ <u>469,435</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,065,535</u>

Bonds Payable

On May 4, 2021, the County issued \$9,740,000 of general obligation bonds, with interest rates ranging from 1.00-1.65% per annum. A summary of the County's June 30, 2021 general obligation bonded indebtedness is as follows:

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: LONG-TERM LIABILITIES (Continued)

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	1.00 %	\$ 595,000	\$ 123,845	\$ 718,845
2023	1.00	610,000	109,255	719,255
2024	1.00	615,000	103,155	718,155
2025	1.00	620,000	97,005	717,005
2026	1.00	630,000	90,805	720,805
2027-2031	1.00-1.20	3,245,000	357,570	3,602,570
2032-2036	1.30-1.65	<u>3,425,000</u>	<u>157,643</u>	<u>3,582,643</u>
		\$ <u>9,740,000</u>	\$ <u>1,039,278</u>	\$ <u>10,779,278</u>

Early Retirement

The County offers an early retirement plan to all employees. The early retirement incentive for each eligible employee is as follows: Employees between the ages of 55 and 61 with at least sixteen years of service will receive 50% of the cost of health insurance at the time of retirement until they become eligible for Medicare; employees between the ages of 62 and 65 with at least sixteen years of service will receive 85% of the cost of health insurance at the time of retirement until they become eligible for Medicare; and employees between the ages of 55 and 65 with less than sixteen years of service will receive a prorated benefit based on the number of years of service divided by sixteen. Early retirees who retire under IPERS eligibility rules will also receive a lump-sum payment for any unused sick leave at a rate of \$5.15 per accumulated hour (or, for Secondary Roads employees, at current minimum wage).

At June 30, 2021 the County had obligations to two participants with a total liability of \$1,100. Actual early retirement expenditures for the year ended June 30, 2021 totaled \$9,107. Early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

Drainage Warrants

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are written. Warrants will be paid as funds become available. Therefore, no amortization schedule is available at this time.

Drainage warrants are paid from the Special Revenue, Drainage District Fund solely from the drainage assessments against benefited properties.

NOTE 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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. 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.

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8: PENSION PLAN (Continued)

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, anytime 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 anytime after reaching age 50 with 22 or more years of covered employment.

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

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

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

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8: PENSION PLAN (Continued)

In fiscal year 2021, 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 9.26% of covered payroll for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll, and the County contributed 9.91% of covered payroll, for a total rate of 16.02%.

The County's contributions to IPERS for the year ended June 30, 2021 totaled \$662,866.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021 the County reported a liability of \$4,349,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the County's proportion was .0619117%, which was an increase of .002960% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021 the County recognized pension expense of \$798,224. At June 30, 2021 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,082	\$ 114,103
Changes of assumptions	297,277	97,268
Net difference between projected and actual earnings on IPERS' investments	363,019	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	13,928	88,225
County contributions subsequent to the measurement date	<u>662,866</u>	<u>-</u>
Total	\$ <u>1,358,172</u>	\$ <u>299,596</u>

\$662,866 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8: PENSION PLAN (Continued)

<u>June 30,</u>		
2022	\$	23,996
2023		76,975
2024		106,414
2025		196,409
2026		<u>(8,084)</u>
Total	\$	<u>395,710</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	4.43 %
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	<u>3.0</u>	3.11
Total	<u>100.0 %</u>	

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8: PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that 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 to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate.

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
County’s proportionate share of the net pension liability:	\$ <u>8,395,192</u>	\$ <u>4,349,136</u>	\$ <u>957,477</u>

IPERS’ Fiduciary Net Position – Detailed information about the 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 – At June 30, 2021 the County reported no payables to the defined benefit pension plan.

NOTE 9: RISK MANAGEMENT

Cedar County, Iowa has entered into an agreement, as allowed by Chapter 331.301 of the Code of Iowa, to become a member in Heartland Insurance risk Pool (Pool), a local government risk pool, to protect the County against tort liability, injuries to employees and other risks associated with County operations. The Pool has ten member Counties throughout the State of Iowa. The Pool was created for the purpose of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Each member’s annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool’s general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year plus all or any portion of any deficiency in capital.

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 paid \$285,020 into the Pool for the fiscal year ended June 30, 2021.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: RISK MANAGEMENT (Continued)

Initial risk of loss is retained by the risk Pool. The risk Pool is reinsured through commercial companies for 100% of claims in excess of \$400,000 per occurrence for general, automobile, law enforcement, legal liability, and public official's liability, \$750,000 per occurrence for workers' compensation, and property losses in excess of \$100,000 per occurrence. The risk Pool fund includes reserves established to account for the liability for claims reported but not yet paid. A liability is also factored in for claims incurred but not reported (referred to as IBNR claims). As of June 30, 2021, the risk Pool maintained a surplus over the reserves and IBNR claims.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member.

The County does not report a liability for losses in excess of reinsurance 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, 2021 no liability has been recorded in the County's financial statements. As of June 30, 2021, settled claims have not exceeded the risk Pool or reinsurance coverage since the Pool's inception.

The County has renewed its membership in the risk Pool on an annual basis since July 1, 1989.

The County also carries commercial insurance purchased from other insurers for coverage associated with employee blanket bond in the amount of \$80,000. 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.

NOTE 10: EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Cedar County Employee Health Fund was established to account for partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Benefits, Inc. The agreement is subject to automatic renewal provisions. The County assumes liability for the difference between the employee deductible (\$500 for single and \$1,000 for family) and the deductible on the policy purchased by the County (\$3,500 for single and \$7,000 for family) for the health plan. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Cedar County Employee Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and weekly payments of claims processed are paid to Benefits, Inc. from the Cedar County Employee Health Fund. The total contribution to the fund for the year ended June 30, 2021 was \$1,661,645.

Amounts payable from the Cedar County Employee Health Fund at June 30, 2021 total \$24,000 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$292,509 at June 30, 2021 and is reported as a designation of the Internal Service, Cedar County Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10: EMPLOYEE HEALTH INSURANCE PLAN (Continued)

Unpaid claims beginning of year	\$	20,000
Incurred claims, premiums and fees (including claims incurred but not reported at June 30, 2021)		1,711,489
Payments on claims during the year		<u>(1,707,489)</u>
Unpaid claims end of year	\$	<u>24,000</u>

NOTE 11: SHORT-TERM DEBT

During the year ended June 30, 2021 the County entered into short-term loans between funds. The loans were necessary to provide temporary financing for various projects. A summary of the County's short-term debt activity for the year ended June 30, 2021 is as follows:

<u>Loan to:</u>	<u>Loan from:</u>	<u>Balance Beginning of Year</u>	<u>Loans Received</u>	<u>Loans Repaid</u>	<u>Balance End of Year</u>
Special Revenue: Tax Increment Financing Fund	Special Revenue: Secondary Roads Fund	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

NOTE 12: 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 Cedar County, Iowa and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. The total premium paid for insurance coverage for Retirees under age 65 is the same as active employees, which results in an implicit rate subsidy and an OPEB liability. After an employee retires the percentage of the total premium paid by the retiree increases due to County policy.

Retired participants must be age 55 or older at retirement. At June 30, 2021 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments		3
Active employees		<u>128</u>
Total		<u>131</u>

Total OPEB Liability – The County's total OPEB liability of \$756,169 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Rate of inflation (effective June 30, 2021)	3.00% per annum.
Rates of salary increase (effective June 30, 2021)	3.50% per annum, including inflation.
Discount rate (effective June 30, 2021)	3.50% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2021)	5.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RPH-2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 738,539
Changes for the year:	
Service cost	40,495
Interest	26,404
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>(49,269)</u>
Net changes	<u>17,630</u>
Total OPEB liability end of year	\$ <u>756,169</u>

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 816,986	\$ 756,169	\$ 701,826

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rates.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

	1% Decrease <u>(4.00%)</u>	Healthcare Cost Trend Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Total OPEB liability	\$ <u>689,727</u>	\$ <u>756,169</u>	\$ <u>821,801</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB – For the year ended June 30, 2021 the County recognized OPEB expense of \$54,387. At June 30, 2021 the County reported deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 38,905	\$ 65,568
Changes in assumptions	<u>2,485</u>	<u>3,033</u>
Total	\$ <u>41,390</u>	\$ <u>68,601</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

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

Year ending <u>June 30,</u>		<u>Amount</u>
2022	\$	(12,512)
2023		(12,512)
2024		(12,512)
2025		(405)
2026		7,665
Thereafter		<u>3,065</u>
Total	\$	<u>(27,211)</u>

NOTE 13: CEDAR COUNTY, IOWA FINANCIAL INFORMATION INCLUDED IN THE MENTAL HEALTH REGION

Eastern Iowa Mental Health – Disability Services Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, and includes the following member counties: Clinton, Jackson, Muscatine, Scott and Cedar County, Iowa. The financial activity of Cedar County, Iowa's Special Revenue, Mental Health Fund is included in Eastern Iowa Mental Health – Disability Services Region for the year ended June 30, 2021 as follows:

Revenues:	
Property and other county tax	\$ 542,698
State tax credits	40,577
Miscellaneous	<u>1,823</u>
Total revenues	<u>585,098</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 13: CEDAR COUNTY, IOWA FINANCIAL INFORMATION INCLUDED IN THE MENTAL HEALTH REGION
(Continued)

Expenditures:			
Services to persons with:			
Mental illness	\$	88,613	
Intellectual disabilities		825	
Other developmental disabilities		<u>362</u>	89,800
General administration:			
Direct administration		79,192	
Purchased administration		24,000	
Distribution to regional fiscal agent		<u>230,364</u>	<u>333,556</u>
Total expenditures			<u>423,356</u>
Excess of revenues over expenditures			161,742
Fund balance beginning of the year			<u>305,412</u>
Fund balance end of the year		\$	<u>467,154</u>

NOTE 14: TAX ABATEMENTS

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

County Tax Abatements

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

For the year ended June 30, 2021 \$20,836 of property tax was diverted from the County under the urban renewal and economic development projects.

Tax Abatements of Other Entities

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2021 under agreements entered into by the following entities:

CEDAR COUNTY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14: TAX ABATEMENTS (Continued)

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Tipton	Urban renewal and economic development projects	\$ 56,245
City of Clarence	Urban renewal and economic development projects	\$ 25,078
City of Durant	Urban renewal and economic development projects	\$ 27,160

NOTE 15: CONSTRUCTION COMMITMENT

The County has entered into contracts totaling \$11,610,154 for road construction and recreational trail construction. As of June 30, 2021, costs of \$2,201,553 have been incurred against the contracts. The balance remaining at June 30, 2021 of \$9,408,601 will be paid as work on the projects progresses.

NOTE 16: COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to business across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Cedar County, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Cedar County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Cedar County.

NOTE 17: ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity.

The restatements to retroactively report the change in net position, are as follows:

		<u>Fiduciary Activities</u>
Net position June 30, 2020, as previously reported	\$	-
Change to implement GASBS No. 84		<u>324,217</u>
Net position July 1, 2020, as restated	\$	<u>324,217</u>

In addition, during the year ended June 30, 2021, the County changed it's modified accrual period from ninety to sixty days to facilitate a more timely closing of year end.

NOTE 18: PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

NOTE 19: SUBSEQUENT EVENTS

The County evaluated subsequent events through February 15, 2022, the date statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CEDAR COUNTY, IOWA

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, 2021

	<u>Actual</u>	<u>Less Funds Not Required To Be Budgeted</u>	<u>Net</u>
<u>RECEIPTS:</u>			
Property and other County tax	\$ 10,789,697	\$ -	\$ 10,789,697
Interest and penalty on property tax	61,042	-	61,042
Intergovernmental	9,417,256	-	9,417,256
Licenses and permits	50,246	-	50,246
Charges for service	1,430,435	-	1,430,435
Use of money and property	183,312	-	183,312
Miscellaneous	1,114,804	417,374	697,430
Total receipts	<u>23,046,792</u>	<u>417,374</u>	<u>22,629,418</u>
<u>DISBURSEMENTS:</u>			
Public safety and legal services	4,171,658	-	4,171,658
Physical health and social services	1,479,944	-	1,479,944
Mental health	434,236	-	434,236
County environment and education	2,112,781	-	2,112,781
Roads and transportation	7,148,142	-	7,148,142
Governmental services to residents	568,486	-	568,486
Administration	1,941,889	-	1,941,889
Non-program	7,652	-	7,652
Debt service	414,409	414,409	-
Capital projects	1,759,946	-	1,759,946
Total disbursements	<u>20,039,143</u>	<u>414,409</u>	<u>19,624,734</u>
Excess (deficiency) of receipts over (under) disbursements	3,007,649	2,965	3,004,684
Other financing sources, net	<u>9,862,895</u>	-	<u>9,862,895</u>
Changes in balances	12,870,544	2,965	12,867,579
<u>BALANCE</u> - Beginning of year	<u>8,425,957</u>	<u>41,707</u>	8,384,250
<u>BALANCE</u> - End of year	\$ <u>21,296,501</u>	\$ <u>44,672</u>	\$ <u>21,251,829</u>

<u>Budgeted Amounts</u>		<u>Final to Actual Variance</u>
<u>Original</u>	<u>Final</u>	
\$ 10,510,388	\$ 10,510,388	\$ 279,309
42,200	42,200	18,842
6,487,767	7,756,619	1,660,637
37,419	37,419	12,827
1,225,194	1,225,194	205,241
109,190	109,190	74,122
112,440	448,003	249,427
<u>18,524,598</u>	<u>20,129,013</u>	<u>2,500,405</u>
4,537,299	4,558,899	387,241
1,745,049	1,805,095	325,151
511,363	511,363	77,127
1,974,083	2,295,183	182,402
6,729,000	7,475,000	326,858
572,957	603,687	35,201
2,033,735	2,086,735	144,846
8,000	8,000	348
-	-	-
<u>2,800,000</u>	<u>3,855,000</u>	<u>2,095,054</u>
<u>20,911,486</u>	<u>23,198,962</u>	<u>3,574,228</u>
(2,386,888)	(3,069,949)	6,074,633
<u>66,000</u>	<u>9,831,570</u>	<u>31,325</u>
(2,320,888)	6,761,621	6,105,958
<u>7,125,628</u>	<u>7,125,628</u>	<u>1,258,622</u>
\$ <u>4,804,740</u>	\$ <u>13,887,249</u>	\$ <u>7,364,580</u>

CEDAR COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

	<u>Governmental Funds</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 23,046,792	\$ (2,117,410)	\$ 20,929,382
Expenditures	<u>20,039,143</u>	<u>(5,876)</u>	<u>20,033,267</u>
Net	3,007,649	(2,111,534)	896,115
Other financing sources (uses), net	9,862,895	(63,275)	9,799,620
Beginning fund balances	<u>8,425,957</u>	<u>1,424,549</u>	<u>9,850,506</u>
Ending fund balances	\$ <u>21,296,501</u>	\$ <u>(750,260)</u>	\$ <u>20,546,241</u>

CEDAR COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2021

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 for 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 ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$2,287,476. 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 E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2021 disbursements did not exceed the amounts budgeted.

CEDAR COUNTY, IOWA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST SEVEN YEARS*
(IN THOUSANDS)

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>		<u>2020</u>
County's proportion of the net pension liability	0.0619117 %		0.0589520 %
County's proportionate share of the net pension liability	\$ 4,349	\$	3,414
County's covered payroll	\$ 6,521	\$	6,373
County's proportionate share of the net pension liability as a percentage of its covered payroll	66.69 %		53.57 %
IPERS' net position as a percentage of the total pension liability	82.90 %		85.45 %

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

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
	0.0611419 %	0.065268 %	0.066267 %	0.062925 %	0.060503 %
\$	3,869	\$ 4,348	\$ 4,170	\$ 3,109	\$ 2,399
\$	6,219	\$ 5,966	\$ 5,944	\$ 5,769	\$ 5,681
	62.21 %	72.88 %	70.15 %	53.89 %	42.23 %
	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

CEDAR COUNTY, IOWA

SCHEDULE OF COUNTY CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
(IN THOUSANDS)

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>		<u>2020</u>		<u>2019</u>
Statutorily required contribution	\$ 663	\$	620	\$	611
Contributions in relation to the statutorily required contribution	<u>(663)</u>		<u>(620)</u>		<u>(611)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$	<u>-</u>	\$	<u>-</u>
County's covered payroll	\$ 7,026	\$	6,521	\$	6,373
Contributions as a percentage of covered payroll	9.43 %		10.52 %		9.59 %

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	566	\$ 544	\$ 545	\$ 531	\$ 523	\$ 488	\$ 458
	<u>(566)</u>	<u>(544)</u>	<u>(545)</u>	<u>(531)</u>	<u>(523)</u>	<u>(488)</u>	<u>(458)</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	6,219	\$ 5,966	\$ 5,944	\$ 5,769	\$ 5,681	\$ 5,425	\$ 5,390
	9.10 %	9.12 %	9.17 %	9.20 %	9.21 %	9.00 %	8.50 %

CEDAR COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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.
- Adjust 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.

CEDAR COUNTY IOWA

SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES

FOR THE PAST FOUR YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 40,495	\$ 39,125	\$ 38,938	\$ 37,804
Interest cost	26,404	25,701	23,477	22,795
Difference between expected and actual experiences	-	53,315	-	(142,704)
Changes in assumptions	-	3,405	-	(6,605)
Benefit payments	<u>(49,269)</u>	<u>(42,951)</u>	<u>(38,643)</u>	<u>(46,736)</u>
Net change in total OPEB liability	17,630	78,595	23,772	(135,446)
Total OPEB liability beginning of year	<u>738,539</u>	<u>659,944</u>	<u>636,172</u>	<u>771,618</u>
Total OPEB liability end of year	\$ <u>756,169</u>	\$ <u>738,539</u>	\$ <u>659,944</u>	\$ <u>636,172</u>
Covered-employee payroll	\$ 6,129,567	\$ 5,922,287	\$ 6,056,200	\$ 5,879,806
Total OPEB liability as a percentage of covered payroll	12.34 %	12.47 %	10.90 %	10.82 %

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2021	3.50 %
Year ended June 30, 2020	3.50
Year ended June 30, 2019	3.58
Year ended June 30, 2018	3.58
Year ended June 30, 2017	4.00

SUPPLEMENTARY INFORMATION

CEDAR COUNTY, IOWA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

		<u>Special Revenue Funds</u>		
		<u>County Recorder's Records Management</u>	<u>Solid Waste Disposal</u>	<u>Tax Increment Financing</u>
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments	\$	22,868	\$ 100,461	\$ 18,471
Receivables:				
Property tax:				
Delinquent		-	-	-
Succeeding year		-	-	-
Succeeding year tax increment financing		-	-	34,763
Drainage assessments		-	-	-
Accounts		946	57,955	-
Accrued interest		1	23	-
		<u>23,815</u>	<u>158,439</u>	<u>53,234</u>
TOTAL ASSETS	\$	<u>23,815</u>	\$ <u>158,439</u>	\$ <u>53,234</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$	-	\$ 35,787	\$ -
Interfund payable		-	-	15,000
Due to other governments		-	1,735	-
Salaries and benefits payable		-	10,363	-
		<u>-</u>	<u>47,885</u>	<u>15,000</u>
Total liabilities		<u>-</u>	<u>47,885</u>	<u>15,000</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax		-	-	-
Succeeding year tax increment financing		-	-	34,763
Other		-	-	-
Drainage assessments		-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources		<u>-</u>	<u>-</u>	<u>34,763</u>
<u>FUND BALANCES:</u>				
Restricted for:				
Records management		23,815	-	-
Solid waste disposal		-	96,799	-
Transfer station closure surety		-	13,755	-
Public safety		-	-	-
Debt service		-	-	-
Drainage improvements		-	-	-
Tax increment financing		-	-	3,471
		<u>23,815</u>	<u>110,554</u>	<u>3,471</u>
Total fund balances		<u>23,815</u>	<u>110,554</u>	<u>3,471</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$	<u>23,815</u>	\$ <u>158,439</u>	\$ <u>53,234</u>

See Accompanying Independent Auditor's Report

SCHEDULE 1

<u>Drug Forfeiture</u>	<u>Drainage Districts</u>	<u>Debt Service</u>	<u>Total</u>
\$ 28,720	\$ 44,672	\$ 9,246	\$ 224,438
-	-	627	627
-	-	748,558	748,558
-	-	-	34,763
-	542,255	-	542,255
-	-	-	58,901
<u>1</u>	<u>-</u>	<u>-</u>	<u>25</u>
\$ <u>28,721</u>	\$ <u>586,927</u>	\$ <u>758,431</u>	\$ <u>1,609,567</u>
\$ -	\$ -	\$ -	\$ 35,787
-	-	-	15,000
-	-	-	1,735
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,363</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>62,885</u>
-	-	748,558	748,558
-	-	-	34,763
-	-	607	607
<u>-</u>	<u>542,255</u>	<u>-</u>	<u>542,255</u>
<u>-</u>	<u>542,255</u>	<u>749,165</u>	<u>1,326,183</u>
-	-	-	23,815
-	-	-	96,799
-	-	-	13,755
28,721	-	-	28,721
-	-	9,266	9,266
-	44,672	-	44,672
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,471</u>
<u>28,721</u>	<u>44,672</u>	<u>9,266</u>	<u>220,499</u>
\$ <u>28,721</u>	\$ <u>586,927</u>	\$ <u>758,431</u>	\$ <u>1,609,567</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		
	County Recorder's Records Management	Solid Waste Disposal	Tax Increment Financing
<u>REVENUES:</u>			
Tax increment financing	\$ -	\$ -	\$ 33,031
Intergovernmental	-	91,705	1,969
Charges for service	5,456	635,254	-
Use of money and property	10	334	-
Miscellaneous	-	66,659	15,000
Total revenues	5,466	793,952	50,000
<u>EXPENDITURES:</u>			
Operating:			
Public safety	-	-	-
County environment and education	-	1,097,552	-
Administration	553	4,046	63,275
Debt service	-	-	-
Total expenditures	553	1,101,598	63,275
Excess (deficiency) of revenues over (under) expenditures	4,913	(307,646)	(13,275)
<u>OTHER FINANCING SOURCES:</u>			
Premiums on bonds sold	-	-	-
Transfers in	-	225,000	-
Total other financing sources	-	225,000	-
Change in fund balances	4,913	(82,646)	(13,275)
<u>FUND BALANCES</u> - Beginning of year	18,902	193,200	16,746
<u>FUND BALANCES</u> - End of year	\$ <u>23,815</u>	\$ <u>110,554</u>	\$ <u>3,471</u>

SCHEDULE 2

	<u>Drug Forfeiture</u>	<u>Drainage District</u>	<u>Debt Service</u>	<u>Total</u>
\$	-	\$ -	\$ -	\$ 33,031
	-	-	-	93,674
	-	-	-	640,710
	15	-	-	359
	<u>357</u>	<u>417,374</u>	<u>20</u>	<u>499,410</u>
	<u>372</u>	<u>417,374</u>	<u>20</u>	<u>1,267,184</u>
	28	-	-	28
	-	-	-	1,097,552
	-	-	-	67,874
	-	<u>414,409</u>	-	<u>414,409</u>
	<u>28</u>	<u>414,409</u>	-	<u>1,579,863</u>
	344	2,965	20	(312,679)
	-	-	9,246	9,246
	-	-	-	<u>225,000</u>
	-	-	<u>9,246</u>	<u>234,246</u>
	344	2,965	9,266	(78,433)
	<u>28,377</u>	<u>41,707</u>	-	<u>298,932</u>
\$	<u>28,721</u>	\$ <u>44,672</u>	\$ <u>9,266</u>	\$ <u>220,499</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	County Offices		
	County Auditor	County Recorder	County Sheriff
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ -	\$ -	\$ -
Other County officials	23,839	52,623	132,712
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	-	-	-
Accrued interest	-	-	-
Due from other governments	-	-	-
	23,839	52,623	132,712
TOTAL ASSETS	23,839	52,623	132,712
<u>LIABILITIES</u>			
Accounts payable	-	-	-
Due to other governments	-	52,623	-
Salaries and benefits payable	-	-	-
Compensated absences	-	-	-
Trusts payable	23,839	-	132,712
	23,839	52,623	132,712
TOTAL LIABILITIES	23,839	52,623	132,712
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	-	-	-
	-	-	-
<u>NET POSITION</u>			
Restricted for individuals, organizations and other governments	\$ -	\$ -	\$ -

SCHEDULE 3

<u>Agricultural Extension Education</u>	<u>Emergency Management</u>	<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>E-911</u>	<u>Corporations</u>
\$ 2,374	\$ 91,232	\$ 141,356	\$ 165,369	\$ 14,368	\$ 406,419	\$ 46,468
-	-	-	-	-	-	-
240	-	389	17,622	1,566	-	7,435
279,555	-	453,587	19,318,428	1,773,670	-	7,615,095
-	-	-	-	-	25,553	-
-	-	-	-	-	9	-
-	-	-	-	-	5,140	-
<u>282,169</u>	<u>91,232</u>	<u>595,332</u>	<u>19,501,419</u>	<u>1,789,604</u>	<u>437,121</u>	<u>7,668,998</u>
-	1,515	689	-	-	13	-
2,374	84,270	-	165,369	14,368	437,108	46,468
-	3,018	11,520	-	-	-	-
-	2,429	8,539	-	-	-	-
-	-	-	-	-	-	-
<u>2,374</u>	<u>91,232</u>	<u>20,748</u>	<u>165,369</u>	<u>14,368</u>	<u>437,121</u>	<u>46,468</u>
<u>279,555</u>	<u>-</u>	<u>453,587</u>	<u>19,318,428</u>	<u>1,773,670</u>	<u>-</u>	<u>7,615,095</u>
\$ <u>240</u>	\$ <u>-</u>	\$ <u>120,997</u>	\$ <u>17,622</u>	\$ <u>1,566</u>	\$ <u>-</u>	\$ <u>7,435</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	<u>City Special Assessments</u>	<u>Townships</u>	<u>Brucellosis and Tuberculosis Eradication</u>
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 6,031	\$ 5,011	\$ 34
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	-	526	2
Succeeding year	-	565,523	3,774
Accounts	-	-	-
Accrued interest	-	-	-
Due from other governments	-	-	-
TOTAL ASSETS	6,031	571,060	3,810
<u>LIABILITIES</u>			
Accounts payable	-	-	-
Due to other governments	6,031	5,011	34
Salaries and benefits payable	-	-	-
Compensated absences	-	-	-
Trusts payable	-	-	-
TOTAL LIABILITIES	6,031	5,011	34
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	-	565,523	3,774
<u>NET POSITION</u>			
Restricted for individuals, organizations and other governments	\$ -	\$ 526	\$ 2

SCHEDULE 3 (Continued)

<u>Auto License and Use Tax</u>	<u>County Recorder's Electronic Transaction Fee</u>	<u>Advance Tax</u>	<u>Total</u>
\$ 693,875	\$ 424	\$ 26,395	\$ 1,599,356
-	-	-	209,174
-	-	-	27,780
-	-	-	30,009,632
-	-	-	25,553
-	-	-	9
-	-	-	5,140
<u>693,875</u>	<u>424</u>	<u>26,395</u>	<u>31,876,644</u>
-	-	-	2,217
693,875	424	26,395	1,534,350
-	-	-	14,538
-	-	-	10,968
-	-	-	156,551
<u>693,875</u>	<u>424</u>	<u>26,395</u>	<u>1,718,624</u>
-	-	-	30,009,632
<u>-</u>	<u>-</u>	<u>-</u>	<u>148,388</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2021

	County Offices		
	County Auditor	County Recorder	County Sheriff
Additions:			
Property and other County tax	\$ -	\$ -	\$ -
E911 surcharge	-	-	-
State tax credits	-	-	-
Assessments	-	-	-
Office fees and collections	-	536,869	84,038
Trusts	-	-	1,192,228
Interest on investments	156	-	-
Miscellaneous	-	-	-
Total additions	156	536,869	1,276,266
Deductions:			
Agency remittances:			
To other funds	-	197,275	74,554
To other governments	-	339,594	9,484
Trusts paid out	156	-	1,192,228
Total deductions	156	536,869	1,276,266
Changes in net position	-	-	-
Net position, beginning of year, as restated	-	-	-
Net position, end of year	\$ -	\$ -	\$ -

SCHEDULE 4

<u>Agriculture Extension Education</u>	<u>Emergency Management</u>	<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>E-911</u>	<u>Corporations</u>
\$ 250,712	\$ -	\$ 405,890	\$ 17,315,652	\$ 1,600,513	\$ -	\$ 6,720,047
-	-	-	-	-	205,836	-
18,189	81,516	30,079	1,259,048	109,239	-	689,825
-	-	-	-	-	-	1,549
-	-	929	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	108	-
-	58,544	260	-	-	11,390	-
<u>268,901</u>	<u>140,060</u>	<u>437,158</u>	<u>18,574,700</u>	<u>1,709,752</u>	<u>217,334</u>	<u>7,411,421</u>
-	-	-	-	-	-	-
270,215	140,060	473,011	18,666,259	1,717,593	217,334	7,448,288
-	-	-	-	-	-	-
<u>270,215</u>	<u>140,060</u>	<u>473,011</u>	<u>18,666,259</u>	<u>1,717,593</u>	<u>217,334</u>	<u>7,448,288</u>
(1,314)	-	(35,853)	(91,559)	(7,841)	-	(36,867)
1,554	-	156,850	109,181	9,407	-	44,302
<u>\$ 240</u>	<u>\$ -</u>	<u>\$ 120,997</u>	<u>\$ 17,622</u>	<u>\$ 1,566</u>	<u>\$ -</u>	<u>\$ 7,435</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2021

<u>ASSETS AND LIABILITIES</u>	<u>City Special Assessments</u>	<u>Townships</u>	<u>Brucellosis and Tuberculosis Eradication</u>
Additions:			
Property and other County tax	\$ -	\$ 511,414	\$ 3,368
E911 surcharge	-	-	-
State tax credits	-	27,304	256
Assessments	47,849	419	-
Office fees and collections	-	-	-
Trusts	-	-	-
Interest on investments	-	-	-
Miscellaneous	-	-	-
Total additions	47,849	539,137	3,624
Deductions:			
Agency remittances:			
To other funds	-	-	-
To other governments	47,849	541,513	3,643
Trusts paid out	-	-	-
Total deductions	47,849	541,513	3,643
Changes in net position	-	(2,376)	(19)
Net position, beginning of year, as restated	-	2,902	21
Net position, end of year	\$ -	\$ 526	\$ 2

SCHEDULE 4 (Continued)

<u>Auto License and Use Tax</u>	<u>County Recorder's Electronic Transaction Fee</u>	<u>Tax Sale Redemption</u>	<u>Advance Tax</u>	<u>Total</u>
\$ -	\$ -	\$ 170,078	\$ -	\$ 26,977,674
-	-	-	-	205,836
-	-	-	-	2,215,456
-	-	-	-	49,817
8,111,308	4,952	-	-	8,738,096
-	-	-	32,757	1,224,985
-	-	-	-	264
-	-	-	-	70,194
<u>8,111,308</u>	<u>4,952</u>	<u>170,078</u>	<u>32,757</u>	<u>39,482,322</u>
265,803	-	-	-	537,632
7,845,505	4,952	170,078	32,757	37,928,135
-	-	-	-	1,192,384
<u>8,111,308</u>	<u>4,952</u>	<u>170,078</u>	<u>32,757</u>	<u>39,658,151</u>
-	-	-	-	(175,829)
-	-	-	-	324,217
\$ -	\$ -	\$ -	\$ -	\$ 148,388

CEDAR COUNTY, IOWA

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>
<u>REVENUES:</u>							
Property and other County tax	\$ 9,584,364	\$	9,008,969	\$	8,460,189	\$	8,457,859
Tax increment financing	33,031		32,790		32,832		17,960
Local option sales tax	1,072,893		946,285		902,372		809,529
Interest and penalty on property tax	58,541		25,859		47,472		55,491
Intergovernmental	7,309,688		6,534,531		6,369,941		6,921,141
Licenses and permits	50,426		38,998		41,865		43,661
Charges for service	1,473,456		1,235,168		1,160,016		1,110,643
Use of money and property	181,355		151,191		198,431		161,641
Miscellaneous	1,165,628		590,481		280,965		1,020,149
Total	\$ <u>20,929,382</u>	\$	<u>18,564,272</u>	\$	<u>17,494,083</u>	\$	<u>18,598,074</u>
<u>EXPENDITURES:</u>							
Operating:							
Public safety and legal services	\$ 4,192,575	\$	4,131,691	\$	3,931,120	\$	3,945,254
Physical health and social services	1,481,278		1,086,677		1,165,502		1,261,307
Mental health	433,796		669,355		576,574		607,881
County environment and education	2,103,187		1,610,021		1,651,372		1,881,083
Roads and transportation	7,090,901		7,627,306		5,411,028		6,338,922
Governmental services to residents	570,597		557,247		553,340		516,753
Administration	1,968,090		1,727,830		1,675,133		1,682,190
Non-program	7,652		8,317		6,684		6,742
Debt service	414,409		165,030		148,062		802,134
Capital projects	1,770,782		460,501		1,086,758		1,438,240
Total	\$ <u>20,033,267</u>	\$	<u>18,043,975</u>	\$	<u>16,205,573</u>	\$	<u>18,480,506</u>

SCHEDULE 5

Modified Accrual Basis						
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	8,458,798	\$ 8,118,122	\$ 7,980,216	\$ 7,118,019	\$ 6,856,136	\$ 6,691,533
	23,694	11,164	70,471	75,801	83,045	39,600
	811,458	835,322	815,269	711,081	776,862	642,486
	47,440	43,694	49,739	55,043	59,388	47,716
	6,370,145	6,461,562	5,506,349	5,234,720	4,502,567	6,517,014
	42,369	36,066	32,353	33,578	38,328	60,974
	1,219,221	1,151,704	1,158,124	1,207,205	1,131,763	1,074,474
	131,251	152,306	149,852	144,135	169,825	144,190
	<u>1,105,643</u>	<u>151,756</u>	<u>118,768</u>	<u>114,379</u>	<u>216,735</u>	<u>228,837</u>
\$	<u>18,210,019</u>	<u>16,961,696</u>	<u>15,881,141</u>	<u>14,693,961</u>	<u>13,834,649</u>	<u>15,446,824</u>
\$	3,569,714	\$ 3,647,382	\$ 3,657,270	\$ 3,352,040	\$ 3,164,444	\$ 2,960,560
	1,236,990	1,347,137	1,254,724	1,297,802	1,166,679	1,190,729
	1,139,857	1,171,929	1,303,233	746,734	1,297,776	2,641,365
	1,318,796	1,341,227	1,282,359	1,272,224	1,188,191	1,383,151
	6,242,031	6,176,848	5,700,406	5,168,773	5,269,364	4,687,747
	495,131	501,094	470,416	508,855	446,608	427,129
	1,569,603	1,497,024	1,572,022	1,549,460	1,377,601	1,303,555
	6,250	6,022	5,646	4,788	4,678	6,602
	1,028,330	412,213	-	-	-	-
	<u>1,114,283</u>	<u>1,835,885</u>	<u>1,435,410</u>	<u>127,989</u>	<u>547,857</u>	<u>675,861</u>
\$	<u>17,720,985</u>	<u>17,936,761</u>	<u>16,681,486</u>	<u>14,028,665</u>	<u>14,463,198</u>	<u>15,276,699</u>



ANDERSON, LARKIN & CO., P.C.
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"Your Success Is Our Business."

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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 Cedar County, Iowa:

We have audited, in accordance with the U.S. generally accepted auditing standards 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 Cedar County, Iowa, as of and for the year ended June 30, 2021 and the related Notes to the Financial Statements, which collectively comprise Cedar County, Iowa's basic financial statements, and have issued our report thereon dated February 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cedar County, Iowa's internal control over financial reporting as a basis for designing the 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 Cedar County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of Cedar County, Iowa's internal control.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified deficiencies in internal control we consider to be material weaknesses and significant deficiencies. We consider the deficiency described in the accompanying schedule of findings as item II-A-21 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cedar County, Iowa'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 statement amounts. 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 that 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 Part III of the accompanying schedule of findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Cedar County, Iowa's Response to Findings

Cedar County, Iowa's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Cedar County, Iowa's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Cedar County, Iowa 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.

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin & Co., P.C.

Ottumwa, Iowa
February 15, 2022

CEDAR COUNTY, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2021

Part I: Summary of the Independent Auditor's Results

- a. Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- b. A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- c. The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

II-A-21 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 – One individual in the County Sheriff's office is sometimes involved with the collection of cash and checks and they post all collections to the computer system.

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

Effect – Inadequate segregation of duties could adversely affect the County'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 – The County Sheriff should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Response – With a small office staff it is not economically feasible to properly segregate duties. We do have a person not involved in the collection of recordkeeping function sign all checks and security cameras are in place to observe all transactions.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Part III: Other Findings Related to Required Statutory Reporting

- III-A-21 Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amounts budgeted.

CEDAR COUNTY, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2021

Part III: Other Findings Related to Required Statutory Reporting (Continued)

- III-B-21 Questionable Expenditures – We noted no expenditures that we believe may not meet the requirements of public purpose as defined in Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979.
- III-C-21 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- III-D-21 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Cari Dauber, County Auditor Son owns Cedar County Garage Door	Repairs and supplies	\$ 5,420
Mike Dauber, Conservation Director Spouse of Cari Dauber, County Auditor	Death investigations	\$ 7,515

In accordance with Chapter 331.342(2)(d) of the Code of Iowa, the transaction with Cedar County Garage Door does not represent a conflict of interest since Auditor Dauber had no role in the procurement of the services.

In accordance with Chapter 331.342(2)(d) of the Code of Iowa, the transactions with the Conservation Director do not represent a conflict of interest since the official’s remuneration was not directly affected by the transactions and the official had no part in the procurement of the services.

- III-E-21 Restricted Donor Activity – Per Chapter 68B of the Code of Iowa, County officials are prohibited from receiving or soliciting gifts from a restricted donor. A restricted donor per Chapter 68B.2(24)(a) is a “party to any one or any combination of sales, purchases, leases or contracts to, from, or with the agency in which the done holds office or is employed. No donations of this type were noted.
- III-F-21 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- III-G-21 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- III-H-21 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- III-I-21 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).
- III-J-21 Annual Urban Renewal Report – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.