

CEDAR COUNTY, IOWA

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

JUNE 30, 2023

CEDAR COUNTY, IOWA

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CEDAR COUNTY, IOWA

Officials

(Before January 2023)

<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
Cari Dauber	County Assessor	January 2023

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Bradley Gaul	Board of Supervisors	January 2026
Mike Bixler	Board of Supervisors	January 2026
Jon Bell	Board of Supervisors	January 2024
Jeff Kaufmann	Board of Supervisors	January 2024
Bruce Barnhart	Board of Supervisors	January 2024
Stephanie Wiese	County Auditor	January 2024
Sandy Delaney	County Treasurer	January 2026
Melissa Bahnsen	County Recorder	January 2026
Warren Wethington	County Sheriff	January 2024
Adam Blank	County Attorney	January 2026
Cari Dauber	County Assessor	January 2027



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

Kenneth E. Crosser, CPA
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Adam L. Sturm, CPA

INDEPENDENT AUDITOR'S REPORT

To the Officials of
Cedar County, Iowa

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Cedar County, Iowa as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 5 through 10 and 46 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 four years ended June 30, 2022, (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditor's previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five 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 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 15, 2024, 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
January 15, 2024

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, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- ♦ The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Eastern Iowa MHDS Mental Health Region prior to June 30, 2022.
- ♦ County revenue decreased 5.7%, or \$1,231,986 from fiscal year 2022 to 2023.
- ♦ County program expenses were 15.2%, or \$2,633,113 more in fiscal year 2023 than in 2022.
- ♦ The County's net position increased 0.6%, or \$309,013 during the year ended June 30, 2023.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of 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 (asset) and related contributions, as well as presenting the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds, the individual Custodial Funds and the Schedule of Expenditures of Federal Awards.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

2. 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>2023</u>	June 30, <u>2022</u>
Current and other assets	\$ 27,195,484	\$ 34,862,355
Capital assets	<u>52,763,846</u>	<u>49,379,454</u>
Total assets	<u>79,959,330</u>	<u>84,241,809</u>
Deferred outflows of resources	<u>1,248,816</u>	<u>1,226,723</u>
Long-term liabilities	11,712,535	8,824,324
Other liabilities	<u>2,091,425</u>	<u>5,273,552</u>
Total liabilities	<u>13,803,960</u>	<u>14,097,876</u>
Deferred inflows of resources	<u>11,105,786</u>	<u>15,381,269</u>
Net position:		
Net investment in capital assets	44,197,550	40,191,225
Restricted	10,038,208	14,767,463
Unrestricted	<u>2,062,642</u>	<u>1,030,699</u>
Total net position	\$ <u>56,298,400</u>	\$ <u>55,989,387</u>

Net position of the County's governmental activities increased by 0.6% (\$55,989,387 compared to \$56,298,400).

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 decrease in restricted net position is primarily due to a decrease in 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 \$1,030,699 at June 30, 2022 to \$2,062,642 at June 30, 2023 an increase of 100.1%. The increase is primarily due to the decrease in restricted net position.

Changes in Net Position of Governmental Activities

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>
Revenues:		
Program revenues:		
Charges for service	\$ 1,926,142	\$ 1,576,034
Operating grants, contributions and restricted interest	4,888,434	6,247,041
Capital grants, contributions and restricted interest	1,791,707	1,316,610
General revenues:		
Property tax	9,289,187	10,205,581
Local option sales tax	1,338,672	1,323,203
Unrestricted investment earnings	225,466	42,345
Other general revenues	<u>862,126</u>	<u>842,906</u>
Total revenues	<u>20,321,734</u>	<u>21,553,720</u>
Program expenses:		
Public safety and legal services	4,486,002	4,009,457
Physical health and social services	1,546,271	1,486,004
Mental health	-	841,707
County environment and education	1,879,500	1,492,130
Roads and transportation	8,876,656	6,231,100
Governmental services to residents	556,269	511,918
Administration	2,519,817	2,647,675
Non-program	6,978	303
Interest on long-term debt	<u>141,228</u>	<u>159,314</u>
Total expenses	<u>20,012,721</u>	<u>17,379,608</u>
Change in net position	309,013	4,174,112
Net position – Beginning of year	<u>55,989,387</u>	<u>51,815,275</u>
Net position – End of year	\$ <u>56,298,400</u>	\$ <u>55,989,387</u>

The results of governmental activities for the year resulted in Cedar County, Iowa's net position increasing by \$309,013. Revenues for governmental activities decreased by \$1,231,986 from the prior year, including decreases in operating grants, contributions and restricted interest. Expenditures increased by \$2,633,113 including increases in roads and transportation expenses.

The cost of all governmental activities this year was \$20,012,721 compared to \$17,379,608 last year. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities was only \$11,406,438 because some of the cost was paid by those directly benefited from the programs \$1,926,142 or by other governments and organizations that subsidized certain programs with grants and contributions \$6,680,141.

INDIVIDUAL MAJOR FUND ANALYSIS

As the County completed the year, its governmental funds reported a combined fund balance of \$14,117,635, which is a decrease of \$4,626,725 from last year's total of \$18,744,360. 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 0.3% and 7.3%, respectively, when compared to the prior year. The ending fund balance showed a decrease from the prior year of \$57,905 (prior year increase was \$587,101) from \$5,832,608 to \$5,774,703.
- Secondary Roads Fund expenditures increased \$72,090 from the prior year, and revenues decreased \$2,313,349. As a result, there was a decrease in the Secondary Roads Fund ending balance of \$529,063, or 13.7% (prior year decrease was \$35,074).
- The Rural Services Fund ending fund balance decreased from the prior year by \$273,681 (\$264,635 increase in prior year) to \$1,411,644. The decrease was primarily due to a decrease in property tax revenues.
- The Capital Projects Fund ending fund balance decreased \$3,897,502 to \$3,097,232. The decrease was primarily due to capital projects expenditures.

BUDGETARY HIGHLIGHTS

Over the course of the year, Cedar County, Iowa amended its budget once. As a result of the amendment, budgeted receipts increased \$239,953 including \$179,165 for miscellaneous receipts. Budgeted disbursements increased \$179,736 (including \$85,165 for non-program expenditures and \$65,000 for public safety and legal services expenditures) as a result of the budget amendments.

The County's receipts were \$422,424 more than budgeted, a variance of 2.2%. The most significant variance resulted from the County receiving more use of money and property receipts than anticipated. After the budget amendments, actual disbursements were \$5,265,044 less than the amounts budgeted. This includes \$2,429,350 and \$1,481,171 in the administration and capital projects functions, respectively.

CAPTIAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023 Cedar County, Iowa had \$52,763,846 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 \$3,384,392 or 6.9% more than the prior year.

Capital Assets of Governmental Activities at Year End

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 2,250,386	\$ 2,250,386
Construction in progress	7,025,299	6,412,943
Intangibles	14,576	29,149
Buildings	2,090,407	2,201,720
Improvements other than buildings	171,929	186,045
Machinery and equipment	3,432,579	3,831,616
Right-to-use leased equipment	30,685	42,805
Infrastructure	<u>37,747,985</u>	<u>34,424,790</u>
Totals	\$ <u>52,763,846</u>	\$ <u>49,379,454</u>

The major additions for each year included:

Buildings	\$ -	\$ 50,610
Construction in progress	4,428,371	4,211,390
Machinery and equipment	620,292	1,157,385
Infrastructure	<u>1,403,553</u>	<u>1,974,339</u>
	\$ <u>6,452,216</u>	\$ <u>7,393,724</u>

The County had depreciation expense of \$2,890,763 for the fiscal year and total accumulated depreciation as of June 30, 2023 of \$47,727,638.

Long-term Liabilities

At June 30, 2023 the County had \$11,712,535 in other long-term liabilities compared to \$8,824,324 at June 30, 2022, as shown below.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
General obligation bonds	\$ 8,535,000	\$ 9,145,000
Lease agreements	31,296	43,229
Drainage warrants	13,939	51,126
Compensated absences	543,145	585,634
Net pension liability (asset)	1,757,321	(1,808,739)
Total OPEB liability	<u>831,834</u>	<u>808,074</u>
Total	\$ <u>11,712,535</u>	\$ <u>8,824,324</u>

CAPTIAL ASSETS AND DEBT ADMINISTRATION (Continued)

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 \$71,802,841. Other obligations include compensated absences, lease agreements, early retirement, drainage warrants, net pension liability (asset) 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 2024 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 3.2% versus 2.4% a year ago. This compares with the State's unemployment rate of 2.7% and the national rate of 3.6%.

Inflation in the State is lower than the national Consumer Price Index increase. The State's CPI increase was 3.0% for fiscal year 2023 compared with the national increase of 8.8%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation in the operating budget are increasing by \$392,481 compared to the final fiscal year 2023 budget. Property and other county tax revenues are expected to make up the majority of this increase. Budgeted disbursements are expected to decrease by \$2,521,063 compared to the final fiscal year 2023 budget. Capital projects expenditures make up the majority of this decrease. The County has added no major new programs or initiatives to the fiscal year 2024 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease \$9,011,624 by the close of fiscal year 2024.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of 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, 2023

	<u>Governmental Activities</u>
ASSETS:	
Cash, cash equivalents and pooled investments	\$ 14,562,258
Receivables:	
Property tax:	
Delinquent	9,250
Succeeding year	10,460,167
Accounts	418,420
Accrued interest	23,207
Drainage assessments	107,666
Due from other governments	708,021
Inventories	741,513
Prepaid expenses	164,982
Capital assets, net of accumulated depreciation	<u>52,763,846</u>
Total assets	<u>79,959,330</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension related deferred outflows	1,181,310
OPEB related deferred outflows	<u>67,506</u>
Total deferred outflows of resources	<u>1,248,816</u>
LIABILITIES:	
Accounts payable	120,522
Salaries and benefits payable	178,453
Due to other governments	17,510
Incurred but not reported claims	24,000
Unearned revenue	1,738,440
Accrued interest payable	12,500
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	12,173
General obligation bonds	615,000
Compensated absences	494,552
Portion due or payable after one year:	
Lease agreements	19,123
General obligation bonds	7,920,000
Drainage warrants	13,939
Compensated absences	48,593
Net pension liability	1,757,321
Total OPEB liability	<u>831,834</u>
Total liabilities	<u>13,803,960</u>
DEFERRED INFLOWS OF RESOURCES:	
Unavailable property tax revenue	10,460,167
OPEB related deferred inflows	62,044
Pension related deferred inflows	<u>583,575</u>
Total deferred inflows of resources	<u>11,105,786</u>
NET POSITION:	
Net investment in capital assets	44,197,550
Restricted for:	
Supplemental levy	1,478,738
Secondary roads	3,329,556
Rural services	1,411,644
Capital projects	3,097,232
Resource enhancement and protection	47,427
Drainage improvement	45,154
Public health	23,352
Conservation	93,546
Other purposes	511,559
Unrestricted	<u>2,062,642</u>
Total net position	<u>\$ 56,298,400</u>

CEDAR COUNTY, IOWA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<u>FUNCTIONS/PROGRAMS:</u>					
Governmental activities:					
Public safety and legal services	\$ 4,486,002	\$ 274,908	\$ 26,518	\$ -	\$ (4,184,576)
Physical health and social services	1,546,271	109,915	102,205	-	(1,334,151)
County environment and education	1,879,500	906,452	185,790	-	(787,258)
Roads and transportation	8,876,656	73,138	4,018,033	1,033,698	(3,751,787)
Governmental services to residents	556,269	434,593	14	-	(121,662)
Administration	2,519,817	127,136	555,874	758,009	(1,078,798)
Non-program	6,978	-	-	-	(6,978)
Interest on long-term debt	141,228	-	-	-	(141,228)
Total	\$ 20,012,721	\$ 1,926,142	\$ 4,888,434	\$ 1,791,707	(11,406,438)
<u>GENERAL REVENUES:</u>					
Property and other County tax levied for:					
General purposes					8,602,570
Debt service					686,617
Local option sales tax					1,338,672
Penalty and interest on property tax					53,636
State tax credits and replacements					618,215
Unrestricted investment earnings					225,466
Miscellaneous					190,275
Total general revenues					11,715,451
Change in net position					309,013
<u>NET POSITION</u> - Beginning of year					55,989,387
<u>NET POSITION</u> - End of year					\$ 56,298,400

CEDAR COUNTY, IOWA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

<u>ASSETS</u>	<u>General</u>	<u>Special Revenue</u>	
		<u>Secondary Roads</u>	<u>Rural Services</u>
Cash, cash equivalents and pooled investments	\$ 7,337,835	\$ 2,135,527	\$ 1,253,802
Receivables:			
Property tax:			
Delinquent	6,395	-	2,190
Succeeding year	7,069,661	-	2,638,778
Drainage assessments	-	-	-
Accounts	47,887	74,583	-
Accrued interest	23,148	-	-
Prepaid expenses	28,734	-	-
Due from other governments	95,775	436,676	175,570
Inventories	-	741,513	-
TOTAL ASSETS	\$ 14,609,435	\$ 3,388,299	\$ 4,070,340
<u>LIABILITIES, DEFERRED INFLOWS</u> <u>OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 39,092	\$ 9,192	\$ 7,533
Salaries and benefits payable	115,407	48,732	10,195
Deferred revenues	1,587,838	-	-
Due to other governments	16,691	819	-
Total liabilities	1,759,028	58,743	17,728
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	7,069,661	-	2,638,778
Drainage assessments	-	-	-
Other	6,043	-	2,190
Total deferred inflows of resources	7,075,704	-	2,640,968
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	741,513	-
Prepaid expenses	28,734	-	-
Restricted for:			
Cemetery levy	26,140	-	-
Supplemental levy	1,478,738	-	-
Secondary roads	-	2,588,043	-
Rural services	-	-	1,411,644
Capital projects	-	-	-
Resource enhancement and protection	47,427	-	-
Public health	23,352	-	-
Conservation	93,546	-	-
Debt service	-	-	-
Drainage improvements	-	-	-
Other purposes	52,213	-	-
Assigned:			
County sheriff	88,542	-	-
Veteran's aid	9,333	-	-
Unassigned	3,926,678	-	-
Total fund balances	5,774,703	3,329,556	1,411,644
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,609,435	\$ 3,388,299	\$ 4,070,340

EXHIBIT C

Capital Projects	Nonmajor Governmental Funds	Total
\$ 3,097,232	\$ 489,728	\$ 14,314,124
-	665	9,250
-	751,728	10,460,167
-	107,666	107,666
-	295,950	418,420
-	59	23,207
-	-	28,734
-	-	708,021
-	-	741,513
<u>\$ 3,097,232</u>	<u>\$ 1,645,796</u>	<u>\$ 26,811,102</u>

\$ -	\$ 64,705	\$ 120,522
-	4,119	178,453
-	-	1,587,838
-	-	17,510
<u>-</u>	<u>68,824</u>	<u>1,904,323</u>

-	751,728	10,460,167
-	107,666	107,666
-	213,078	221,311
<u>-</u>	<u>1,072,472</u>	<u>10,789,144</u>

-	-	741,513
-	-	28,734

-	-	26,140
-	-	1,478,738
-	-	2,588,043
-	-	1,411,644
3,097,232	-	3,097,232
-	-	47,427
-	-	23,352
-	-	93,546
-	24,346	24,346
-	45,154	45,154
-	435,000	487,213

-	-	88,542
-	-	9,333
-	-	3,926,678
<u>3,097,232</u>	<u>504,500</u>	<u>14,117,635</u>

\$ <u>3,097,232</u>	\$ <u>1,645,796</u>	\$ <u>26,811,102</u>
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CEDAR COUNTY, IOWA

RECONCILIATION OF THE BALANCE SHEET -
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 JUNE 30, 2023

TOTAL GOVERNMENTAL FUND BALANCES	\$	14,117,635
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 \$94,552,468 and the accumulated depreciation is \$45,173,014.		52,763,846
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows in the governmental funds.		328,977
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.		209,780
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 1,248,816	
Deferred inflows of resources	<u>(645,619)</u>	603,197
Long-term liabilities, including accrued interest, drainage warrants, compensated absences, lease agreements, 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.		<u>(11,725,035)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>56,298,400</u>

CEDAR COUNTY, IOWA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Secondary Roads	Rural Services
<u>REVENUES:</u>			
Property and other county tax	\$ 6,378,687	\$ -	\$ 2,222,837
Interest and penalty on property tax	53,636	-	-
Local option sales tax	-	237,273	1,101,399
Intergovernmental	2,361,078	5,047,566	112,946
Licenses and permits	19,339	19,270	9,536
Charges for service	642,976	13	102,062
Use of money and property	336,439	-	-
Miscellaneous	204,221	58,020	4
Total revenues	9,996,376	5,362,142	3,548,784
<u>EXPENDITURES:</u>			
Operating:			
Public safety and legal services	4,100,853	-	726,447
Physical health and social services	1,635,451	-	-
County environment and education	1,003,583	-	246,505
Roads and transportation	-	6,975,302	-
Governmental services to residents	553,640	-	-
Administration	2,774,025	-	-
Non-program	6,978	-	-
Debt service	-	-	-
Capital projects	-	1,731,916	-
Total expenditures	10,074,530	8,707,218	972,952
Excess (deficiency) of revenues over (under) expenditures	(78,154)	(3,345,076)	2,575,832
Other financial sources (uses):			
Sale of capital assets	20,249	26,500	-
Transfers in	-	2,789,513	-
Transfers out	-	-	(2,849,513)
Total other financing sources (uses)	20,249	2,816,013	(2,849,513)
Change in fund balances	(57,905)	(529,063)	(273,681)
<u>FUND BALANCES</u> - Beginning of year	5,832,608	3,858,619	1,685,325
<u>FUND BALANCES</u> - End of year	\$ 5,774,703	\$ 3,329,556	\$ 1,411,644

See Notes to Financial Statements

EXHIBIT E

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 686,596	\$ 9,288,120
-	-	53,636
-	-	1,338,672
-	138,893	7,660,483
-	-	48,145
-	684,731	1,429,782
-	729	337,168
-	139,174	401,419
<u>-</u>	<u>1,650,123</u>	<u>20,557,425</u>
-	200	4,827,500
-	-	1,635,451
-	801,472	2,051,560
-	-	6,975,302
-	-	553,640
-	5,575	2,779,600
-	-	6,978
-	761,450	761,450
<u>3,907,502</u>	<u>-</u>	<u>5,639,418</u>
<u>3,907,502</u>	<u>1,568,697</u>	<u>25,230,899</u>
<u>(3,907,502)</u>	<u>81,426</u>	<u>(4,673,474)</u>
-	-	46,749
10,000	50,000	2,849,513
-	-	(2,849,513)
<u>10,000</u>	<u>50,000</u>	<u>46,749</u>
(3,897,502)	131,426	(4,626,725)
<u>6,994,734</u>	<u>373,074</u>	<u>18,744,360</u>
\$ <u>3,097,232</u>	\$ <u>504,500</u>	\$ <u>14,117,635</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, 2023

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (4,626,725)
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 exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	\$ 6,452,216	
Depreciation expense	<u>(2,890,763)</u>	3,561,453
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.		
		(177,061)
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	1,067	
Other	<u>(106,446)</u>	(105,379)
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:		
Repaid		659,120
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.		
		759,350
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	42,489	
Interest on long-term debt	10,222	
Pension income (expense)	135,532	
OPEB expense	<u>(12,638)</u>	175,605
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>62,650</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ <u>309,013</u>

See Notes to Financial Statements

CEDAR COUNTY, IOWA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

Internal Service -
 Cedar County
Employee Health

ASSETS:

Current assets:

Cash, cash equivalents and pooled investments	\$ 248,134
Prepaid expenses	<u>136,248</u>

TOTAL ASSETS	<u>384,382</u>
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LIABILITIES:

Current liabilities:

Incurred but not reported claims	24,000
Unearned revenue	<u>150,602</u>

TOTAL LIABILITIES	<u>174,602</u>
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NET POSITION:

Unrestricted	\$ <u>209,780</u>
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CEDAR COUNTY, IOWA

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	<u>Internal Service - Cedar County Employee Health</u>
<u>OPERATING REVENUES:</u>	
Reimbursements from operating funds	\$ 1,632,622
<u>OPERATING EXPENSES:</u>	
Medical claims, premiums and fees	<u>1,570,852</u>
Operating income	61,770
<u>NON-OPERATING REVENUES:</u>	
Interest income	<u>880</u>
Net income	62,650
<u>NET POSITION</u> - Beginning of year	<u>147,130</u>
<u>NET POSITION</u> - End of year	\$ <u>209,780</u>

CEDAR COUNTY, IOWA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2023

	<u>Internal Service - Cedar County Employee Health</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash received from operating fund reimbursements	\$ 1,648,241
Cash paid to suppliers for services	<u>(1,695,283)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(47,042)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest on investments	<u>880</u>
NET DECREASE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS	(46,162)
<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - Beginning of year	<u>294,296</u>
<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - End of year	\$ <u>248,134</u>
 <u>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES:</u>	
Operating income	\$ 61,770
Adjustments to reconcile operating income to net cash used in operating activities:	
Increase in prepaid expenses	(127,431)
Increase in incurred by not reported claims	3,000
Increase in unearned revenue	<u>15,619</u>
NET CASH USED IN OPERATING ACTIVITIES	\$ <u>(47,042)</u>

CEDAR COUNTY, IOWA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

ASSETS:

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 2,564,504
Other County officials	132,118

Receivables:

Property tax receivable:

Delinquent	29,231
Succeeding year	31,347,351

Accrued interest

475

Total assets

 34,073,679
LIABILITIES:

Accounts payable 41,899

Due to other governments 1,665,194

Salaries and benefits payable 6,751

Compensated absences 22,702

Trusts payable 131,272

Total liabilities

 1,867,818
DEFERRED INFLOWS OF RESOURCES:

Unavailable revenues 31,347,351

NET POSITION:Restricted for individuals, organizations and
other governments
 \$ 858,510

CEDAR COUNTY, IOWA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023

ADDITIONS:

Property and other county tax	\$ 28,291,285
E911 surcharge	235,504
State tax credits	1,957,869
State grants	346,952
Assessments	27,655
Office fees and collections	8,929,549
Trusts	611,872
Interest on investments	741
Miscellaneous	127,156
Total additions	<u>40,528,583</u>

DEDUCTIONS:

Agency remittances:	
To other funds	210,800
To other governments	39,226,254
Trusts paid out	572,515
Total deductions	<u>40,009,569</u>
Change in net position	519,014
Net position beginning of year	<u>339,496</u>
Net position end of year	<u>\$ 858,510</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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, 2023

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 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, 2023

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, 2023

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, 2023

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 Receivable (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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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

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

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.

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 (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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)

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Infrastructure	10-65
Intangibles	15
Buildings and improvements	10-50
Right-to-use leased assets	Life of lease
Machinery and Equipment	3-20

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

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

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

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

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

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

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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)

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.

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services, Secondary Roads, 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 (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability (asset) attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services, Secondary Roads Funds and Solid Waste Disposal funds.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 and inflows 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, Rural Services, Secondary Roads 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

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

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

The County 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 \$2,614,097. 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 TRANSFERS

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	\$ 2,789,513
Solid Waste Disposal	Rural Services	50,000
Capital Projects	Rural Services	10,000
		<u>\$ 2,849,513</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, 2023

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,250,386	\$ -	\$ -	\$ 2,250,386
Construction in progress	<u>6,412,943</u>	<u>4,428,371</u>	<u>3,816,015</u>	<u>7,025,299</u>
Total capital assets not being depreciated	<u>8,663,329</u>	<u>4,428,371</u>	<u>3,816,015</u>	<u>9,275,685</u>
Capital assets being depreciated:				
Intangibles	218,600	-	-	218,600
Buildings	4,877,695	-	-	4,877,695
Improvements other than buildings	258,297	-	-	258,297
Machinery and equipment	11,413,751	620,292	513,200	11,520,843
Right-to-use leased equipment	54,925	-	-	54,925
Infrastructure	<u>69,065,871</u>	<u>5,219,568</u>	<u>-</u>	<u>74,285,439</u>
Total capital assets being depreciated	<u>85,889,139</u>	<u>5,839,860</u>	<u>513,200</u>	<u>91,215,799</u>
Less accumulated depreciation for:				
Intangibles	189,451	14,573	-	204,024
Buildings	2,675,975	111,313	-	2,787,288
Improvements other than buildings	72,252	14,116	-	86,368
Machinery and equipment	7,582,135	842,268	336,139	8,088,264
Right-to-use leased assets	12,120	12,120	-	24,240
Infrastructure	<u>34,641,081</u>	<u>1,896,373</u>	<u>-</u>	<u>36,537,454</u>
Total accumulated depreciation	<u>45,173,014</u>	<u>2,890,763</u>	<u>336,139</u>	<u>47,727,638</u>
Total capital assets being depreciated, net	<u>40,716,125</u>	<u>2,949,097</u>	<u>177,061</u>	<u>43,488,161</u>
Governmental activities capital assets, net	\$ <u>49,379,454</u>	\$ <u>7,377,468</u>	\$ <u>3,993,076</u>	\$ <u>52,763,846</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 187,370
Physical health and social services	2,647
County environment and education	169,350
Roads and transportation	2,454,874
Governmental services to residents	36,975
Administration	<u>39,547</u>
Total depreciation expense – governmental activities	\$ <u>2,890,763</u>

NOTE 5: DUE TO OTHER GOVERNMENTS

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

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5: DUE TO OTHER GOVERNMENTS (continued)

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 16,691
Special Revenue:		
Secondary roads	Services	819
Total for governmental funds		\$ <u>17,510</u>
Custodial:		
Schools	Collections	\$ 141,763
Corporations		38,343
Area schools		13,424
Auto license and use tax		771,739
Townships		4,776
Agricultural extension education		2,069
E911		514,209
All other		178,871
Total for agency funds		\$ <u>1,665,194</u>

NOTE 6: LONG-TERM LIABILITIES

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

	<u>Lease Agreements</u>	<u>General Obligation Bonds</u>	<u>Drainage Warrants</u>	<u>Compensated Absences</u>	<u>Total OPEB Liability</u>	<u>Net Pension Liability (Asset)</u>	<u>Total</u>
Balance beginning of year, as restated	\$ 43,229	\$ 9,145,000	\$ 51,126	\$ 585,634	\$ 808,074	\$ (1,808,739)	\$ 8,824,324
Increases	-	-	-	465,540	23,760	3,566,060	4,055,360
Decreases	<u>11,933</u>	<u>610,000</u>	<u>37,187</u>	<u>508,029</u>	-	-	<u>1,167,149</u>
Balance end of year	\$ <u>31,296</u>	\$ <u>8,535,000</u>	\$ <u>13,939</u>	\$ <u>543,145</u>	\$ <u>831,834</u>	\$ <u>1,757,321</u>	\$ <u>11,712,535</u>
Due within one year	\$ <u>12,173</u>	\$ <u>615,000</u>	\$ -	\$ <u>494,552</u>	\$ -	\$ -	\$ <u>1,121,725</u>

Lease Agreements

On April 5, 2021, the County entered into a lease agreement for a copy machine. An initial lease liability was recorded in the amount of \$40,814. The agreement requires monthly payments of \$751 over 60 months with an initial payment made in April 5, 2021 for \$751, with an implicit interest rate of 2.00% and final payment due March 5, 2026.

On June 16, 2020, the County entered into a lease agreement for a postage meter with an initial lease liability of \$14,111. The agreement requires monthly payments of \$306 over 60 months, with an implicit interest rate of 2.00% and final payment due June 16, 2025.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 6: LONG-TERM LIABILITIES (Continued)

Lease Agreements (Continued)

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

Year Ending June 30,	Postage Meter			Copy Machine		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,562	\$ 111	\$ 3,673	\$ 8,611	\$ 403	\$ 9,014
2025	3,634	39	3,673	8,785	230	9,015
2026	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,940</u>	<u>56</u>	<u>6,996</u>
	\$ <u>7,196</u>	\$ <u>150</u>	\$ <u>7,346</u>	\$ <u>24,336</u>	\$ <u>689</u>	\$ <u>25,025</u>

Total

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 12,173	\$ 514	\$ 12,687
2025	12,419	269	12,688
2026	<u>6,704</u>	<u>56</u>	<u>6,760</u>
	\$ <u>31,296</u>	\$ <u>839</u>	\$ <u>32,135</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, 2023 general obligation bonded indebtedness is as follows:

Year Ending June 30,	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1.00	635,000	84,505	719,505
2028	1.00	645,000	78,155	723,155
2029-2033	1.00-1.35	3,310,000	286,425	3,596,425
2034-2036	1.45-1.65	<u>2,080,000</u>	<u>66,128</u>	<u>2,146,128</u>
		\$ <u>8,535,000</u>	\$ <u>806,178</u>	\$ <u>9,341,178</u>

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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7: 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.

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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7: PENSION PLAN (Continued)

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

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

The County's contributions to IPERS for the year ended June 30, 2023 totaled \$759,350.

Net Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023 the County reported a net liability of \$1,757,321 for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.046513%, which was a decrease of 0.477415% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023 the County recognized pension expense (income) of \$(135,532). At June 30, 2023 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	\$ 276,967	\$ 36,161
Changes of assumptions	2,108	134,964
Net difference between projected and actual earnings on IPERS' investments	-	358,853
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	142,885	53,597
County contributions subsequent to the measurement date	<u>759,350</u>	<u>-</u>
Total	\$ <u>1,181,310</u>	\$ <u>583,575</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7: PENSION PLAN (Continued)

Net Pension Liability, Pension Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$759,350 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>June 30,</u>		
2024	\$	(322,628)
2025		(229,787)
2026		(441,331)
2027		832,923
2028		<u>(792)</u>
Total	\$	<u>(161,615)</u>

There were no non-employer contributing entities at IPERS.

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

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

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

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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 %	3.57 %
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	<u>8.0</u>	3.63
Total	<u>100.0</u> %	

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7: PENSION PLAN (Continued)

Discount Rate – The discount rate used to measure the total pension liability (asset) was 7.00%. 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 (asset).

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset):	\$ <u>4,872,415</u>	\$ <u>1,757,321</u>	\$ <u>(982,793)</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, 2023 the County reported no payables to the defined benefit pension plan.

NOTE 8: 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 \$482,170 into the Pool for the fiscal year ended June 30, 2023.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8: RISK MANAGEMENT (Continued)

Initial risk of loss is retained by the Pool. The 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, 2023, 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, 2023 no liability has been recorded in the County's financial statements. As of June 30, 2023, settled claims have not exceeded the risk Pool or reinsurance coverage since the Pool's inception.

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 9: 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, 2023 was \$1,632,622.

Amounts payable from the Cedar County Employee Health Fund at June 30, 2023 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 \$209,780 at June 30, 2023 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, 2023

NOTE 9: EMPLOYEE HEALTH INSURANCE PLAN (Continued)

Unpaid claims beginning of year	\$	21,000
Incurred claims, premiums and fees (including claims incurred but not reported at June 30, 2023)		1,570,852
Payments on claims during the year		<u>1,567,852</u>
Unpaid claims end of year	\$	<u>24,000</u>

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

OPEB Benefits – Individuals who are employed by 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, 2023 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments		2
Active employees		<u>128</u>
Total		<u>130</u>

Total OPEB Liability – The County's total OPEB liability of \$831,834 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective June 30, 2023)	3.00% per annum.
Rates of salary increase (effective June 30, 2023)	3.50% per annum, including inflation.
Discount rate (effective June 30, 2023)	2.14% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	5.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 2.14% 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.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ <u>808,074</u>
Changes for the year:	
Service cost	61,296
Interest	18,010
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments	<u>(55,546)</u>
Net changes	<u>23,760</u>
Total OPEB liability end of year	\$ <u>831,834</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 (1.14%) or 1% higher (3.14%) than the current discount rate.

	1% Decrease <u>(1.14%)</u>	Discount Rate <u>(2.14%)</u>	1% Increase <u>(3.14%)</u>
Total OPEB liability	\$ <u>895,728</u>	\$ <u>831,834</u>	\$ <u>774,064</u>

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

	1% Decrease <u>(4.00%)</u>	Healthcare Cost Trend Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Total OPEB liability	\$ <u>756,203</u>	\$ <u>831,834</u>	\$ <u>918,454</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB – For the year ended June 30, 2023 the County recognized OPEB expense of \$68,184. At June 30, 2023 the County reported deferred outflows and 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	\$ 24,495	\$ 60,797
Changes in assumptions	<u>43,011</u>	<u>1,247</u>
Total	\$ <u>67,506</u>	\$ <u>62,044</u>

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

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

Year ending <u>June 30,</u>	<u>Amount</u>
2024	\$ (11,122)
2025	985
2026	9,055
2027	4,455
2028	1,390
Thereafter	<u>699</u>
Total	\$ <u>5,462</u>

NOTE 11: 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, 2023 \$42,983 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, 2023 under agreements entered into by the following entities:

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11: TAX ABATEMENTS (Continued)

Tax Abatements of Other Entities (Continued)

	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Tipton	Urban renewal and economic development projects	\$ 54,362
City of Clarence	Urban renewal and economic development projects	\$ 26,137
City of Durant	Urban renewal and economic development projects	\$ 26,800
City of West Branch	Urban renewal and economic development projects	\$ 73,469

NOTE 12: CONSTRUCTION COMMITMENT

The County has entered into contracts totaling \$10,062,423 for construction projects. As of June 30, 2023, costs of \$7,025,299 have been incurred against the contracts. The balance remaining at June 30, 2023 of \$3,037,124 will be paid as work on the projects progresses.

CEDAR COUNTY, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 13: EARLY CHILDHOOD IOWA AREA BOARD

The County is the fiscal agent for the Cedar/Jones Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of Custodial Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2023 is as follows:

	<u>Early Childhood</u>		<u>School Ready</u>		<u>Total</u>
Revenues:					
State grants:					
Early childhood	\$ 57,343	\$	-	\$	57,343
Quality improvement	-		46,907		46,907
Allocation for administration	3,018		14,231		17,249
School ready general use	<u>-</u>		<u>225,453</u>		<u>225,453</u>
Total state grants	60,361		286,591		346,952
Interest on investments	<u>14</u>		<u>218</u>		<u>232</u>
Total revenues	<u>60,375</u>		<u>286,809</u>		<u>347,184</u>
Expenditures:					
Program services:					
Early childhood	47,961		-		47,961
Quality improvement	-		46,699		46,699
School ready general use	<u>-</u>		<u>229,398</u>		<u>229,398</u>
Total program services	47,961		276,097		324,058
Administration	<u>3,019</u>		<u>18,184</u>		<u>21,203</u>
Total expenditures	<u>50,980</u>		<u>294,281</u>		<u>345,261</u>
Change in fund balance	9,395		(7,472)		1,923
Net position beginning of year	<u>1</u>		<u>54,104</u>		<u>54,105</u>
Net position end of year	\$ <u>9,396</u>	\$	<u>46,632</u>	\$	<u>56,028</u>

Findings related to the operations of the Early Childhood Iowa Area Board are included as item IV-K-23 in the Schedule of Findings and Questioned Costs.

NOTE 14: SUBSEQUENT EVENTS

The County evaluated subsequent events through January 15, 2024, 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, 2023

	<u>Actual</u>	<u>Less Funds Not Required To Be Budgeted</u>	<u>Net</u>
<u>RECEIPTS:</u>			
Property and other County tax	\$ 10,531,402	\$ -	\$ 10,531,402
Interest and penalty on property tax	54,109	-	54,109
Intergovernmental	6,652,816	-	6,652,816
Licenses and permits	48,365	-	48,365
Charges for service	1,399,840	-	1,399,840
Use of money and property	317,762	-	317,762
Miscellaneous	340,182	44,396	295,786
Total receipts	19,344,476	44,396	19,300,080
<u>DISBURSEMENTS:</u>			
Public safety and legal services	4,906,405	-	4,906,405
Physical health and social services	1,687,656	-	1,687,656
County environment and education	2,048,760	-	2,048,760
Roads and transportation	7,160,813	-	7,160,813
Governmental services to residents	566,130	-	566,130
Administration	2,787,494	-	2,787,494
Non-program	6,980	-	6,980
Debt service	719,857	41,593	678,264
Capital projects	5,777,278	-	5,777,278
Total disbursements	25,661,373	41,593	25,619,780
Excess (deficiency) of receipts over (under) disbursements	(6,316,897)	2,803	(6,319,700)
Other financing sources (uses), net	46,749	-	46,749
Changes in balances	(6,270,148)	2,803	(6,272,951)
<u>BALANCE</u> - Beginning of year	20,539,118	42,351	20,496,767
<u>BALANCE</u> - End of year	\$ 14,268,970	\$ 45,154	\$ 14,223,816

Budgeted Amounts		Final to
Original	Final	Actual
		Variance
\$ 10,412,586	\$ 10,412,586	\$ 118,816
22,200	22,200	31,909
6,603,017	6,663,805	(10,989)
41,189	41,189	7,176
1,258,596	1,258,596	141,244
153,712	153,712	164,050
146,403	325,568	(29,782)
<u>18,637,703</u>	<u>18,877,656</u>	<u>422,424</u>
4,994,721	5,059,721	153,316
1,954,105	1,964,105	276,449
2,523,770	2,538,941	490,181
7,413,000	7,413,000	252,187
616,544	619,944	53,814
5,216,844	5,216,844	2,429,350
8,400	94,565	87,585
719,255	719,255	40,991
7,258,449	7,258,449	1,481,171
<u>30,705,088</u>	<u>30,884,824</u>	<u>5,265,044</u>
(12,067,385)	(12,007,168)	5,687,468
<u>58,000</u>	<u>58,000</u>	<u>(11,251)</u>
(12,009,385)	(11,949,168)	5,676,217
<u>18,422,993</u>	<u>18,422,993</u>	<u>2,073,774</u>
\$ <u>6,413,608</u>	\$ <u>6,473,825</u>	\$ <u>7,749,991</u>

CEDAR COUNTY, IOWA

BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 19,344,476	\$ 1,212,949	\$ 20,557,425
Expenditures	<u>25,661,373</u>	<u>(430,474)</u>	<u>25,230,899</u>
Net	(6,316,897)	1,643,423	(4,673,474)
Other financing sources (uses), net	46,749	-	46,749
Beginning fund balances	<u>20,539,118</u>	<u>1,424,549</u>	<u>18,744,360</u>
Ending fund balances	\$ <u>14,268,970</u>	\$ <u>3,067,972</u>	\$ <u>14,117,635</u>

CEDAR COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2023

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 nine major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$179,736. 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.

CEDAR COUNTY, IOWA

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

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset)	0.0465130 %	0.0523928 %	0.0619117 %
County's proportionate share of the net pension liability (asset)	\$ 1,757	\$ (1,809)	\$ 4,349
County's covered payroll	\$ 7,270	\$ 7,026	\$ 6,521
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	24.17 %	-25.73 %	66.69 %
IPERS' net position as a percentage of the total pension liability (asset)	91.40 %	100.81 %	82.9 %

*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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.058952 %	0.0611419 %	0.065268 %	0.066267 %	0.062925 %	0.060503 %
\$ 3,414	\$ 3,869	\$ 4,348	\$ 4,170	\$ 3,109	\$ 2,399
\$ 6,373	\$ 6,219	\$ 5,966	\$ 5,944	\$ 5,769	\$ 5,681
53.57 %	62.21 %	72.88 %	70.15 %	53.89 %	42.23 %
85.45 %	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>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 759	\$ 681	\$ 663
Contributions in relation to the statutorily required contribution	<u>(759)</u>	<u>(681)</u>	<u>(663)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
County's covered payroll	\$ 8,150	\$ 7,270	\$ 7,026
Contributions as a percentage of covered payroll	9.32 %	9.36 %	9.43 %

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	620	\$ 611	\$ 566	\$ 544	\$ 545	\$ 531	\$ 523
	<u>(620)</u>	<u>(611)</u>	<u>(566)</u>	<u>(544)</u>	<u>(545)</u>	<u>(531)</u>	<u>(523)</u>
\$	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$	6,521	\$ 6,373	\$ 6,219	\$ 5,966	\$ 5,944	\$ 5,769	\$ 5,681
	10.52 %	9.59 %	9.10 %	9.12 %	9.17 %	9.20 %	9.21 %

CEDAR COUNTY, IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY (ASSET)

YEAR ENDED JUNE 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

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

CEDAR COUNTY IOWA

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

FOR THE PAST SIX YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 61,296	\$ 59,223	\$ 40,495	\$ 39,125	\$ 38,938	\$ 37,804
Interest cost	18,010	17,298	26,404	25,701	23,477	22,795
Difference between expected and actual experiences	-	(46,087)	-	53,315	-	(142,704)
Changes in assumptions	-	56,516	-	3,405	-	(6,605)
Benefit payments	<u>(55,546)</u>	<u>(35,045)</u>	<u>(49,269)</u>	<u>(42,951)</u>	<u>(38,643)</u>	<u>(46,736)</u>
Net change in total OPEB liability	23,760	51,905	17,630	78,595	23,772	(135,446)
Total OPEB liability beginning of year	<u>808,074</u>	<u>756,169</u>	<u>738,539</u>	<u>659,944</u>	<u>636,172</u>	<u>771,618</u>
Total OPEB liability end of year	\$ <u>831,834</u>	\$ <u>808,074</u>	\$ <u>756,169</u>	\$ <u>738,539</u>	\$ <u>659,944</u>	\$ <u>636,172</u>
Covered-employee payroll	\$ 6,656,365	\$ 5,922,287	\$ 6,129,567	\$ 5,922,287	\$ 6,056,200	\$ 5,879,806
Total OPEB liability as a percentage of covered payroll	12.50 %	13.64 %	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, 2023	2.14 %
Year ended June 30, 2022	2.14
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, 2023

	Special Revenue Funds			
	County Recorder's Records Management	Solid Waste Disposal	Drug Forfeiture	
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments	\$ 30,675	\$ 306,126	\$ 28,353	\$
Receivables:				
Property tax:				
Delinquent	-	-	-	
Succeeding year	-	-	-	
Drainage assessments	-	-	-	
Accounts	299	83,220	-	
Accrued interest	-	58	1	
	-	58	1	
TOTAL ASSETS	\$ 30,974	\$ 389,404	\$ 28,354	\$
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ 64,705	\$ -	\$
Salaries and benefits payable	-	4,119	-	
	-	68,824	-	
Total liabilities	-	68,824	-	
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable revenues:				
Succeeding year property tax	-	-	-	
Other	-	-	-	
Drainage assessments	-	-	-	
	-	-	-	
Total deferred inflows of resources	-	-	-	
<u>FUND BALANCES:</u>				
Restricted for:				
Records management	30,974	-	-	
Solid waste disposal	-	305,580	-	
Transfer station closure surety	-	15,000	-	
Public safety	-	-	28,354	
Debt service	-	-	-	
Opioid abatement	-	-	-	
Drainage improvements	-	-	-	
	-	-	-	
Total fund balances	30,974	320,580	28,354	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 30,974	\$ 389,404	\$ 28,354	\$

SCHEDULE 1

Drainage Districts	Local Government Opiod Abatement Fund	Debt Service	Total
45,154	\$ 55,092	\$ 24,328	\$ 489,728
-	-	665	665
-	-	751,728	751,728
107,666	-	-	107,666
-	212,431	-	295,950
-	-	-	59
<u>152,820</u>	<u>\$ 267,523</u>	<u>\$ 776,721</u>	<u>\$ 1,645,796</u>
-	\$ -	\$ -	\$ 64,705
-	-	-	4,119
-	-	-	68,824
-	-	751,728	751,728
-	212,431	647	213,078
107,666	-	-	107,666
<u>107,666</u>	<u>212,431</u>	<u>752,375</u>	<u>1,072,472</u>
-	-	-	30,974
-	-	-	305,580
-	-	-	15,000
-	-	-	28,354
-	-	24,346	24,346
-	55,092	-	55,092
45,154	-	-	45,154
<u>45,154</u>	<u>55,092</u>	<u>24,346</u>	<u>504,500</u>
<u>152,820</u>	<u>\$ 267,523</u>	<u>\$ 776,721</u>	<u>\$ 1,645,796</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds		
	County Recorder's Records Management	Solid Waste Disposal	Drug Forfeiture
<u>REVENUES:</u>			
Property and other county tax	\$ -	\$ -	\$ -
Intergovernmental	-	91,705	-
Charges for service	3,334	681,397	-
Use of money and property	14	701	14
Miscellaneous	-	32,958	293
Total revenues	3,348	806,761	307
<u>EXPENDITURES:</u>			
Operating:			
Public safety	-	-	200
County environment and education	-	795,037	-
Administration	-	5,575	-
Debt service	-	-	-
Total expenditures	-	800,612	200
Excess of revenues over expenditures	3,348	6,149	107
<u>OTHER FINANCING SOURCES:</u>			
Transfers in	-	50,000	-
Total other financing sources	-	50,000	-
Change in fund balances	3,348	56,149	107
<u>FUND BALANCES</u> - Beginning of year	27,626	264,431	28,247
<u>FUND BALANCES</u> - End of year	\$ 30,974	\$ 320,580	\$ 28,354

SCHEDULE 2

<u>Drainage District</u>	<u>Opoïd Abatement</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$ -	\$ 686,596	\$ 686,596
-	-	47,188	138,893
-	-	-	684,731
-	-	-	729
<u>44,396</u>	<u>61,527</u>	<u>-</u>	<u>139,174</u>
<u>44,396</u>	<u>61,527</u>	<u>733,784</u>	<u>1,650,123</u>
-	-	-	200
-	6,435	-	801,472
-	-	-	5,575
<u>41,593</u>	<u>-</u>	<u>719,857</u>	<u>761,450</u>
<u>41,593</u>	<u>6,435</u>	<u>719,857</u>	<u>1,568,697</u>
2,803	55,092	13,927	81,426
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
2,803	55,092	13,927	131,426
<u>42,351</u>	<u>-</u>	<u>10,419</u>	<u>373,074</u>
\$ <u>45,154</u>	\$ <u>55,092</u>	\$ <u>24,346</u>	\$ <u>504,500</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	County Offices		
	County Auditor	County Recorder	County Sheriff
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ -	\$ -	\$ -
Other County officials	23,957	33,657	74,504
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accrued interest	-	-	-
TOTAL ASSETS	23,957	33,657	74,504
<u>LIABILITIES</u>			
Accounts payable	-	-	-
Due to other governments	-	33,657	-
Salaries and benefits payable	-	-	-
Compensated absences	-	-	-
Trusts payable	23,957	-	74,504
TOTAL LIABILITIES	23,957	33,657	74,504
<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>
\$ 2,069	\$ 145,530	\$ 783,882	\$ 141,763	\$ 13,424	\$ 514,204	\$ 38,343
-	-	-	-	-	-	-
262	-	889	18,249	1,744	-	7,504
289,496	-	982,199	19,484,067	1,883,055	-	8,108,356
-	-	-	-	-	157	-
<u>291,827</u>	<u>145,530</u>	<u>1,766,970</u>	<u>19,644,079</u>	<u>1,898,223</u>	<u>514,361</u>	<u>8,154,203</u>
-	2,643	70	-	-	152	-
2,069	136,731	-	141,763	13,424	514,209	38,343
-	1,375	5,376	-	-	-	-
-	4,781	17,921	-	-	-	-
-	-	-	-	-	-	-
<u>2,069</u>	<u>145,530</u>	<u>23,367</u>	<u>141,763</u>	<u>13,424</u>	<u>514,361</u>	<u>38,343</u>
<u>289,496</u>	<u>-</u>	<u>982,199</u>	<u>19,484,067</u>	<u>1,883,055</u>	<u>-</u>	<u>8,108,356</u>
\$ <u>262</u>	\$ <u>-</u>	\$ <u>761,404</u>	\$ <u>18,249</u>	\$ <u>1,744</u>	\$ <u>-</u>	\$ <u>7,504</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	<u>City Special Assessments</u>	<u>Townships</u>	<u>Brucellosis and Tuberculosis Eradication</u>	<u>Auto License and Use Tax</u>
<u>ASSETS</u>				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 7,806	\$ 4,776	\$ 55	\$ 771,739
Other County officials	-	-	-	-
Receivables:				
Property tax:				
Delinquent	-	581	2	-
Succeeding year	-	597,557	2,621	-
Accrued interest	-	-	-	-
	7,806	602,914	2,678	771,739
TOTAL ASSETS	7,806	602,914	2,678	771,739
<u>LIABILITIES</u>				
Accounts payable	-	-	-	-
Due to other governments	7,806	4,776	55	771,739
Salaries and benefits payable	-	-	-	-
Compensated absences	-	-	-	-
Trusts payable	-	-	-	-
	7,806	4,776	55	771,739
TOTAL LIABILITIES	7,806	4,776	55	771,739
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	-	597,557	2,621	-
	-	597,557	2,621	-
<u>NET POSITION</u>				
Restricted for individuals, organizations and other governments	\$ -	\$ 581	\$ 2	\$ -

<u>County Recorder's Electronic Transaction Fee</u>	<u>Tax Sale Redemption</u>	<u>Advance Tax</u>	<u>Cedar/Jones Early Childhood Iowa</u>	<u>Cedar/Jones ECI Other Grants</u>	<u>Total</u>
\$ 323	\$ -	\$ 32,811	\$ 56,009	\$ 51,770	\$ 2,564,504
-	-	-	-	-	132,118
-	-	-	-	-	29,231
-	-	-	-	-	31,347,351
<u>299</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>475</u>
<u>622</u>	<u>-</u>	<u>32,811</u>	<u>56,028</u>	<u>51,770</u>	<u>34,073,679</u>
-	-	-	-	39,034	41,899
622	-	-	-	-	1,665,194
-	-	-	-	-	6,751
-	-	-	-	-	22,702
<u>-</u>	<u>-</u>	<u>32,811</u>	<u>-</u>	<u>-</u>	<u>131,272</u>
<u>622</u>	<u>-</u>	<u>32,811</u>	<u>-</u>	<u>39,034</u>	<u>1,867,818</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,347,351</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>56,028</u>	\$ <u>12,736</u>	\$ <u>858,510</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023

	County Offices			Agriculture
	County Auditor	County Recorder	County Sheriff	Extension Education
Additions:				
Property and other County tax	\$ -	\$ -	\$ -	\$ 261,290
E911 surcharge	-	-	-	-
State tax credits	-	-	-	17,288
State grants	-	-	-	-
Assessments	-	-	-	-
Office fees and collections	-	510,169	66,498	-
Trusts	-	-	572,429	-
Interest on investments	86	-	-	-
Miscellaneous	-	-	-	-
Total additions	86	510,169	638,927	278,578
Deductions:				
Agency remittances:				
To other funds	-	166,673	44,127	-
To other governments	-	343,496	22,371	278,562
Trusts paid out	86	-	572,429	-
Total deductions	86	510,169	638,927	278,562
Changes in net position	-	-	-	16
Net position, beginning of year	-	-	-	246
Net position, end of year	\$ -	\$ -	\$ -	\$ 262

SCHEDULE 4

<u>Emergency Management</u>	<u>County Assessor</u>	<u>Schools</u>	<u>Area Schools</u>	<u>E-911</u>	<u>Corporations</u>
\$ -	\$ 883,577	\$ 17,559,566	\$ 1,700,605	\$ -	\$ 7,180,752
-	-	-	-	235,504	-
120,307	54,509	957,942	91,396	-	690,238
-	-	-	-	-	-
-	-	-	-	-	-
-	607	-	-	-	-
-	-	-	-	-	-
-	-	-	-	423	-
75,858	19,018	-	-	9,510	-
<u>196,165</u>	<u>957,711</u>	<u>18,517,508</u>	<u>1,792,001</u>	<u>245,437</u>	<u>7,870,990</u>
-	-	-	-	-	-
196,165	433,597	18,516,891	1,791,896	245,437	7,870,715
-	-	-	-	-	-
<u>196,165</u>	<u>433,597</u>	<u>18,516,891</u>	<u>1,791,896</u>	<u>245,437</u>	<u>7,870,715</u>
-	524,114	617	105	-	275
-	237,290	17,632	1,639	-	7,229
<u>-</u>	<u>761,404</u>	<u>18,249</u>	<u>1,744</u>	<u>-</u>	<u>7,504</u>

CEDAR COUNTY, IOWA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023

<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	\$ -	\$ 544,981	\$ 2,267
E911 surcharge	-	-	-
State tax credits	-	25,970	219
State grants	-	-	-
Assessments	27,655	-	-
Office fees and collections	-	-	-
Trusts	-	-	-
Interest on investments	-	-	-
Miscellaneous	-	-	-
Total additions	27,655	570,951	2,486
Deductions:			
Agency remittances:			
To other funds	-	-	-
To other governments	27,655	570,954	2,486
Trusts paid out	-	-	-
Total deductions	27,655	570,954	2,486
Changes in net position	-	(3)	-
Net position, beginning of year	-	584	2
Net position, end of year	\$ -	\$ 581	\$ 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>Cedar/Jones Early Childhood Iowa</u>	<u>Cedar/Jones ECI Other Grants</u>	<u>Total</u>
\$ -	\$ -	\$ 158,247	\$ -	\$ -	\$ -	\$ 28,291,285
-	-	-	-	-	-	235,504
-	-	-	-	-	-	1,957,869
-	-	-	-	346,952	-	346,952
-	-	-	-	-	-	27,655
8,348,850	3,425	-	-	-	-	8,929,549
-	-	-	39,443	-	-	611,872
-	-	-	-	232	-	741
-	-	-	-	-	22,770	127,156
<u>8,348,850</u>	<u>3,425</u>	<u>158,247</u>	<u>39,443</u>	<u>347,184</u>	<u>22,770</u>	<u>40,528,583</u>
-	-	-	-	-	-	210,800
8,348,850	3,425	158,247	39,443	345,261	30,803	39,226,254
-	-	-	-	-	-	572,515
<u>8,348,850</u>	<u>3,425</u>	<u>158,247</u>	<u>39,443</u>	<u>345,261</u>	<u>30,803</u>	<u>40,009,569</u>
-	-	-	-	1,923	(8,033)	519,014
-	-	-	-	54,105	20,769	339,496
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>56,028</u>	\$ <u>12,736</u>	\$ <u>858,510</u>

CEDAR COUNTY, IOWA

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

	<u>2023</u>		<u>2022</u>		<u>2021</u>		<u>2020</u>
REVENUES:							
Property and other County tax	\$ 9,288,120	\$	10,206,399	\$	9,584,364	\$	9,008,969
Tax increment financing	-		32,905		33,031		32,790
Local option sales tax	1,338,672		1,323,203		1,072,893		946,285
Interest and penalty on property tax	53,636		58,252		58,541		25,859
Intergovernmental	7,660,483		8,300,521		7,309,688		6,534,531
Licenses and permits	48,145		42,876		50,426		38,998
Charges for service	1,429,782		1,424,589		1,473,456		1,235,168
Use of money and property	337,168		154,410		181,355		151,191
Miscellaneous	401,419		269,515		1,165,628		590,481
			<u>20,557,425</u>		<u>20,929,382</u>		<u>18,564,272</u>
Total	\$		\$		\$		\$
EXPENDITURES:							
Operating:							
Public safety and legal services	\$ 4,827,500	\$	4,342,314	\$	4,192,575	\$	4,131,691
Physical health and social services	1,635,451		1,570,686		1,481,278		1,086,677
Mental health	-		871,657		433,796		669,355
County environment and education	2,051,560		1,879,267		2,103,187		1,610,021
Roads and transportation	6,975,302		7,219,210		7,090,901		7,627,306
Governmental services to residents	553,640		522,708		570,597		557,247
Administration	2,779,600		2,738,607		1,968,090		1,727,830
Non-program	6,978		302		7,652		8,317
Debt service	761,450		768,018		414,409		165,030
Capital projects	5,639,418		3,719,882		1,770,782		460,501
			<u>25,230,899</u>		<u>20,033,267</u>		<u>18,043,975</u>
Total	\$		\$		\$		\$

Modified Accrual Basis						
	2019	2018	2017	2016	2015	2014
\$	8,460,189	\$ 8,457,859	\$ 8,458,798	\$ 8,118,122	\$ 7,980,216	\$ 7,118,019
	32,832	17,960	23,694	11,164	70,471	75,801
	902,372	809,529	811,458	835,322	815,269	711,081
	47,472	55,491	47,440	43,694	49,739	55,043
	6,369,941	6,921,141	6,370,145	6,461,562	5,506,349	5,234,720
	41,865	43,661	42,369	36,066	32,353	33,578
	1,160,016	1,110,643	1,219,221	1,151,704	1,158,124	1,207,205
	198,431	161,641	131,251	152,306	149,852	144,135
	280,965	1,020,149	1,105,643	151,756	118,768	114,379
\$	<u>17,494,083</u>	<u>\$ 18,598,074</u>	<u>\$ 18,210,019</u>	<u>\$ 16,961,696</u>	<u>\$ 15,881,141</u>	<u>\$ 14,693,961</u>
\$	3,931,120	\$ 3,945,254	\$ 3,569,714	\$ 3,647,382	\$ 3,657,270	\$ 3,352,040
	1,165,502	1,261,307	1,236,990	1,347,137	1,254,724	1,297,802
	576,574	607,881	1,139,857	1,171,929	1,303,233	746,734
	1,651,372	1,881,083	1,318,796	1,341,227	1,282,359	1,272,224
	5,411,028	6,338,922	6,242,031	6,176,848	5,700,406	5,168,773
	553,340	516,753	495,131	501,094	470,416	508,855
	1,675,133	1,682,190	1,569,603	1,497,024	1,572,022	1,549,460
	6,684	6,742	6,250	6,022	5,646	4,788
	148,062	802,134	1,028,330	412,213	-	-
	1,086,758	1,438,240	1,114,283	1,835,885	1,435,410	127,989
\$	<u>16,205,573</u>	<u>\$ 18,480,506</u>	<u>\$ 17,720,985</u>	<u>\$ 17,936,761</u>	<u>\$ 16,681,486</u>	<u>\$ 14,028,665</u>

CEDAR COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

GRANTOR/PROGRAM:	Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
DIRECT:			
United States Department of Treasury: Coronavirus State and Local Fiscal Recovery Funds	21.027	FY23	<u>981,848</u>
INDIRECT:			
United States Department of Agriculture: Iowa Department of Human Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	LAE FY23	\$ <u>6,141</u>
United States Department of Transportation: Iowa Homeland Security and Emergency Management: Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	-	<u>428</u>
United States Election Assistance Commission:			
United States Department of Homeland Security: Iowa Department of Public Defense: Emergency Management Performance Grants	97.042	EMPG-FY23	<u>45,191</u>
United States Department of Health and Human Services: Iowa Department of Public Health: Immunization Cooperative Agreements	93.268	-	<u>9,100</u>
Public Health Emergency Preparedness	93.069	5885BT416-6	<u>38,697</u>
Iowa Department of Human Services: Guardianship Assistance	93.090	LAE FY23	<u>2</u>
Title IV-E Prevention Program	93.472	LAE FY23	<u>182</u>
Refugee & Entrant Assistance - State/Replacement Designee Administered Programs	93.566	LAE FY23	<u>17</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	LAE FY23	<u>1,414</u>
Foster Care Title IV-E	93.658	LAE FY23	<u>1,295</u>
Adoption Assistance	93.659	LAE FY23	<u>717</u>
Social Services Block Grant	93.667	LAE FY23	<u>1,623</u>
Children's Health Insurance Program	93.767	LAE FY23	<u>106</u>
Medical Assistance Program	93.778	LAE FY23	<u>7,022</u>
United States Department of Homeland Security: Iowa Department of Homeland Security and Emergency Management: Homeland Security Grant Program	97.067	-	<u>690</u>
Hazard Mitigation Grant	97.039	DR 4557	<u>46,207</u>
Total			\$ <u><u>1,140,680</u></u>

CEDAR COUNTY, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

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

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

Indirect Cost Rate - Cedar County, Iowa has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



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

Kenneth E. Crosser, CPA
April D. Crosser, CPA
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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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cedar County, Iowa, as of and for the year ended June 30, 2023 and the related Notes to Financial Statements, which collectively comprise Cedar County, Iowa's basic financial statements, and have issued our report thereon dated January 15, 2024.

Report on 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 (internal control) 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. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-23 that we consider to be a significant deficiency.

Report on 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Cedar County, Iowa's Response to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of 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
January 15, 2024



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Officials of Cedar County, Iowa:

Report on Compliance for each Major Federal Program

Opinion on each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Cedar County, Iowa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cedar County, Iowa's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

ANDERSON, LARKIN & CO., P.C.

ANDERSON, LARKIN & CO., P.C.

Ottumwa, Iowa
January 15, 2024

CEDAR COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Part I: Summary of the Independent Auditor's Results

- a. Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- b. 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.
- d. No material weaknesses in internal control over the major program were disclosed by the audit of the financial statements.
- e. An unmodified opinion was issued on compliance with requirements applicable to the major program.
- f. The audit disclosed no audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- g. The major program was Assistance Listing Number 21.027 COVID-19, Coronavirus State and Local Recovery Funds.
- h. The dollar threshold use to distinguish between Type A and Type B programs was \$750,000.
- i. Cedar County, Iowa did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

II-A-23 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 and corrective action planned– With a small office staff it is not economically feasible to properly segregate duties. We do have a person not involved in the collection or recordkeeping function sign all checks and security cameras are in place to observe all transactions.

Conclusion – Response accepted.

CEDAR COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Part II: Findings Related to the Financial Statements (Continued)

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-23 Certified Budget – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted.
- IV-B-23 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.
- IV-C-23 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-23 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>
Mike Dauber, Conservation Director Spouse of Cari Dauber, County Assessor	Death investigations	\$ 11,073

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.

- IV-E-23 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 donor holds office or is employed. No donations of this type were noted.
- IV-F-23 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- IV-G-23 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-23 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.

CEDAR COUNTY, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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

- IV-I-23 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).
- IV-J-23 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.
- IV-K-23 Early Childhood Iowa Area Board – Cedar County, Iowa is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area board are included in the County's financial statements as part of Custodial Funds because of the County's fiduciary relationship with the organization.

No instances of noncompliance were noted as a result of the audit procedures performed.