

## NEWS RELEASE

FOR RELEASE \_\_\_\_\_ December 20, 2024 \_\_\_\_\_

Eide Bailly LLP today released an audit report on Clinton County, Iowa.

### FINANCIAL HIGHLIGHTS

The County's revenues totaled \$44,560,214 for the year ended June 30, 2024, an 0.4 percent decrease from 2023. Expenses for the year ended June 30, 2024, totaled \$35,664,433, a 3.1 percent increase from the prior year.

### AUDIT FINDINGS

Eide Bailly LLP reported five findings related to the financial statements. The findings address issues over preparation of the financial statements, material audit adjustments, and segregation of duties. The County Board of Supervisors has a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review in the County Auditor's Office, in the Office of Auditor of State, and on the Auditor of State's web site at <https://www.auditor.iowa.gov/reports/audit-reports>.



December 20, 2024

To the Board of Supervisors  
Clinton County, Iowa

We have audited the financial statements of Clinton County, Iowa (County) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 20, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance**

As communicated in our letter dated July 11, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the County complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the County's major federal program compliance, is to express an opinion on the compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the County's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated December 20, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated December 20, 2024.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the total OPEB liability, related deferred outflows of resources and deferred inflows of resources, and OPEB expense are based on a calculation of actuarially determined contributions for health insurance benefits. We evaluated the key factors and assumptions used to develop the OPEB related balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, pension related deferred outflows of resources and deferred inflows of resources, and pension expense are based on plan level actuarial reports, allocated to the County using annual employer contributions. We evaluated the key factors and assumptions used to develop the pension related balances in determining that they are reasonable in relation to the financial statements taken as a whole.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the County’s financial statements relate to net pension liability and the total OPEB liability.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected misstatements identified as a result of our audit procedures.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

	Fund Balance/Net Position Increase (Decrease)	
	Fund Statements	Governmental Activities
General Fund		
To adjust accounts receivable	\$ 95,737	\$ 95,737
Secondary Roads		
To adjust accounts receivable	162,802	162,802
Nonmajor Funds		
To adjust accounts receivable	165,274	165,274
Internal Service Fund		
To adjust accounts receivable	156,684	156,684

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor’s report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated December 20, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

### **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the County's Financial Statements, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing has come to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Supervisors and management of Clinton County, Iowa and is not intended to be, and should not be, used by anyone other than these specified parties.



Dubuque, Iowa



Financial Statements  
June 30, 2024  
**Clinton County**

Officials .....	1
Independent Auditor’s Report .....	2
Management’s Discussion and Analysis .....	6
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Exhibit A – Statement of Net Position .....	14
Exhibit B – Statement of Activities .....	16
<b>Government-Fund Financial Statements</b>	
Exhibit C – Balance Sheet .....	17
Exhibit D – Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position ...	18
Exhibit E – Statement of Revenues, Expenditures, and Changes in Fund Balances .....	19
Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities .....	20
<b>Proprietary Fund Financial Statements</b>	
Exhibit G – Statement of Net Position .....	22
Exhibit H – Statement of Revenues, Expenses, and Changes in Fund Net Position .....	23
Exhibit I – Statement of Cash Flows .....	24
<b>Fiduciary Fund Financial Statement</b>	
Exhibit J – Statement of Fiduciary Net Position – Custodial Funds .....	25
Exhibit K – Statement of Changes in Fiduciary Net Position – Custodial Funds .....	26
Notes to Financial Statements .....	27
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds .....	58
Budgetary Comparison Schedule – Budget to GAAP Reconciliation .....	59
Notes to Required Supplementary Information – Budgetary Reporting .....	60
Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset) .....	61
Schedule of the County Contributions .....	62
Notes to Required Supplementary Information – Pension Liability .....	63
Schedule of Changes in the County’s Total OPEB Liability, Related Ratios and Notes .....	64
<b>Other Supplementary Information</b>	
<b>Nonmajor Governmental Funds</b>	
Schedule 1 – Combining Balance Sheet .....	65
Schedule 2 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	66
<b>Custodial Funds</b>	
Schedule 3 – Combining Statement of Fiduciary Net Position .....	67
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position .....	69
Schedule 5 – Schedule of Revenues by Source and Expenditure by Function – All Governmental Funds .....	71

Information Provided to Comply with *Government Auditing Standards* and the Uniform Guidance:

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 <i>Government Auditing Standards</i> .....	72
Independent Auditor’s Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance .....	74
Schedule of Expenditures of Federal Awards .....	77
Notes to the Schedule of Expenditures of Federal Awards .....	79
Schedule of Findings and Questioned Costs .....	80





Clinton County

Clinton County  
Officials

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<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Erin George (Appointed Jan 2023)	Board of Supervisors	November 2024
Jim Irwin, Jr.	Board of Supervisors	January 2027
Dan Srp	Board of Supervisors	January 2027
Eric Van Lancker	County Auditor	January 2025
Dustin Johnson	County Treasurer	January 2027
Scott Judd	County Recorder	January 2027
Bill Greenwalt	County Sheriff	January 2025
Michael Wolf	County Attorney	January 2027
Brian Tiesman	County Assessor	January 2028



## Independent Auditor's Report

To the Officials of Clinton County

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clinton County, Iowa (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the County, 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.

#### *Responsibilities of Management for the Financial Statements*

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. Other auditors also previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The combining fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the Financial Statements. The other information comprises the list of officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa  
December 20, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

Revenues of the County's governmental activities decreased 0.4%, or 181,539, from fiscal year 2023 to fiscal year 2024. Property tax revenues increased \$1,335,044, and was offset by a decrease in capital grants and contributions of \$785,900 and charges for services and sales of \$772,561.

Program expenses of the County's governmental activities were 3.1%, or \$1,061,044 higher in fiscal year 2024 than in fiscal year 2023. Administration had the largest increase of \$1,288,563.

The County's net position increased 9.6%, or \$8,895,781, over the June 30, 2023 balance.

### USING THIS ANNUAL REPORT

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

*Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the government'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 Clinton County as a whole and present an overall view of the County's finances.

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

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. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

## REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

### **Government-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These 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 the 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 Employee Group Health and Dental Insurance Funds. 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 the 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 statement of changes in fiduciary net position.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

### **NET POSITION OF GOVERNMENTAL ACTIVITIES** **(as shown in the Statement of Net Position)**

	June 30,	
	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 66,493,024	\$ 65,441,430
Capital assets	<u>88,734,874</u>	<u>85,678,613</u>
Total assets	<u>155,227,898</u>	<u>151,120,043</u>
Deferred outflows of resources	<u>3,726,166</u>	<u>2,467,690</u>
Other liabilities	7,508,397	10,197,756
Long-term liabilities	<u>25,592,271</u>	<u>26,249,346</u>
Total liabilities	<u>33,100,668</u>	<u>36,447,102</u>
Deferred inflows of resources	<u>24,369,962</u>	<u>24,552,978</u>
Net position		
Net investment in capital assets	71,023,251	66,918,764
Restricted	21,654,088	19,583,368
Unrestricted	<u>8,806,095</u>	<u>6,085,521</u>
Total net position	<u>\$ 101,483,434</u>	<u>\$ 92,587,653</u>

Clinton County's combined net position of governmental activities increased 9.6% from \$92,587,653 at June 30, 2023 to \$101,483,434 at June 30, 2024.

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 6.1%, or \$4,104,487.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased \$2,070,720, or 10.6%.

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 \$6,085,521 at June 30, 2023 to \$8,806,095 at the end of this year, an increase of 44.7%.

**CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**(as shown in the Statement of Activities)**

	<u>Year Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Revenues		
Charges for service and sales	\$ 3,203,044	\$ 3,975,605
Operating grants and contributions	7,483,766	7,514,565
Capital grants and contributions	5,206,299	5,992,199
Property taxes	22,854,869	21,519,825
Penalty and interest on property taxes	149,575	525,180
State tax credits	1,303,079	1,681,399
Local option sales tax	2,011,920	1,862,376
Gaming tax	150,432	159,887
Unrestricted investment earnings	1,925,898	1,028,649
Miscellaneous	271,332	482,068
Total revenues	<u>44,560,214</u>	<u>44,741,753</u>
Expenses		
Public safety and legal services	11,323,223	10,943,857
Physical health and social services	2,221,975	2,408,261
County environment and education	3,097,708	2,806,282
Roads and transportation	10,319,826	9,675,486
Government services to residents	1,271,845	1,307,851
Administration	6,386,039	5,097,476
Non-program	529,852	1,778,551
Interest on long-term debt	513,965	585,625
Total expenses	<u>35,664,433</u>	<u>34,603,389</u>
Change in net position	8,895,781	10,138,364
Net position beginning of year	92,587,653	82,449,289
Net position end of year	<u>\$101,483,434</u>	<u>\$ 92,587,653</u>

The County's governmental activities net position increased \$8,895,781 during the year. Revenues for governmental activities decreased \$181,539. This was the result of property tax revenues increasing \$1,335,044, offset by a decrease in capital grants and contributions of \$785,900 and charges for services and sales of \$772,561.

The cost of all governmental activities this year was \$35,664,433 compared to \$34,603,389 last year. However, as shown in the Statement of Activities on page 16, the amount taxpayers ultimately financed for these activities was approximately \$26,500,000 because some of the cost was paid by those who directly benefited from the programs (\$3,203,044) or by other governments and organizations which subsidized certain programs with grants and contributions (\$12,690,065). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, decreased in fiscal year 2024 from \$17,482,369 to \$15,893,109. In FY23, the County experienced increased contributions of roads and bridges paid for by the Iowa Department of Transportation.

#### INDIVIDUAL MAJOR FUND ANALYSIS

As Clinton County completed the year, its governmental funds reported a combined fund balance of \$30,681,774, an increase of \$2,891,841 from last year's total of \$27,789,933. 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 increased \$3,888,013 and \$3,978,459, respectively, over the prior year. During the fiscal year the County used ARPA funds for various projects. Expenditures and related revenues totaled \$3,131,542, an increase of \$1,619,269. Additionally, use of money and property revenues increased \$933,844 due to increased interest rates. The ending fund balance increased \$2,535,465, or 14.5%, over the prior year to \$19,984,023.

There were no significant changes in revenues, expenditures, and fund balance of the Rural Services Fund.

The Secondary Roads Fund revenues increased \$187,027 over the prior year, primarily due to an increase in road use tax receipts. Expenditures decreased \$303,154 from the prior year, due to a decrease in roadway construction and bridge projects. The Secondary Roads Fund balance at year end increased \$97,245 over the prior year to \$2,678,099.

There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.

#### BUDGETARY HIGHLIGHTS

Over the course of the year, Clinton County amended its budget two times. The first amendment was made in December 2023 and resulted in an increase in budgeted disbursements related to additional repairs and maintenance expenses and professional services. The second amendment was made in May 2024. This amendment was made to provide for additional disbursements in certain County departments.

The County's receipts were \$1,424,376 less than budgeted, a variance of 3.5%. Total disbursements were \$5,340,602 less than the amended budget. Actual disbursements for the non-program and capital projects functions were \$1,143,365 and \$909,868, respectively, less than budgeted.

The budget was not exceeded for any function for the year ended June 30, 2024.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

At June 30, 2024, Clinton County had \$88,734,874 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, and roads and bridges. This is a net increase (including additions and deletions) of \$3,056,261, or 3.6%, over last year.

	<u>Year Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 1,418,233	\$ 1,418,233
Construction in Progress	3,956,174	935,426
Buildings and improvements	31,612,808	31,367,339
Improvements other than buildings	960,239	1,001,858
Equipment and vehicles	11,522,825	10,537,331
Right to use leased assets	60,521	83,020
Infrastructure	39,204,074	40,335,406
Total	<u>\$ 88,734,874</u>	<u>\$ 85,678,613</u>

The County had depreciation/amortization expense of \$4,632,592 in fiscal year 2024 and total accumulated depreciation/amortization of \$67,289,380 at June 30, 2024.

The most significant capital asset additions in 2024 were related to improvements to the administration building and roads and bridges paid for by the Iowa Department of Transportation. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

##### Debt

At June 30, 2024, Clinton County had \$18,973,394 of general obligation bonds and other debt outstanding, compared to \$20,980,461 at June 30, 2023, as shown below:

	<u>Year Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
General obligation capital loan notes	\$ 18,910,000	\$ 20,895,000
Lease agreements	61,217	84,443
Drainage warrants	2,177	1,018
Total	<u>\$ 18,973,394</u>	<u>\$ 20,980,461</u>

Debt decreased as a result of payments on the general obligation capital loan notes and lease agreements.

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. The County's outstanding general obligation debt and tax increment financing obligations are significantly below its constitutional debt limit of approximately \$240 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Clinton County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2025 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 4.2% versus 3.7% a year ago. This compares with the State's unemployment rate of 3.0% and the national rate of 4.2%.

These indicators were taken into account when adopting the budget for fiscal year 2025. Amounts available for appropriation (i.e., beginning balance plus next year budgeted revenues) in the operating budget are approximately \$68.7 million, an increase of 10.0% from the final fiscal year 2024 budget. Budgeted disbursements are expected to decrease \$3,766,469. Decreased costs associated with constraints from HF718 and improved budgeting contributed to the decrease. The County has added no major new programs or initiatives to the fiscal year 2025 budget.

If these estimates are realized, the County's budgetary operating balance is expected to decrease \$373,757 by the close of fiscal year 2025.

#### CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Clinton County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Clinton County Budget Director, Nicholas Manrique, Clinton County Administration Building, Clinton County Auditor's Office, 1900 North Third Street, Clinton Iowa 52733-2957.



Basic Financial Statements  
June 30, 2024

# Clinton County

Clinton County  
Exhibit A – Statement of Net Position  
June 30, 2024

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Conservation Foundation</u>
Assets		
Cash and Pooled Investments	\$ 33,213,393	\$ 253,713
Receivables		
Property tax		
Delinquent	123,482	-
Succeeding year	23,398,151	-
Interest and penalty on property tax	154,327	-
Accounts	338,741	-
Accrued interest	148,457	-
Drainage assessments	15,105	-
Opioid settlement	1,565,977	-
Special Assessments	107,245	-
Due from Other Governments	6,627,562	-
Lease Receivable	68,336	-
Inventories	469,093	-
Prepaid Expenses	99,053	-
Loan Receivable	164,102	-
Capital Assets		
Capital assets, not being depreciated/amortized	5,374,407	-
Capital assets, net of accumulated depreciation/amortization	<u>83,360,467</u>	<u>-</u>
Total assets	<u>155,227,898</u>	<u>253,713</u>
Deferred Outflows of Resources		
Pension Related Deferred Outflows	2,814,556	-
OPEB Related Deferred Outflows	<u>911,610</u>	<u>-</u>
Total deferred outflows of resources	<u>3,726,166</u>	<u>-</u>



Clinton County  
Exhibit A – Statement of Net Position  
June 30, 2024

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Conservation Foundation</u>
<b>Liabilities</b>		
Accounts Payable	\$ 3,278,121	\$ -
Salaries and Benefits Payable	241,960	-
Unearned Revenue	3,926,672	-
Accrued Interest Payable	41,825	-
Due to Other Governments	19,819	-
<b>Long-Term Liabilities</b>		
Portion due or payable within one year		
Lease agreements	20,459	-
General obligation bonds	2,030,000	-
Drainage warrants	2,177	-
Compensated absences	1,188,810	-
Total OPEB liability	122,598	-
Portion due or payable after one year		
Lease agreements	40,758	-
General obligation bonds	16,880,000	-
Net pension liability	3,808,683	-
Total OPEB liability	1,498,786	-
Total liabilities	<u>33,100,668</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>		
Succeeding Year Property Tax Revenue	23,398,151	-
Pension Related Deferred Inflows	317,051	-
OPEB Related Deferred Inflows	586,424	-
Lease Related	68,336	-
Total deferred inflows of resources	<u>24,369,962</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	71,023,251	-
Restricted for		
Secondary roads purposes	2,678,099	-
Rural services purposes	1,157,274	-
Supplemental levy purposes	5,641,226	-
Debt service levy purposes	5,760,797	-
Other purposes	6,401,773	253,713
Endowments		
Expendable	9,919	-
Nonexpendable	5,000	-
Unrestricted	8,806,095	-
Total net position	<u>\$ 101,483,434</u>	<u>\$ 253,713</u>

Clinton County  
Exhibit B - Statement of Activities  
Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Activities	Component Unit Conservation Foundation
Functions/Programs						
Primary Government						
Governmental Activities						
Public safety and legal services	\$ 11,323,223	\$ 732,473	\$ 32,940	\$ -	\$ (10,557,810)	
Physical health and social services	2,221,975	164,477	1,366,465	-	(691,033)	
County environment and education	3,097,708	414,633	-	-	(2,683,075)	
Roads and transportation	10,319,826	347,319	5,567,468	2,074,758	(2,330,281)	
Government services to residents	1,271,845	872,413	-	-	(399,432)	
Administration	6,386,039	671,729	-	3,131,541	(2,582,769)	
Non-program	529,852	-	516,893	-	(12,959)	
Interest on long-term debt	513,965	-	-	-	(513,965)	
	<u>\$ 35,664,433</u>	<u>\$ 3,203,044</u>	<u>\$ 7,483,766</u>	<u>\$ 5,206,299</u>	<u>\$ (19,771,324)</u>	
Total Primary Government						
Component Unit						
Conservation Foundation	<u>\$ 12,765</u>	<u>\$ -</u>	<u>\$ 102,035</u>	<u>\$ -</u>		<u>\$ 89,270</u>
General Revenues						
Property and other County tax levied for						
General purposes					\$ 20,424,299	\$ -
Debt service					2,430,570	-
Penalty and interest on property tax					149,575	-
State tax credits					1,303,079	-
Local option sales tax					2,011,920	-
Gaming tax					150,432	-
Unrestricted investment earnings					1,925,898	7,530
Gain on sale of capital assets					26	-
Miscellaneous					271,306	-
					<u>28,667,105</u>	<u>7,530</u>
Total General Revenues						
Change in Net Position					8,895,781	96,800
Net Position Beginning of Year					<u>92,587,653</u>	<u>156,913</u>
Net Position End of Year					<u>\$ 101,483,434</u>	<u>\$ 253,713</u>

Clinton County  
Exhibit C – Balance Sheet  
Governmental Funds  
June 30, 2024

	Special Revenue				Nonmajor Governmental Funds	Total
	General	Rural Services	Secondary Roads	Debt Service		
<b>Assets</b>						
Cash and Pooled Investments	\$ 24,374,135	\$ 1,238,130	\$ 2,881,902	\$ 590,464	\$ 970,428	\$ 30,055,059
Receivables						
Property tax						
Delinquent	103,234	6,358	-	13,890	-	123,482
Succeeding year	18,268,411	2,532,020	-	2,597,720	-	23,398,151
Interest and penalty on property tax	154,327	-	-	-	-	154,327
Accounts	71,141	-	5,122	-	-	76,263
Accounts interest	127,713	-	-	-	-	127,713
Drainage assessments	-	-	-	-	15,105	15,105
Opioid settlement	-	-	-	-	1,565,977	1,565,977
Due from Other Funds	9,749	-	-	-	-	9,749
Special Assessments	107,245	-	-	-	-	107,245
Due from Other Governments	624,188	-	620,441	5,212,158	170,775	6,627,562
Loan Receivable	-	-	164,102	-	-	164,102
Lease Receivable	68,336	-	-	-	-	68,336
Inventories	-	-	469,093	-	-	469,093
Prepays	99,053	-	-	-	-	99,053
<b>Total assets</b>	<b>\$ 44,007,532</b>	<b>\$ 3,776,508</b>	<b>\$ 4,140,660</b>	<b>\$ 8,414,232</b>	<b>\$ 2,722,285</b>	<b>\$ 63,061,217</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,218,433	\$ 78,316	\$ 1,386,531	\$ -	\$ 178,191	\$ 2,861,471
Salaries and benefits payable	176,851	8,898	56,211	-	-	241,960
Unearned revenue	3,926,672	-	-	-	-	3,926,672
Due to other funds	-	-	-	-	9,749	9,749
Due to other governments	-	-	19,819	-	-	19,819
<b>Total liabilities</b>	<b>5,321,956</b>	<b>87,214</b>	<b>1,462,561</b>	<b>-</b>	<b>187,940</b>	<b>7,059,671</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues						
Succeeding year property tax	18,268,411	2,532,020	-	2,597,720	-	23,398,151
Other	364,806	6,358	-	13,890	1,468,231	1,853,285
Lease related	68,336	-	-	-	-	68,336
<b>Total deferred inflows of resources</b>	<b>18,701,553</b>	<b>2,538,378</b>	<b>-</b>	<b>2,611,610</b>	<b>1,468,231</b>	<b>25,319,772</b>
<b>Fund Balances</b>						
Nonspendable	99,053	-	469,093	-	5,000	573,146
Restricted	6,444,271	1,150,916	2,209,006	5,802,622	1,078,027	16,684,842
Committed	148,960	-	-	-	-	148,960
Unassigned	13,291,739	-	-	-	(16,913)	13,274,826
<b>Total fund balances</b>	<b>19,984,023</b>	<b>1,150,916</b>	<b>2,678,099</b>	<b>5,802,622</b>	<b>1,066,114</b>	<b>30,681,774</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 44,007,532</b>	<b>\$ 3,776,508</b>	<b>\$ 4,140,660</b>	<b>\$ 8,414,232</b>	<b>\$ 2,722,285</b>	<b>\$ 63,061,217</b>

Clinton County  
 Exhibit D – Reconciliation of the Balance Sheet –  
 Governmental Funds to the Statement of Net Position  
 June 30, 2024

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Total Governmental Fund Balances		\$ 30,681,774
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		88,734,874
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		1,853,285
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		3,726,166
Deferred inflows of resources		(903,475)
The Internal Service Fund is used by the County to charge the costs of health insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		3,024,906
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at June 30, 2024, are:		
Compensated absences	\$ (1,188,810)	
Lease agreements	(61,217)	
Drainage warrants	(2,177)	
Total OPEB liability	(1,621,384)	
General obligation bonds, including premium	(18,910,000)	
Accrued interest	(41,825)	
Net pension liability	(3,808,683)	
Total long-term liabilities	(25,634,096)	(25,634,096)
Net Position of Governmental Activities		\$ 101,483,434

Clinton County  
Exhibit E – Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2024

	Special Revenue				Capital Projects Fund Previously Reported as Major	Nonmajor Governmental Funds	Total
	General	Rural Services	Secondary Roads	Debt Service			
<b>Revenues</b>							
Property and other County tax	\$ 17,990,944	\$ 2,475,575	\$ -	\$ 2,423,936		\$ -	\$ 22,890,455
Local Option Sales Tax	744,411	-	1,267,509	-		-	2,011,920
Interest and penalty on property tax	149,575	-	-	-		-	149,575
Intergovernmental	6,451,248	121,213	5,824,672	175,926		555,941	13,129,000
Licenses and permits	15,446	2,800	58,385	-		-	76,631
Charges for service	1,327,946	3,609	-	-		6,517	1,338,072
Use of money and property	2,092,236	-	-	53,664		20,197	2,166,097
Miscellaneous	329,451	17,085	83,011	-		355,364	784,911
<b>Total revenues</b>	<b>29,101,257</b>	<b>2,620,282</b>	<b>7,233,577</b>	<b>2,653,526</b>		<b>938,019</b>	<b>42,546,661</b>
<b>Expenditures</b>							
<b>Operating</b>							
Public safety and legal services	11,196,684	531,119	-	-		-	11,727,803
Physical health and social services	2,244,274	-	-	-		-	2,244,274
County environment and education	2,389,376	313,642	-	-		22,923	2,725,941
Roads and transportation	-	-	8,677,274	-		-	8,677,274
Governmental services to residents	1,313,512	-	-	-		4,743	1,318,255
Administration	5,854,294	-	-	-		-	5,854,294
Non-program	-	-	-	-		529,852	529,852
Debt service	-	-	-	2,531,850		-	2,531,850
Capital projects	3,251,084	-	829,193	-		-	4,080,277
<b>Total expenditures</b>	<b>26,249,224</b>	<b>844,761</b>	<b>9,506,467</b>	<b>2,531,850</b>		<b>557,518</b>	<b>39,689,820</b>
<b>Excess (Deficiency) of Revenues over (Under) Expenditures</b>	<b>2,852,033</b>	<b>1,775,521</b>	<b>(2,272,890)</b>	<b>121,676</b>		<b>380,501</b>	<b>2,856,841</b>
<b>Other Financing Sources (Uses)</b>							
Sale of capital assets	35,000	-	-	-		-	35,000
Transfers in	-	-	2,370,135	-		-	2,370,135
Transfers out	(351,568)	(2,018,567)	-	-		-	(2,370,135)
<b>Total other financing sources (uses)</b>	<b>(316,568)</b>	<b>(2,018,567)</b>	<b>2,370,135</b>	<b>-</b>		<b>-</b>	<b>35,000</b>
<b>Net Change in Fund Balances</b>	<b>2,535,465</b>	<b>(243,046)</b>	<b>97,245</b>	<b>121,676</b>		<b>380,501</b>	<b>2,891,841</b>
<b>Fund Balances Beginning of Year, as Previously Reported</b>	<b>17,448,558</b>	<b>1,393,962</b>	<b>2,580,854</b>	<b>5,680,946</b>	<b>\$ 208,668</b>	<b>476,945</b>	<b>27,789,933</b>
<b>Change within the Financial Reporting Entity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(208,668)</b>	<b>208,668</b>	<b>-</b>
<b>Fund Balances Beginning of Year, as Restated</b>	<b>17,448,558</b>	<b>1,393,962</b>	<b>2,580,854</b>	<b>5,680,946</b>	<b>\$ -</b>	<b>685,613</b>	<b>27,789,933</b>
<b>Fund Balances End of Year</b>	<b>\$ 19,984,023</b>	<b>\$ 1,150,916</b>	<b>\$ 2,678,099</b>	<b>\$ 5,802,622</b>		<b>\$ 1,066,114</b>	<b>\$ 30,681,774</b>

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

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Net change in fund balances - total governmental funds \$ 2,891,841

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	\$ 5,666,416	
Contributed capital assets	2,023,477	
Depreciation/amortization expense	<u>(4,632,592)</u>	
		3,057,301

In the Statement of Activities, only the gain or the loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the assets being disposed. (1,040)

Proceeds from issuing long-term liabilities are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.

Repayments	2,008,226
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Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are reported as deferred inflows of resources in the governmental funds as follows:

Property tax	(649,370)	
Opioid settlement	606,881	
Other	<u>(2,435)</u>	
		(44,924)

The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 1,124,563

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:

Compensated absences	\$	(19,055)	
OPEB expense		(71,105)	
Change in accrued interest payable		3,604	
Drainage warrants		(1,159)	
Pension income		<u>(425,776)</u>	
			\$ (513,491)

The Internal Service Fund is used by the County 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.

	<u>373,305</u>
Change in net position of governmental activities	<u><u>\$ 8,895,781</u></u>

**Clinton County**  
 Exhibit G – Statement of Net Position  
 Proprietary Fund  
 June 30, 2024

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	<u>Internal Service - Employee Group Health</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 3,158,334
Accounts receivable	262,478
Accrued interest receivable	<u>20,744</u>
Total assets	<u>3,441,556</u>
<b>Liabilities</b>	
Accounts payable	<u>416,650</u>
<b>Net Position</b>	
Restricted for employee health	<u><u>\$ 3,024,906</u></u>



Clinton County  
 Exhibit H – Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Fund  
 Year Ended June 30, 2024

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	<u>Internal Service - Employee Group Health</u>
Operating Revenues	
Reimbursements from operating funds	\$ 3,276,809
Reimbursements from employees and others	996,597
Miscellaneous	<u>801,773</u>
Total operating revenues	<u>5,075,179</u>
Operating Expenses	
Medical claims	3,897,652
Administrative expenses including reinsurance premiums	<u>943,284</u>
Total operating expenses	<u>4,840,936</u>
Operating Income	234,243
Non-Operating Revenues	
Interest income	<u>139,062</u>
Change in Net Position	373,305
Net Position Beginning of Year	<u>2,651,601</u>
Net Position End of Year	<u><u>\$ 3,024,906</u></u>

Clinton County  
Exhibit I – Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2024

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	<u>Internal Service - Employee Group Health</u>
Cash Flows from Operating Activities	
Cash received from operating fund reimbursements	\$ 3,276,809
Cash received from employees and others	814,852
Cash paid to suppliers for services	<u>(4,096,899)</u>
Net Cash used for Operating Activities	<u>(5,238)</u>
Cash Flows from Investing Activities	
Interest on investments	<u>128,854</u>
Net Increase in Cash and Cash Equivalents	123,616
Cash and Cash Equivalents Beginning of Year	<u>3,034,718</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 3,158,334</u></u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating income	\$ 234,243
Adjustments to reconcile operating income to net cash used by operating activities	
Increase in accounts receivable	(181,745)
Decrease in accounts payable	<u>(57,736)</u>
Net Cash used by Operating Activities	<u><u>\$ (5,238)</u></u>

Clinton County  
 Exhibit J – Statement of Fiduciary Net Position  
 Custodial Funds  
 June 30, 2024

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Assets	
Cash and pooled investments	
County Treasurer	\$ 6,111,760
Other County officials	97,126
Receivables	
Property tax	
Delinquent	447,134
Succeeding year	72,699,182
Accounts	12,497
Special assessments	135,092
Due from other governments	<u>79,507</u>
Total assets	<u>79,582,298</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	345,551
Salaries and benefits payable	44,068
Due to other governments	2,100,367
Trusts payable	49,221
Compensated absences	<u>152,197</u>
Total liabilities	<u>2,691,404</u>
Deferred Inflows of Resources	
Unavailable revenues	
Succeeding year property tax	<u>72,699,182</u>
Net Position	
Restricted for other governments and organizations	<u><u>\$ 4,191,712</u></u>

**Clinton County**  
 Exhibit K – Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 Year Ended June 30, 2024

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Additions	
Property and other county tax	\$ 67,654,038
911 surcharge	400,063
State tax credits	4,140,869
Intergovernmental	2,836,487
Interest	23,164
Office fees and collections	670,088
Auto licenses and use tax	17,807,669
Assessments	256,974
Trusts	1,524,103
Miscellaneous	<u>2,205,971</u>
Total additions	<u>97,519,426</u>
Deductions	
Agency remittances	
To other governments	96,493,294
Trusts paid out	<u>1,537,900</u>
Total deductions	<u>98,031,194</u>
Changes in Net Position	(511,768)
Net Position Beginning of Year	<u>4,703,480</u>
Net Position End of Year	<u><u>\$ 4,191,712</u></u>

## **Note 1 - Summary of Significant Accounting Policies**

Clinton 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, Recorder, Treasurer, 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

### **Reporting Entity**

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

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

**Discretely Presented Component Unit** – The Clinton County Conservation Foundation, established under the Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, is legally separate from the County but has the potential to provide specific benefits to the County Conservation Board. The Foundation is governed by a five-member board. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented.

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

Forty-six drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Clinton County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Clinton County Auditor's Office.

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

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: Clinton County Communications Commission, Eastern Iowa Mental Health and Disabilities Services Region and the Clinton County Area Solid Waste Agency.

### **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*

**Nonexpendable** – Nonexpendable net position is subject to externally imposed stipulations which require it to be maintained permanently by the County, including the County’s Permanent Fund.

**Expendable** – 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 two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

The County reports the following major governmental funds:

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

**Special Revenue:**

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General and Rural Services Funds, 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. A portion of the fund also accounts for the unpaid balance due on the monies advanced to the City of Clinton by the County pursuant to a Chapter 28E agreement for the City-managed Lincolnway Railport Project.

Additionally, the County reports the following fund types:

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

**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.

### **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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days after year end.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for 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.



**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 non-negotiable certificates of deposit which are stated at amortized cost.

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

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

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

**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 Litigation Settlement** – 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. The County anticipates payments will be received through June 30, 2039.

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

**Special Assessments Receivable** – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessment which are due and payable but have not been collected.

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

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

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

Asset Class	Amount
Intangibles	\$ 150,000
Infrastructure	50,000
Land, buildings, and improvements	25,000
Right-to-use leased assets	15,000
Right-to-use subscriptions assets	5,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	10 - 50
Building improvements	10 - 50
Infrastructure	10 - 65
Intangibles	5 - 20
Equipment	3 - 20
Vehicles	3 - 10
Right-to-use leased assets	2 - 20
Right-to-use subscriptions assets	2 - 20

**Leases – County as Lessee:** The County is the lessee for several noncancellable leases of equipment. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of the payment expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the 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 the County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

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

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

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

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

**County as Lessor:** The County is a lessor for noncancellable leases of office space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

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

**Deferred Outflows of Resources** – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and 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 employer after the measurement date but before the end of the employer’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** – Unearned revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the County has not made a qualifying expenditure. Unearned revenue consists of unspent American Rescue Plan Act proceeds.

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

**Compensated Absences** – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Rural Services, and Secondary Roads Funds.

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

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

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

**Total OPEB Liability** – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on Clinton 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, Rural Services, and Secondary Roads Funds.

**Deferred Inflows of Resources** – Deferred inflows of resources represents an acquisition of net position that is applicable to future period(s) and 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 90 days after year end, succeeding year property tax and tax increment financing receivables that will not be recognized until the year for which they are levied, and deferred amounts related to leases.

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

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

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

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

**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 intended to use for specific purposes.

**Unassigned** – All amounts not included in other classifications.

**Net Position** – The net position of the internal service fund, Employee Group Health, is designated for anticipated future catastrophic losses of the County.

As of June 30, 2024, fund balances are composed of the following:

Fund Balance Classification	Purpose	Fund	Amount
Nonspendable	Prepays	General Fund	\$ 99,053
	Inventories	Secondary Roads	469,093
	Other Purposes	Vietnam Veterans Trust	
		(Permanent-Nonexpendable)	<u>5,000</u>
			<u>\$ 573,146</u>

Fund Balance Classification	Purpose	Fund	Amount	
Restricted	General Supplemental	General Fund	\$ 5,598,543	
	Mental Health Region	General Fund	35,072	
	Pioneer Cemetery	General Fund	76,356	
	Public Safety	General Fund	77,039	
	County Attorney Recovery Fee	General Fund	36,286	
	Conservation Land Acquisition	General Fund	249,394	
	Communications	General Fund	123,994	
	Commissary	General Fund	247,587	
	Rural Services	Rural Services	1,150,916	
	Secondary Roads	Secondary Roads	2,209,006	
	Records Management	County Recorder's Records Management	74,103	
	Conservation	REAP	79,341	
	Drainage Districts	Drainage Certificates	31,992	
	Public Safety	Seized Property	16,366	
	Opioid Abatement	Local Opioid Abatement	651,911	
	Other Purposes	Veterans Memorial (Permanent-Expendable)	1,151	
	Capital Projects	Capital Projects	213,244	
	Other Purposes	Vietnam Veterans Trust	9,919	
	Debt Service	Debt Service Fund	<u>5,802,622</u>	
			<u>\$ 16,684,842</u>	
	Committed	Information Technology	General Fund	\$ 70,060
		Conservation	General Fund	<u>78,900</u>
		<u>\$ 148,960</u>		

**Budgets and Budgetary Accounting** – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, no functions exceeded the budgeted amount.

**Note 2 - Cash and Pooled Investments**

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

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

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

The Conservation Foundation held only cash deposits during the year ended June 30, 2024. These insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2024, the Foundation had approximately \$3,700 in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts.

**Note 3 - Interfund Balances and Transfers**

The detail of interfund receivables and payables at June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 9,749

The balance is due to the elimination of reporting negative pooled cash.

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

Transfer To	Transfer From	Amount
Secondary Roads	General Rural Services	\$ 351,568
		2,018,567
Total		\$ 2,370,135

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



**Note 4 - Due to Other Governments for Tax Collections**

The County acts as a fee and tax collection agent for various governmental units. The custodial funds also include accruals of property tax for the succeeding year. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments related to tax collections at June 30, 2024 is as follows:

Custodial	Collections	\$	
County Offices		47,905	
Agricultural Extension		3,164	
Schools		383,881	
Community Colleges		24,730	
Corporations		224,391	
Townships		7,853	
Auto License and Use Tax		1,372,168	
City Special Assessments		35,742	
All Other		533	
		<u>533</u>	
Total for Custodial Funds		<u>\$ 2,100,367</u>	

**Note 5 - Due from Other Governments – City of Clinton**

Pursuant to a Chapter 28E agreement between the County and the City of Clinton, Iowa, the County is participating in the City-managed Lincolnway Railport Project by contributing \$6,000,000 of the Series 2010B general obligation bond proceeds to the City of Clinton to be used solely for the purpose designated in the Clinton County Lincolnway Railport urban renewal area. The City is to repay the County from a portion of the sale of property in the Industrial Park. If the County has not been reimbursed by December 2020, the City will reimburse the County for any unpaid balance due on the monies advanced by the County for the project. As of June 30, 2024, \$6,000,000 of the bond proceeds had been advanced to the City and repayments totaling \$787,842 have been received. A receivable of \$5,212,158 is reported in the Debt Service Fund for the amount due from the City at June 30, 2024 under this agreement. A settlement was reached stating that the City must pay the County \$2,040,000 by October 1, 2024, and then annual payments of \$634,432 for the next five years until the amount is paid in full. The County received a payment of \$2,139,097 from the City subsequent to June 30, 2024.

**Note 6 - Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 1,418,233	\$ -	\$ -	\$ 1,418,233
Construction in progress	935,426	4,851,593	(1,830,845)	3,956,174
<b>Total capital assets not being depreciated/amortized</b>	<b>2,353,659</b>	<b>4,851,593</b>	<b>(1,830,845)</b>	<b>5,374,407</b>
Capital assets being depreciated/amortized				
Buildings	39,683,649	978,550	-	40,662,199
Improvements other than buildings	1,282,156	-	-	1,282,156
Equipment and vehicles	21,166,974	2,260,125	(380,344)	23,046,755
Right-to-use leased assets	112,497	-	-	112,497
Infrastructure, road network	84,115,770	1,430,470	-	85,546,240
<b>Total capital assets being depreciated/amortized</b>	<b>146,361,046</b>	<b>4,669,145</b>	<b>(380,344)</b>	<b>150,649,847</b>
Less accumulated depreciation/amortization for				
Buildings	8,316,310	733,081	-	9,049,391
Improvements other than buildings	280,298	41,619	-	321,917
Equipment and vehicles	10,629,643	1,273,591	(379,304)	11,523,930
Right-to-use leased assets	29,477	22,499	-	51,976
Infrastructure, road network	43,780,364	2,561,802	-	46,342,166
<b>Total accumulated depreciation/amortization</b>	<b>63,036,092</b>	<b>4,632,592</b>	<b>(379,304)</b>	<b>67,289,380</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>83,324,954</b>	<b>36,553</b>	<b>(1,040)</b>	<b>83,360,467</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 85,678,613</b>	<b>\$ 4,888,146</b>	<b>\$ (1,831,885)</b>	<b>\$ 88,734,874</b>

Depreciation/amortization expense was charged to the following functions:

Governmental Activities	
Public safety and legal services	\$ 1,618,372
Physical health and social services	2,241
County environment and education	127,310
Roads and transportation	2,648,963
Governmental services to residents	4,267
Administration	<u>231,439</u>
Total Depreciation/Amortization Expense – Governmental Activities	<u>\$ 4,632,592</u>

**Note 7 - Lease Receivables**

On July 1, 2022, the County entered into a two-year agreement to rent office space to Community Action of Eastern Iowa. The County is to receive \$1,018 rent monthly with the final receipt due June 1, 2024. During the year ended June 30, 2024, the County received \$12,216 in principal. The lease was renewed for an additional two years, leaving a present value of lease receivable of \$24,432.

On July 1, 2022, the County entered into a two-year agreement to rent office space to Retired & Senior Volunteer Program. The County is to receive \$1,262 rent monthly with the final receipt due June 1, 2024. During the year ended June 30, 2024, the County received \$15,144 in principal. The lease was renewed for an additional two years, leaving a present value of lease receivable of \$30,288.

On July 1, 2024, the County entered into a two-year agreement to rent office space to Clinton Substance Abuse County. The County is to receive \$567 rent monthly with the final receipt due June 1, 2026. No payments were received in fiscal year 2024, and the present value is \$13,616.

**Note 8 - Loan Receivable**

During the year ended June 30, 2019, the County entered into a Memorandum of Understanding with the City of Wheatland for a bridge replacement within the Wheatland Corporate City limits. The County made payments of \$246,152 to the City and will assess the City for all costs to be reimbursed to the County's Secondary Road Fund. The City is required to reimburse the County's Secondary Road Fund for actual funds provided over a period of fifteen years. During the year ended June 30, 2024, the City paid \$16,410 to the County. The balance of the loan receivable, \$164,102 at June 30, 2024, is reported in the Secondary Roads Fund.

**Note 9 - Long-Term Liabilities**

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

	General Obligation Bonds	Lease Agreements	Drainage Warrants	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 20,895,000	\$ 84,443	\$ 1,018	\$ 1,169,755	\$ 2,546,226	\$ 1,552,904	\$ 26,249,346
Increases	-	-	4,078	1,188,810	1,262,457	226,768	2,682,113
Decreases	(1,985,000)	(23,226)	(2,919)	(1,169,755)	-	(158,288)	(3,339,188)
Balance end of year	<u>\$ 18,910,000</u>	<u>61,217</u>	<u>2,177</u>	<u>1,188,810</u>	<u>3,808,683</u>	<u>1,621,384</u>	<u>25,592,271</u>
Due within one year	<u>\$ 2,030,000</u>	<u>\$ 20,459</u>	<u>\$ 2,177</u>	<u>\$ 1,188,810</u>	<u>\$ -</u>	<u>\$ 122,598</u>	<u>\$ 3,364,044</u>

**General Obligation Bonds**

A summary of the County's June 30, 2024, general obligation bonded indebtedness is as follows:

Year Ending June 30,	Series 2016 Jail Project Issued Dec 1, 2016			Series 2020 Public Buildings Issued Feb 18, 2020		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
	2025	3.00 %	\$ 1,050,000	\$ 455,400	2.00 %	300,000
2026	3.00	1,080,000	423,900	2.00	305,000	12,400
2027	3.00	1,110,000	391,500	2.00	315,000	6,300
2028	3.00	1,145,000	358,200		-	-
2029	3.00	1,180,000	323,850		-	-
2030-2034	3.00	6,585,000	1,062,150		-	-
2035-2036	3.00	3,030,000	137,250		-	-
Total		<u>\$ 15,180,000</u>	<u>\$ 3,152,250</u>		<u>\$ 920,000</u>	<u>\$ 37,100</u>

  

Year Ending June 30,	Series 2021 Communications Equipment Issued Feb 23, 2021			Total		
	Interest Rates	Principal	Interest	Principal	Interest	Total
	2025	1.00 %	\$ 680,000	28,100	\$ 2,030,000	\$ 501,900
2026	1.00	695,000	21,300	2,080,000	457,600	2,537,600
2027	1.00	710,000	14,350	2,135,000	412,150	2,547,150
2028	1.00	725,000	7,250	1,870,000	365,450	2,235,450
2029		-	-	1,180,000	323,850	1,503,850
2030-2034		-	-	6,585,000	1,062,150	7,647,150
2035-2036		-	-	3,030,000	137,250	3,167,250
Total		<u>\$ 2,810,000</u>	<u>\$ 71,000</u>	<u>\$ 18,910,000</u>	<u>\$ 3,260,350</u>	<u>\$ 22,170,350</u>

On December 1, 2016, the County issued \$22,000,000 of general obligation bonds, Series 2016 with interest rates ranging from 2.00% to 3.00% per annum. The bonds were issued to pay costs of designing, constructing, equipping and furnishing a jail, Sheriff's office, 911 communications center and emergency management agency office and demolition of the existing facility. During the year ended June 30, 2024, the County paid \$1,025,000 of principal and \$486,150 of interest on the bonds.

On February 18, 2020, the County issued \$2,015,000 of general obligation bonds, Series 2020, with an interest rate of 2.00% per annum. The bonds were issued to pay costs of public buildings, including the site or grounds of, and the erection, equipment, remodeling, or reconstruction of, and additions or extensions to the buildings, including the Administration Building Elevators. During the year ended June 30, 2024, the County paid \$290,000 of principal and \$24,200 of interest on the bonds.

On February 23, 2021, the County issued \$4,750,000 of general obligation bonds, Series 2021, with an interest rate of 1.00% per annum. The bonds were issued to pay costs of essential county purposes including the acquisition, installation and construction of emergency services communication equipment and systems including radios, repeaters, towers and other communication equipment and systems. During the year ended June 30, 2024, the County paid \$670,000 of principal and \$34,800 of interest on the bonds.

#### **Lease Agreements**

On September 9, 2019, the County entered into a noncancelable lease agreement for a copier in the Sheriff's office. An initial lease liability was recorded in the amount of \$15,472. The agreement requires 60 monthly payments of \$422 over 5 years, with an implicit interest rate of 4.0% and a final payment on September 9, 2024. During the year ended June 30, 2024, the County paid principal of \$4,910 and interest of \$154 on the agreement.

On July 29, 2021, the County entered into a noncancelable lease agreement for a postage machine. An initial lease liability was recorded in the amount of \$21,008. The agreement requires 60 monthly payments of \$381 over 5 years, with an implicit interest rate of 3.5% and a final payment on July 29, 2026. During the year ended June 30, 2024, the County paid principal of \$4,172 and interest of \$400 on the agreement.

On February 25, 2022, the County entered into a noncancelable lease agreement for a copier in the General Assistance office. An initial lease liability was recorded in the amount of \$19,170. The agreement requires 60 monthly payments of \$348 over 5 years, with an implicit interest rate of 3.5% and a final payment on February 25, 2027. During the year ended June 30, 2024, the County paid principal of \$3,730 and interest of \$446 on the agreement.

On July 15, 2022, the County entered into a noncancelable lease agreement for a copier in the Engineer's office. An initial lease liability was recorded in the amount of \$20,535. The agreement requires 60 monthly payments of \$386 over 5 years, with an implicit interest rate of 5.00% and a final payment on July 15, 2027. During the year ended June 30, 2024, the County paid principal of \$3,865 and interest of \$767 on the agreement.

On January 20, 2023, the County entered into a noncancelable lease agreement for a folder inserter. An initial lease liability was recorded in the amount of \$20,588. The agreement requires 60 monthly payments of \$396 over 5 years, with an implicit interest rate of 6.00% and a final payment on January 20, 2027. During the year ended June 30, 2024, the County paid principal of \$3,713 and interest of \$1,039 on the agreement.

On January 20, 2023, the County entered into a noncancelable lease agreement for a photocopier in the Auditor’s office. An initial lease liability was recorded in the amount of \$15,724. The agreement requires 60 monthly payments of \$302 over 5 years, with an implicit interest rate of 6.00% and a final payment on January 20, 2027. During the year ended June 30, 2024, the County paid principal of \$2,836 and interest of \$788 on the agreement.

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

<u>Year Ending June 30,</u>	Total		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 20,459	\$ 2,563	\$ 23,022
2026	20,128	1,628	21,756
2027	15,453	720	16,173
2028	5,177	95	5,272
Total	<u>\$ 61,217</u>	<u>\$ 5,006</u>	<u>\$ 66,223</u>

**Drainage Warrants**

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants and drainage improvement certificates are paid from the Special Revenue, Drainage Districts Fund solely from drainage assessments against benefited properties.

**Note 10 - 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](http://www.ipers.org).

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

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

A multiplier (based on years of service).

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

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

The formula used to calculate a sheriff and deputy and protection occupation members’ monthly IPERS benefit includes:

60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.

The member’s highest three-year average salary.

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

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

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

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

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 8.51% of covered payroll, for a total rate of 17.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County’s contributions to IPERS for the year ended June 30, 2024 were \$1,124,563.

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2024 the County reported a liability of \$3,808,683 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the County’s collective proportion was 0.084381%, which was an increase of 0.016988% from its collective proportion measured as of June 30, 2022.

For the year ended June 30, 2024 the County recognized pension expense of \$425,776. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 911,456	\$ 18,367
Changes of assumptions	-	146,808
Net difference between projected and actual earnings on IPERS' investments	687,899	-
Changes in proportion and differences between county contributions and proportionate share of contributions	90,638	151,876
County contributions subsequent to the measurement date	1,124,563	-
Total	\$ 2,814,556	\$ 317,051



\$1,124,563 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Total
2025	\$ (129,233)
2026	(443,677)
2027	1,569,663
2028	316,018
2029	60,171
Total	\$ 1,372,942

There were no non-employer contributing entities at IPERS.

**Actuarial Assumptions** – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Rate of Return
Domestic equity	21.00 %	4.56 %
International equity	16.50	6.22
Global smart beta equity	5.00	5.22
Core-plus fixed income	23.00	2.69
Public credit	3.00	4.38
Cash	1.00	1.59
Private equity	17.00	10.44
Private real assets	9.00	3.88
Private credit	4.50	4.6
<b>Total</b>	<b>100.00 %</b>	

**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 that employee contributions will be made at the contractually required rate and that contributions from the County will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** – The following presents the County's proportionate share of the net pension liability 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 (asset)	\$ 11,116,407	\$ 3,808,683	\$ (2,317,716)

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

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

**Note 11 - Other Postemployment Benefits (OPEB)**

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

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

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

Inactive employees or beneficiaries receiving benefit payments	8
Active employees	176
	176
Total	184
	184

**Total OPEB Liability** – The County’s total OPEB liability of \$1,621,384 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

**Actuarial Assumptions** – The total OPEB liability in the July 1, 2023 actuarial measurement was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2023)	2.60% per annum
Rates of salary increase (effective June 30, 2023)	3.25% per annum including inflation
Discount rate (effective June 30, 2024)	4.21% compounded annually including inflation.
Healthcare cost trend rate (effective June 30, 2024)	8.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%

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

Mortality rates for the general employees are from the Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021, for public safety employees, from SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021 and for surviving spouses from SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table full generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Total OPEB Liability Beginning of Year	\$ 1,552,904
Changes for the Year	
Service Cost	88,795
Interest	65,330
Changes in Assumptions	72,643
Differences Between Expected and Actual Experiences	(37,328)
Benefit Payments	(120,960)
Net Changes	68,480
Total OPEB Liability End of Year	\$ 1,621,384

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

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

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	\$ 1,743,878	\$ 1,621,384	\$ 1,504,926

**Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rates (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 1,430,674	\$ 1,621,384	\$ 1,847,477

**OPEB Expense and Deferred Outflows of Resources Related to OPEB** – For the year ended June 30, 2024, the County recognized OPEB expense of \$192,065. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 831,945	\$ 111,924
Changes in assumptions	79,665	474,500
<b>Total</b>	<b>\$ 911,610</b>	<b>\$ 586,424</b>

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

Year Ending June 30,	Total
2025	\$ 37,940
2026	37,940
2027	37,940
2028	37,940
2029	37,940
Thereafter	135,486
<b>Total</b>	<b>\$ 325,186</b>

**Note 12 - Risk Management**

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

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2024 were \$633,428.

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

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$50,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 13 - Employee Health Insurance Plan**

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County’s health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$75,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Unity Point Health Partners from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2024 was \$3,276,809.

Amounts payable from the Employee Group Health Insurance Fund at June 30, 2024 total \$416,650, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$3,024,906 at June 30, 2024 and is reported as restricted in the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims is as follows:

Unpaid claims beginning of year	\$	474,386
Incurred claims (including claims incurred but not reported at June 30, 2024)		3,897,652
Payments		
Payment on claims during the year		3,955,388
Unpaid claims end of year	\$	416,650

**Note 14 - Tax Abatements**

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

**Tax Abatements of Other Entities**

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

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Camanche	Urban renewal and economic development projects	\$ 27,093
City of Clinton	Urban renewal and economic development projects	35,362
City of DeWitt	Urban renewal and economic development projects	19,855

**Note 15 - Construction Commitments**

The County has entered into several contracts for admin building renovations and upgrades. At June 30, 2024, there are active admin building contracts totaling \$4,185,966. As of June 30, 2024, cost of \$1,173,506 on the contracts have been incurred. The balance remaining on the project at June 30, 2024 will be paid as work on the projects progress.

The County has entered into a contract totaling \$390,459 for Grand Mound office renovations and roof. As of June 30, 2024, cost of \$270,041 on the contract have been incurred. The balance remaining on the project at June 30, 2024 will be paid as work on the project progresses.

The County has entered into a contract totaling \$200,000 for Treasurer’s Office remodel. As of June 30, 2024, cost of \$66,605 on the contract have been incurred. The balance remaining on the project at June 30, 2024 will be paid as work on the project progresses.

**Note 16 - Deferred Compensation Plan**

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



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

**Note 17 - Private Development**

On February 13, 2023, the County entered into a private development agreement with South Carolina Dialogue Foundation for the redevelopment of certain property (development property) in the County which the County held a tax sale certificate. The County agreed to abate outstanding taxes and special assessments owed on the development property at the former Ashford University, subject to the developer being and remaining in compliance with the terms of the development agreement. The agreement requires the developer invest in minimum improvements totaling \$1,310,159 to the development property, commencing no later than March 15, 2023, and to be completed by March 1, 2028. The County will abate outstanding real estate taxes that are a lien on the development property on a dollar-for-dollar basis in five installments, with each abatement installment to be made as the developer has met cumulative minimum improvements. As of June 30, 2024, the County has abated all of the taxes (\$2,109,752) and special assessments (\$822,472) related to the development property.

**Note 18 - Jointly Governed Organization**

The County participates in the Clinton County Communications Commission, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The parties to the 28E organization are the County, the cities of Andover, Calamus, Camanche, Charlotte, Clinton, Delmar, DeWitt Goose Lake, Grand Mound, Lost Nation, Low Moor, Welton and Wheatland and fire departments for the cities of Miles and Preston. Financial transactions of this organization are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization. The following financial data is for the year ended June 30, 2024:

Additions		
Contributions from governments units		
Property tax from County general supplemental levy		<u>\$ 1,980,444</u>
Deductions		
Salaries	\$ 1,032,706	
Benefits	450,329	
Office supplies	7,557	
Telephone	10,047	
Technology services	38,858	
Travel	5,175	
Equipment/furniture	274,948	
Insurance	7,886	
Miscellaneous	<u>18,090</u>	<u>1,845,596</u>
Net		134,848
Balance beginning of year		<u>976,652</u>
Balance end of year		<u><u>\$ 1,111,500</u></u>

**Note 19 - Early Childhood Iowa Area Board**

The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County's financial statements as part of the Other Custodial Funds because of the County's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2024 is as follows:

	Early Childhood	School Ready	Total
<b>Revenues</b>			
State Grants			
Early Childhood	\$ 113,420	\$ -	\$ 113,420
Quality improvement	-	53,762	53,762
Allocation for administration	5,969	22,906	28,875
School ready general use	-	383,079	383,079
	119,389	459,747	579,136
Interest on investments	378	2,674	3,052
	119,767	462,421	582,188
<b>Expenditures</b>			
Program services			
Early Childhood	113,328	-	113,328
Quality improvement	-	53,762	53,762
School ready general use	-	381,317	381,317
	113,328	435,079	548,407
Administration	7,433	15,594	23,027
	120,761	450,673	571,434
Change in Net Position	(994)	11,748	10,754
Net Position Beginning of Year	1,785	53,040	54,825
	791	64,788	65,579
Net Position End of Year	\$ 791	\$ 64,788	\$ 65,579

**Note 20 - Change within the Financial Reporting Entity**

During fiscal year 2024, the Capital Projects Fund which was previously reported as a major governmental fund is no longer a major fund due to not meeting the quantitative threshold to be classified as a major fund. Adjustments to the financial statements were as follows:

	<u>June 30, 2023 As Previously Reported</u>	<u>Change within the Financial Reporting Entity</u>	<u>June 30, 2023 As Restated</u>
Governmental Funds			
Major Funds			
Capital Projects	\$ 208,668	\$ (208,668)	
Nonmajor Funds	476,945	208,668	\$ 685,613
Total Governmental Funds	<u>\$ 685,613</u>		<u>\$ 685,613</u>



Required Supplementary Information  
June 30, 2024

## Clinton County

**Clinton County**

**Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual  
(Cash Basis) – All Governmental Funds  
Required Supplementary Information  
Year Ended June 30, 2024**

	Governmental Fund Types Actual	Less Funds not Required to be Budgeted	Net	Budgeted Amounts		Variance- Over (Under) Budget	Actual as % of Final Budget
				Original	Final		
<b>Receipts</b>							
Property and other County tax	\$ 24,861,891	\$ -	\$ 24,861,891	\$ 25,676,094	\$ 25,676,094	\$ (814,203)	97%
Interest and penalty on property tax	149,575	-	149,575	136,400	136,400	13,175	110
Intergovernmental	9,755,891	-	9,755,891	12,655,565	12,998,327	(3,242,436)	75
Licenses and permits	75,819	-	75,819	46,600	46,600	29,219	163
Charges for service	1,339,112	-	1,339,112	1,088,845	1,088,845	250,267	123
Use of money and property	2,168,325	243	2,168,082	335,481	335,481	1,832,844	646
Miscellaneous	762,772	3,445	759,327	251,800	256,014	506,758	298
<b>Total receipts</b>	<b>39,113,385</b>	<b>3,688</b>	<b>39,109,697</b>	<b>40,190,785</b>	<b>40,537,761</b>	<b>(1,424,376)</b>	<b>96</b>
<b>Disbursements</b>							
<b>Operating</b>							
Public safety and legal services	11,625,403	-	11,625,403	11,702,640	12,419,160	(793,757)	94%
Physical health and social services	2,198,126	-	2,198,126	2,617,538	2,771,067	(572,941)	79
County environment and education	2,812,071	2,945	2,809,126	2,914,397	3,127,897	(315,826)	90
Roads and transportation	8,782,073	-	8,782,073	8,753,483	9,453,483	(671,410)	93
Governmental services to residents	1,319,548	-	1,319,548	1,431,061	1,431,061	(111,513)	92
Administration	5,814,966	-	5,814,966	5,750,180	6,635,138	(820,172)	88
Non-program	396,997	-	396,997	190,000	1,540,362	(1,143,365)	26
Debt service	2,531,850	-	2,531,850	2,533,600	2,533,600	(1,750)	100
Capital projects	3,780,166	-	3,780,166	4,690,034	4,690,034	(909,868)	81
<b>Total disbursements</b>	<b>39,261,200</b>	<b>2,945</b>	<b>39,258,255</b>	<b>40,582,933</b>	<b>44,601,802</b>	<b>(5,340,602)</b>	<b>88</b>
Excess (Deficiency) of Receipts over (Under) Disbursements	(147,815)	743	(148,558)	(392,148)	(4,064,041)	3,916,226	
Other Financing Sources, Net	35,000	-	35,000	-	-	35,000	
Excess (Deficiency) of Receipts and Other Financing Sources over (Under) Disbursements and Other Financing Uses	(112,815)	743	(113,558)	(392,148)	(4,064,041)	3,951,226	
Balance Beginning of Year	30,167,874	31,249	30,136,625	22,315,549	22,315,549	7,852,325	
Balance End of Year	\$ 30,055,059	\$ 31,992	\$ 30,023,067	\$ 21,923,401	\$ 18,251,508	\$ 11,803,551	

**Clinton County**  
 Budgetary Comparison Schedule – Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year Ended June 30, 2024

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	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 39,113,385	\$ 3,433,276	\$ 42,546,661
Expenditures	39,261,200	428,620	39,689,820
Net	(147,815)	3,004,656	2,856,841
Other Financing Sources, Net	35,000	-	35,000
Beginning Fund Balances	30,167,874	(2,377,941)	27,789,933
Ending Fund Balances	\$ 30,055,059	\$ 626,715	\$ 30,681,774

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund or fund type. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$4,018,869. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board, and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2024, disbursements did not exceed the amounts budgeted for any function.

**Clinton County**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Iowa Public Employee's Retirement System**  
**For the Last Ten Years**  
**Required Supplementary Information**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Collective Proportion of the Net Pension Liability (Asset)	0.0844%	0.0674%	0.7846%	0.0980%	0.0935%	0.0988%	0.1092%	0.1121%	0.1139%	0.1128%
County's Collective Proportionate Share of the Net Pension Liability (Asset)	\$ 3,808,683	\$ 2,546,000	\$ (2,709,000)	\$ 6,881,000	\$ 5,413,000	\$ 6,251,000	\$ 7,276,000	\$ 7,054,000	\$ 5,629,000	\$ 4,473,000
County's Covered Payroll	\$ 11,822,000	\$ 10,633,000	\$ 10,229,000	\$ 10,181,000	\$ 9,926,000	\$ 9,838,000	\$ 9,702,000	\$ 9,930,000	\$ 10,101,000	\$ 9,934,000
County's Collective Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	32.22%	23.94%	-26.48%	67.59%	54.53%	63.54%	74.99%	71.04%	55.73%	45.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30<sup>th</sup> of the preceding year.



**Clinton County**  
 Schedule of the County Contributions  
 Iowa Public Employee's Retirement System  
 For the Last Ten Years  
 Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,124,563	\$ 1,100,000	\$ 1,001,000	\$ 964,000	\$ 967,000	\$ 950,000	\$ 888,000	\$ 891,000	\$ 884,000	\$ 925,000
Contributions in Relation to the										
Statutorily Required Contribution	<u>1,124,563</u>	<u>1,100,000</u>	<u>1,001,000</u>	<u>964,000</u>	<u>967,000</u>	<u>950,000</u>	<u>888,000</u>	<u>891,000</u>	<u>884,000</u>	<u>925,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 12,072,347	\$ 11,822,000	\$ 10,633,000	\$ 10,229,000	\$ 10,181,000	\$ 9,926,000	\$ 9,838,000	\$ 9,702,000	\$ 9,930,000	\$ 10,101,000
Contributions as a Percentage of Covered Payroll	9.32%	9.30%	9.41%	9.42%	9.50%	9.57%	9.03%	9.18%	8.90%	9.16%

### **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 an experience 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%.

Clinton County

Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes  
For the Last Seven Years  
Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 88,795	\$ 71,233	\$ 96,888	\$ 139,087	\$ 59,638	\$ 74,098	\$ 74,114
Interest Cost	65,330	55,199	34,129	22,780	19,336	33,779	31,838
Difference Between Expended and Actual Experiences	(37,328)	194,095	(14,332)	1,063,338	(30,706)	(49,379)	(49,059)
Changes in Assumptions	72,643	17,032	(176,692)	(270,610)	(325,014)	-	-
Benefit Payments	(120,960)	(124,820)	(122,014)	(32,745)	(13,683)	(3,845)	(5,971)
Net Change in Total OPEB Liability	68,480	212,739	(182,021)	921,850	(290,429)	54,653	50,922
Total OPEB Liability Beginning of Year	1,552,904	1,340,165	1,522,186	600,336	890,765	836,112	785,190
Total OPEB Liability End of Year	\$ 1,621,384	\$ 1,552,904	\$ 1,340,165	\$ 1,522,186	\$ 600,336	\$ 890,765	\$ 836,112
Covered-employee Payroll	\$ 12,295,239	\$ 11,186,246	\$ 10,360,347	\$ 9,890,802	\$ 10,285,276	\$ 9,995,574	\$ 9,487,757
Total OPEB Liability as a Percentage of Covered-employee Payroll	13.2%	13.9%	12.9%	15.4%	5.8%	8.9%	8.8%

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

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	2.50%

GASB Statement No.75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.



Other Supplementary Information  
June 30, 2024

## Clinton County

Clinton County  
Schedule 1 – Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	Special Revenue Funds							Permanent	Total	
	County Recorder's Records Management	Resource Enhancement and Protection	Seized Property	Drainage Districts	Miscellaneous Grants	Local Government Opioid Abatement Fund	Veterans Memorial	Capital Projects	Vietnam Veterans Trust	Nonmajor Governmental Funds
<b>Assets</b>										
Cash and Pooled Investments	\$ 74,355	\$ 79,341	\$ 16,366	\$ 31,992	\$ -	\$ 539,060	\$ 1,151	\$ 213,244	\$ 14,919	\$ 970,428
Receivables										
Drainage assessments	-	-	-	15,105	-	-	-	-	-	15,105
Opioid settlement	-	-	-	-	-	1,565,977	-	-	-	1,565,977
Due from Other Governments	-	-	-	-	170,775	-	-	-	-	170,775
<b>Total assets</b>	<b>\$ 74,355</b>	<b>\$ 79,341</b>	<b>\$ 16,366</b>	<b>\$ 47,097</b>	<b>\$ 170,775</b>	<b>\$ 2,105,037</b>	<b>\$ 1,151</b>	<b>\$ 213,244</b>	<b>\$ 14,919</b>	<b>\$ 2,722,285</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ 252	\$ -	\$ -	\$ -	\$ 177,939	\$ -	\$ -	\$ -	\$ -	\$ 178,191
Due to other funds	-	-	-	-	9,749	-	-	-	-	9,749
<b>Total liabilities</b>	<b>252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,940</b>
<b>Deferred Inflows of Resources</b>										
Other	-	-	-	15,105	-	1,453,126	-	-	-	1,468,231
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,105</b>	<b>-</b>	<b>1,453,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,468,231</b>
<b>Fund Balances</b>										
Nonspendable	-	-	-	-	-	-	-	-	5,000	5,000
Restricted	74,103	79,341	16,366	31,992	-	651,911	1,151	213,244	9,919	1,078,027
Unassigned	-	-	-	-	(16,913)	-	-	-	-	(16,913)
<b>Total fund balances</b>	<b>74,103</b>	<b>79,341</b>	<b>16,366</b>	<b>31,992</b>	<b>(16,913)</b>	<b>651,911</b>	<b>1,151</b>	<b>213,244</b>	<b>14,919</b>	<b>1,066,114</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 74,355</b>	<b>\$ 79,341</b>	<b>\$ 16,366</b>	<b>\$ 47,097</b>	<b>\$ 170,775</b>	<b>\$ 2,105,037</b>	<b>\$ 1,151</b>	<b>\$ 213,244</b>	<b>\$ 14,919</b>	<b>\$ 2,722,285</b>

Clinton County  
Schedule 2 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2024

	Special Revenue Funds							Permanent	Total Nonmajor Governmental Funds	
	County Recorder's Records Management	Resource Enhancement and Protection	Seized Property	Drainage Districts	Miscellaneous Grants	Local Government Opioid Abatement	Veterans Memorial	Capital Projects		Vietnam Veterans Trust
Revenues										
Intergovernmental	\$ -	\$ 39,048	\$ -	\$ -	\$ 516,893	\$ -	\$ -	\$ -	\$ -	\$ 555,941
Charges for service	6,517	-	-	-	-	-	-	-	-	6,517
Use of money and property	1,026	168	-	243	-	13,561	8	4,576	615	20,197
Miscellaneous	-	-	-	3,660	-	351,704	-	-	-	355,364
Total revenues	<u>7,543</u>	<u>39,216</u>	<u>-</u>	<u>3,903</u>	<u>516,893</u>	<u>365,265</u>	<u>8</u>	<u>4,576</u>	<u>615</u>	<u>938,019</u>
Expenditures										
Operating										
County environment and education	-	19,763	-	3,160	-	-	-	-	-	22,923
Governmental services to residents	4,743	-	-	-	-	-	-	-	-	4,743
Non program	-	-	-	-	529,852	-	-	-	-	529,852
Total expenditures	<u>4,743</u>	<u>19,763</u>	<u>-</u>	<u>3,160</u>	<u>529,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>557,518</u>
Net change in fund balances	2,800	19,453	-	743	(12,959)	365,265	8	4,576	615	380,501
Fund Balances Beginning of Year, as Previously Reported	71,303	59,888	16,366	31,249	(3,954)	286,646	1,143		14,304	476,945
Change within the Financial Reporting Entity	-	-	-	-	-	-	-	208,668	-	208,668
Fund Balances Beginning of Year, as Restated	<u>71,303</u>	<u>59,888</u>	<u>16,366</u>	<u>31,249</u>	<u>(3,954)</u>	<u>286,646</u>	<u>1,143</u>	<u>208,668</u>	<u>14,304</u>	<u>685,613</u>
Fund Balances End of Year	<u>\$ 74,103</u>	<u>\$ 79,341</u>	<u>\$ 16,366</u>	<u>\$ 31,992</u>	<u>\$ (16,913)</u>	<u>\$ 651,911</u>	<u>\$ 1,151</u>	<u>\$ 213,244</u>	<u>\$ 14,919</u>	<u>\$ 1,066,114</u>

Clinton County  
Schedule 3 – Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2024

	County Recorder	County Sheriff	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Brucellosis and Tuberculosis Eradication
<b>Assets</b>									
Cash and Pooled Investments									
County Treasurer	\$ -	\$ -	\$ 3,164	\$ 1,068,746	\$ 383,881	\$ 24,730	\$ 224,391	\$ 7,853	\$ 47
Other County officials	47,730	49,396	-	-	-	-	-	-	-
Receivables									
Property tax									
Delinquent	-	-	1,819	5,336	228,589	14,125	195,761	1,477	27
Succeeding year	-	-	334,702	1,011,558	40,784,144	2,612,723	27,351,498	599,645	4,912
Accounts	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>47,730</b>	<b>49,396</b>	<b>339,685</b>	<b>2,085,640</b>	<b>41,396,614</b>	<b>2,651,578</b>	<b>27,771,650</b>	<b>608,975</b>	<b>4,986</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	-	-	-	143,661	-	-	-	-	-
Salaries and benefits payable	-	-	-	13,377	-	-	-	-	-
Due to other governments	47,730	175	3,164	-	383,881	24,730	224,391	7,853	47
Trusts payable	-	49,221	-	-	-	-	-	-	-
Compensated absences	-	-	-	45,246	-	-	-	-	-
<b>Total liabilities</b>	<b>47,730</b>	<b>49,396</b>	<b>3,164</b>	<b>202,284</b>	<b>383,881</b>	<b>24,730</b>	<b>224,391</b>	<b>7,853</b>	<b>47</b>
<b>Deferred Inflows of Resources</b>									
Unavailable revenues									
Succeeding year property tax	-	-	334,702	1,011,558	40,784,144	2,612,723	27,351,498	599,645	4,912
<b>Net Position</b>									
Restricted for other governments and organizations	\$ -	\$ -	\$ 1,819	\$ 871,798	\$ 228,589	\$ 14,125	\$ 195,761	\$ 1,477	\$ 27

**Clinton County**  
**Schedule 3 – Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2024**

	City Special Assessments	Other Special Assessments	Auto License and Use Tax	Emergency Management Services	911 Service Board	Early Childhood Iowa	Tax Clearing	Drainage Districts	Other	Total
<b>Assets</b>										
Cash and Pooled Investments										
County Treasurer	\$ 35,742	\$ 49,398	\$ 1,372,168	\$ 1,668,857	\$ 639,252	\$ 132,848	\$ 292,612	\$ 21,119	\$ 186,952	\$ 6,111,760
Other County officials	-	-	-	-	-	-	-	-	-	97,126
Receivables										
Property tax										
Delinquent	-	-	-	-	-	-	-	-	-	447,134
Succeeding year	-	-	-	-	-	-	-	-	-	72,699,182
Accounts					12,472				25	12,497
Special assessments	135,092	-	-	-	-	-	-	-	-	135,092
Due From Other Governments	-	-	-	1,592	77,915	-	-	-	-	79,507
<b>Total assets</b>	<b>170,834</b>	<b>49,398</b>	<b>1,372,168</b>	<b>1,670,449</b>	<b>729,639</b>	<b>132,848</b>	<b>292,612</b>	<b>21,119</b>	<b>186,977</b>	<b>79,582,298</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	-	49,398	-	66,721	9,448	67,269	-	-	9,054	345,551
Salaries and benefits payable	-	-	-	30,691	-	-	-	-	-	44,068
Due to other governments	35,742	-	1,372,168	-	-	-	-	-	486	2,100,367
Trust payable	-	-	-	-	-	-	-	-	-	49,221
Compensated absences	-	-	-	106,951	-	-	-	-	-	152,197
<b>Total liabilities</b>	<b>35,742</b>	<b>49,398</b>	<b>1,372,168</b>	<b>204,363</b>	<b>9,448</b>	<b>67,269</b>	<b>-</b>	<b>-</b>	<b>9,540</b>	<b>2,691,404</b>
<b>Deferred Inflows of Resources</b>										
Unavailable revenues										
Succeeding year property tax	-	-	-	-	-	-	-	-	-	72,699,182
<b>Net Position</b>										
Restricted for other governments and organizations	\$ 135,092	\$ -	\$ -	\$ 1,466,086	\$ 720,191	\$ 65,579	\$ 292,612	\$ 21,119	\$ 177,437	\$ 4,191,712



Clinton County  
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
Year Ended June 30, 2024

	County Recorder	County Sheriff	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Brucellosis and Tuberculosis Eradication
<b>Additions</b>									
Property and other county tax	\$ -	\$ -	\$ 314,156	\$ 921,569	\$ 38,057,287	\$ 2,476,857	\$ 25,280,987	\$ 598,526	\$ 4,656
911 surcharge	-	-	-	-	-	-	-	-	-
State tax credits	-	-	18,620	54,618	2,257,256	146,104	1,636,770	27,226	275
Intergovernmental	-	-	4,940	14,847	-	-	597,075	797	104
Interest	-	-	-	-	-	-	-	-	-
Office fees and collections	484,543	165,752	-	300	-	-	-	-	-
Auto licenses and use tax	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	-
Trusts	-	1,524,103	-	-	-	-	-	-	-
Miscellaneous	-	-	-	184	5,867	-	-	2,463	-
<b>Total additions</b>	<b>484,543</b>	<b>1,689,855</b>	<b>337,716</b>	<b>991,518</b>	<b>40,320,410</b>	<b>2,622,961</b>	<b>27,514,832</b>	<b>629,012</b>	<b>5,035</b>
<b>Deductions</b>									
Agency remittances									
To other governments	484,543	165,752	341,179	1,064,954	40,735,970	2,648,281	27,912,924	629,072	5,107
Trusts	-	1,524,103	-	-	-	-	-	-	-
<b>Total deductions</b>	<b>484,543</b>	<b>1,689,855</b>	<b>341,179</b>	<b>1,064,954</b>	<b>40,735,970</b>	<b>2,648,281</b>	<b>27,912,924</b>	<b>629,072</b>	<b>5,107</b>
Changes in Net Position	-	-	(3,463)	(73,436)	(415,560)	(25,320)	(398,092)	(60)	(72)
Net Position Beginning of Year	-	-	5,282	945,234	644,149	39,445	593,853	1,537	99
Net Position End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,819</u>	<u>\$ 871,798</u>	<u>\$ 228,589</u>	<u>\$ 14,125</u>	<u>\$ 195,761</u>	<u>\$ 1,477</u>	<u>\$ 27</u>

Clinton County  
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
Year Ended June 30, 2024

	City Special Assessments	Other Special Assessments	Auto License and Use Tax	Emergency Management Services	911 Service Board	Early Childhood Iowa	Tax Clearing	Drainage Districts	Other	Total
<b>Additions</b>										
Property and other county tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,654,038
911 surcharge	-	-	-	-	400,063	-	-	-	-	400,063
State tax credits	-	-	-	-	-	-	-	-	-	4,140,869
Intergovernmental	-	-	-	1,611,821	27,767	579,136	-	-	-	2,836,487
Interest	-	-	-	-	19,962	3,052	-	150	-	23,164
Office fees and collections	-	-	-	-	-	-	-	-	19,493	670,088
Auto licenses and use tax	-	-	17,807,669	-	-	-	-	-	-	17,807,669
Assessments	232,525	23,103	-	-	-	-	-	1,346	-	256,974
Trusts	-	-	-	-	-	-	-	-	-	1,524,103
Miscellaneous	-	-	-	-	10,788	1,659	2,156,287	-	28,723	2,205,971
<b>Total additions</b>	<b>232,525</b>	<b>23,103</b>	<b>17,807,669</b>	<b>1,611,821</b>	<b>458,580</b>	<b>583,847</b>	<b>2,156,287</b>	<b>1,496</b>	<b>48,216</b>	<b>97,519,426</b>
<b>Deductions</b>										
Agency remittances										
To other governments	501,514	23,103	17,807,669	1,406,615	268,147	573,093	1,910,292	159	14,920	96,493,294
Trusts	-	-	-	-	-	-	-	-	13,797	1,537,900
<b>Total deductions</b>	<b>501,514</b>	<b>23,103</b>	<b>17,807,669</b>	<b>1,406,615</b>	<b>268,147</b>	<b>573,093</b>	<b>1,910,292</b>	<b>159</b>	<b>28,717</b>	<b>98,031,194</b>
<b>Changes in Net Position</b>	<b>(268,989)</b>	<b>-</b>	<b>-</b>	<b>205,206</b>	<b>190,433</b>	<b>10,754</b>	<b>245,995</b>	<b>1,337</b>	<b>19,499</b>	<b>(511,768)</b>
<b>Net Position Beginning of Year</b>	<b>404,081</b>	<b>-</b>	<b>-</b>	<b>1,260,880</b>	<b>529,758</b>	<b>54,825</b>	<b>46,617</b>	<b>19,782</b>	<b>157,938</b>	<b>4,703,480</b>
<b>Net Position End of Year</b>	<b>\$ 135,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,466,086</b>	<b>\$ 720,191</b>	<b>\$ 65,579</b>	<b>\$ 292,612</b>	<b>\$ 21,119</b>	<b>\$ 177,437</b>	<b>\$ 4,191,712</b>

Clinton County

Schedule 5 – Schedule of Revenues by Source and Expenditure by Function – All Governmental Funds  
For the Last Ten Years

	Modified Accrual Basis									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Property and other County tax	\$ 22,890,455	\$ 21,578,701	\$ 21,334,934	\$ 18,918,805	\$ 19,546,316	\$ 19,298,347	\$ 19,146,476	\$ 17,258,304	\$ 17,003,949	\$ 16,914,959
Local option sales tax	2,011,920	1,862,376	1,885,423	1,963,978	1,555,986	1,440,891	1,457,680	1,482,733	1,502,421	1,512,957
Interest and penalty on property tax	149,575	133,003	146,262	113,724	90,024	173,626	176,709	124,297	143,530	252,994
Intergovernmental	13,129,000	11,621,454	9,482,614	10,539,100	9,202,715	9,773,924	9,756,347	12,225,481	8,016,218	7,068,915
Licenses and permits	76,631	68,209	58,298	46,542	50,817	49,390	55,672	59,651	52,814	42,117
Charges for service	1,338,072	1,333,464	1,439,117	1,291,714	1,099,496	1,090,745	1,092,808	1,085,427	1,062,260	1,075,768
Use of money and property	2,166,097	1,192,608	447,946	355,873	425,728	520,746	376,162	250,535	217,409	251,657
Miscellaneous	784,911	642,524	724,513	414,566	384,791	404,304	676,979	389,758	430,733	380,963
<b>Total</b>	<b>\$ 42,546,661</b>	<b>\$ 38,432,339</b>	<b>\$ 35,519,107</b>	<b>\$ 33,644,302</b>	<b>\$ 32,355,873</b>	<b>\$ 32,751,973</b>	<b>\$ 32,738,833</b>	<b>\$ 32,876,186</b>	<b>\$ 28,429,334</b>	<b>\$ 27,500,330</b>
<b>Expenditures</b>										
<b>Operating</b>										
Public safety and legal services	\$ 11,727,803	\$ 10,580,313	\$ 9,760,197	\$ 9,252,390	\$ 8,429,240	\$ 8,560,284	\$ 7,839,966	\$ 7,675,445	\$ 7,206,797	\$ 7,268,851
Physical health and social services	2,244,274	2,423,516	2,040,109	1,851,611	1,835,292	1,825,613	1,891,837	1,374,331	1,469,045	1,508,593
Mental health	-	-	1,590,128	1,389,645	1,738,516	1,643,475	1,994,107	2,889,736	3,914,448	3,582,273
County environment and education	2,725,941	2,843,878	2,476,260	1,933,100	2,188,510	1,891,706	1,811,343	1,931,743	1,854,346	2,105,932
Roads and transportation	8,677,274	7,939,289	7,543,661	7,160,046	8,624,059	6,537,393	6,251,552	6,601,146	6,455,216	5,922,243
Governmental services to residents	1,318,255	1,334,013	1,240,221	1,343,165	1,189,771	1,228,040	1,151,189	1,113,853	1,052,557	1,569,532
Administration	5,854,294	4,800,231	4,685,800	3,874,371	3,851,811	4,904,459	3,712,563	3,460,940	3,766,792	4,446,301
Non-program	529,852	-	-	-	-	-	8,691	16,415	18,850	23,306
Debt service	2,531,850	2,536,203	2,645,820	1,905,562	3,074,801	2,997,840	3,334,711	1,373,910	1,533,637	1,463,084
Capital projects	4,080,277	3,496,108	3,064,479	6,336,917	2,556,321	14,403,388	11,774,484	7,687,572	954,194	619,685
<b>Total</b>	<b>\$ 39,689,820</b>	<b>\$ 35,953,551</b>	<b>\$ 35,046,675</b>	<b>\$ 35,046,807</b>	<b>\$ 33,488,321</b>	<b>\$ 43,992,198</b>	<b>\$ 39,770,443</b>	<b>\$ 34,125,091</b>	<b>\$ 28,225,882</b>	<b>\$ 28,509,800</b>



Information Provided to Comply with  
*Government Auditing Standards* and the Uniform Guidance  
June 30, 2024

## Clinton County



**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 Clinton County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clinton County, Iowa (County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated December 20, 2024.

**Report on Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a material weakness 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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

### **Report on Compliance and Other Matters**

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from the 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.

### **County's Response to Findings**

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

### **Purpose of this Report**

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



Dubuque, Iowa  
December 20, 2024



**Independent Auditor’s Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Officials of Clinton County

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Clinton County, Iowa’s (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County’s major federal program for the year ended June 30, 2024. The County’s major federal program is identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Clinton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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



## Report on Internal Control over Compliance

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

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

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

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



Dubuque, Iowa  
December 20, 2024

Clinton County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through Iowa Department of Human Services			
SNAP Cluster			
State Administrative Matching Grants for the			
Supplemental Nutritional Assistance Program			
	10.561	00002128028	\$ 18,763
U.S. Department of Housing and Urban Development			
Passed through Iowa Economic Development Authority			
Housing Voucher Cluster			
COVID-19 - Section 8 Housing Choice Vouchers			
	14.871	20-CVN-012	33,531
COVID-19 - Section 8 Housing Choice Vouchers			
	14.871	20-CVN-013	215,274
Total Housing Voucher Cluster			248,805
U.S. Department of the Interior			
Payments in Lieu of Taxes			
	15.226		25,266
Fish and Aquatic Conservation - Aquatic Invasive Species			
	15.608		1,700
Total U.S. Department of the Interior			26,966
U.S. Department of Justice			
Bulletproof Vest Partnership Program			
	16.607		549
Passed through Iowa Governor's Office of Drug Control Policy			
Edward Bryne Memorial Justice Assistance Grant Program			
	16.738	20-JAG-450007	12,269
Edward Bryne Memorial Justice Assistance Grant Program			
	16.738	21-JAG-503328	28,556
Total Edward Bryne Memorial Justice Assistance Grant Program			40,825
Total U.S. Department of Justice			41,374
U.S. Department of Transportation			
Passed through Iowa Department of Public Safety			
Highway Safety Cluster			
State and Community Highway Safety			
	20.600	24-402-M0PT	18,478
National Priority Safety Programs			
	20.616	23-405d-M6OT	5,324
Total Highway Safety Cluster			23,802
U.S. Department of Treasury			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds			
	21.027		3,131,542

Clinton County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through Iowa Department of Public Health			
Public Health Emergency Preparedness	93.069	5881BT03	\$ 600,571
Public Health Emergency Preparedness	93.069	5881BT06	<u>14,264</u>
Total Public Health Emergency Preparedness			<u>614,835</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance			
	93.243	5884BT123	<u>2,550</u>
Immunization Cooperative Agreement			
	93.268	5884I423	21,500
	93.268	5884BT123	13,309
COVID-19 - Immunization Cooperative Agreements	93.268	5884BT123	<u>46,852</u>
Total Immunization Cooperative Agreement			<u>81,661</u>
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			
	93.323	5884BT123	<u>1,500</u>
Passed through Iowa Department of Human Services			
Human Services Administrative Reimbursements			
Guardianship Assistance	93.090	00002128028	<u>5</u>
Title IV-E Prevention Program	93.472	00002128028	<u>657</u>
Refugee and Entrant Assistance State/ Replacement Designee Administered Programs			
	93.566	00002128028	<u>115</u>
Foster Care Title IV-E	93.658	00002128028	<u>3,582</u>
Adoption Assistance Title IV-E	93.659	00002128028	<u>2,529</u>
Social Services Block Grant	93.667	00002128028	<u>5,088</u>
Children's Health Insurance Program	93.767	00002128028	<u>565</u>
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
	93.596	00002128028	<u>3,362</u>
Medicaid Cluster			
Medical Assistance Program	93.778	00002128028	<u>29,038</u>
Total U.S. Department of Health and Human Services			<u>745,487</u>
U.S. Department of Homeland Security			
Passed through Iowa Homeland Security and Emergency Management			
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EM-3480-IA	<u>204,605</u>
Total Federal Financial Assistance			<u>\$ 4,441,344</u>

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Clinton County, Iowa, (the County) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in fund balance/net position, or cash flows of the County.

**Note 2 - Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

**Note 3 - Indirect Cost Rate**

The County has not elected to use the 10% de minimis cost rate.

**Part I: Summary of Independent Auditor’s Results:**

**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major program:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**Part II: Findings Related to the Basic Financial Statements:**

**Material Weakness**

**2024-001 Preparation of Financial Statements and Audit Adjustments**

**Criteria** – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles. This includes the preparation of an entity's financial statements and accompanying notes to the financial statements and the schedule of expenditures of federal awards by internal personnel of the entity.

**Condition** – As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements and the schedule of expenditures of federal awards. It is the responsibility of management and those charged with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations. In addition, we proposed audit adjustments to receivables.

**Cause** – We recognize that with a limited number of office employees, preparation of the financial statements is difficult. This also significantly limits the County's review procedures.

**Effect** – The effect of this condition is that the year-end financial reporting is prepared by a party outside of the entity. The outside party does not have the constant contact with ongoing financial transactions that internal staff have. In addition, financial data was not in accordance with generally accepted accounting principles.

**Recommendation** – We recommend that County officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances and that additional review procedures be implemented, especially in the areas of receivables.

**Response** – We acknowledge the finding and will work to improve our processes, particularly in the areas noted.

**Part II: Findings Related to the Basic Financial Statements (continued):**

**Significant Deficiencies**

**2024-002 Sheriff's Office – Segregation of Duties**

**Criteria** – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

**Condition** – The Sheriff's Office has implemented various procedures to enhance internal controls, such as implementing independent reviews of the monthly bank reconciliations, receipts, and disbursements by the Chief Deputy, who is not involved in the cash receipts or disbursement cycles. However, there are receipt and disbursement processes in which a full segregation of duties has not yet been obtained.

**Cause** – With a limited number of office employees, segregation of duties is difficult.

**Effect** – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

**Recommendation** – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

**Response** – Independent reviews of the monthly bank reconciliations, receipts and disbursements are currently being done by the Chief Deputy who is not involved in the cash receipts or disbursement cycles. These reviews are documented by a signature and date. We are aware of the segregation of duties deficiencies, and we will do our best to separate as much as possible with the limited number of staff and efficiency concerns. We will continue to monitor where additional controls can be implemented.

**2024-003 Recorder's Office – Segregation of Duties**

**Criteria** – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

**Condition** – The Recorder's Office has a small number of staff, and they are split between offices in both Clinton and DeWitt. Therefore, there are receipt and disbursement processes in which a full segregation of duties has not yet been obtained.

**Cause** – With a limited number of office employees, segregation of duties is difficult.

**Effect** – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

**Part II: Findings Related to the Basic Financial Statements (continued):**

**Recommendation** – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

**Response** – We are a small staff running two offices in Clinton and DeWitt. Our intentions are to split these duties as much as possible, but we have restraints.

**2024-004 Conservation Department – Segregation of Duties**

**Criteria** – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

**Condition** – The Conservation department has a small staff and does not have multiple staff review bank statements or collect and reconcile receipts. There are various receipt and disbursement processes in which a full segregation of duties has not yet been obtained.

**Cause** – With a limited number of office employees, segregation of duties is difficult.

**Effect** – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

**Recommendation** – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

**Response** – The Clinton County Conservation Board will review the operating procedures to find ways to maximize internal controls and will utilize current personnel to review transactions, reconciliations and reports.

**2024-005 Conservation Foundation – Segregation of Duties**

**Criteria** – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

**Condition** – The Conservation Foundation has a small number of employees and is not able to have multiple staff review receipts, disbursements, and reconciliations. The Foundation has implemented procedures to enhance internal controls, including having a third-party accountant review bank reconciliations and prepare an annual compilation. However, there are receipt and disbursement processes in which a full segregation of duties has not yet been obtained.

**Cause** – With a limited number of office employees, segregation of duties is difficult.



**Effect** – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

**Recommendation** – County officials should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances.

**Response** – Our independent accountant reviews the monthly bank reconciliations as part of filing our annual 990 tax return. We also have him prepare an annual compilation. This assists oversight of the segregation of duties by hiring an independent third-party oversight. From now on, we will work with the accountant to attest with initials or signature and date of the reviews. Please note that we have, as standard practice and at any time cash is involved, it is counted twice for accuracy. Once by a member of the finance committee, other than the Treasurer, then by the Treasurer. Additionally, a third time when deposited at the bank.

**Part III: Federal Findings and Questioned Costs for Federal Awards:**

There were no federal findings and questioned costs to report.

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

**2024-IA-A Certified Budget** – Disbursements during the year ended June 30, 2024, did not exceed the amounts budgeted by function or department.

**2024-IA-B Questionable Expenditures** – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

**2024-IA-C Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

**2024-IA-D Business Transactions** – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Matt's Lawn Care & Snow Removal, owned by Matthew Owens (employee)	Services	\$ 7,220
Scott Judd, County Recorder, President of Skyline Center, Inc.	Services	4,743

According to Chapter 331.342 of the Code of Iowa, an officer or employee of a county shall not have an interest, direct or indirect, in a contract with that county. The provision does not apply to transactions that do not exceed a cumulative total purchase price of \$6,000 in a fiscal year or to contracts made by a county upon competitive bid. The transactions with Matt’s Lawn Care & Snow Removal were made upon competitive bid.

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

- 2024-IA-E Restricted Donor Activity** – No transactions were noted between the County and County officials, County employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2024-IA-F Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2024-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2024-IA-H Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- 2024-IA-I Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2024-IA-J Early Childhood Iowa Area Board** – Clinton County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County’s financial statements as part of the Custodial Funds because of the County’s fiduciary relationship with the organization.

No instances of non-compliance were noted as a result of the procedures performed.