

CASS COUNTY, IOWA

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

JUNE 30, 2023

Cass County  
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Cass County

Officials

(Before January, 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mark O'Brien	Board of Supervisors	January, 2023
John Hartkopf	Board of Supervisors	January, 2023
Bernard Pettinger	Board of Supervisors	January, 2025
Steve Baier	Board of Supervisors	January, 2025
Stephen Green	Board of Supervisors	January, 2025
Kathy Somers (Appointed October, 2022)	County Auditor	January, 2025
Sara Harris (Resigned September, 2022)	County Auditor	
Tracey J. Marshall	County Treasurer	January, 2023
Mary Ward	County Recorder	January, 2023
Darby McLaren	County Sheriff	January, 2025
Vanessa Strazdas	County Attorney	January, 2023
Mary Anstey	County Assessor	January, 2028

(After January, 2023)

Mark O'Brien	Board of Supervisors	January, 2027
Wendy Richter	Board of Supervisors	January, 2027
Bernard Pettinger	Board of Supervisors	January, 2025
Steve Baier	Board of Supervisors	January, 2025
Stephen Green	Board of Supervisors	January, 2025
Kathy Somers	County Auditor	January, 2025
Tracey J. Marshall	County Treasurer	January, 2027
Mary Ward	County Recorder	January, 2027
Darby McLaren	County Sheriff	January, 2025
Vanessa Strazdas	County Attorney	January, 2027
Mary Anstey	County Assessor	January, 2028

# Gronewold, Bell, Kyhnn & Co. P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Officials of Cass County

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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

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

#### **Basis for Opinions**

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

#### **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.

To the Officials of Cass County

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 Cass County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

To the Officials of Cass County

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of County Contributions on pages 3 through 3f and on pages 41 through 46 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 Cass County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated August 12, 2024 on our consideration of Cass 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 Cass County's internal control over financial reporting and compliance.

*Anna Wohl, Ben Kujan & Co., P.C.*

Atlantic, Iowa  
August 12, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### 2023 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased 2.3%, or approximately \$428,000, from Fiscal 2022 to Fiscal 2023. Property and other County Taxes increased approximately \$349,000. Operating Grants and Contributions increased approximately \$569,000.
- Program expenses of the County's governmental activities increased 0.5%, or approximately \$65,000, more in Fiscal 2023 than in Fiscal 2022. Public Safety and Legal Services increased \$48,000, County Environment and Education increased \$165,000, Roads and Transportation increased \$422,000, and Administration increased \$506,000.
- The County's net position increased 9.6%, or approximately \$4,314,000, from June 30, 2022 to June 30, 2023.

### USING THIS ANNUAL REPORT

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability (asset) and related contributions.

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

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

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

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

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

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

### *Fund Financial Statements*

The County has three kinds of funds:

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

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



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

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

3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Custodial Funds that account for E911, emergency management services, and the County Assessor, to name a few.

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

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Cass County's combined net position increased from \$44.80 million to \$49.10 million. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2022	2023
Current and Other Assets	\$ 26,415	\$ 29,280
Capital Assets	34,321	35,657
Total Assets	<u>60,736</u>	<u>64,937</u>
Deferred Outflows of Resources	<u>624</u>	<u>612</u>
Long-Term Liabilities	3,902	4,498
Other Liabilities	889	1,825
Total Liabilities	<u>4,791</u>	<u>6,323</u>
Deferred Inflows of Resources	<u>11,781</u>	<u>10,124</u>
Net Position:		
Net Investment in Capital Assets	30,679	32,770
Restricted	13,237	14,114
Unrestricted	<u>872</u>	<u>2,218</u>
Total Net Position	<u>\$ 44,788</u>	<u>\$ 49,102</u>

Net position of Cass County's governmental activities increased approximately \$4,314,000, or 9.6% during the year. The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets, since they are unavailable for future spending. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased from approximately \$872,000 at June 30, 2022 to approximately \$2,218,000 at the end of this year.

Changes in Net Position of Governmental Activities  
(Expressed in Thousands)

	Year Ended June 30,	
	2022	2023
Revenues:		
Program Revenues:		
Charges for Services	\$ 951	\$ 944
Operating Grants, Contributions and Restricted Interest	5,885	6,454
General Revenues:		
Property and Other County Tax	7,635	7,984
Tax Increment Financing	694	653
Penalty and Interest on Property Tax	52	56
State Tax Credits and Replacements	685	610
American Rescue Plan Act	907	424
Local Option Sales Tax	991	971
Unrestricted Investment Earnings	85	565
Miscellaneous	354	6
Total Revenues	<u>18,239</u>	<u>18,667</u>
Program Expenses:		
Public Safety and Legal Services	3,195	3,243
Physical Health and Social Services	346	469
Mental Health	451	3
County Environment and Education	573	738
Roads and Transportation	6,598	7,020
Governmental Services to Residents	517	528
Administration	1,262	1,768
Non-program	1,286	519
Interest on long-term debt	60	65
Total Expenses	<u>14,288</u>	<u>14,353</u>
Change in Net Position	3,951	4,314
Net Position Beginning of Year	<u>40,837</u>	<u>44,788</u>
Net Position End of Year	<u>\$ 44,788</u>	<u>\$ 49,102</u>

Revenues of the County's governmental activities increased 2.3%, or approximately \$428,000, from Fiscal 2022 to Fiscal 2023. State Tax Credits decreased approximately \$75,000. Operating Grants and Contributions increased approximately \$569,000.

Fiscal 2023 saw a decrease in total taxable valuation of \$4,800,432, which is a 0.4% decrease, with the total tax asking increasing by \$258,309, or 3.3%.

The cost of all governmental activities this year was \$14.35 million, an increase of \$65,000 when compared to last year. However, as shown in the Statement of Activities on page 6, the amount taxpayers ultimately financed for these activities was \$6.95 million because some of the cost was paid by those directly benefited from the programs (\$944,000) or by other governments and organizations that subsidized certain programs with grants and contributions (\$6,454,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for services, increased from approximately \$6,835,626 in 2022 to \$7,398,621 in 2023, principally due to the increase in Operating Grants, Contributions and Restricted Interest. The County paid for the remaining "public benefit" portion of governmental activities with approximately \$11,269,000 in property and local option taxes (some of which could only be used for certain programs) and other revenues, such as interest and general entitlements.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As Cass County completed the year, its governmental funds reported a combined fund balance of \$16.83 million, an increase of approximately \$1,833,000 from last year's total of \$15.00 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund, the operating fund for Cass County, ended Fiscal Year 2023 with a fund balance totaling \$3,538,649. This was an increase from Fiscal Year 2022 of \$758,811.
- The American Rescue Plan Act ended Fiscal Year 2023 with the same fund balance as Fiscal Year 2022.
- The Rural Services Fund ended Fiscal Year 2023 with a fund balance of \$1,013,567. This was a decrease from Fiscal Year 2022 of \$84,628.
- The Secondary Roads Fund ended Fiscal Year 2023 with a fund balance of \$3,039,575, down \$1,178,424 when compared to the ending balance for Fiscal Year 2022. The County continues to work for Federal and State grants and shared funding projects, such as FEMA, EWP, etc., to help offset the maintenance costs to local taxpayers.
- The Local Option Sales Tax Fund balance at year end increased by \$327,730 from the prior year.
- There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.
- The Capital Projects Fund ended Fiscal Year 2023 with a fund balance totaling \$6,760,525. This was an increase from Fiscal Year 2022 of \$2,010,062.

## BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following a required public notice and hearing for all funds except Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on a cash basis. The first amendment was made in June 2023 and resulted in an increase in budget receipts and disbursements related to the opioid settlement.

The County's total receipts of \$19,222,584 were \$2,354,914 more than budgeted. The County's total disbursements of \$16,694,475 were \$12,402,274 less than budgeted.

The County did not exceed the budgeted amounts in any function for the year ended June 30, 2023.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2023, Cass County had approximately \$35.7 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. This is an approximate \$1,336,000 increase (including additions and deletions) from last year.

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Capital Assets of Governmental Activities at Year End  
(Expressed in Thousands)

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	June 30,	
	2022	2023
Land	\$ 1,352	\$ 1,352
Construction in Progress	11	926
Buildings and Improvements	758	718
Equipment and Vehicles	3,620	3,436
Infrastructure	<u>28,580</u>	<u>29,225</u>
	<u>\$ 34,321</u>	<u>\$ 35,657</u>

The County had depreciation expense of \$1,916,505 in Fiscal Year 2023 and total accumulated depreciation of \$17,111,795 at June 30, 2023. The County's Fiscal Year 2023 capital budget included \$9,515,000 for capital projects, principally for bridge construction. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

### Debt

In September of 2017, the County issued \$2,498,000 of general obligation bonds through local banks to finance the completion of infrastructure improvements at the local Ethanol Plant. At the end of FY2023, the General Obligation bonds payable remaining was \$1,199,000.

In January of 2022, the County issued \$2,000,000 of general obligation notes through local banks to finance the purchase of emergency services communications equipment and systems. At the end of FY2023, the General Obligation note payable remaining was \$1,688,000.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Cass County's Board of Supervisors considered many factors for the fiscal year 2024 budget, including tax rates, the local economic conditions and funding of various County services. One of those factors was the economy. The County experienced an increase in its insurance costs – liability and workmen's compensation. The population of Cass County for 2022 is 13,104. The county compensation board recommended a 10.0% increase for the attorney, auditor, recorder, treasurer and supervisors and a 13.5% increase for the sheriff. The board of supervisors reduced the recommendation by 40% to 6% and 8.1% for the sheriff. Other employees, both members of bargaining units and those not members of bargaining units, received comparable wage increases.

In FY2018 the Cass County's Board of Supervisors began to build up a restricted capital projects fund balance to be used for potential capital projects including replacement of the courthouse heating and cooling system and windows. The plan was continued for FY2024 by budgeting \$500,000 more for the capital projects.

The County attempts to keep all departmental budgets to as small an increase as practical to help alleviate the difference between revenue and expenditures in an effort to maintain all current county programs. FY2024 property tax dollars (including Utility Replacement dollars) levied for General Countywide Services were \$5,463,365, which represented a 4.38% increase. Property tax dollars (including Utility Replacement dollars) levied for Rural County Services were \$2,914,152, which represented a 1.90% increase.

If projections are realized, during FY 2024 the general and rural fund balances should be maintained and the Capital Projects fund balance should increase by \$400,000.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Cass County's finances and show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Cass County Auditor's office, Cass County Courthouse, Atlantic, IA 50022, telephone (712)243-4570.

Cass County  
Statement of Net Position  
June 30, 2023

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 18,880,189
Receivables:	
Property tax:	
Delinquent	3,930
Succeeding year	8,866,000
Succeeding year tax increment financing	725,000
Interest and penalty on property tax	3,353
Accounts	142,636
Accrued interest	31,354
Opioid settlement	202,228
Due from other governments	65,325
Inventories	210,160
Prepaid insurance	149,744
Capital assets not being depreciated	2,277,787
Capital assets (net of accumulated depreciation)	<u>33,378,977</u>
Total assets	<u>64,936,683</u>
 <b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	<u>612,308</u>
 <b>Liabilities</b>	
Accounts payable	288,732
Accrued interest payable	4,229
Salaries and benefits payable	248,926
Due to other governments	120,298
Unearned revenue	1,162,307
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	270,473
General obligation debt	781,000
Portion due or payable after one year:	
General obligation debt	2,106,000
Net pension liability	<u>1,340,722</u>
Total liabilities	<u>6,322,687</u>
 <b>Deferred Inflows of Resources</b>	
Unavailable property tax revenue	8,866,000
Unavailable tax increment financing revenue	725,000
Pension related deferred inflows	<u>533,580</u>
Total deferred inflows of resources	<u>10,124,580</u>

(continued next page)

Cass County  
Statement of Net Position - continued  
June 30, 2023

	<u>Governmental Activities</u>
Net Position	
Net investment in capital assets	\$ 32,769,764
Restricted for:	
Rural services purposes	985,210
Secondary roads purposes	2,917,248
Capital projects	6,760,525
Other purposes	3,451,473
Unrestricted	<u>2,217,504</u>
Total net position	<u>\$ 49,101,724</u>

See notes to financial statements.

Cass County  
Statement of Activities  
Year ended June 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges for Service</u>
Functions/Programs:		
Governmental activities:		
Public safety and legal services	\$ 3,242,810	\$ 271,297
Physical health and social services	468,757	--
Mental health	2,682	--
County environment and education	737,843	26,534
Roads and transportation	7,020,376	--
Governmental services to residents	528,702	297,692
Administration	1,768,122	348,701
Non-program	518,759	--
Interest on long-term debt	<u>64,827</u>	<u>--</u>
Total	<u>\$ 14,352,878</u>	<u>\$ 944,224</u>
General Revenues:		
Property and other county tax levied for:		
General purposes		
Debt service		
Tax increment financing		
Penalty and interest on property tax		
State tax credits and replacements		
American Rescue Plan Act		
Local option sales tax		
Unrestricted investment earnings		
Miscellaneous		
Total general revenues		
Change in net position		
Net position beginning of year		
Net position end of year		

See notes to financial statements.



<u>Program Revenues</u>		
<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
\$ 79,454	\$ --	\$( 2,892,059)
183,863	--	( 284,894)
44,554	--	41,872
48,906	--	( 662,403)
4,186,895	--	( 2,833,481)
--	--	( 231,010)
1,886,418	--	466,997
24,307	--	( 494,452)
<u>--</u>	<u>--</u>	<u>( 64,827)</u>
<u>\$ 6,454,397</u>	<u>\$ --</u>	<u>( 6,954,257)</u>

7,650,196
334,318
652,683
55,764
610,098
423,627
970,579
565,024
<u>5,935</u>
<u>11,268,224</u>
4,313,967
<u>44,787,757</u>
<u>\$ 49,101,724</u>

Cass County  
Balance Sheet  
Governmental Funds  
June 30, 2023

	Special Revenue		
	General	American Rescue Plan Act	Rural Services
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 3,518,199	\$ 1,162,307	\$ 1,071,606
Receivables:			
Property tax:			
Delinquent	3,658	--	73
Succeeding year	5,378,000	--	3,144,000
Succeeding year tax increment financing	--	--	--
Interest and penalty on property tax	3,353	--	--
Accounts	120,811	--	--
Accrued interest	31,354	--	--
Opioid settlement	--	--	--
Due from other governments	--	--	--
Inventories	--	--	--
Prepaid insurance	149,744	--	--
	<u>\$ 9,205,119</u>	<u>\$ 1,162,307</u>	<u>\$ 4,215,679</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 23,134	\$ --	\$ 7,400
Salaries and benefits payable	123,039	--	40,997
Due to other governments	118,614	--	--
Compensated absences	16,806	--	9,642
Unearned revenue	--	1,162,307	--
Total liabilities	<u>281,593</u>	<u>1,162,307</u>	<u>58,039</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues:			
Succeeding year property tax	5,378,000	--	3,144,000
Succeeding year tax increment financing	--	--	--
Other	6,877	--	73
Total deferred inflows of resources	<u>5,384,877</u>	<u>--</u>	<u>3,144,073</u>

(continued next page)

<u>Special Revenue</u>					
<u>Secondary Roads</u>	<u>Local Option Sales Tax</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 3,164,714	\$ 1,487,705	\$ 23,962	\$ 6,754,543	\$ 902,150	\$ 18,085,186
--	--	199	--	--	3,930
--	--	344,000	--	--	8,866,000
--	--	725,000	--	--	725,000
--	--	--	--	--	3,353
15,572	--	--	5,982	271	142,636
--	--	--	--	--	31,354
--	--	--	--	202,228	202,228
--	65,325	--	--	--	65,325
210,160	--	--	--	--	210,160
--	--	--	--	--	149,744
<u>\$ 3,390,446</u>	<u>\$ 1,553,030</u>	<u>\$ 1,093,161</u>	<u>\$ 6,760,525</u>	<u>\$ 1,104,649</u>	<u>\$ 28,484,916</u>
\$ 238,607	\$ --	\$ --	\$ --	\$ 610	\$ 269,751
84,890	--	--	--	--	248,926
134	--	--	--	1,550	120,298
27,240	--	--	--	--	53,688
--	--	--	--	--	1,162,307
<u>350,871</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,160</u>	<u>1,854,970</u>
--	--	344,000	--	--	8,866,000
--	--	725,000	--	--	725,000
--	--	192	--	202,228	209,370
<u>--</u>	<u>--</u>	<u>1,069,192</u>	<u>--</u>	<u>202,228</u>	<u>9,800,370</u>

Cass County  
Balance Sheet - continued  
Governmental Funds

June 30, 2023

	General	Special Revenue	
		American Rescue Plan Act	Rural Services
Fund balances:			
Nonspendable:			
Inventories	\$ --	\$ --	\$ --
Prepaid insurance	149,744	--	--
Restricted for:			
Mental health purposes	--	--	--
Rural services purposes	--	--	1,013,567
Secondary roads purposes	--	--	--
Other purposes	--	--	--
Unassigned	<u>3,388,905</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>3,538,649</u>	<u>--</u>	<u>1,013,567</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,205,119</u>	<u>\$ 1,162,307</u>	<u>\$ 4,215,679</u>

See notes to financial statements.

<u>Special Revenue</u>					
<u>Secondary Roads</u>	<u>Local Option Sales Tax</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 210,160	\$ --	\$ --	\$ --	\$ --	\$ 210,160
--	--	--	--	--	149,744
--	--	--	--	3,015	3,015
--	--	--	--	--	1,013,567
2,829,415	--	--	--	--	2,829,415
--	1,553,030	23,969	6,760,525	897,246	9,234,770
--	--	--	--	--	3,388,905
<u>3,039,575</u>	<u>1,553,030</u>	<u>23,969</u>	<u>6,760,525</u>	<u>900,261</u>	<u>16,829,576</u>
<u>\$ 3,390,446</u>	<u>\$ 1,553,030</u>	<u>\$ 1,093,161</u>	<u>\$ 6,760,525</u>	<u>\$ 1,104,649</u>	<u>\$ 28,484,916</u>

## Cass County

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

June 30, 2023

Total governmental fund balances (page 8)		\$ 16,829,576
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$52,768,559 and the accumulated depreciation is \$17,111,795.		35,656,764
Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds.		209,370
The Internal Service Fund is used by management to charge the costs of partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		776,022
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental fund, as follows:		
Deferred outflows of resources	\$ 612,308	
Deferred inflows of resources	( 533,580)	78,728
Accrued interest payable, and long-term liabilities, including general obligation debt, compensated absences payable, and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		( 4,448,736)
Net position of governmental activities (page 5)		<u>\$ 49,101,724</u>

See notes to financial statements.

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

Year ended June 30, 2023

	Special Revenue		
	General	American Rescue Plan Act	Rural Services
Revenues:			
Property and other county tax	\$ 4,834,956	\$ --	\$ 2,815,578
Tax increment financing	--	--	--
Local option sales tax	--	--	--
Interest and penalty on property tax	54,325	--	--
Intergovernmental	729,679	423,627	313,874
Licenses and permits	28,316	--	--
Charges for service	391,824	--	--
Use of money and property	565,024	--	--
Miscellaneous	88,786	--	6,064
Total revenues	6,692,910	423,627	3,135,516
Expenditures:			
Operating:			
Public safety and legal services	2,254,519	--	1,008,807
Physical health and social services	412,259	--	--
Mental health	2,682	--	--
County environment and education	363,261	--	112,481
Roads and transportation	--	--	306,834
Governmental services to residents	508,086	--	--
Administration	1,721,331	--	--
Non-program	95,132	423,627	--
Debt service	--	--	--
Capital projects	--	--	8
Total expenditures	5,357,270	423,627	1,428,130
Excess (deficiency) of revenues over (under) expenditures	1,335,640	--	1,707,386

(continued next page)

<u>Special Revenue</u>					
<u>Secondary Roads</u>	<u>Local Option Sales Tax</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
\$ --	\$ --	\$ 334,318	\$ --	\$ --	\$ 7,984,852
--	--	652,683	--	--	652,683
--	970,579	--	--	--	970,579
--	--	--	--	--	54,325
3,984,059	--	20,204	--	33,444	5,504,887
4,985	--	--	--	--	33,301
--	--	--	--	2,187	394,011
--	--	--	119,751	7,776	692,551
<u>228,765</u>	<u>--</u>	<u>--</u>	<u>1,766,644</u>	<u>80,203</u>	<u>2,170,462</u>
<u>4,217,809</u>	<u>970,579</u>	<u>1,007,205</u>	<u>1,886,395</u>	<u>123,610</u>	<u>18,457,651</u>
--	--	--	--	56,511	3,319,837
--	--	--	--	56,498	468,757
--	--	--	--	--	2,682
--	--	172,683	--	36,954	685,379
6,064,595	--	--	--	--	6,371,429
--	--	--	--	--	508,086
--	--	--	--	--	1,721,331
--	--	--	--	--	518,759
--	--	832,618	--	--	832,618
<u>1,925,895</u>	<u>50,490</u>	<u>--</u>	<u>276,333</u>	<u>--</u>	<u>2,252,726</u>
<u>7,990,490</u>	<u>50,490</u>	<u>1,005,301</u>	<u>276,333</u>	<u>149,963</u>	<u>16,681,604</u>
<u>( 3,772,681)</u>	<u>920,089</u>	<u>1,904</u>	<u>1,610,062</u>	<u>( 26,353)</u>	<u>1,776,047</u>



Cass County

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

Year ended June 30, 2023

	<u>Special Revenue</u>		
	<u>General</u>	<u>American Rescue Plan Act</u>	<u>Rural Services</u>
Other financing sources (uses):			
Sale of capital assets	\$       --	\$       --	\$       --
Transfers in	--	--	392,414
Transfers out	<u>( 576,829)</u>	<u>          --</u>	<u>( 2,184,428)</u>
Total other financing sources (uses)	<u>( 576,829)</u>	<u>          --</u>	<u>( 1,792,014)</u>
Change in fund balances	758,811	--	( 84,628)
Fund balances beginning of year	<u>2,779,838</u>	<u>          --</u>	<u>1,098,195</u>
Fund balances end of year	<u>\$ 3,538,649</u>	<u>\$           --</u>	<u>\$ 1,013,567</u>

See notes to financial statements.

<u>Special Revenue</u>					
<u>Secondary Roads</u>	<u>Local Option Sales Tax</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 57,000	\$ --	\$ --	\$ --	\$ --	\$ 57,000
2,537,257	55	--	400,000	24,000	3,353,726
--	( 592,414)	( 55)	--	--	( 3,353,726)
<u>2,594,257</u>	<u>( 592,359)</u>	<u>( 55)</u>	<u>400,000</u>	<u>24,000</u>	<u>57,000</u>
( 1,178,424)	327,730	1,849	2,010,062	( 2,353)	1,833,047
<u>4,217,999</u>	<u>1,225,300</u>	<u>22,120</u>	<u>4,750,463</u>	<u>902,614</u>	<u>14,996,529</u>
<u>\$ 3,039,575</u>	<u>\$ 1,553,030</u>	<u>\$ 23,969</u>	<u>\$ 6,760,525</u>	<u>\$ 900,261</u>	<u>\$ 16,829,576</u>

## Cass County

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

Year ended June 30, 2023

Change in fund balances - Total governmental funds (page 11)		\$ 1,833,047
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation expense in the current year, as follows:		
Expenditures for capital assets	\$ 3,163,646	
Capital assets contributed by the Iowa Department of Transportation	114,853	
Depreciation expense	<u>( 1,916,505)</u>	1,361,994
In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		
Book value of disposed assets		( 26,352)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:		
Principal paid		755,000
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property tax	1,101	
Other	<u>( 56,499)</u>	( 55,398)
The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflow of resources in the Statement of Net Position		
		450,842
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	( 7,973)	
Pension income	139,107	
Interest on long-term debt	<u>12,791</u>	143,925
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		
		<u>( 149,091)</u>
Change in net position of governmental activities (page 6)		<u>\$ 4,313,967</u>

See notes to financial statements.

Cass County  
 Statement of Net Position  
 Proprietary Fund

June 30, 2023

	Internal Service - Employee Group Health
Assets:	
Cash and cash equivalents	\$ <u>795,003</u>
Total assets	795,003
Liabilities:	
Accounts payable	<u>18,981</u>
Net Position:	
Restricted for employee health	<u>\$ 776,022</u>

See notes to financial statements.

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

Year ended June 30, 2023

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 1,427,797
Reimbursements from employees and others		248,713
Miscellaneous revenue		<u>100,084</u>
Total operating revenues		1,776,594
Operating expenses:		
Medical claims	\$ 314,866	
Insurance premiums	1,542,239	
Administrative fees	<u>68,580</u>	<u>1,925,685</u>
Operating loss		( 149,091)
Net position beginning of year		<u>925,113</u>
Net position end of year		<u>\$ 776,022</u>

See notes to financial statements.

Cass County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2023

	<u>Internal Service - Employee Group Health</u>
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 1,427,797
Cash received from employees and others	348,797
Cash payments to suppliers for services	<u>( 1,941,177)</u>
Net cash used in operating activities	( 164,583)
Cash and cash equivalents beginning of year	<u>959,586</u>
Cash and cash equivalents end of year	<u>\$ 795,003</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$( 149,091)
Decrease in accounts payable	<u>( 15,492)</u>
Net cash used in operating activities	<u>\$( 164,583)</u>

See notes to financial statements.

Cass County  
Statement of Fiduciary Net Position  
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 1,858,879
Other County officials	14,961
Receivables:	
Property tax:	
Delinquent	22,725
Succeeding year	24,267,000
Accounts	61,157
Due from other governments	113,354
Total assets	<u>26,338,076</u>

Liabilities

Accounts payable	70,385
Salaries and benefits payable	44,690
Due to other governments	716,743
Trusts payable	14,287
Compensated absences	32,106
Total liabilities	<u>878,211</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>24,267,000</u>
----------------------------------	-------------------

Net position

Restricted for individuals, organizations and other governments	<u>\$ 1,192,865</u>
--	---------------------

See notes to financial statements.

## Cass County

Statement of Changes in Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2023

Additions:	
Property and other county tax	\$ 23,143,764
E911 surcharge	39,314
State tax credits	1,935,642
Office fees and collections	388,579
Auto licenses, use tax and postage	6,505,751
Drivers' license fees	73,412
Electronic transaction fees	2,186
Assessments	28,917
Trusts	493,329
Advances	99,578
Miscellaneous	<u>1,968,414</u>
Total additions	<u>34,678,886</u>
Deductions:	
Agency Remittances:	
To other funds	473,585
To other governments	33,489,271
Trusts paid out	<u>500,778</u>
Total deductions	<u>34,463,634</u>
Change in net position	215,252
Net position beginning of year	<u>977,613</u>
Net position end of year	<u>\$ 1,192,865</u>

See notes to financial statements.



Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

For financial reporting purposes, Cass 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 Cass County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

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

Nine 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 Cass 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 Cass County Auditor's office.

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Related Organizations - The County Board of Supervisors are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Board of Supervisors appoint two of the five members to the board of the Cass County Environmental Control Agency. An audit of this Agency is performed and filed under separate cover. Financial transactions of this organization are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Agency and, as such, are reported in a Custodial Fund of the County.

Jointly Governed Organizations - The County also 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: Cass County Assessor's Conference Board, Cass County Public Safety Communications Commission, Cass County Joint E911 Service Board and Cass County Emergency Management Services Commission. 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.

B. Basis of Presentation

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

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

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

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

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

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 American Rescue Plan Act (ARPA) Fund is used to account for revenue received from the United States Treasury from the Coronavirus State and Local Fiscal Recovery Funds.

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

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

The Local Option Sales Tax Fund is used to account for the sales tax revenues to be used for property tax relief, community betterment, and capital improvements.

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

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

Cass County  
Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

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

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

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

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

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.

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax 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 March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as deferred inflows of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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

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

Due from and Due to Other funds - During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets - Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. 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.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings, and improvements	25,000
Intangibles	25,000
Equipment and vehicles	5,000

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	3 - 10

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

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

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Accumulated sick leave is generally paid at 25%, not to exceed 800 hours (1,004 hours for employees under bargaining agreement in the secondary roads department), upon 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 amounts paid to employees within sixty days after year end. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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



Cass County

Notes to Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

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

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

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

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

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

Unassigned - All amounts not included in the preceding classifications.

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

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

NOTE 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

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

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$1,375,702. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

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

Credit risk. The investment in Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount which may be invested in any one issuer.

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 3 - INTERFUND TRANSFERS

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Rural Services	Special Revenue: Local Option Sales Tax	\$ 392,414
Special Revenue: Secondary Roads	General	176,829
	Special Revenue: Rural Services	2,160,428
	Local Option Sales Tax	<u>200,000</u>
		2,537,257
Special Revenue: Local Option Sales Tax	Debt Service	55
Capital Projects	General	400,000
Special Revenue: Flood and Erosion	Special Revenue: Rural Services	<u>24,000</u>
		<u>\$ 3,353,726</u>

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

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 4 - CAPITAL ASSETS

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

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,352,000	\$ --	\$ --	\$ 1,352,000
Construction in progress	<u>10,725</u>	<u>2,611,320</u>	<u>1,696,258</u>	<u>925,787</u>
Total capital assets not being depreciated	<u>1,362,725</u>	<u>2,611,320</u>	<u>1,696,258</u>	<u>2,277,787</u>
Capital assets being depreciated:				
Buildings	2,513,690	--	--	2,513,690
Equipment and vehicles	9,072,236	667,179	208,127	9,531,288
Infrastructure, road network	<u>36,749,536</u>	<u>1,696,258</u>	<u>--</u>	<u>38,445,794</u>
Total capital assets being depreciated	<u>48,335,462</u>	<u>2,363,437</u>	<u>208,127</u>	<u>50,490,772</u>
Less accumulated depreciation for:				
Buildings	1,755,620	40,422	--	1,796,042
Equipment and vehicles	5,452,138	824,710	181,775	6,095,073
Infrastructure, road network	<u>8,169,307</u>	<u>1,051,373</u>	<u>--</u>	<u>9,220,680</u>
Total accumulated depreciation	<u>15,377,065</u>	<u>1,916,505</u>	<u>181,775</u>	<u>17,111,795</u>
Total capital assets being depreciated, net	<u>32,958,397</u>	<u>446,932</u>	<u>26,352</u>	<u>33,378,977</u>
Governmental activities capital assets, net	<u>\$ 34,321,122</u>	<u>\$3,058,252</u>	<u>\$1,722,610</u>	<u>\$ 35,656,764</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 49,149
County environment and education	57,915
Roads and transportation	1,670,589
Administrative services	<u>138,852</u>
Total depreciation expense - governmental activities	<u>\$1,916,505</u>

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 5 - DUE TO OTHER GOVERNMENTS

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 118,614
Special Revenue:		
Secondary Roads	Services	134
Drainage Districts		<u>1,550</u>
Total for governmental funds		<u>\$ 120,298</u>
Custodial:		
Auto License and Use Tax	Collections	\$ 603,293
Public Safety		83,535
All Other		<u>29,915</u>
Total for custodial funds		<u>\$ 716,743</u>

NOTE 6 - LONG-TERM LIABILITIES

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

	<u>General Obligation Notes and Bonds</u>	<u>Compensated Absences</u>	<u>Net Pension Liability</u>	<u>Total</u>
Balance beginning of year	\$3,642,000	\$ 260,490	\$ --	\$3,902,490
Increases	--	9,983	1,340,722	1,350,705
Decreases	<u>755,000</u>	<u>--</u>	<u>--</u>	<u>755,000</u>
Balance end of year	<u>\$2,887,000</u>	<u>\$ 270,473</u>	<u>\$1,340,722</u>	<u>\$4,498,195</u>
Due within one year	<u>\$ 781,000</u>	<u>\$ 270,473</u>	<u>\$ --</u>	<u>\$1,051,473</u>

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 6 - LONG-TERM LIABILITIES - continued

Notes and Bonds Payable

On September 12, 2017, the County issued \$2,498,000 of general obligation bonds, Series 2017A, with an interest rate of 2.25% per annum. The bonds were issued to provide funds for public improvements including constructing grey water management improvements and construction of public roads, bridges and culverts. During the year ended June 30, 2023, the County paid \$ 443,000 of principal and paid interest of \$36,945 on the bonds. Principal payments commenced on June 1, 2021 and are due annually thereafter maturing on June 1, 2026.

On January 6, 2022, the County issued \$2,000,000 of general obligation notes, Series 2022A and Series 2022B, with an interest rate of 1.45% per annum. The bonds were issued to provide funds for emergency services communication equipment and systems. During the year ended June 30, 2023, the County paid \$312,000 of principal and \$40,673 of interest on the notes. Principal payments commenced on June 1, 2023 and are due annually thereafter maturing on June 1, 2028.

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

<u>Year ending June 30,</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1.45-2.25%	\$ 781,000	\$ 51,453	\$ 832,453
2025	1.45-2.25%	795,000	36,505	831,505
2026	1.45-2.25%	621,000	21,274	642,274
2027	1.45%	342,000	10,005	352,005
2028	1.45%	348,000	5,046	353,046
Total		<u>\$ 2,887,000</u>	<u>\$ 124,283</u>	<u>\$ 3,011,283</u>

NOTE 7 - PENSION PLAN

Plan Description - IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer-defined benefit pension plan administered by the 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.

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 7 - PENSION PLAN - continued

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

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

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

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

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

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

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

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 7 - PENSION PLAN - continued

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

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

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

The County's contributions to IPERS for the year ended June 30, 2023 totaled \$450,842.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the County reported a liability of \$1,340,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County's proportion was 0.035486%, which was a decrease of 0.205347% from its proportion measured as of June 30, 2021.



Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 7 - PENSION PLAN - continued

For the year ended June 30, 2023, the County recognized pension expense (income) of \$(139,107). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 150,600	\$ 24,602
Changes of assumptions	1,443	66,294
Net difference between projected and actual earnings on IPERS' investments	--	221,638
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	9,423	221,046
County contributions subsequent to the measurement date	<u>450,842</u>	<u>--</u>
	<u>\$ 612,308</u>	<u>\$ 533,580</u>

The \$450,842 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$( 270,475)
2025	( 218,149)
2026	( 349,905)
2027	476,252
2028	<u>( 9,837)</u>
Total	<u>\$( 372,114)</u>

There were no non-employer contributing entities to IPERS.

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 7 - PENSION PLAN - continued

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

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

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

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

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	<u>100%</u>	

Cass County  
Notes to Financial Statements

June 30, 2023

NOTE 7 - PENSION PLAN - continued

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 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)	\$ 3,295,560	\$ 1,340,722	\$( 379,406)

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](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, 2023.

NOTE 8 - RISK MANAGEMENT

Cass 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.

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 8 - RISK MANAGEMENT - continued

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 expense, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2023 were \$298,593.

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

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

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

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

Cass County

Notes to Financial Statements

June 30, 2023

NOTE 8 - RISK MANAGEMENT - continued

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

NOTE 9 - 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 out of pocket maximum of \$5,000 for single coverage and \$10,000 for family coverage. Claims in excess of the out of pocket maximums are insured through the purchase of 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 Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2023 was \$1,427,797.

Amounts payable from the Employee Group Health Fund at June 30, 2023 total \$18,981, which is for incurred but not recorded (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 \$776,022 at June 30, 2023 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Estimated unpaid claims beginning of year	\$ 34,473
Incurred claims (including claims incurred but not reported at June 30, 2023)	314,866
Payments on claims during the year	<u>( 330,358)</u>
Estimated unpaid claims end of year	<u>\$ 18,981</u>

Cass County  
Notes to Financial Statements  
June 30, 2023

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The County operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. At June 30, 2023, 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 Cass 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 benefits as active employees, which results in an implicit rate subsidy.

Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of services. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	<u>82</u>
Total	<u><u>82</u></u>

Net OPEB Obligation: Management of the County considers any OPEB obligations, which may exist, to be immaterial. Therefore, no OPEB liability has been recorded in these financial statements.

NOTE 11 - TAX ABATEMENTS

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

Cass County  
Notes to Financial Statements

June 30, 2023

NOTE 11 - TAX ABATEMENTS - continued

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

For the year ended June 30, 2023, \$65,405 of property tax was diverted from the County under the County's urban renewal development agreement.

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. Additionally, the County offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Tax Abated</u>
City of Atlantic	Urban renewal and economic development projects	\$ 6,976

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction

The County has entered into contracts totaling approximately \$1,509,000, primarily for bridge replacement and road paving to be completed during fiscal year 2024. As of June 30, 2023, the County has incurred \$925,787 on these projects. The projects will be financed with existing funds.

Subsequent Events

The County has evaluated all subsequent events through August 12, 2024, the date the financial statements were available to be issued.

\* \* \*

REQUIRED SUPPLEMENTARY INFORMATION



Cass County

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

Required Supplementary Information

Year ended June 30, 2023

	<u>Actual</u>	<u>Less Funds not Required to be Budgeted</u>	<u>Net</u>
<b>Receipts:</b>			
Property and other county tax	\$ 9,618,696	\$ --	\$ 9,618,696
Interest and penalty on property tax	54,572	--	54,572
Intergovernmental	6,350,737	--	6,350,737
Licenses and permits	37,991	--	37,991
Charges for service	391,465	--	391,465
Use of money and property	587,617	--	587,617
Miscellaneous	<u>2,181,506</u>	<u>--</u>	<u>2,181,506</u>
Total receipts	<u>19,222,584</u>	<u>--</u>	<u>19,222,584</u>
<b>Disbursements:</b>			
Public safety and legal services	3,157,056	--	3,157,056
Physical health and social services	516,094	--	516,094
County environment and education	688,429	--	688,429
Roads and transportation	6,347,916	--	6,347,916
Governmental services to residents	525,089	--	525,089
Administrative services	2,275,396	--	2,275,396
Non-program	98,633	--	98,633
Debt service	832,626	--	832,626
Capital projects	<u>2,253,236</u>	<u>--</u>	<u>2,253,236</u>
Total disbursements	<u>16,694,475</u>	<u>--</u>	<u>16,694,475</u>
Excess (deficiency) of receipts over (under) disbursements	2,528,109	--	2,528,109
Other financing sources, net	<u>57,000</u>	<u>--</u>	<u>57,000</u>
Change in balances	2,585,109	--	2,585,109
Balance beginning of year	<u>15,500,077</u>	<u>1,550</u>	<u>15,498,527</u>
Balance end of year	<u>\$ 18,085,186</u>	<u>\$ 1,550</u>	<u>\$ 18,083,636</u>

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>		<u>Final to Net Variance</u>
<u>Original</u>	<u>Final</u>	
\$ 9,884,167	\$ 9,884,167	\$( 265,471)
32,300	32,300	22,272
4,800,481	4,800,481	1,550,256
21,090	21,090	16,901
387,790	387,790	3,675
106,884	106,884	480,733
<u>1,578,460</u>	<u>1,634,958</u>	<u>546,548</u>
<u>16,811,172</u>	<u>16,867,670</u>	<u>2,354,914</u>
3,567,975	3,670,475	513,419
527,241	583,739	67,645
713,139	713,139	24,710
7,932,300	7,932,300	1,584,384
633,139	633,139	108,050
4,350,798	4,350,798	2,075,402
386,000	386,000	287,367
1,312,627	1,312,627	480,001
<u>9,514,532</u>	<u>9,514,532</u>	<u>7,261,296</u>
<u>28,937,751</u>	<u>29,096,749</u>	<u>12,402,274</u>
( 12,126,579)	( 12,229,079)	14,757,188
<u>--</u>	<u>--</u>	<u>57,000</u>
( 12,126,579)	( 12,229,079)	14,814,188
<u>15,247,565</u>	<u>15,247,565</u>	<u>250,962</u>
<u>\$ 3,120,986</u>	<u>\$ 3,018,486</u>	<u>\$ 15,065,150</u>

Cass County  
 Budgetary Comparison Schedule -Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year ended June 30, 2023

	<u>Governmental Funds</u>		
	<u>Cash Basis</u>	<u>Accrual Adjustments</u>	<u>Modified Accrual Basis</u>
Revenues	\$ 19,222,584	\$( 764,933)	\$ 18,457,651
Expenditures	<u>16,694,475</u>	<u>( 12,871)</u>	<u>16,681,604</u>
Net	2,528,109	( 752,062)	1,776,047
Other financing sources, net	57,000	--	57,000
Beginning fund balances	<u>15,500,077</u>	<u>( 503,548)</u>	<u>14,996,529</u>
Ending fund balances	<u>\$ 18,085,186</u>	<u>\$( 1,255,610)</u>	<u>\$ 16,829,576</u>

See accompanying independent auditor's report.

Cass County

Notes to Required Supplementary Information - Budgetary Reporting

June 30, 2023

This 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. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year a budget amendment increased budgeted disbursements by \$158,998. The budget amendment is reflected in the final budget 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 Extension Office by the County Agricultural Extension Council, 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.

Cass County

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

Iowa Public Employees' Retirement System  
For the Last Nine Years

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset)	0.035486%	0.240833%*	0.048585%
County's proportionate share of the net pension liability (asset)	\$ 1,341,000	\$( 831,000)	\$ 3,413,000
County's covered payroll	\$ 4,571,000	\$ 4,551,000	\$ 4,603,000
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.34%	(18.26)%	74.15%
IPERS' net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%

Note: In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year. Amounts reported are rounded.

\* Overall plan net pension asset

See accompanying independent auditor's report.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.047506%	0.048414%	0.048771%	0.050783%	0.051115%	0.051408%
\$ 2,751,000	\$ 3,064,000	\$ 3,249,000	\$ 3,196,000	\$ 2,525,000	\$ 2,039,000
\$ 4,523,000	\$ 4,389,000	\$ 4,156,000	\$ 4,153,000	\$ 4,144,000	\$ 4,086,000
60.82%	69.81%	78.18%	76.96%	60.93%	49.90%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Cass County  
Schedule of County Contributions  
Iowa Public Employees' Retirement System  
For the Last Ten Years

Required Supplementary Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 451,000	\$ 428,000	\$ 429,000	\$ 436,000
Contributions in relation to the statutorily required contribution	<u>( 451,000)</u>	<u>( 428,000)</u>	<u>( 429,000)</u>	<u>( 436,000)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
County's covered payroll	\$ 4,823,000	\$ 4,571,000	\$ 4,551,000	\$ 4,603,000
Contributions as a percentage of covered payroll	9.35%	9.36%	9.43%	9.47%

Note: Amounts are rounded.

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 431,000	\$ 396,000	\$ 377,000	\$ 378,000	\$ 377,000	\$ 371,000
<u>( 431,000)</u>	<u>( 396,000)</u>	<u>( 377,000)</u>	<u>( 378,000)</u>	<u>( 377,000)</u>	<u>( 371,000)</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 4,523,000	\$ 4,389,000	\$ 4,156,000	\$ 4,153,000	\$ 4,144,000	\$ 4,086,000
9.53%	9.02%	9.07%	9.10%	9.10%	9.08%



Cass County

Notes to Required Supplementary Information - Pension Liability

Year Ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

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

\* \* \*

SUPPLEMENTARY INFORMATION

Cass County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2023

	Special Revenue			
	County Recorder's Records Management	County Recorder's Electronic Transfer	Mental Health	Conservation Land Acquisition Trust
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 11,825	\$ 134	\$ 3,015	\$ 17,070
Receivables:				
Accounts	9	--	--	--
Opioid settlement	--	--	--	--
<b>Total assets</b>	<b>\$ 11,834</b>	<b>\$ 134</b>	<b>\$ 3,015</b>	<b>\$ 17,070</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ 55
Due to other governments	--	--	--	--
<b>Total liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>55</b>
<b>Deferred Inflows of Resources:</b>				
<b>Unavailable revenues:</b>				
Other	--	--	--	--
<b>Total deferred inflows of resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Fund balances:</b>				
<b>Restricted for:</b>				
Mental health purposes	--	--	3,015	--
Other purposes	11,834	134	--	17,015
<b>Total fund balances</b>	<b>11,834</b>	<b>134</b>	<b>3,015</b>	<b>17,015</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,834</b>	<b>\$ 134</b>	<b>\$ 3,015</b>	<b>\$ 17,070</b>

See accompanying independent auditor's report.

Special Revenue					
Resource Enhancement and Protection	Flood and Erosion	Drainage Districts	County Attorney and Sheriff Investigation	Local Government Opioid Abatement Fund	Total
\$ 76,579	\$ 124,651	\$ 1,550	\$ 667,326	\$ --	\$ 902,150
262	--	--	--	--	271
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>202,228</u>	<u>202,228</u>
<u>\$ 76,841</u>	<u>\$ 124,651</u>	<u>\$ 1,550</u>	<u>\$ 667,326</u>	<u>\$ 202,228</u>	<u>\$ 1,104,649</u>
\$ --	\$ 134	\$ --	\$ 421	\$ --	\$ 610
<u>--</u>	<u>--</u>	<u>1,550</u>	<u>--</u>	<u>--</u>	<u>1,550</u>
<u>--</u>	<u>134</u>	<u>1,550</u>	<u>421</u>	<u>--</u>	<u>2,160</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>202,228</u>	<u>202,228</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>202,228</u>	<u>202,228</u>
--	--	--	--	--	3,015
<u>76,841</u>	<u>124,517</u>	<u>--</u>	<u>666,905</u>	<u>--</u>	<u>897,246</u>
<u>76,841</u>	<u>124,517</u>	<u>--</u>	<u>666,905</u>	<u>--</u>	<u>900,261</u>
<u>\$ 76,841</u>	<u>\$ 124,651</u>	<u>\$ 1,550</u>	<u>\$ 667,326</u>	<u>\$ 202,228</u>	<u>\$ 1,104,649</u>

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

Year ended June 30, 2023

	Special Revenue			
	County Recorder's Records Management	County Recorder's Electronic Transfer	Mental Health	Conservation Land Acquisition Trust
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Charges for service	2,187	--	--	--
Use of money and property	14	9	--	4,400
Miscellaneous	--	--	1,746	5,809
Total revenues	<u>2,201</u>	<u>9</u>	<u>1,746</u>	<u>10,209</u>
Expenditures:				
Operating:				
Public safety and legal services	--	--	--	--
Physical health and social services	--	--	--	--
County environment and education	--	--	--	11,172
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,172</u>
Excess (deficiency) of revenues over (under) expenditures	2,201	9	1,746	( 963)
Other financing sources (uses):				
Transfers in	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Change in fund balances	2,201	9	1,746	( 963)
Fund balances beginning of year	<u>9,633</u>	<u>125</u>	<u>1,269</u>	<u>17,978</u>
Fund balances end of year	<u>\$ 11,834</u>	<u>\$ 134</u>	<u>\$ 3,015</u>	<u>\$ 17,015</u>

See accompanying independent auditor's report.

Special Revenue					
Resource Enhancement and Protection	Flood and Erosion	Drainage Districts	County Attorney and Sheriff Investigation	Local Government Opioid Abatement Fund	Total
\$ 10,129	\$ 3,459	\$ --	\$ 19,856	\$ --	\$ 33,444
--	--	--	--	--	2,187
2,212	--	--	1,141	--	7,776
--	--	--	16,150	56,498	80,203
<u>12,341</u>	<u>3,459</u>	<u>--</u>	<u>37,147</u>	<u>56,498</u>	<u>123,610</u>
--	--	--	56,511	--	56,511
--	--	--	--	56,498	56,498
--	25,782	--	--	--	36,954
--	<u>25,782</u>	<u>--</u>	<u>56,511</u>	<u>56,498</u>	<u>149,963</u>
12,341	( 22,323)	--	( 19,364)	--	( 26,353)
--	24,000	--	--	--	24,000
--	24,000	--	--	--	24,000
12,341	1,677	--	( 19,364)	--	( 2,353)
64,500	122,840	--	686,269	--	902,614
<u>\$ 76,841</u>	<u>\$ 124,517</u>	<u>\$ --</u>	<u>\$ 666,905</u>	<u>\$ --</u>	<u>\$ 900,261</u>

Cass County  
Combining Schedule of Fiduciary Net Position  
Custodial Funds

June 30, 2023

	<u>County Offices</u>	<u>Agricultural Extension Education</u>	<u>County Assessor</u>
<b>Assets</b>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ --	\$ 2,742	\$ 524,134
Other County officials	14,961	--	--
Receivables:			
Property tax:			
Delinquent	--	165	450
Succeeding year	--	266,000	727,000
Accounts	--	--	--
Due from other governments	<u>2,155</u>	<u>--</u>	<u>--</u>
Total assets	<u>17,116</u>	<u>268,907</u>	<u>1,251,584</u>
<b>Liabilities</b>			
Accounts payable	--	--	583
Salaries and benefits payable	--	--	10,299
Due to other governments	2,829	2,907	--
Trusts payable	14,287	--	--
Compensated absences	<u>--</u>	<u>--</u>	<u>2,467</u>
Total liabilities	<u>17,116</u>	<u>2,907</u>	<u>13,349</u>
Deferred Inflows of Resources			
Unavailable revenues	<u>--</u>	<u>266,000</u>	<u>727,000</u>
<b>Net Position</b>			
Restricted for individuals, organizations and other governments	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 511,235</u>

(continued next page)

<u>Emergency Management Services</u>	<u>City Special Assessments</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>
\$ 41,524	\$ 11,098	\$ 140,753	\$ 16,005	\$ 67,301
--	--	--	--	--
--	--	8,727	945	10,933
--	--	12,676,000	1,561,000	6,225,000
--	--	--	--	--
--	--	--	--	--
<u>41,524</u>	<u>11,098</u>	<u>12,825,480</u>	<u>1,577,950</u>	<u>6,303,234</u>
138	--	--	--	--
3,116	--	--	--	--
3,489	--	5,065	913	10,544
--	--	--	--	--
--	--	--	--	--
<u>6,743</u>	<u>--</u>	<u>5,065</u>	<u>913</u>	<u>10,544</u>
--	--	12,676,000	1,561,000	6,225,000
<u>\$ 34,781</u>	<u>\$ 11,098</u>	<u>\$ 144,415</u>	<u>\$ 16,037</u>	<u>\$ 67,690</u>



Cass County  
Combining Schedule of Fiduciary Net Position - Continued  
Custodial Funds

June 30, 2023

	<u>Townships</u>	<u>Environmental Control Agency</u>	<u>Brucellosis and Tuberculosis Eradication</u>
<b>Assets</b>			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 3,641	\$ --	\$ 2,722
Other County officials	--	--	--
Receivables:			
Property tax:			
Delinquent	10	--	1
Succeeding year	395,000	--	2,000
Accounts	--	--	--
Due from other governments	--	68,974	--
Total assets	398,651	68,974	4,723
<b>Liabilities</b>			
Accounts payable	--	49,961	--
Salaries and benefits payable	--	10,302	--
Due to other governments	--	--	2,723
Trusts payable	--	--	--
Compensated absences	--	8,711	--
Total liabilities	--	68,974	2,723
Deferred Inflows of Resources			
Unavailable revenues	395,000	--	2,000
<b>Net Position</b>			
Restricted for individuals, organizations and other governments	\$ 3,651	\$ --	\$ --

(continued next page)

<u>Auto License and Use Tax</u>	<u>Advance Tax</u>	<u>County Hospital</u>	<u>Public Safety</u>	<u>County Recorder's Electronic Fee</u>	<u>E911 Operating</u>
\$ 557,578	\$ 99,420	\$ 25,560	\$ 83,535	\$ 567	\$ 1,638
--	--	--	--	--	--
--	--	1,494	--	--	--
--	--	2,415,000	--	--	--
61,157	--	--	--	--	--
--	--	--	42,225	--	--
<u>618,735</u>	<u>99,420</u>	<u>2,442,054</u>	<u>125,760</u>	<u>567</u>	<u>1,638</u>
15,442	--	--	324	--	--
--	--	--	20,973	--	--
603,293	--	1,445	83,535	--	--
--	--	--	--	--	--
--	--	--	20,928	--	--
<u>618,735</u>	<u>--</u>	<u>1,445</u>	<u>125,760</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>2,415,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u>--</u>	\$ <u>99,420</u>	\$ <u>25,609</u>	\$ <u>--</u>	\$ <u>567</u>	\$ <u>1,638</u>

## Cass County

Combining Schedule of Fiduciary Net Position - Continued  
Custodial Funds

June 30, 2023

	<u>E911 Surcharge</u>	<u>Tax Sale Redemption</u>	<u>Total</u>
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 273,942	\$ 6,719	\$ 1,858,879
Other County officials	--	--	14,961
Receivables:			
Property tax:			
Delinquent	--	--	22,725
Succeeding year	--	--	24,267,000
Accounts	--	--	61,157
Due from other governments	--	--	113,354
Total assets	<u>273,942</u>	<u>6,719</u>	<u>26,338,076</u>
Liabilities			
Accounts payable	3,937	--	70,385
Salaries and benefits payable	--	--	44,690
Due to other governments	--	--	716,743
Trusts payable	--	--	14,287
Compensated absences	--	--	32,106
Total liabilities	<u>3,937</u>	<u>--</u>	<u>878,211</u>
Deferred Inflows of Resources			
Unavailable revenues	--	--	24,267,000
Net Position			
Restricted for individuals, organizations and other governments	<u>\$ 270,005</u>	<u>\$ 6,719</u>	<u>\$ 1,192,865</u>

See accompanying independent auditor's report.

Cass County  
Combining Schedule of Changes in Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2023

	<u>County Offices</u>	<u>Agricultural Extension Education</u>	<u>County Assessor</u>
Additions:			
Property and other county tax	\$ --	\$ 257,606	\$ 710,010
E911 surcharge	--	--	--
State tax credits	--	20,385	41,030
Office fees and collections	388,579	--	--
Auto licenses, use tax and postage	--	--	--
Drivers license fees	--	--	--
Electronic transaction fees	--	--	--
Assessments	--	--	--
Trusts	394,303	--	--
Advances	--	--	--
Miscellaneous	--	--	--
Total additions	<u>782,882</u>	<u>277,991</u>	<u>751,040</u>
Deductions:			
Agency Remittances:			
To other funds	168,970	--	--
To other governments	219,609	277,991	564,163
Trusts paid out	<u>394,303</u>	<u>--</u>	<u>--</u>
Total deductions	<u>782,882</u>	<u>277,991</u>	<u>564,163</u>
Change in net position	--	--	186,877
Net position beginning of year	<u>--</u>	<u>--</u>	<u>324,358</u>
Net position end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 511,235</u>

(continued next page)

<u>Emergency Management Services</u>	<u>City Special Assessments</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>
\$ --	\$ --	\$ 12,237,339	\$ 1,512,458	\$ 5,692,717
--	--	--	--	--
--	--	794,802	89,847	778,544
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	28,917	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>153,253</u>	<u>28,917</u>	<u>13,032,141</u>	<u>1,602,305</u>	<u>6,471,261</u>
<u>153,253</u>	<u>28,917</u>	<u>13,032,141</u>	<u>1,602,305</u>	<u>6,471,261</u>
--	--	--	--	--
120,176	23,710	13,031,616	1,602,296	6,474,186
--	--	--	--	--
<u>120,176</u>	<u>23,710</u>	<u>13,031,616</u>	<u>1,602,296</u>	<u>6,474,186</u>
33,077	5,207	525	9	( 2,925)
<u>1,704</u>	<u>5,891</u>	<u>143,890</u>	<u>16,028</u>	<u>70,615</u>
<u>\$ 34,781</u>	<u>\$ 11,098</u>	<u>\$ 144,415</u>	<u>\$ 16,037</u>	<u>\$ 67,690</u>

Cass County

Combining Schedule of Changes in Fiduciary Net Position - Continued  
Custodial Funds

Year ended June 30, 2023

	<u>Townships</u>	<u>Environmental Control Agency</u>	<u>Brucellosis and Tuberculosis Eradication</u>
<b>Additions:</b>			
Property and other county tax	\$ 392,577	\$ --	\$ 1,565
E911 surcharge	--	--	--
State tax credits	22,294	--	211
Office fees and collections	--	--	--
Auto licenses, use tax and postage	--	--	--
Drivers license fees	--	--	--
Electronic transaction fees	--	--	--
Assessments	--	--	--
Trusts	--	--	--
Advances	--	--	--
Miscellaneous	--	1,151,121	--
Total additions	<u>414,871</u>	<u>1,151,121</u>	<u>1,776</u>
<b>Deductions:</b>			
<b>Agency Remittances:</b>			
To other funds	--	--	--
To other governments	414,699	1,151,121	1,776
Trusts paid out	--	--	--
Total deductions	<u>414,699</u>	<u>1,151,121</u>	<u>1,776</u>
Change in net position	172	--	--
Net position beginning of year	<u>3,479</u>	<u>--</u>	<u>--</u>
Net position end of year	<u>\$ 3,651</u>	<u>\$ --</u>	<u>\$ --</u>

(continued next page)

Auto License and Use Tax	Advance Tax	County Hospital	Public Safety	County Recorder's Electronic Fee
\$ --	\$ --	\$ 2,339,492	\$ --	\$ --
--	--	--	--	--
--	--	188,529	--	--
--	--	--	--	--
6,505,751	--	--	--	--
73,412	--	--	--	--
--	--	--	--	2,186
--	--	--	--	--
--	99,578	--	--	--
288	--	--	486,456	--
<u>6,579,451</u>	<u>99,578</u>	<u>2,528,021</u>	<u>486,456</u>	<u>2,186</u>
188,529	--	--	--	--
6,390,922	74,503	2,675,418	465,086	1,999
--	--	--	--	--
<u>6,579,451</u>	<u>74,503</u>	<u>2,675,418</u>	<u>465,086</u>	<u>1,999</u>
--	25,075	( 147,397)	21,370	187
--	74,345	173,006	( 21,370)	380
<u>\$ --</u>	<u>\$ 99,420</u>	<u>\$ 25,609</u>	<u>\$ --</u>	<u>\$ 567</u>

Cass County

Combining Schedule of Changes in Fiduciary Net Position - Continued  
Custodial Funds

Year ended June 30, 2023

	<u>E911 Operating</u>	<u>E911 Surcharge</u>
Additions:		
Property and other county tax	\$ --	\$ --
E911 surcharge	--	39,314
State tax credits	--	--
Office fees and collections	--	--
Auto licenses, use tax and postage	--	--
Drivers license fees	--	--
Electronic transaction fees	--	--
Assessments	--	--
Trusts	--	--
Advances	--	--
Miscellaneous	125	177,171
Total additions	<u>125</u>	<u>216,485</u>
Deductions:		
Agency Remittances:		
To other funds	--	116,086
To other governments	--	--
Trusts paid out	--	--
Total deductions	<u>--</u>	<u>116,086</u>
Change in net position	125	100,399
Net position beginning of year	<u>1,513</u>	<u>169,606</u>
Net position end of year	<u>\$ 1,638</u>	<u>\$ 270,005</u>

See accompanying independent auditor's report.



<u>Tax Sale Redemption</u>	<u>Total</u>
\$ --	\$ 23,143,764
--	39,314
--	1,935,642
--	388,579
--	6,505,751
--	73,412
--	2,186
--	28,917
99,026	493,329
--	99,578
--	1,968,414
<u>99,026</u>	<u>34,678,886</u>
--	473,585
--	33,489,271
<u>106,475</u>	<u>500,778</u>
<u>106,475</u>	<u>34,463,634</u>
( 7,449)	215,252
<u>14,168</u>	<u>977,613</u>
<u>\$ 6,719</u>	<u>\$ 1,192,865</u>

Cass County

Schedule of Revenues by Source and Expenditures by Function -  
All Governmental Fund Types

For the Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:					
Property and other county tax	\$ 7,984,852	\$ 7,644,413	\$ 7,591,737	\$ 7,367,767	\$ 7,130,514
Tax increment financing	652,683	693,994	692,983	--	--
Local option sales tax	970,579	991,382	921,324	692,299	886,373
Interest and penalty on property tax	54,325	53,405	80,278	30,932	57,903
Intergovernmental	5,504,887	6,159,566	5,956,989	4,827,714	5,141,207
Licenses and permits	33,301	83,018	21,960	54,280	22,110
Charges for service	394,011	372,870	402,829	355,933	353,573
Use of money and property	692,551	133,539	194,169	342,253	409,441
Miscellaneous	<u>2,170,462</u>	<u>225,555</u>	<u>273,067</u>	<u>220,486</u>	<u>330,377</u>
Total	<u>\$ 18,457,651</u>	<u>\$ 16,357,742</u>	<u>\$ 16,135,336</u>	<u>\$ 13,891,664</u>	<u>\$ 14,331,498</u>
Expenditures:					
Operating:					
Public safety and legal services	\$ 3,319,837	\$ 3,199,539	\$ 3,032,788	\$ 2,940,209	\$ 2,873,481
Physical health and social services	468,757	346,454	449,354	428,591	468,168
Mental health	2,682	450,980	366,302	371,860	254,813
County environment and education	685,379	515,772	561,608	552,773	551,339
Roads and transportation	6,371,429	5,679,596	6,933,056	5,891,070	6,428,830
Governmental services to residents	508,086	531,465	605,279	552,429	635,891
Administration	1,721,331	1,653,051	1,472,578	1,560,948	1,398,082
Non-program	518,759	1,013,899	175,197	73,596	71,454
Debt service	832,618	751,706	754,771	288,816	361,685
Capital projects	<u>2,252,726</u>	<u>2,331,532</u>	<u>423,157</u>	<u>202,289</u>	<u>680,848</u>
Total	<u>\$ 16,681,604</u>	<u>\$ 16,473,994</u>	<u>\$ 14,774,090</u>	<u>\$ 12,862,581</u>	<u>\$ 13,724,591</u>

See accompanying independent auditor's report.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 7,067,600	\$ 6,866,953	\$ 6,543,276	\$ 6,555,558	\$ 6,045,209
--	--	--	--	--
671,108	660,915	680,850	654,738	582,710
55,626	50,750	42,300	46,922	50,578
6,088,356	6,039,930	6,051,693	6,419,357	6,401,335
15,909	20,557	26,408	21,353	20,150
374,718	358,113	363,309	342,440	351,156
255,281	237,849	204,824	206,426	191,376
<u>304,428</u>	<u>381,091</u>	<u>341,858</u>	<u>396,798</u>	<u>258,643</u>
<u>\$ 14,833,026</u>	<u>\$ 14,616,158</u>	<u>\$ 14,254,518</u>	<u>\$ 14,643,592</u>	<u>\$ 13,901,157</u>
\$ 2,790,288	\$ 2,625,127	\$ 2,445,953	\$ 2,411,136	\$ 2,359,152
435,631	439,660	445,889	499,226	499,198
317,227	298,552	648,784	1,629,259	1,092,156
465,126	561,688	487,219	521,275	517,854
5,498,607	5,298,103	4,599,654	4,287,370	4,958,282
517,294	559,722	538,132	491,377	523,171
1,410,669	1,282,313	1,294,183	1,291,705	1,222,405
195,915	282,612	926,177	2,365,949	2,405,639
213,544	222,165	577,998	222,209	77,435
<u>4,211,694</u>	<u>2,122,837</u>	<u>1,150,386</u>	<u>1,166,542</u>	<u>813,009</u>
<u>\$ 16,055,995</u>	<u>\$ 13,692,779</u>	<u>\$ 13,114,375</u>	<u>\$ 14,886,048</u>	<u>\$ 14,468,301</u>

## COMMENTS AND RECOMMENDATIONS

# Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

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

To the Officials of Cass County

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Cass County, Iowa, as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 12, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cass 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 Cass County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cass County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Officials of Cass County

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

As part of obtaining reasonable assurance about whether Cass 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, non-compliance 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 non-compliance or other matters which are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of non-compliance or other matters which is described in Part II of the accompanying Schedule of Findings and Responses.

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

### **Cass County's Response to Finding**

Government Auditing Standards requires the auditor to perform limited procedures on Cass County's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. Cass County's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Ernest W. Bell, Jr., CPA*

Atlantic, Iowa  
August 12, 2024

Cass County  
Schedule of Findings and Responss  
Year ended June 30, 2023

Part I: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part II: Other Findings Related to Required Statutory Reporting:

- 2023-A     Certified Budget: Disbursements during the year ended June 30, 2023 did not exceed the amounts budgeted in any function.
- 2023-B     Questionable Expenditures: No expenditures were noted that do not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 2023-C     Travel Expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 2023-D     Business Transactions: No business transactions between the County and County officials or employees were noted.
- 2023-E     Restricted Donor Activity: No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2023-F     Bond Coverage: Surety bond coverage of County officials and employees appears to be in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- 2023-G     Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2023-H     Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- 2023-I     Resource Enhancement and Protection Certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

Cass County  
Schedule of Findings and Responses  
Year ended June 30, 2023

Part II: Other Findings Related to Required Statutory Reporting - Continued

2023-J Annual Urban Renewal Report: The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

2023-K Tax Increment Financing: The County was not in compliance with Chapter 403.19 of the Code of Iowa. Tax Increment Financing (TIF) receipts from the County's TIF district were receipted into the Debt Service Fund instead of the proper Tax Increment Financing Fund. Tax Increment Financing (TIF) disbursements from the County's TIF district were disbursed from the Debt Service Fund instead of the proper Tax Increment Financing Fund.

Recommendation: Tax Increment Financing should be receipted into the proper Tax Increment Financing Fund. Tax Increment Financing should be disbursed from the proper Tax Increment Financing Fund.

Response: We will receipt all Tax Increment Financing into the proper Tax Increment Financing Fund in the future. We will receipt all Tax Increment Financing from the proper Tax Increment Financing Fund in the future.

Conclusion: Response accepted.

\* \* \*