

CHICKASAW COUNTY
New Hampton, Iowa

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
June 30, 2023

CHICKASAW COUNTY, IOWA
New Hampton, Iowa

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CHICKASAW COUNTY
New Hampton, Iowa

OFFICIALS

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steven Breitbach.....	Board of Supervisors.....	January 2025
Tim Zoll.....	Board of Supervisors.....	January 2023
Jacob Hackman	Board of Supervisors.....	January 2025
Matthew Kuhn.....	Board of Supervisors.....	January 2025
Jason Byrne.....	Board of Supervisors.....	January 2023

Stephanie Mashek*.....	County Auditor.....	January 2025
Sue Breitbach.....	County Treasurer.....	January 2023
Shirley Troyna.....	County Recorder.....	January 2023
Martin Hemann.....	County Sheriff.....	January 2025
David Laudner.....	County Attorney.....	January 2027
Ray Armel.....	County Assessor.....	Appointed

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steven Breitbach.....	Board of Supervisors.....	January 2025
Scott Cerwinske.....	Board of Supervisors.....	January 2027
Jacob Hackman	Board of Supervisors.....	January 2025
Matthew Kuhn.....	Board of Supervisors.....	January 2025
Travis Suckow.....	Board of Supervisors.....	January 2027

Sheila Shekleton.....	County Auditor.....	January 2025
Matthew Ysbrand.....	County Treasurer.....	January 2027
Shirley Troyna.....	County Recorder.....	January 2027
Martin Hemann**.....	County Sheriff.....	January 2025
David Laudner.....	County Attorney.....	January 2023
Ray Armel.....	County Assessor.....	Appointed

*Stephanie Mashek resigned effective July 30, 2022, Sheila Shekleton was appointed on August 8, 2022 to fill the vacancy.

**Martin Hemann retired effective January 19, 2023. Ryan Shawver was appointed effective January 23, 2023 to fill the vacancy.



GARDINER+COMPANY
Certified Public Accountants

Independent Auditor's Report

To the Officials of Chickasaw County
New Hampton, Iowa

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Chickasaw 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chickasaw County, Iowa and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Chickasaw County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Chickasaw County, Iowa's 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 Chickasaw County, Iowa'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 6 - 13 and 58 - 66 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 auditing standards generally accepted in the United States of America, 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 Chickasaw 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 three years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditors previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the six years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information, such as the combining and individual nonmajor fund financial statements, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2024, on our consideration of Chickasaw 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 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 Chickasaw County, Iowa's internal control over financial reporting and compliance.

Gardner + Company, P.C.

Charles City, Iowa
May 9, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2023 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, *Subscriptions-Based Information Technology Arrangements (SBITAs)*, during fiscal year 2023. The implementation for this standard revised certain asset and liability accounts related to SBITAs, however had no effect on the beginning net position for governmental activities.
- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the County Social Services Mental Health Region prior to June 30, 2022.
- Revenues of the County's governmental activities increased by \$736,963, or approximately 4.35% from 2022 to 2023. Charges for service increased approximately \$591,979, operating grants and contributions increased approximately \$44,261, unrestricted interest on investments increased approximately \$256,066 and capital grants and contributions decreased by approximately \$354,076 from 2022 to 2023, largely due to a decrease in DOT contributed infrastructure for the current year.
- Program expenses of the County's governmental activities were \$2,573,727 or approximately 19.64% more in fiscal year 2023 than in fiscal year 2022. Public safety and legal services expenses increased approximately \$837,774 and roads and transportation expense increased approximately \$2,141,480.
- The County's net position increased approximately \$2,007,645 or 4.64%, over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

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

USING THIS ANNUAL REPORT (CONTINUED)

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 Chickasaw County's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Chickasaw County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES (CONTINUED)

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 drainage districts, emergency management services and the County Assessor, to name a few.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2023	2022
Current and Other Assets	\$20,865	\$21,043
Capital Assets	39,113	37,674
Total Assets	59,978	58,717
Deferred Outflows of Resources	831	796
Long-Term Liabilities	4,752	3,841
Other Liabilities	3,348	2,083
Total Liabilities	8,100	5,924
Deferred Inflows of Resources	7,405	10,293
Net Position:		
Net Investment in Capital Assets	36,335	33,624
Restricted	7,251	8,510
Unrestricted	1,718	1,162
Total Net Position	\$45,304	\$43,296

Net position of Chickasaw County's governmental activities increased by 4.64% (\$45,303,726 compared to \$43,296,081).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 8.06%, or approximately \$2,711,480, over the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately \$1,259,867, or 14.80%, from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$1,161,508 to a balance of approximately \$1,717,540.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year Ended June 30,	
	2023	2022
Revenues:		
Program Revenues:		
Charges for Service	\$ 2,917	\$ 2,325
Operating Grants, Contributions and Restricted Interest	4,455	4,410
Capital Grants, Contributions and Restricted Interest	1,731	2,085
General Revenues:		
Property Tax – General Purpose	6,142	6,119
Property Tax – Debt Service	454	452
Penalty and Interest on Property Tax	28	29
State Tax Credits	406	427
Local Option Sales Tax	1,000	1,018
Unrestricted Investment Earnings	326	70
Other General Revenues	134	46
Gain (Loss) on Disposal of Capital Assets	96	(30)
Total Revenues	17,689	16,951
Program Expenses:		
Public Safety and Legal Services	2,987	2,149
Physical Health and Social Services	1,422	1,307
Mental Health	0	310
County Environment and Education	288	656
Roads and Transportation	8,657	6,515
Governmental Services to Residents	490	452
Administration	1,625	1,489
Non-Program	160	170
Interest on Long-Term Debt	52	59
Total Expenses	15,681	13,107
Change in Net Position	2,008	3,844
Net Position Beginning of Year	43,296	39,452
Net Position End of Year	\$45,304	\$43,296

Revenues for Chickasaw County's governmental activities increased 4.35%, while total expenses increased 19.64%. The increase in net position in governmental activities totaled \$2,007,645 in fiscal 2023.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The cost of all governmental activities this year was \$15,680,924 compared to \$13,107,197 last year. However, as shown in the Statement of Activities, the amount taxpayers ultimately financed for these activities was \$6,578,755 because some of the cost was paid by those directly benefitted from the programs (approximately \$2,916,840) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$6,185,329). The net cost portion of governmental activities was financed with \$6,595,498 in property tax, \$406,250 in state tax credits, \$1,000,003 in local option sales tax, and \$326,263 in unrestricted interest income.

INDIVIDUAL MAJOR FUND ANALYSIS

As Chickasaw County completed the year, its governmental funds reported a combined fund balance of \$10,016,051, a decrease of \$1,432,081 overall from last year's total of \$11,448,132. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures were increased from last year. Expenditures increased by \$1,608,505 from last year. The ending fund balances showed a decrease of \$645,221 from the prior year.
- The Special Revenue, Rural Services Fund revenues increased and expenditures decreased by \$56,707 and \$67,535, respectively. The ending fund balance showed a decrease of \$279,421.
- The Special Revenue, Secondary Roads Fund expenditures increased by approximately \$2,670,990 from the prior year. The ending fund balance showed a decrease of \$605,729.
- During the year ended June 30, 2020, the County established the Debt Service fund to account for the collection of property taxes and subsequent principal and interest payments. There were no significant changes in revenues, expenditures, or fund balance from the prior year.
- During the year ended June 30, 2021, the County issued \$4,500,000 of general obligation capital loan notes to finance a tower project. During the year ended June 30, 2023, the County paid \$517,514 on the tower project.

BUDGETARY HIGHLIGHTS

In accordance with the State of Iowa, the County annually adopts a budget following required public notice and hearing for all funds, except blended component units, internal service funds, and custodial funds. This is referred to as the certified budget. The certified budget may be amended during the year utilizing similar statutorily prescribed procedures. The County's certified budget is prepared on the cash basis.

BUDGETARY HIGHLIGHTS (CONTINUED)

Over the course of the year, Chickasaw County amended its budget four times. The first amendment was made on July 25, 2022, and resulted in an increase of budgeted expenditures related to the Heritage Center and the purchase of a new elevator. The second amendment was made on October 3, 2022. This amendment resulted in an increase of expenses related to the new department of Emergency Medical Services. The third amendment was made December 12, 2022. This amendment resulted in an increase of expenses related to the new department of Emergency Medical Services. The fourth amendment was March 20, 2023. This amendment resulted in an increase of expenses related to Capital Projects, salary, benefits, operating expenses and miscellaneous grants.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the County had \$65,140,640 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This amount represents a net increase (including additions and deletions) of approximately \$3,953,579, or 6.46% over last year's amount.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2023	2022
Land	\$ 3,111	\$ 2,688
Right-to-Use Lease Land	88	90
Buildings and Improvements	4,925	4,892
Machinery and Equipment	10,026	8,361
Intangibles	312	312
Infrastructure	41,319	38,346
Construction in Progress	5,360	6,498
Total	\$65,141	\$61,187
This year's major additions included (in thousands):		
Infrastructure	\$ 2,973	
Land	423	
Secondary Roads Vehicles and Equipment	369	
	\$ 3,765	

The County had depreciation/amortization expense of \$1,514,970 for the year ended June 30, 2023 and total accumulated depreciation/amortization of \$26,027,534.

The County's fiscal year 2023 capital budget included \$3,259,356 for capital projects, principally for continued upgrading of secondary roads and bridges and the tower project. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt

At June 30, 2023, Chickasaw County had approximately \$3,287,820 of general obligation notes and other debt outstanding, compared to approximately \$3,703,196 at June 30, 2022 as shown below.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2023	2022
General Obligation Notes	\$2,690	\$3,115
Lease Agreements	88	90
Compensated Absences	260	238
Postclosure Estimate	250	260
Total	\$3,288	\$3,703

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Chickasaw County's outstanding general obligation debt is significantly below its constitutional debt limit of \$66.5 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County begins 2024 fiscal year with an expected purchase of a building for the Emergency Medical Services. The Secondary Roads Department and the Heritage are gearing for their projects. The American Rescue Plan Allocation which is still in progress. Expenses and revenues are higher from FY23 due to inflation. The Board did not allow for any other increase in expenses, with the exception of wages and benefits and only specific projects that each department cleared with the Board. The Board will be amending their FY24 budget for remaining projects.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the County's citizens, taxpayers, customers and creditors with a general overview of Chickasaw County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chickasaw County Auditor's Office 8 E. Prospect Avenue, P.O. Box 311, New Hampton, Iowa 50659.

CHICKASAW COUNTY
New Hampton, Iowa

STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash, Cash Equivalents and Pooled Investments	\$11,603,703
Receivables:	
Property Tax:	
Delinquent	10,869
Succeeding Year	6,923,672
Accounts	88,361
Accrued Interest	9,070
Opioid Settlement	147,856
Notes Receivable	15,345
Due From Other Governments	991,771
Lease Receivable	32,854
Inventories	1,041,678
Capital Assets Not Being Depreciated	8,558,975
Capital Assets, Net of Accumulated Depreciation/Amortization	30,554,131
TOTAL ASSETS	<u>59,978,285</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferred Outflows	750,105
OPEB Related Deferred Outflows	80,794
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>830,899</u>
LIABILITIES	
Accounts Payable	2,071,471
Accrued Interest Payable	3,873
Salaries and Benefits Payable	97,069
Due To Other Governments	17,104
Unearned Revenues	1,158,923
Long-Term Liabilities:	
Portion Due Or Payable Within One Year:	
Lease Agreements	2,539
General Obligation Capital Loan Notes	430,000
Compensated Absences	259,982
Portion Due Or Payable After One Year:	
Lease Agreements	85,153
General Obligation Capital Loan Notes	2,260,000
Postclosure Care Costs	250,146
Net Pension Liability	1,339,983
Total OPEB Liability	123,993
TOTAL LIABILITIES	<u>8,100,236</u>

CHICKASAW COUNTY
New Hampton, Iowa

STATEMENT OF NET POSITION (CONTINUED)
June 30, 2023

	Governmental Activities
DEFERRED INFLOWS OF RESOURCES	
Lease Related	\$ 32,854
Unavailable Property Tax Revenue	6,923,672
Pension Related Deferred Inflows	448,696
TOTAL DEFERRED INFLOWS OF RESOURCES	7,405,222
NET POSITION	
Net Investment in Capital Assets	36,335,414
Restricted For:	
Supplemental Levy Purposes	1,146,397
Rural Services Purposes	440,358
Secondary Roads Purposes	3,577,430
Debt Service	44,959
Capital Projects	471,853
Opioid Abatement	189,731
Other Purposes	1,380,044
Unrestricted	1,717,540
TOTAL NET POSITION	\$45,303,726

See Notes To Financial Statements

CHICKASAW COUNTY
New Hampton, Iowa

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Expenses	Charges for Service	Program Revenues		Net (Expense) Revenue Changes In Net Position
			Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
FUNCTIONS/PROGRAMS:					
Governmental Activities:					
Public Safety and Legal Services	\$ 2,986,639	\$ 859,281	\$ 19,797	\$ 0	\$ (2,107,561)
Physical Health and Social Services	1,421,840	961,369	111,450	0	(349,021)
County Environment and Education	287,801	142,110	30,841	0	(114,850)
Roads and Transportation	8,656,958	261,698	4,225,548	1,509,687	(2,660,025)
Governmental Services to Residents	489,965	295,023	0	0	(194,942)
Administration	1,625,469	248,984	66,850	221,156	(1,088,479)
Non-Program	159,741	148,375	0	0	(11,366)
Interest on Long-Term Debt	52,511	0	0	0	(52,511)
TOTAL	\$15,680,924	\$2,916,840	\$4,454,486	\$1,730,843	(6,578,755)
GENERAL REVENUES:					
Property and Other County Tax Levied For:					
General Purposes					6,141,347
Debt Service					454,151
Penalty and Interest on Property Tax					27,898
State Tax Credits and Replacements					406,250
Local Option Sales Tax					1,000,003
Unrestricted Investment Earnings					326,263
Miscellaneous					134,165
Gain on Capital Assets					96,323
TOTAL GENERAL REVENUES					8,586,400
CHANGE IN NET POSITION					2,007,645
NET POSITION BEGINNING OF YEAR					43,296,081
NET POSITION END OF YEAR					\$45,303,726

See Notes To Financial Statements

CHICKASAW COUNTY
New Hampton, Iowa

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

		Special Revenue	
	General	Rural Services	Secondary Roads
ASSETS			
Cash, Cash Equivalents and Pooled Investments	\$5,314,992	\$ 440,280	\$3,744,370
Receivables:			
Property Tax:			
Delinquent	7,692	2,294	0
Succeeding Year	4,272,199	2,193,839	0
Accounts	31,715	0	0
Accrued Interest	9,070	0	0
Opioid Settlement	0	0	0
Notes Receivable	0	0	15,345
Due From Other Governments	94,402	0	889,631
Lease Receivable	0	0	0
Inventories	0	0	1,041,678
TOTAL ASSETS	\$9,730,070	\$2,636,413	\$5,691,024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 116,151	\$ 2,216	\$1,948,521
Salaries and Benefits Payable	56,647	0	40,422
Due To Other Governments	5,820	0	11,034
Unearned Revenues	1,158,923	0	0
Compensated Absences	9,675	0	0
Total Liabilities	1,347,216	2,216	1,999,977
Deferred Inflows of Resources:			
Unavailable Revenues:			
Succeeding Year Property Tax	4,272,199	2,193,839	0
Other	7,660	2,271	10,230
Lease Related	0	0	0
Total Deferred Inflows of Resources	4,279,859	2,196,110	10,230

Exhibit C

Debt Service	Capital Projects	Nonmajor	Total
\$ 47,949	\$471,853	\$1,213,452	\$11,232,896
883	0	0	10,869
457,634	0	0	6,923,672
0	0	56,646	88,361
0	0	0	9,070
0	0	147,856	147,856
0	0	0	15,345
0	0	7,738	991,771
0	32,854	0	32,854
0	0	0	1,041,678
\$506,466	\$504,707	\$1,425,692	\$20,494,372

\$ 0	\$ 0	\$ 3,239	\$ 2,070,127
0	0	0	97,069
0	0	250	17,104
0	0	0	1,158,923
0	0	0	9,675
0	0	3,489	3,352,898

457,634	0	0	6,923,672
880	0	147,856	168,897
0	32,854	0	32,854
458,514	32,854	147,856	7,125,423

CHICKASAW COUNTY
New Hampton, Iowa
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

		Special Revenue	
	General	Rural Services	Secondary Roads
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (CONTINUED)			
Fund Balances:			
Nonspendable:			
Inventories	\$ 0	\$ 0	\$1,041,678
Restricted For:			
Supplemental Levy Purposes	1,144,545	0	0
Rural Services Purposes	0	438,087	0
Secondary Roads Purposes	0	0	2,639,139
Landfill Postclosure	0	0	0
Conservation Land Acquisition	16,001	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Opioid Abatement	0	0	0
Other Purposes	131,571	0	0
Assigned for Economic Development	61,739	0	0
Assigned for Sheriff	4,885	0	0
Unassigned	2,744,254	0	0
Total Fund Balances	4,102,995	438,087	3,680,817
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$9,730,070	\$2,636,413	\$5,691,024

See Notes To Financial Statements

Exhibit C (Continued)

Debt Service	Capital Projects	Nonmajor	Total
\$ 0	\$ 0	\$ 0	\$ 1,041,678
0	0	0	1,144,545
0	0	0	438,087
0	0	0	2,639,139
0	0	512,617	512,617
0	0	0	16,001
47,952	0	0	47,952
0	471,853	0	471,853
0	0	41,875	41,875
0	0	719,855	851,426
0	0	0	61,739
0	0	0	4,885
0	0	0	2,744,254
47,952	471,853	1,274,347	10,016,051
\$506,466	\$504,707	\$1,425,692	\$20,494,372

CHICKASAW COUNTY
New Hampton, Iowa

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

Total Governmental Fund Balances - Page 20 **\$10,016,051**

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 the capital assets is \$65,140,640 and the accumulated depreciation/amortization is \$26,027,534. 39,113,106

Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds. 168,897

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 369,463

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	\$ 830,899	
Deferred Inflows of Resources	<u>(448,696)</u>	382,203

Long-term liabilities, including lease agreements, notes payable, compensated absences payable, total OPEB liability, net pension liability, accrued interest payable and postclosure costs payable are not due and payable in the current year and, therefore, are not reported in the governmental funds. (4,745,994)

Net Position of Governmental Activities - Page 15 **\$45,303,726**

CHICKASAW COUNTY
New Hampton, Iowa

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Special Revenue		
	General	Rural Services	Secondary Roads
REVENUES:			
Property and Other County Tax	\$4,149,163	\$ 1,990,896	\$ 0
Local Option Sales Tax	0	0	900,002
Interest and Penalty on Property Tax	27,898	0	0
Intergovernmental	1,208,656	106,912	4,909,843
Licenses and Permits	50,895	33,000	53,855
Charges for Service	997,710	3,151	162,262
Use of Money and Property	374,298	0	0
Miscellaneous	203,272	3,438	47,101
Total Revenues	<u>7,011,892</u>	<u>2,137,397</u>	<u>6,073,063</u>
EXPENDITURES:			
Operating:			
Public Safety and Legal Services	3,565,034	31,220	0
Physical Health and Social Services	1,481,228	0	0
County Environment and Education	448,538	167,537	0
Roads and Transportation	0	110,000	7,744,137
Governmental Services to Residents	506,365	0	0
Administration	1,720,395	0	0
Debt Service	0	0	0
Capital Projects	33,908	0	829,874
Total Expenditures	<u>7,755,468</u>	<u>308,757</u>	<u>8,574,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(743,576)</u>	<u>1,828,640</u>	<u>(2,500,948)</u>
OTHER FINANCING SOURCES (USES):			
Sale of Capital Assets	103,355	0	0
Transfers In	0	0	1,931,061
Transfers Out	(5,000)	(2,108,061)	0
Total Other Financing Sources (Uses)	<u>98,355</u>	<u>(2,108,061)</u>	<u>1,931,061</u>
Change in Fund Balances	(645,221)	(279,421)	(569,887)
Fund Balances Beginning of Year	4,748,216	717,508	4,286,546
Decrease in Reserve for Inventories	0	0	(35,842)
Fund Balances End of Year	<u>\$4,102,995</u>	<u>\$ 438,087</u>	<u>\$ 3,680,817</u>

See Notes To Financial Statements

Exhibit E

Debt Service	Capital Projects	Nonmajor	Total
\$454,078	\$ 0	\$ 12,879	\$ 6,607,016
0	0	100,001	1,000,003
0	0	0	27,898
30,337	0	279,014	6,534,762
0	0	0	137,750
0	0	176,875	1,339,998
8,626	22,652	103,071	508,647
0	221,157	41,827	516,795
493,041	243,809	713,667	16,672,869
0	0	398,666	3,994,920
0	0	0	1,481,228
0	0	139,987	756,062
0	0	0	7,854,137
0	0	0	506,365
0	0	0	1,720,395
478,060	0	0	478,060
0	517,514	0	1,381,296
478,060	517,514	538,653	18,172,463
14,981	(273,705)	175,014	(1,499,594)
0	0	0	103,355
0	0	376,807	2,307,868
0	0	(194,807)	(2,307,868)
0	0	182,000	103,355
14,981	(273,705)	357,014	(1,396,239)
32,971	745,558	917,333	11,448,132
0	0	0	(35,842)
\$ 47,952	\$ 471,853	\$1,274,347	\$10,016,051

CHICKASAW COUNTY
New Hampton, 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 Balance – Total Governmental Funds – Page 23 \$(1,396,239)

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

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

Expenditures for Capital Assets	\$ 3,174,495	
Capital Assets Contributed by Iowa Department of Transportation	828,987	
Depreciation/Amortization Expense	(1,514,970)	2,488,512

In the Statement of Activities, the gain on the disposition of capital assets is reported whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (7,032)

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

Property Tax	1,360	
Other	(60,027)	(58,667)

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	434,853
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**CHICKASAW COUNTY
New Hampton, Iowa****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)
Year Ended June 30, 2023**

The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.

\$ 527,085

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 governmental funds as follows:

Compensated Absences	\$(21,937)	
Pension	145,131	
OPEB	5,539	
Interest on Long-Term Debt	<u>549</u>	129,282

Inventories in the governmental funds have been recorded as expenditures when paid. However, the Statement of Activities will report these items as expenditures in the period that the corresponding net position is exhausted.

(35,842)

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.

(74,307)

Change in Net Position of Governmental Activities – Page 16

\$2,007,645

See Notes To Financial Statements

**CHICKASAW COUNTY
New Hampton, Iowa**

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

June 30, 2023

	Internal Service Employee Group Health
	<hr/>
ASSETS	
Cash, Cash Equivalents and Pooled Investments	<hr/> \$370,807 <hr/>
CURRENT LIABILITIES	
Accounts Payable	<hr/> 1,344 <hr/>
NET POSITION	
Unrestricted	<hr/> \$369,463 <hr/>

See Notes To Financial Statements

CHICKASAW COUNTY
New Hampton, Iowa

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2023**

	Internal Service Employee Group Health
OPERATING REVENUES:	
Reimbursements From Operating Funds	\$ 824,472
Reimbursements From Employees	60,343
Other Reimbursements	94,117
Total Operating Revenues	<u>978,932</u>
OPERATING EXPENSES:	
Claims Paid	80,199
Insurance Premiums	963,756
Administrative Fees	9,966
Total Operating Expenses	<u>1,053,921</u>
Operating Loss	(74,989)
NON-OPERATING REVENUES:	
Interest on Investments	<u>682</u>
Net Loss	(74,307)
Net Position Beginning of Year	<u>443,770</u>
Net Position End of Year	<u><u>\$ 369,463</u></u>

See Notes To Financial Statements

CHICKASAW COUNTY
New Hampton, Iowa

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2023

	Internal Service Employee Group Health
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received From Operating Fund Reimbursements	\$ 824,472
Cash Received From Employees and Others	154,460
Cash Payments To Suppliers for Services	(1,053,865)
Net Cash Used in Operating Activities	<u>(74,933)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Income	<u>682</u>
Cash, Cash Equivalents and Pooled Investments Beginning of Year	<u>445,058</u>
Cash, Cash Equivalents and Pooled Investments End of Year	<u><u>\$ 370,807</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating Loss	\$ (74,989)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Decrease in Accounts Payable	<u>56</u>
Net Cash Used in Operating Activities	<u><u>\$ (74,933)</u></u>

See Notes To Financial Statements

**CHICKASAW COUNTY
New Hampton, Iowa****STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023****ASSETS**

Cash, Cash Equivalents and Pooled Investments:	
County Treasurer	\$ 2,225,300
Other County Officials	24,018
Receivables:	
Property Tax:	
Delinquent	37,685
Succeeding Year	15,528,048
Accounts	6,467
Assessments	14,247
Due From Other Governments	48,856
Total Assets	<u>17,884,621</u>

LIABILITIES

Accounts Payable	1,946
Salaries and Benefits Payable	4,864
Due To Other Governments	605,457
Due to Individuals and Private Entities	31,207
Compensated Absences	11,347
Total Liabilities	<u>654,821</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable Revenues	<u>15,579,891</u>
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NET POSITION

Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,649,909</u>
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See Notes To Financial Statements

CHICKASAW COUNTY
New Hampton, Iowa

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

Year Ended June 30, 2023

ADDITIONS:

Property and Other County Tax	\$14,991,265
911 Surcharge	182,870
State Tax Credits	1,086,344
Office Fees and Collections	797,606
Auto Licenses, Use Tax and Postage	6,180,959
Assessments	2,735
Trusts	451,431
Miscellaneous	336,664
Total Additions	<u>24,029,874</u>

DEDUCTIONS:

Agency Remittances:	
To Other Funds	718,975
To Other Governments	22,639,139
To Individuals and Private Entities	474,714
Total Deductions	<u>23,832,828</u>

CHANGES IN NET POSITION	197,046
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NET POSITION BEGINNING OF YEAR	<u>1,452,863</u>
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NET POSITION END OF YEAR	<u><u>\$ 1,649,909</u></u>
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See Notes To Financial Statements

CHICKASAW COUNTY
New Hampton, Iowa

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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

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

A. REPORTING ENTITY

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

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

Notes to Financial Statements (Continued)

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

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

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

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

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

The County reports the following major governmental funds:

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

Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

B. BASIS OF PRESENTATION (CONTINUED)

Special Revenue:

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

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

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

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

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.

Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

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

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

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

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE/NET POSITION

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

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

Notes to Financial Statements (Continued)

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)

Cash, Cash Equivalents and Pooled Investments (Continued) - 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 that 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.

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

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.

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.

Notes to Financial Statements (Continued)

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)

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. Reported inventories in the governmental fund financial statements are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

Capital Assets - Capital assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), 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 two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Land, Buildings and Improvements	25,000
Intangibles	100,000
Equipment and Vehicles	5,000
Right-To-Use Lease Assets	50,000
Right-To-Use Subscription Assets	100,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	40 – 65
Buildings and Improvements	20 – 50
Infrastructure	10 – 65
Intangibles	5 – 20
Right-To-Use Lease Assets	2 – 20
Right-To-Use Subscription Assets	2 – 20
Equipment	2 – 20
Vehicles	3 – 10

Notes to Financial Statements (Continued)

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)

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

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

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

The lease term includes the noncancelable 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.

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

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

Notes to Financial Statements (Continued)

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)

Leases - County as Lessor: Key estimates and judgments include how Chickasaw County determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

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

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

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

Subscription-Based Information Technology Arrangements (SBITA) – Chickasaw County has not entered into any contracts that conveys control of the right-to-use information technology software at June 30, 2023. Chickasaw County recognized IT subscription liabilities with an initial, individual value of \$100,000, or more.

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

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

Chickasaw County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancelable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

Notes to Financial Statements (Continued)

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)

Subscription-Based Information Technology Arrangements (SBITA) (Continued) - The County monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the Statement of Net Position.

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense 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 that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

Notes to Financial Statements (Continued)

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)

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

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

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

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

Notes to Financial Statements (Continued)

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)

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.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

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

Unassigned - All amounts not included in the preceding classifications.

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

E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted, however, disbursements in certain departments exceeded the amounts appropriated.

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.

Notes to Financial Statements (Continued)

Note 2: Cash, Cash Equivalents and Pooled Investments (Continued)

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 \$1,000,000. 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.

Credit Risk – The investment in the Iowa Public Agency Investment Trust is unrated.

Note 3: Interfund Transfers

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

Transfer To	Transfer From	Amount
Special Revenue:	Special Revenue:	
EMS	Rural Services	\$ 172,000
EMS	Chickasaw County Betterment	71,607
Ambulance	Chickasaw County Betterment	80,000
Secondary Roads	Rural Services	1,931,061
Chickasaw County Betterment	Ambulance	43,200
Landfill Postclosure Costs	General	5,000
	Special Revenue:	
	Rural Services	5,000
Total		<u>\$2,307,868</u>

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

Notes to Financial Statements (Continued)

Note 4: Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 2,688,242	\$ 422,682	\$ 0	\$ 3,110,924
Right-to-Use Lease Land	90,131	0	2,439	87,692
Construction in Progress	6,498,440	1,835,049	2,973,130	5,360,359
Total Capital Assets Not Being Depreciated/Amortized	9,276,813	2,257,731	2,975,569	8,558,975
Capital Assets Being Depreciated/Amortized:				
Buildings	4,636,053	56,374	23,500	4,668,927
Improvements Other than Buildings	256,255	0	0	256,255
Machinery and Equipment	6,669,676	1,167,307	0	7,836,983
Vehicles	1,690,615	522,168	23,964	2,188,819
Infrastructure	38,345,552	2,973,032	0	41,318,584
Intangibles	312,097	0	0	312,097
Total Capital Assets Being Depreciated/Amortized	51,910,248	4,718,881	47,464	56,581,665
Less Accumulated Depreciation/Amortization for:				
Buildings	2,064,163	81,184	16,468	2,128,879
Improvement Other than Buildings	74,152	10,685	0	84,837
Machinery and Equipment	3,935,937	477,173	0	4,413,110
Vehicles	1,417,728	100,725	23,964	1,494,489
Infrastructure	16,770,033	827,105	0	17,597,138
Intangibles	290,983	18,098	0	309,081
Total Accumulated Depreciation/Amortization	24,552,996	1,514,970	40,432	26,027,534
Total Capital Assets Being Depreciated/Amortized, Net	27,357,252	3,203,911	7,032	30,554,131
Governmental Activities Capital Assets, Net	\$36,634,065	\$5,461,642	\$2,982,601	\$39,113,106

Depreciation/Amortization expense was charged to the following functions:

Governmental Activities:	
Public Safety and Legal Services	\$ 164,769
Physical Health and Social Services	30,766
County Environment and Education	45,455
Roads and Transportation	1,187,057
Governmental Services to Residents	21,964
Administration	64,959
Total Depreciation/Amortization Expense - Governmental Activities	\$ 1,514,970

Notes to Financial Statements (Continued)

Note 5: County Farm Lease Receivable

The County owns the Chickasaw County Farm (Farm). Effective March 1, 2022, the County entered into a three-year lease with Matthew Holschlag whereby Matthew Holschlag operates the Farm. The County is to receive \$21,902 annually in land and building rent.

Year Ending June 30,	Amount
2024	\$21,902
2025	10,952
Total	<u>\$32,854</u>

Note 6: Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 5,820
Special Revenue:		
Secondary Roads	Services	11,034
EMS	Services	250
Total for Governmental Funds		<u>\$ 17,104</u>

Fund	Description	Amount
Custodial:		
County Offices	Collections	\$ 1,522
Agricultural Extension Education		2,150
Schools		80,412
Community Colleges		7,150
Corporations		24,096
Townships		1,909
City Special Assessments		150
Auto License and Use Tax		483,327
All Other		4,741
Total for Custodial Funds		<u>\$605,457</u>

Notes to Financial Statements (Continued)

Note 7: Long-Term Liabilities

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

	Lease Agreements	General Obligation Capital Loan Notes	Estimated Liability for Landfill Post-Closure Care Costs	Compensated Absences	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance Beginning of Year	\$90,131	\$3,115,000	\$259,999	\$238,066	\$(1,039,998)	\$137,990	\$2,801,188
Increases	0	0	0	259,982	2,379,981	11,039	2,651,002
Decreases	2,439	425,000	9,853	238,066	0	25,036	700,394
Balance End of Year	<u>\$87,692</u>	<u>\$2,690,000</u>	<u>\$250,146</u>	<u>\$259,982</u>	<u>\$ 1,339,983</u>	<u>\$123,993</u>	<u>\$4,751,796</u>
Due Within One Year	<u>\$ 2,539</u>	<u>\$ 430,000</u>	<u>\$ 0</u>	<u>\$259,982</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 692,521</u>

General Obligation Capital Loan Notes Payable

On May 14, 2020, the County issued \$4,500,000 of General Obligation Capital Loan Notes, Series 2020 with interest rates ranging from 1.45% to 1.85% per annum. The notes were issued to provide funds for a radio tower project. A summary of the County's June 30, 2023 general obligation capital loan notes indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2024	1.60%	\$ 430,000	\$ 46,473	\$ 476,473
2025	1.65%	435,000	39,592	474,592
2026	1.70%	445,000	32,415	477,415
2027	1.75%	450,000	24,850	474,850
2028	1.80%	460,000	16,975	476,975
2029	1.85%	470,000	8,695	478,695
		<u>\$2,690,000</u>	<u>\$169,000</u>	<u>\$2,859,000</u>

During the year, the County retired \$425,000 of the capital loan notes.

Notes to Financial Statements (Continued)

Note 7: Long-Term Liabilities (Continued)

Postclosure Care Costs

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County has stopped accepting waste at the landfill. The \$250,146 reported as estimated liability for landfill postclosure care costs at June 30, 2023, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care during the year ended June 30, 2023. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

In anticipation of state regulations requiring municipal solid waste landfills to demonstrate financial responsibility for the costs of closure and postclosure care, the County has restricted \$512,617 as of June 30, 2023 for such purposes. These funds are reflected as a restriction of fund balance within the Special Revenue – Landfill Postclosure Costs Fund.

Lease Agreements

On June 12, 2020, the County entered into a lease agreement for land for the tower. An initial lease liability was recorded in the amount of \$95,042. The agreement requires monthly payments of \$500 over 5 years with initial payment made July 1, 2020, with an implicit rate of 4.00% and final payment due July 1, 2025. The County can extend the lease for five additional five year terms which the County is reasonably certain they will do.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 2,539	\$ 3,461	\$ 6,000
2025	2,642	3,358	6,000
2026	2,750	3,250	6,000
2027	2,862	3,138	6,000
2028	2,978	3,022	6,000
2029-2033	16,813	13,187	30,000
2034-2038	20,529	9,471	30,000
2039-2043	25,065	4,935	30,000
2044-2045	11,514	486	12,000
	<u>\$87,692</u>	<u>\$44,308</u>	<u>\$132,000</u>

Note 8: Pension Plan

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

Notes to Financial Statements (Continued)

Note 8: Pension Plan (Continued)

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

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

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

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

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

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

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

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

Notes to Financial Statements (Continued)

Note 8: Pension Plan (Continued)

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

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal costs 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 \$527,085.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a net pension liability of \$1,339,983 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.0354670%, which was a decrease of 0.265784% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension income of \$145,131. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to Financial Statements (Continued)

Note 8: Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$170,374	\$ 25,475
Changes of Assumptions	1,493	77,675
Net Difference Between Projected and Actual Earnings on IPERS' Investments	0	238,582
Changes in Proportion and Differences Between County Contributions and the County's Proportionate Share of Contributions	51,153	106,964
County Contributions Subsequent to the Measurement Date	527,085	0
Total	<u>\$750,105</u>	<u>\$448,696</u>

\$527,085 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$(245,972)
2025	(189,079)
2026	(335,742)
2027	543,940
2028	1,177
Total	<u>\$(225,676)</u>

There were no non-employer contributing entities at IPERS.

Notes to Financial Statements (Continued)

Note 8: Pension Plan (Continued)

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 as follows:

Rate of Inflation (Effective June 30, 2017)	2.60% Per Annum.
Rates of Salary Increase (Effective June 30, 2017)	3.25% to 16.25% average, including inflation. Rates vary by membership group.
Long-term Investment Rate of Return (Effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage Growth (Effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.00%	3.57%
International Equity	17.50	4.79
Global Smart Beta Equity	6.00	4.16
Core Plus Fixed Income	20.00	1.66
Public Credit	4.00	3.77
Cash	1.00	0.77
Private Equity	13.00	7.57
Private Real Assets	8.50	3.55
Private Credit	8.00	3.63
Total	100.00%	

Notes to Financial Statements (Continued)

Note 8: Pension Plan (Continued)

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability:	\$3,423,219	\$1,339,983	\$(492,908)

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

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

Note 9: Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their dependents. 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 Chickasaw County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug and dental benefits as active employees, which results in an implicit subsidy and an OPEB liability.

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

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	90
Total	94

Notes to Financial Statements (Continued)

Note 9: Other Postemployment Benefits (OPEB) (Continued)

Total OPEB Liability – The County's total OPEB liability of \$123,993 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions – The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation	
(Effective July 1, 2021)	2.50% per Annum.
Rates of Salary Increase	
(Effective July 1, 2021)	3.25% per Annum.
Discount Rate	
(Effective July 1, 2021)	2.14% Compounded Annually, including Inflation.
Healthcare Cost Trend Rate	
(Effective July 1, 2021)	5.50% Initial Rate.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.14% which reflects the index 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 RP2014 Annuity Mortality Table. Annual retirement probabilities are based on varying rates by age and turnover probabilities that mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	<u>\$137,990</u>
Changes for the Year:	
Service Cost	8,179
Interest	2,860
Benefits Payments	<u>(25,036)</u>
Net Changes	<u>(13,997)</u>
Total OPEB Liability End of Year	<u><u>\$123,993</u></u>

Notes to Financial Statements (Continued)

Note 9: Other Postemployment Benefits (OPEB) (Continued)

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 (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	\$129,722	\$123,993	\$118,679

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 (4.50%) or 1% higher (6.50%) than the current healthcare cost trend rates.

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Total OPEB Liability	\$117,869	\$123,993	\$130,942

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB income of \$5,539. At June 30, 2023, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$71,377
Changes in Assumptions	9,417
	<u>\$80,794</u>

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

Year Ending June 30,	Amount
2024	\$ 8,458
2025	8,458
2026	8,458
2027	8,458
2028	8,458
Thereafter	<u>38,504</u>
	<u>\$80,794</u>

Notes to Financial Statements (Continued)

Note 10: Risk Management

The County is a member of the Heartland Insurance Risk Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Heartland Insurance Risk Pool (Pool) is a local government risk-sharing pool whose membership includes ten counties throughout the State of Iowa. The Pool was formed in July 1987 to provide workers' compensation and property/casualty insurance for its members. The risk pool was created for the purpose of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Each member county is responsible for the payment of member contributions to the Pool on an annual basis. Member contributions to the Pool are recorded as expenditures from the operating funds at the time of payment to the Pool. In the event of payment of any loss by the Pool, the Pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery.

The Pool is responsible for paying the reinsurance premiums on the insurance policies when due, to pay claims in accordance with the various coverages and to make other payments as required by applicable law, to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purpose of the Pool, and to pay all reasonable and necessary expenses for administering the Pool and fund.

Initial risk of loss for the self-insured coverages is retained by the Pool. The Pool obtained a reinsurance policy for the year ended June 30, 2023, which covers exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers compensation, and in excess of \$400,000 per occurrence, up to a maximum of \$7,000,000 per occurrence, including the retention of the Pool, for general liability, police professional, errors and omissions and automobile liability. The Pool records a liability for unpaid claims based on estimates of reported and incurred but not reported claims and related loss adjustments expenses. At June 30, 2023, 2022 and 2021, the Pool reported a surplus of assets over liabilities.

Each member retains the risk of claims, if any, exceeding maximum reinsurance coverages and the amount of surplus maintained in the Pool by means of an assessment that would be charged to the member County in addition to the premium contributions. At June 30, 2023, settled claims have not exceeded the Pool or reinsurance coverage since commencement of the Pool.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2023 were \$368,091.

Notes to Financial Statements (Continued)

Note 10: Risk Management (Continued)

Initial membership into the Pool is for a mandatory three year period. Subsequent to the initial term, a member County may withdraw at the end of any fiscal year. The initial membership period for Chickasaw County commenced July 1, 1987, and is subject to renewal every five years. The County also carries commercial insurance purchased by the Pool from other insurers for coverages associated with the employee blanket bond. 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 11: Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Employee Benefit Services. The agreement is subject to automatic renewal provisions.

Administrative service fees and plan contributions are paid monthly from the County's operating funds to a separate account administered by Employee Benefit Systems. The County records the plan assets and related liabilities of the Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2023 was \$824,472.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total \$1,344 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$369,463 at June 30, 2023 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims to 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. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid Claims Beginning of Year	\$ 1,288
Incurred Claims (including claims incurred but not reported at June 30, 2023)	963,756
Payments on Claims During the Year	<u>963,700</u>
Unpaid Claims End of Year	<u><u>\$ 1,344</u></u>

Notes to Financial Statements (Continued)

Note 12: 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

For the year ended June 30, 2023, the County did not abate property tax under urban renewal and economic development projects.

Tax Abatements of Other Entities

Other entities within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

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:

Entity	Tax Abatement Program	Amount of Tax Abated
City of New Hampton	Urban renewal and economic development projects	\$54,440

Note 13: Construction Commitments

The Iowa Department of Transportation has entered into a contract on behalf of Chickasaw County for a bridge replacement project. As of June 30 2023, costs of \$553,128 on the project have been incurred. The balance remaining on the contract at June 30, 2023 will be paid as work on the project progresses.

Chickasaw County has entered into a contract totaling \$1,146,334 for a road construction project. As of June 30, 2023, costs of \$415,003 on the project have been incurred. The contract will be paid as work on the project progresses.

The County has also entered into contracts for a radio communications tower project. As of June 30, 2023, costs of \$4,392,228 have been incurred. The balance remaining on the contract at June 30, 2023 will be paid as work on the project progresses.

Notes to Financial Statements (Continued)

Note 14: Closure and Postclosure Care Costs

Chickasaw County is a member of the Floyd-Mitchell-Chickasaw Solid Waste Management Agency. The agency is an inter-governmental agency, established in accordance with the provisions of Chapter 28E of the Code of Iowa. The purpose of the Agency is to provide for the economic disposal or collection and disposal of all solid waste produced or generated with each member city, town and the unincorporated portion of Floyd, Mitchell and Chickasaw Counties, comprising the municipalities. In performing its duties, the Agency may contract with and expend funds from federal, state and local agencies and private individuals and corporations.

State and Federal laws and regulations required the Agency to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near and after the date the landfill stops accepting waste, state laws require the Agency to submit a closure and postclosure plan detailing the schedule for and the methods by which the operator will meet the conditions for proper closure and postclosure. The Agency is in compliance with this requirement. On June 30, 2023, Chickasaw County did not anticipate any additional assessment for closure and postclosure costs.

Note 15: Accounting Change

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), was implemented during the fiscal year ended June 30, 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported. The result of these changes would have no effect on the beginning net position. No arrangements met the reporting requirements resulting in no restatement to be presented in the financial statements.

Note 16: Subsequent Events

Management evaluated subsequent events through May 9, 2024, the date the financial statements were available to be issued.

CHICKASAW COUNTY
New Hampton, 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

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
RECEIPTS:				
Property and Other County Tax	\$ 7,607,197	\$ 7,262,985	\$ 7,262,985	\$ 344,212
Interest and Penalty on Property Tax	28,067	10,200	10,200	17,867
Intergovernmental	6,041,460	5,333,121	7,114,293	(1,072,833)
Licenses and Permits	117,140	23,233	23,233	93,907
Charges for Service	1,310,934	871,971	871,971	438,963
Use of Money and Property	499,577	66,927	66,927	432,650
Miscellaneous	521,645	201,800	294,305	227,340
Total Receipts	16,126,020	13,770,237	15,643,914	482,106
DISBURSEMENTS:				
Public Safety and Legal Services	3,987,283	2,631,327	4,624,311	637,028
Physical Health and Social Services	1,489,048	1,622,989	1,653,131	164,083
County Environment and Education	757,413	700,272	873,139	115,726
Roads and Transportation	6,930,485	6,764,223	7,719,618	789,133
Governmental Services to Residents	499,589	553,321	562,108	62,519
Administration	1,719,650	1,754,373	2,307,023	587,373
Non-Program	0	5,000	5,000	5,000
Debt Service	478,060	478,060	478,060	0
Capital Projects	1,045,099	1,396,694	3,259,356	2,214,257
Total Disbursements	16,906,627	15,906,259	21,481,746	4,575,119
Excess (Deficiency) of Receipts Over (Under) Disbursements	(780,607)	(2,136,022)	(5,837,832)	5,057,225
Other Financing Sources (Uses), Net	103,355	0	0	103,355
Change in Balances	(677,252)	(2,136,022)	(5,837,832)	5,160,580
Balance Beginning of Year	11,910,148	8,944,876	12,010,098	(99,950)
Balance End of Year	\$11,232,896	\$ 6,808,854	\$ 6,172,266	\$ 5,060,630

See Accompanying Independent Auditor's Report

CHICKASAW COUNTY
New Hampton, 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	\$16,126,020	\$ 546,849	\$16,672,869
Expenditures	16,906,627	1,265,836	18,172,463
Net	(780,607)	(718,987)	(1,499,594)
Other Financings Sources, Net	103,355	0	103,355
Beginning Fund Balances	11,910,148	(462,016)	11,448,132
Decrease in Reserve For: Inventories	0	(35,842)	(35,842)
Ending Fund Balances	<u>\$11,232,896</u>	<u>\$(1,216,845)</u>	<u>\$10,016,051</u>

See Accompanying Independent Auditor's Report

CHICKASAW COUNTY
New Hampton, Iowa

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

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 the Internal Service Fund and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, 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, four budget amendments increased budgeted disbursements by \$5,575,487. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2023, disbursements did not exceed the amounts budgeted, however, disbursements in certain departments exceeded the amounts appropriated.

CHICKASAW COUNTY
New Hampton, 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)	0.0354670%	0.3012505%**	0.0465508%
County's Proportionate Share of the Net Pension Liability (Asset)	\$1,340	\$(1,040)	\$3,270
County's Covered Payroll	\$4,874	\$ 4,670	\$4,671
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	27.49%	(22.27)%	70.01%
IPERS' Net Position as a Percentage of the Total Pension Liability (Asset)	91.40%	100.81%	82.90%

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

** Overall plan net pension asset.

See Accompanying Independent Auditor's Report.

2020	2019	2018	2017	2016	2015
0.0459503%	0.0446145%	0.0499338%	0.0521084%	0.0506395%	0.0502389%
\$2,661	\$2,823	\$3,326	\$3,279	\$2,502	\$1,992
\$4,586	\$4,265	\$4,335	\$4,234	\$4,124	\$4,028
58.02%	66.19%	76.72%	77.44%	60.67%	49.45%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

CHICKASAW COUNTY
New Hampton, Iowa

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

REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 527	\$ 457	\$ 440	\$ 444	\$ 438	\$ 387	\$ 394	\$ 385	\$ 375	\$ 366
Contributions in Relation to the Statutorily Required Contribution	(527)	(457)	(440)	(444)	(438)	(387)	(394)	(385)	(375)	(366)
Contribution Deficiency	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
County's Covered Payroll	\$5,649	\$4,874	\$4,670	\$4,671	\$4,586	\$4,265	\$4,335	\$4,234	\$4,124	\$4,028
Contributions as a Percentage of Covered Payroll	9.33%	9.37%	9.43%	9.50%	9.55%	9.07%	9.09%	9.09%	9.09%	9.09%

See Accompanying Independent Auditor's Report

CHICKASAW COUNTY
New Hampton, Iowa

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

Year Ended June 30, 2023

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of Assumptions:

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

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

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

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

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

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

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

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

CHICKASAW COUNTY
New Hampton, Iowa

**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY,
RELATED RATIOS AND NOTES FOR THE LAST SIX YEARS**

REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018
Service Cost	\$ 8,179	\$ 7,921	\$ 4,208	\$ 4,075	\$ 8,212	\$ 8,212
Interest Cost	2,860	3,425	2,254	2,135	2,562	2,553
Differences Between Expected and Actual Experiences	0	103,025	0	(7,868)	(8,008)	(9,303)
Changes in Assumptions	0	10,192	0	2,081	0	0
Benefit Payments	(25,036)	(50,960)	(4,524)	(1,408)	0	(2,395)
Net Changes in Total OPEB Liability	(13,997)	73,603	1,938	(985)	2,766	(933)
Total OPEB Liability Beginning of Year	137,990	64,387	62,449	63,434	60,668	61,601
Total OPEB Liability End of Year	<u>\$ 123,993</u>	<u>\$ 137,990</u>	<u>\$ 64,387</u>	<u>\$ 62,449</u>	<u>\$ 63,434</u>	<u>\$ 60,668</u>
Covered Employee Payroll	\$4,983,879	\$4,312,587	\$4,164,521	\$4,098,142	\$4,237,016	\$3,971,302
Total OPEB Liability as a Percentage of Covered Employee Payroll	2.49%	3.20%	1.55%	1.52%	1.50%	1.53%

See Accompanying Independent Auditor's Report

CHICKASAW COUNTY
New Hampton, Iowa

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB LIABILITY

Year Ended June 30, 2023

Changes of Benefit Terms:

There are no significant changes in benefit terms.

Changes of 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	3.72%
Year Ended June 30, 2018	3.72%

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

OPEB Schedules in the Required Supplementary Information are intended to show information for ten years. The additional year's information will be displayed as it becomes available.

CHICKASAW COUNTY
New Hampton, Iowa

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue				
	REAP	Recorder's Records Management	Chickasaw County Betterment	Economic Development	EMS
ASSETS					
Cash, Cash Equivalents and Pooled Investments	\$43,019	\$18,575	\$108,222	\$51,763	\$281,722
Receivables:					
Accounts	0	564	0	0	56,082
Opioid Settlement	0	0	0	0	0
Due From Other Governments	0	0	7,738	0	0
TOTAL ASSETS	\$43,019	\$19,139	\$115,960	\$51,763	\$337,804
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,944
Due to Other Governments	0	0	0	0	250
Total Liabilities	0	0	0	0	2,194
Deferred Inflows of Resources:					
Unavailable Revenues:					
Other	0	0	0	0	0
Fund Balances:					
Restricted For:					
Landfill Postclosure	0	0	0	0	0
Opioid Abatement	0	0	0	0	0
Other Purposes	43,019	19,139	115,960	51,763	335,610
Total Fund Balances	43,019	19,139	115,960	51,763	335,610
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$43,019	\$19,139	\$115,960	\$51,763	\$337,804

See Accompanying Independent Auditor's Report

Schedule 1

Special Revenue							
Tourism	Opioid Settlement	Bypass Basin	Landfill Postclosure Costs	Attorney Forfeiture	Sheriff's Forfeiture	Twin Ponds Nature Center	Total
\$41,181	\$ 41,875	\$88,721	\$512,901	\$2,072	\$653	\$22,748	\$1,213,452
0	0	0	0	0	0	0	56,646
0	147,856	0	0	0	0	0	147,856
0	0	0	0	0	0	0	7,738
<u>\$41,181</u>	<u>\$189,731</u>	<u>\$88,721</u>	<u>\$512,901</u>	<u>\$2,072</u>	<u>\$653</u>	<u>\$22,748</u>	<u>\$1,425,692</u>
\$ 1,011	\$ 0	\$ 0	\$ 284	\$ 0	\$ 0	\$ 0	\$ 3,239
0	0	0	0	0	0	0	250
<u>1,011</u>	<u>0</u>	<u>0</u>	<u>284</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,489</u>
0	147,856	0	0	0	0	0	147,856
0	0	0	512,617	0	0	0	512,617
0	41,875	0	0	0	0	0	41,875
40,170	0	88,721	0	2,072	653	22,748	719,855
<u>40,170</u>	<u>41,875</u>	<u>88,721</u>	<u>512,617</u>	<u>2,072</u>	<u>653</u>	<u>22,748</u>	<u>1,274,347</u>
<u>\$41,181</u>	<u>\$189,731</u>	<u>\$88,721</u>	<u>\$512,901</u>	<u>\$2,072</u>	<u>\$653</u>	<u>\$22,748</u>	<u>\$1,425,692</u>

CHICKASAW COUNTY
New Hampton, Iowa

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023**

	Special Revenue				
	REAP	Recorder's Records Management	Chickasaw County Betterment	Economic Development	Ambulance
REVENUES:					
Property and Other County Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Option Sales Tax	0	0	100,001	0	0
Intergovernmental	9,841	0	0	0	0
Charges for Service	0	2,605	0	0	0
Use of Money and Property	1,664	109	0	0	0
Miscellaneous	0	0	2,242	0	0
Total Revenues	11,505	2,714	102,243	0	0
EXPENDITURES:					
Operating:					
Public Safety and Legal Services	0	0	0	0	36,800
County Environment and Education	36,684	0	67,368	6,887	0
Total Expenditures	36,684	0	67,368	6,887	36,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,179)	2,714	34,875	(6,887)	(36,800)
OTHER FINANCING SOURCES (USES):					
Transfers In	0	0	43,200	0	80,000
Transfers Out	0	0	(151,607)	0	(43,200)
Total Other Financing Sources (Uses)	0	0	(108,407)	0	36,800
Change in Fund Balances	(25,179)	2,714	(73,532)	(6,887)	0
Fund Balances Beginning of Year	68,198	16,425	189,492	58,650	0
Fund Balances End of Year	\$ 43,019	\$ 19,139	\$ 115,960	\$ 51,763	\$ 0

See Accompanying Independent Auditor's Report

Schedule 2

Special Revenue								
Landfill								
EMS	Tourism	Opioid Settlement	Bypass Basin	Postclosure Costs	Attorney Forfeiture	Sheriff's Forfeiture	Twin Ponds Nature Center	Total
\$ 0	\$12,879	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,879
0	0	0	0	0	0	0	0	100,001
269,173	0	0	0	0	0	0	0	279,014
174,270	0	0	0	0	0	0	0	176,875
5,426	0	953	88,721	5,583	13	4	598	103,071
5,000	17	34,418	0	150	0	0	0	41,827
453,869	12,896	35,371	88,721	5,733	13	4	598	713,667
361,866	0	0	0	0	0	0	0	398,666
0	14,563	0	0	7,985	0	0	6,500	139,987
361,866	14,563	0	0	7,985	0	0	6,500	538,653
92,003	(1,667)	35,371	88,721	(2,252)	13	4	(5,902)	175,014
243,607	0	0	0	10,000	0	0	0	376,807
0	0	0	0	0	0	0	0	(194,807)
243,607	0	0	0	10,000	0	0	0	182,000
335,610	(1,667)	35,371	88,721	7,748	13	4	(5,902)	357,014
0	41,837	6,504	0	504,869	2,059	649	28,650	917,333
\$335,610	\$40,170	\$41,875	\$88,721	\$512,617	\$2,072	\$653	\$22,748	\$1,274,347

CHICKASAW COUNTY
New Hampton, Iowa

**COMBINING STATEMENT OF FIDUCIARY
NET POSITION
CUSTODIAL FUNDS
June 30, 2023**

	County Offices	Agricultural Extension Education	County Assessor	Schools
ASSETS				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 0	\$ 2,150	\$ 583,332	\$ 80,412
Other County Officials	24,018	0	0	0
Receivables:				
Property Tax:				
Delinquent	0	486	837	18,841
Succeeding Year	0	265,937	456,014	10,044,972
Accounts	0	0	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
TOTAL ASSETS	24,018	268,573	1,040,183	10,144,225
LIABILITIES				
Accounts Payable	0	0	547	0
Salaries and Benefits Payable	0	0	3,647	0
Due to Other Governments	1,522	2,150	0	80,412
Due to Individuals and Private Entities	94	0	0	0
Compensated Absences	0	0	7,905	0
TOTAL LIABILITIES	1,616	2,150	12,099	80,412
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	0	266,421	456,848	10,063,738
NET POSITION				
Restricted for Individuals, Organizations and Other Governments	<u>\$22,402</u>	<u>\$ 2</u>	<u>\$ 571,236</u>	<u>\$ 75</u>

See Accompanying Independent Auditor's Report

Schedule 3

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
\$ 7,150	\$ 24,096	\$ 1,909	\$ 150	\$483,327	\$1,042,774	\$ 2,225,300
0	0	0	0	0	0	24,018
1,693	12,758	317	0	0	2,753	37,685
902,133	3,243,992	241,525	0	0	373,475	15,528,048
0	0	0	0	0	6,467	6,467
0	0	0	14,247	0	0	14,247
0	0	0	0	0	48,856	48,856
910,976	3,280,846	243,751	14,397	483,327	1,474,325	17,884,621
0	0	0	0	0	1,399	1,946
0	0	0	0	0	1,217	4,864
7,150	24,096	1,909	150	483,327	4,741	605,457
0	0	0	0	0	31,113	31,207
0	0	0	0	0	3,442	11,347
7,150	24,096	1,909	150	483,327	41,912	654,821
903,820	3,256,750	241,839	14,247	0	376,228	15,579,891
\$ 6	\$ 0	\$ 3	\$ 0	\$ 0	\$1,056,185	\$ 1,649,909

CHICKASAW COUNTY
New Hampton, Iowa

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY
NET POSITION - CUSTODIAL FUNDS
Year Ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
ADDITIONS:				
Property and Other County Tax	\$ 0	\$262,449	\$451,684	\$ 9,711,645
911 Surcharge	0	0	0	0
State Tax Credits	0	17,652	30,247	559,596
Office Fees and Collections	797,606	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	227,743	0	0	0
Miscellaneous	0	0	21,124	0
Total Additions	1,025,349	280,101	503,055	10,271,241
DEDUCTIONS:				
Agency Remittances:				
To Other Funds	542,383	0	0	0
To Other Governments	255,223	280,106	429,356	10,271,439
To Individuals and Private Entities	239,635	0	0	0
Total Deductions	1,037,241	280,106	429,356	10,271,439
CHANGES IN NET POSITION	(11,892)	(5)	73,699	(198)
NET POSITION BEGINNING OF YEAR	34,294	7	497,537	273
NET POSITION END OF YEAR	\$ 22,402	\$ 2	\$571,236	\$ 75

See Accompanying Independent Auditor's Report

Schedule 4

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
\$860,644	\$3,177,994	\$224,202	\$ 0	\$ 0	\$ 302,647	\$14,991,265
0	0	0	0	0	182,870	182,870
49,986	374,112	11,291	0	0	43,460	1,086,344
0	0	0	0	0	0	797,606
0	0	0	0	6,180,959	0	6,180,959
0	0	0	2,735	0	0	2,735
0	0	0	0	0	223,688	451,431
0	0	0	0	0	315,540	336,664
910,630	3,552,106	235,493	2,735	6,180,959	1,068,205	24,029,874
0	0	0	0	176,592	0	718,975
910,645	3,552,366	235,490	2,735	6,004,367	697,412	22,639,139
0	0	0	0	0	235,079	474,714
910,645	3,552,366	235,490	2,735	6,180,959	932,491	23,832,828
(15)	(260)	3	0	0	135,714	197,046
21	260	0	0	0	920,471	1,452,863
\$ 6	\$ 0	\$ 3	\$ 0	\$ 0	\$1,056,185	\$ 1,649,909

CHICKASAW COUNTY
New Hampton, Iowa

**SCHEDULE OF REVENUES BY SOURCE AND
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS**

For the Last Ten Years

	Modified Accrual Basis			
	2023	2022	2021	2020
REVENUES:				
Property and Other County Tax	\$ 6,607,016	\$ 6,586,443	\$ 6,536,434	\$ 6,310,440
Local Option Sales Tax	1,000,003	1,018,403	912,947	783,300
Interest and Penalty On Property Tax	27,898	29,161	41,111	14,146
Intergovernmental	6,534,762	5,286,519	7,208,831	5,630,099
Licenses and Permits	137,750	52,870	37,772	27,633
Charges For Service	1,339,998	1,188,419	1,007,191	906,417
Use of Money and Property	508,647	101,357	92,764	156,090
Miscellaneous	516,795	287,037	309,737	995,224
Total	\$16,672,869	\$14,550,209	\$16,146,787	\$14,823,349
EXPENDITURES:				
Operating:				
Public Safety and Legal Services	\$ 3,994,920	\$ 2,339,754	\$ 2,414,797	\$ 2,397,024
Physical Health and Social Services	1,481,228	1,417,676	1,386,623	1,481,626
Mental Health	0	310,013	358,920	448,858
County Environment and				
Education	756,062	695,743	637,708	646,261
Roads and Transportation	7,854,137	5,808,850	6,236,603	6,592,732
Governmental Services To Residents	506,365	480,846	443,896	446,025
Administration	1,720,395	1,575,354	1,571,478	1,542,784
Non-Program	0	0	0	0
Debt Service	478,060	479,360	515,885	518,452
Capital Projects	1,381,296	893,134	1,965,764	2,566,363
Total	\$18,172,463	\$14,000,730	\$15,531,674	\$16,640,125

See Accompanying Independent Auditor's Report

Modified Accrual Basis					
2019	2018	2017	2016	2015	2014
\$ 5,913,863	\$ 5,470,557	\$ 5,292,840	\$ 5,167,370	\$ 5,101,686	\$ 5,152,765
696,020	652,432	671,941	605,398	725,287	605,166
29,082	28,470	32,290	24,692	32,579	27,319
6,070,731	4,955,998	5,930,437	5,268,597	4,528,661	4,277,651
25,583	21,696	23,954	21,387	18,436	17,319
1,031,565	1,052,787	1,253,162	1,094,977	1,130,493	1,160,899
148,159	127,048	112,598	113,637	70,844	132,194
153,319	218,130	190,315	246,912	250,284	203,356
\$14,068,322	\$12,527,118	\$13,507,537	\$12,542,970	\$11,858,270	\$11,576,669
\$ 2,187,308	\$ 2,018,205	\$ 2,106,573	\$ 1,881,655	\$ 1,917,371	\$ 1,609,925
1,461,571	1,200,482	1,401,413	1,438,314	1,410,731	1,411,998
537,338	582,044	735,876	752,030	775,060	496,960
688,091	668,771	672,756	791,925	692,056	577,079
6,933,298	5,416,207	5,796,016	5,926,818	5,169,828	4,171,555
410,321	408,032	458,743	426,921	416,291	481,327
1,514,519	1,474,372	1,471,452	1,484,522	1,423,842	1,406,241
1,333,724	662,014	184,756	267,131	4,526	161,203
0	0	0	0	0	0
30,126	164,599	198,522	7,985	110,524	128,762
\$15,096,296	\$12,594,726	\$13,026,107	\$12,977,301	\$11,920,229	\$10,445,050



GARDINER+COMPANY
Certified Public Accountants

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 Chickasaw County
New Hampton, 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 Chickasaw County, Iowa as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Chickasaw County, Iowa's basic financial statements, and have issued our report thereon dated May 9, 2024.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2023-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item 2023-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chickasaw County, Iowa's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 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.

Chickasaw County, Iowa's Responses to Findings

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

Purpose of this Report

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

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



Charles City, Iowa
May 9, 2024

CHICKASAW COUNTY
New Hampton, Iowa

SCHEDULE OF FINDINGS
Year Ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES

2023-001 Segregation of Duties

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

Condition – Various functions of the County Offices are performed by the same person.

Cause – Limited staff available to segregate duties.

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 – We realize segregation of duties is difficult with a limited number of office employees. However, the County should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response and Corrective Action Planned – We have reviewed procedures as suggested and plan to make improvements to internal control.

Conclusion – Response accepted.

2023-002 Preparation of Full Disclosure Financial Statements

Criteria – Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements for external reporting in conformity with the U.S. generally accepted accounting principles.

Condition – During the audit, we noted that Chickasaw County does not have the internal resources to prepare the full disclosure financial statements required by generally accepted accounting principles.

Cause – The County does not have the internal resources to prepare the full disclosure financial statements required by generally accepted accounting principles.

CHICKASAW COUNTY
New Hampton, Iowa

SCHEDULE OF FINDINGS (CONTINUED)
Year Ended June 30, 2023

Findings Related to the Financial Statements: (Continued)

2023-002 Preparation of Full Disclosure Financial Statements (Continued)

Effect – Gardiner + Company, P.C. assists in the preparation of the full disclosure financial statements. Management of Chickasaw County thoroughly reviews them and accepts responsibility for their completeness and accuracy.

Recommendation – We realize that with a limited number of office employees, gaining sufficient knowledge and expertise to properly select and apply accounting principles and prepare full disclosure financial statements for external reporting is difficult. However, we recommend that County officials continue to review operating procedures and obtain the internal expertise needed to handle all the aspects of external financial reporting, rather than rely on external assistance.

Response – We recognize our limitations, however, it is not fiscally responsible to add additional staff at this time.

Conclusion – Response acknowledged.

2023-003 Financial Reporting

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

Condition – Material amounts of accounts receivable, accounts payable, capital asset additions and construction in progress were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

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

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

CHICKASAW COUNTY
New Hampton, Iowa

SCHEDULE OF FINDINGS (CONTINUED)
Year Ended June 30, 2023

Findings Related to the Financial Statements: (Continued)

2023-003 Financial Reporting (Continued)

Recommendation – The County should establish procedures to ensure all accounts receivable, accounts payable, capital asset additions and construction in progress amounts are identified and properly reported in the County’s financial statements.

Response – We will review our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE

No matters were noted.

Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted, however, disbursements in certain departments exceeded the amounts appropriated.

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

Response – We will watch appropriations more closely and will award additional appropriations when required.

Conclusion – Response accepted.

2023-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. No expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented.

CHICKASAW COUNTY
New Hampton, Iowa

SCHEDULE OF FINDINGS (CONTINUED)
Year Ended June 30, 2023

Other Findings Related to Required Statutory Reporting: (Continued)

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

2023-D Business Transaction – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Brenda Schnoebelen, Drivers License Clerk Margie Zipse, Mother	Election Worker	\$ 513
Toni Schwickerath, Assessor Clerk Linda Schwickerath, Mother-in-law	Election Worker	156
Toni Schwickerath, Assessor Clerk Rapid Printers, Owner	Election supplies, stationary, general office supplies	35,194
Martin Hemann, Sheriff Lori Hemann, Jail Epic Wear, Owned by Son/Daughter-in-Law	Uniform Embroidery	83
Barb Hemesath, Civil Secretary H & M Tinting, Owned by Son	Window Tinting	680

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Margie Zipse, Linda Schwickerath, Epic Wear, and H & M Tinting do not appear to represent conflicts of interest since each had total transactions less than \$6,000 during the fiscal year.

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Rapid Printers do not appear to represent a conflict of interest as Toni Schwickerath did not participate in the acquisition of products for the County.

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

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

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

CHICKASAW COUNTY
New Hampton, Iowa

SCHEDULE OF FINDINGS (CONTINUED)
Year Ended June 30, 2023

Other Findings Related to Required Statutory Reporting: (Continued)

- 2023-H** **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.
- 2023-I** **Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2023-J** **Tax Increment Financing** – For the year ended June 30, 2023, the County Auditor prepared reconciliations for each city reconciling TIF receipts with total outstanding TIF debt.
- 2023-K** **Code of Ordinances** – The Board of Supervisors has not compiled a Code of Ordinances containing all of the County's ordinances in effect within the five year time frame allowed by the Code of Iowa.

Recommendation – Chapter 331.302(10) of the Code of Iowa requires the Board of Supervisors to compile a Code of Ordinances containing all of the County's ordinances in effect at least once every five years.

Response – We will compile the Code of Ordinances as required.

Conclusion – Response accepted.