

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS  
June 30, 2024

**CHICKASAW COUNTY, IOWA**  
**New Hampton, Iowa**

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**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steven Breitbach .....	Board of Supervisors.....	January 2025
Scott Cerwinske .....	Board of Supervisors.....	January 2027
Jacob Hackman .....	Board of Supervisors.....	January 2025
Matthew Kuhn .....	Board of Supervisors.....	January 2025
Travis Suckow .....	Board of Supervisors.....	January 2027
Sheila Shekleton .....	County Auditor .....	January 2025
Matthew Ysbrand .....	County Treasurer .....	January 2027
Shirley Troyna .....	County Recorder .....	January 2027
Ryan Shawver .....	County Sheriff .....	January 2025
David Laudner .....	County Attorney.....	January 2027
Ray Armel.....	County Assessor .....	Appointed



## **Independent Auditor's Report**

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To the Officials of Chickasaw County  
New Hampton, Iowa

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

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 6 - 12 and 57 - 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chickasaw County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the four years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditors previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information, such as the combining and individual nonmajor fund financial statements, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of Chickasaw County, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chickasaw County, Iowa's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Garlinier + Company, P.C." The signature is written in a cursive, flowing style.

Charles City, Iowa  
March 27, 2025



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### 2024 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased by \$5,947,483, or approximately 33.62% from 2023 to 2024. Charges for service increased approximately \$804,269, operating grants and contributions increased approximately \$210,812, unrestricted interest on investments increased approximately \$115,181 and capital grants and contributions increased by approximately \$3,893,823 from 2023 to 2024, largely due to an increase in DOT contributed infrastructure for the current year.
- Program expenses of the County's governmental activities were \$14,332 or approximately 0.09% more in fiscal year 2024 than in fiscal year 2023. Public safety and legal services expenses increased approximately \$1,159,717 and county environment and education expense increased approximately \$472,415 while roads and transportation expense decreased approximately \$2,013,865.
- The County's net position increased approximately \$7,940,796 or 17.53%, over the June 30, 2023 balance.

### USING THIS ANNUAL REPORT

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

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

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

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

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

## USING THIS ANNUAL REPORT (CONTINUED)

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

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

## REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

### *Government-Wide Financial Statements*

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

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

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

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

### *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.

## REPORTING THE COUNTY'S FINANCIAL ACTIVITIES (CONTINUED)

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. 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,	
	2024	2023
Current and Other Assets	\$21,055	\$20,865
Capital Assets	45,227	39,113
Total Assets	66,282	59,978
Deferred Outflows of Resources	1,484	831
Long-Term Liabilities	4,864	4,752
Other Liabilities	1,625	3,348
Total Liabilities	6,489	8,100
Deferred Inflows of Resources	8,032	7,405
Net Position:		
Net Investment in Capital Assets	42,923	36,335
Restricted	8,673	7,251
Unrestricted	1,649	1,718
Total Net Position	\$53,245	\$45,304

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net position of Chickasaw County's governmental activities increased by 17.53% (\$53,244,522 compared to \$45,303,726).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 18.13%, or approximately \$6,587,262, over the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$1,422,573, or 19.62%, from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$1,717,540 to a balance of approximately \$1,648,501.

Changes in Net Position of Governmental Activities (Expressed in Thousands)		
	Year Ended June 30,	
	2024	2023
Revenues:		
Program Revenues:		
Charges for Service	\$ 3,721	\$ 2,917
Operating Grants, Contributions and Restricted Interest	4,665	4,455
Capital Grants, Contributions and Restricted Interest	5,625	1,731
General Revenues:		
Property Tax – General Purpose	6,510	6,142
Property Tax – Debt Service	459	454
Penalty and Interest on Property Tax	39	28
State Tax Credits	406	406
Local Option Sales Tax	1,071	1,000
American Rescue Plan Act	644	0
Unrestricted Investment Earnings	441	326
Other General Revenues	74	134
Gain (Loss) on Disposal of Capital Assets	(19)	96
Total Revenues	23,636	17,689
Program Expenses:		
Public Safety and Legal Services	4,146	2,987
Physical Health and Social Services	1,506	1,422
County Environment and Education	760	288
Roads and Transportation	6,643	8,657
Governmental Services to Residents	527	490
Administration	1,857	1,625
Non-Program	210	160
Interest on Long-Term Debt	46	52
Total Expenses	15,695	15,681
Change in Net Position	7,941	2,008
Net Position Beginning of Year	45,304	43,296
Net Position End of Year	\$53,245	\$45,304

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Revenues for Chickasaw County's governmental activities increased 33.62%, while total expenses increased 0.09%. The increase in net position in governmental activities totaled \$7,940,796 in fiscal 2024.

The cost of all governmental activities this year was \$15,695,256 compared to \$15,680,924 last year. However, as shown in the Statement of Activities, the amount taxpayers ultimately financed for these activities was \$1,684,183 because some of the cost was paid by those directly benefitted from the programs (approximately \$3,721,109) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$10,289,964). The net cost portion of governmental activities was financed with \$6,968,817 in property tax, \$405,501 in state tax credits, \$1,071,147 in local option sales tax, and \$441,444 in unrestricted interest income.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As Chickasaw County completed the year, its governmental funds reported a combined fund balance of \$10,995,797, an increase of \$979,746 overall from last year's total of \$10,016,051. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues and expenditures were increased from last year. Expenditures increased by \$206,122 from last year. The ending fund balances showed a decrease of \$455,724 from the prior year to \$3,647,271.
- The Special Revenue, Rural Services Fund revenues increased and expenditures decreased by \$229,380 and \$65,331, respectively. The ending fund balance showed an increase of \$187,033.
- The Special Revenue, Secondary Roads Fund expenditures decreased by approximately \$474,778 from the prior year. The ending fund balance showed an increase of \$500,716.
- During the year ended June 30, 2020, the County established the Debt Service fund to account for the collection of property taxes and subsequent principal and interest payments. There were no significant changes in revenues, expenditures, or fund balance from the prior year.
- During the year ended June 30, 2021, the County issued \$4,500,000 of general obligation capital loan notes to finance a tower project, which was complete at June 30, 2024.

## **BUDGETARY HIGHLIGHTS**

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

## BUDGETARY HIGHLIGHTS (CONTINUED)

Over the course of the year, Chickasaw County amended its budget three times. The first amendment was made on July 24, 2023, and resulted in an increase in budgeted expenditures related to Capital Projects and equipment purchases. Also, receiving reimbursement from Homeland Energy for expenditures for Homeland Energy. The second amendment was made February 1, 2024, and resulted in an increase of expenses related to grant revenues and expenses, health insurance, and renovation of the EMS building. The third amendment was made on May 13, 2024, and resulted in an increase of expenses related to grant revenue and expenses and closing the radio project with the rest of the funds go to service debt.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

At June 30, 2024, the County had \$73,120,329 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This amount represents a net increase (including additions and deletions) of approximately \$7,979,689, or 12.25% over last year's amount.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2024	2023
Land	\$ 3,111	\$ 3,111
Right-to-Use Lease Asset	90	90
Buildings and Improvements	5,474	4,925
Machinery and Equipment	15,661	10,024
Intangibles	312	312
Infrastructure	42,850	41,319
Construction in Progress	5,622	5,360
Total	\$73,120	\$65,141
This year's major additions included (in thousands):		
Radio Communication Tower	\$ 4,088	
Infrastructure	1,531	
Secondary Roads Vehicles and Equipment	1,023	
	\$ 6,642	

The County had depreciation/amortization expense of \$1,934,422 for the year ended June 30, 2024 and total accumulated depreciation/amortization of \$27,892,924.

The County's fiscal year 2024 capital budget included \$4,488,140 for capital projects, principally for continued upgrading of secondary roads and bridges and the tower project. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

### *Long-Term Debt*

At June 30, 2024, Chickasaw County had approximately \$2,810,564 of general obligation notes and other debt outstanding, compared to approximately \$3,287,820 at June 30, 2023 as shown below.

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2024	2023
General Obligation Notes	\$2,220	\$2,690
Lease Agreements	85	88
Compensated Absences	265	260
Postclosure Estimate	241	250
Total	\$2,811	\$3,288

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Chickasaw County's outstanding general obligation debt is significantly below its constitutional debt limit of \$67.4 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

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

The County begins 2025 fiscal year with a completed renovated building for the Emergency Medical Services. The Secondary Roads Department is gearing for their projects and the allocation for the American Rescue Plan will end December 31, 2024. Expenses and revenues are higher from FY24 due to projects still in progress, while the Board did not allow for any other increase in expenses, with the exception of wages and benefits and only specific projects that each department cleared with the Board. The Board will be amending their FY25 budget for remaining projects.

## CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

**CHICKASAW COUNTY  
New Hampton, Iowa****STATEMENT OF NET POSITION**

June 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash, Cash Equivalents and Pooled Investments	\$11,216,926
Receivables:	
Property Tax:	
Delinquent	9,627
Succeeding Year	7,828,682
Accounts	156,388
Opioid Settlement	252,035
Notes Receivable	10,230
Due From Other Governments	512,342
Lease Receivable	10,952
Inventories	1,057,543
Capital Assets Not Being Depreciated	8,733,319
Capital Assets, Net of Accumulated Depreciation/Amortization	36,494,086
<b>TOTAL ASSETS</b>	<u>66,282,130</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related Deferred Outflows	1,380,664
OPEB Related Deferred Outflows	103,036
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,483,700</u>
<b>LIABILITIES</b>	
Accounts Payable	947,513
Accrued Interest Payable	3,299
Salaries and Benefits Payable	140,932
Due To Other Governments	17,796
Unearned Revenues	514,707
Long-Term Liabilities:	
Portion Due Or Payable Within One Year:	
Lease Agreements	2,642
General Obligation Capital Loan Notes	435,000
Compensated Absences	265,289
Portion Due Or Payable After One Year:	
Lease Agreements	82,511
General Obligation Capital Loan Notes	1,784,576
Postclosure Care Costs	240,546
Net Pension Liability	1,899,003
Total OPEB Liability	154,868
<b>TOTAL LIABILITIES</b>	<u>6,488,682</u>



**CHICKASAW COUNTY  
New Hampton, Iowa****STATEMENT OF NET POSITION (CONTINUED)**

June 30, 2024

	Governmental Activities
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Lease Related	\$ 10,952
Unavailable Property Tax Revenue	7,828,682
Pension Related Deferred Inflows	192,992
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>8,032,626</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	42,922,676
Restricted For:	
Supplemental Levy Purposes	1,074,705
Rural Services Purposes	627,316
Secondary Roads Purposes	4,070,229
Debt Service	64,489
Capital Projects	387,776
Opioid Abatement	343,172
Other Purposes	2,105,658
Unrestricted	1,648,501
<b>TOTAL NET POSITION</b>	<b>\$53,244,522</b>

See Notes To Financial Statements

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2024

	Expenses	Charges for Service	Program Revenues		Net (Expense) Revenue Changes In Net Position
			Operating Contributions, and Restricted Interest	Grants, Capital Contributions, and Restricted Interest	
<b>FUNCTIONS/PROGRAMS:</b>					
Governmental Activities:					
Public Safety and Legal Services	\$ 4,146,356	\$1,569,112	\$ 90,316	\$ 0	\$ (2,486,928)
Physical Health and Social Services	1,506,091	848,018	257,427	0	(400,646)
County Environment and Education	760,216	109,962	30,742	0	(619,512)
Roads and Transportation	6,643,093	335,977	4,248,149	5,624,666	3,565,699
Governmental Services to Residents	526,671	319,160	0	0	(207,511)
Administration	1,857,105	335,560	38,664	0	(1,482,881)
Non-Program	209,826	203,320	0	0	(6,506)
Interest on Long-Term Debt	45,898	0	0	0	(45,898)
<b>TOTAL</b>	<b>\$15,695,256</b>	<b>\$3,721,109</b>	<b>\$4,665,298</b>	<b>\$5,624,666</b>	<b>(1,684,183)</b>
<b>GENERAL REVENUES:</b>					
Property and Other County Tax Levied For:					
General Purposes					6,509,703
Debt Service					459,114
Penalty and Interest on Property Tax					39,398
State Tax Credits and Replacements					405,501
Local Option Sales Tax					1,071,147
American Rescue Plan Act					644,216
Unrestricted Investment Earnings					441,444
Miscellaneous					73,960
Loss on Capital Assets					(19,504)
<b>TOTAL GENERAL REVENUES</b>					<b>9,624,979</b>
<b>CHANGE IN NET POSITION</b>					<b>7,940,796</b>
<b>NET POSITION BEGINNING OF YEAR</b>					<b>45,303,726</b>
<b>NET POSITION END OF YEAR</b>					<b>\$53,244,522</b>

See Notes To Financial Statements

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2024

		Special Revenue	
	General	Rural Services	Secondary Roads
<b>ASSETS</b>			
Cash, Cash Equivalents and Pooled Investments	\$4,155,204	\$ 629,867	\$3,458,932
Receivables:			
Property Tax:			
Delinquent	6,732	2,196	0
Succeeding Year	5,026,614	2,346,899	0
Accounts	68,023	0	6,728
Opioid Settlement	0	0	0
Notes Receivable	0	0	10,230
Due From Other Governments	64,258	0	437,927
Lease Receivable	0	0	0
Inventories	0	0	1,057,543
<b>TOTAL ASSETS</b>	<b>\$9,320,831</b>	<b>\$2,978,962</b>	<b>\$4,971,360</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 48,840	\$ 2,282	\$ 719,941
Salaries and Benefits Payable	70,933	2,465	52,623
Due To Other Governments	6,153	0	11,142
Unearned Revenues	514,707	0	0
Compensated Absences	0	0	1,006
Total Liabilities	640,633	4,747	784,712
Deferred Inflows of Resources:			
Unavailable Revenues:			
Succeeding Year Property Tax	5,026,614	2,346,899	0
Other	6,313	2,196	5,115
Lease Related	0	0	0
Total Deferred Inflows of Resources	5,032,927	2,349,095	5,115

**Exhibit C**

Debt Service	Capital Projects	Nonmajor	Total
\$ 67,089	\$523,720	\$2,032,220	\$10,867,032
699	0	0	9,627
455,169	0	0	7,828,682
0	750	80,887	156,388
0	0	252,035	252,035
0	0	0	10,230
0	0	10,157	512,342
0	10,952	0	10,952
0	0	0	1,057,543
\$522,957	\$535,422	\$2,375,299	\$20,704,831

\$ 0	\$136,694	\$ 19,760	\$ 927,517
0	0	14,911	140,932
0	0	501	17,796
0	0	0	514,707
0	0	0	1,006
0	136,694	35,172	1,601,958

455,169	0	0	7,828,682
662	0	253,156	267,442
0	10,952	0	10,952
455,831	10,952	253,156	8,107,076

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

June 30, 2024

		Special Revenue	
	General	Rural Services	Secondary Roads
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</b>			
<b>AND FUND BALANCES (CONTINUED)</b>			
Fund Balances:			
Nonspendable:			
Inventories	\$ 0	\$ 0	\$1,057,543
Restricted For:			
Supplemental Levy Purposes	1,072,471	0	0
Rural Services Purposes	0	625,120	0
Secondary Roads Purposes	0	0	3,123,990
Landfill Postclosure	0	0	0
Conservation Land Acquisition	15,000	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Opioid Abatement	0	0	0
Other Purposes	93,695	0	0
Assigned for Economic Development	61,739	0	0
Assigned for Sheriff	26,444	0	0
Unassigned	2,377,922	0	0
Total Fund Balances	3,647,271	625,120	4,181,533
<b>TOTAL LIABILITIES, DEFERRED INFLOWS</b>			
<b>OF RESOURCES AND FUND BALANCES</b>	<b>\$9,320,831</b>	<b>\$2,978,962</b>	<b>\$4,971,360</b>

See Notes To Financial Statements

**Exhibit C (Continued)**

Debt Service	Capital Projects	Nonmajor	Total
\$ 0	\$ 0	\$ 0	\$ 1,057,543
0	0	0	1,072,471
0	0	0	625,120
0	0	0	3,123,990
0	0	519,367	519,367
0	0	0	15,000
67,126	0	0	67,126
0	387,776	0	387,776
0	0	106,572	106,572
0	0	1,461,032	1,554,727
0	0	0	61,739
0	0	0	26,444
0	0	0	2,377,922
67,126	387,776	2,086,971	10,995,797
\$522,957	\$535,422	\$2,375,299	\$20,704,831

**CHICKASAW COUNTY  
New Hampton, Iowa****RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2024

**Total Governmental Fund Balances - Page 19** **\$10,995,797***Amounts reported for governmental activities in the Statement of Net Position are different because:*

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of the capital assets is \$73,120,329 and the accumulated depreciation/amortization is \$27,892,924.

45,227,405

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.

267,442

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

329,898

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred Outflows of Resources

\$1,483,700

Deferred Inflows of Resources

(192,992)

1,290,708

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

(4,866,728)**Net Position of Governmental Activities - Page 14****\$53,244,522**

See Notes To Financial Statements.

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
<b>REVENUES:</b>			
Property and Other County Tax	\$4,289,839	\$ 2,221,286	\$ 0
Local Option Sales Tax	0	0	964,212
Interest and Penalty on Property Tax	39,398	0	0
Intergovernmental	1,701,898	143,991	5,524,952
Licenses and Permits	51,237	0	88,708
Charges for Service	1,089,037	1,500	191,198
Use of Money and Property	455,653	0	0
Miscellaneous	195,620	0	45,893
Total Revenues	7,822,682	2,366,777	6,814,963
<b>EXPENDITURES:</b>			
Operating:			
Public Safety and Legal Services	2,993,700	6,006	0
Physical Health and Social Services	1,518,481	0	0
County Environment and Education	530,488	167,420	0
Roads and Transportation	0	70,000	6,481,349
Governmental Services to Residents	516,317	0	0
Administration	1,961,589	0	0
Debt Service	0	0	0
Capital Projects	441,015	0	1,617,884
Total Expenditures	7,961,590	243,426	8,099,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,908)	2,123,351	(1,284,270)
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Capital Assets	12,702	0	0
Transfers In	0	0	1,769,121
Transfers Out	(329,518)	(1,936,318)	0
Total Other Financing Sources (Uses)	(316,816)	(1,936,318)	1,769,121
Change in Fund Balances	(455,724)	187,033	484,851
Fund Balances Beginning of Year	4,102,995	438,087	3,680,817
Increase in Reserve for Inventories	0	0	15,865
Fund Balances End of Year	\$3,647,271	\$ 625,120	\$ 4,181,533

See Notes To Financial Statements



**Exhibit E**

Debt Service	Capital Projects	Nonmajor	Total
\$459,332	\$ 0	\$ 19,908	\$ 6,990,365
0	0	106,935	1,071,147
0	0	0	39,398
25,512	0	570,381	7,966,734
0	0	0	139,945
0	1,000	631,452	1,914,187
10,802	22,652	53,191	542,298
0	0	83,738	325,251
495,646	23,652	1,465,605	18,989,325
0	0	913,920	3,913,626
0	0	0	1,518,481
0	0	31,702	729,610
0	0	0	6,551,349
0	0	0	516,317
0	0	0	1,961,589
516,896	0	0	516,896
0	174,626	96,753	2,330,278
516,896	174,626	1,042,375	18,038,146
(21,250)	(150,974)	423,230	951,179
0	0	0	12,702
40,424	99,955	509,394	2,418,894
0	(33,058)	(120,000)	(2,418,894)
40,424	66,897	389,394	12,702
19,174	(84,077)	812,624	963,881
47,952	471,853	1,274,347	10,016,051
0	0	0	15,865
\$ 67,126	\$ 387,776	\$2,086,971	\$10,995,797

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2024

**Change in Fund Balance – Total Governmental Funds – Page 22**

\$ 963,881

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

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

Expenditures for Capital Assets	\$ 3,717,751	
Capital Assets Contributed by Iowa Department of Transportation	4,363,176	
Depreciation/Amortization Expense	<u>(1,934,422)</u>	6,146,505

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

(32,206)

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	(1,640)	
Other	<u>100,185</u>	98,545

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments are as follows:

Repaid		482,563
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**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)**  
Year Ended June 30, 2024

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

\$ 557,316

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

Compensated Absences	\$ (13,976)	
Pension Expense	(230,073)	
OPEB Expense	(8,633)	
Interest on Long-Term Debt	<u>574</u>	(252,108)

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

15,865

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

(39,565)

**Change in Net Position of Governmental Activities – Page 15**

\$7,940,796

**CHICKASAW COUNTY  
New Hampton, Iowa**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2024**

	Internal Service Employee Group Health
	<hr/>
<b>ASSETS</b>	
Cash, Cash Equivalents and Pooled Investments	<hr/> \$349,894 <hr/>
<b>CURRENT LIABILITIES</b>	
Accounts Payable	<hr/> 19,996 <hr/>
<b>NET POSITION</b>	
Unrestricted	<hr/> \$329,898 <hr/> <hr/>

See Notes To Financial Statements

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION**  
**PROPRIETARY FUND**  
Year Ended June 30, 2024

	Internal Service Employee Group Health
<b>OPERATING REVENUES:</b>	
Reimbursements From Operating Funds	\$1,021,062
Reimbursements From Employees	129,454
Other Reimbursements	123,020
Total Operating Revenues	<u>1,273,536</u>
<b>OPERATING EXPENSES:</b>	
Claims Paid	65,516
Insurance Premiums	1,230,819
Administrative Fees	17,956
Total Operating Expenses	<u>1,314,291</u>
Operating Loss	(40,755)
<b>NON-OPERATING REVENUES:</b>	
Interest on Investments	<u>1,190</u>
Net Loss	(39,565)
Net Position Beginning of Year	<u>369,463</u>
Net Position End of Year	<u><u>\$ 329,898</u></u>

See Notes To Financial Statements

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
Year Ended June 30, 2024

	Internal Service Employee Group Health
	<hr/>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received From Operating Fund Reimbursements	\$ 1,021,062
Cash Received From Employees and Others	252,474
Cash Payments To Suppliers for Services	(1,295,639)
Net Cash Used in Operating Activities	<hr/> <hr/> (22,103)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest Income	<hr/> 1,190
 Cash, Cash Equivalents and Pooled Investments Beginning of Year	<hr/> 370,807
 Cash, Cash Equivalents and Pooled Investments End of Year	<hr/> <hr/> \$ 349,894
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating Loss	\$ (40,755)
 <b>Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:</b>	
Increase in Accounts Payable	<hr/> 18,652
 Net Cash Used in Operating Activities	<hr/> <hr/> \$ (22,103)

See Notes To Financial Statements

**CHICKASAW COUNTY  
New Hampton, Iowa****STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
June 30, 2024****ASSETS**

Cash, Cash Equivalents and Pooled Investments:	
County Treasurer	\$ 1,961,611
Other County Officials	40,821
Receivables:	
Property Tax:	
Delinquent	33,384
Succeeding Year	16,650,159
Accounts	5,572
Assessments	3,927
Due From Other Governments	36,718
Total Assets	<u>18,732,192</u>

**LIABILITIES**

Accounts Payable	6,895
Salaries and Benefits Payable	6,179
Due To Other Governments	528,807
Due To Individuals and Private Entities	21,870
Compensated Absences	12,437
Total Liabilities	<u>576,188</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable Revenues	<u>16,685,222</u>
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**NET POSITION**

Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,470,782</u>
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See Notes To Financial Statements

**CHICKASAW COUNTY  
New Hampton, Iowa****STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
Year Ended June 30, 2024****ADDITIONS:**

Property and Other County Tax	\$15,508,231
911 Surcharge	171,339
State Tax Credits	1,044,942
Office Fees and Collections	865,410
Auto Licenses, Use Tax and Postage	6,776,790
Assessments	15,078
Trusts	197,696
Miscellaneous	171,773
Total Additions	<u>24,751,259</u>

**DEDUCTIONS:**

Agency Remittances:	
To Other Funds	789,898
To Other Governments	23,966,603
To Individuals and Private Entities	173,885
Total Deductions	<u>24,930,386</u>

**CHANGES IN NET POSITION** (179,127)

**NET POSITION BEGINNING OF YEAR** 1,649,909

**NET POSITION END OF YEAR** \$ 1,470,782

See Notes To Financial Statements



**CHICKASAW COUNTY**  
**New Hampton, Iowa**

## **Notes to Financial Statements**

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

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

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

#### **A. REPORTING ENTITY**

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

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

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### B. BASIS OF PRESENTATION

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

## Notes to Financial Statements (Continued)

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### *Note 1: Summary of Significant Accounting Policies (Continued)*

#### B. BASIS OF PRESENTATION (CONTINUED)

##### Fund Financial Statements (Continued)

##### Special Revenue:

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

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

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

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

Additionally the County reports the following funds:

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

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

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

## Notes to Financial Statements (Continued)

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### *Note 1: Summary of Significant Accounting Policies (Continued)*

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

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

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

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

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

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

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

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

## Notes to Financial Statements (Continued)

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### *Note 1: Summary of Significant Accounting Policies (Continued)*

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

Cash, Cash Equivalents and Pooled Investments (Continued) - For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

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

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

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

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

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

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

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

Inventories - Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Reported inventories in the governmental fund financial statements are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

Capital Assets - Capital assets are tangible and intangible assets, which include property, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 2003 (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

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

## Notes to Financial Statements (Continued)

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### *Note 1: Summary of Significant Accounting Policies (Continued)*

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

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

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

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

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

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

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

**Subscription-Based Information Technology Arrangements (SBITA)** – Chickasaw County has not entered into any contracts that conveys control of the right-to-use information technology software at June 30, 2024. Chickasaw County recognized IT subscription liabilities with an initial, individual value of \$100,000, or more.

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

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

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

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



## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Due to Individuals and Private Entities - Due to Individuals and Private Entities represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

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

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

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Unassigned - All amounts not included in the preceding classifications.

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

#### E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, disbursements exceeded the amounts budgeted in the nonprogram function.

### Note 2: Cash, Cash Equivalents and Pooled Investments

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

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

## Notes to Financial Statements (Continued)

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

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

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

### Note 3: Interfund Transfers

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

Transfer To	Transfer From	Amount
Special Revenue:		
EMS	General	\$ 217,197
	Special Revenue:	
EMS	Rural Services	162,197
EMS	Chickasaw County Betterment	120,000
Secondary Roads	Rural Services	1,769,121
	General	5,000
Landfill Postclosure Costs	Special Revenue:	
	Rural Services	5,000
Capital Projects	General	99,955
Debt Service	General	7,366
	Capital Projects	33,058
Total		<u>\$2,418,894</u>

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

## Notes to Financial Statements (Continued)

### Note 4: Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 3,110,924	\$ 0	\$ 0	\$ 3,110,924
Construction in Progress	5,360,359	5,881,955	5,619,919	5,622,395
Total Capital Assets Not Being Depreciated/Amortized	8,471,283	5,881,955	5,619,919	8,733,319
Capital Assets Being Depreciated/Amortized:				
Buildings	4,668,927	549,155	0	5,218,082
Improvements Other than Buildings	256,255	0	0	256,255
Machinery and Equipment	7,836,983	4,514,237	47,915	12,303,305
Vehicles	2,188,819	1,223,897	55,762	3,356,954
Right-to-Use Lease Assets	90,131	0	0	90,131
Infrastructure	41,318,584	1,531,602	0	42,850,186
Intangibles	312,097	0	0	312,097
Total Capital Assets Being Depreciated/Amortized	56,671,796	7,818,891	103,677	64,387,010
Less Accumulated Depreciation/Amortization for:				
Buildings	2,128,879	87,661	0	2,216,540
Improvement Other than Buildings	84,837	10,685	0	95,522
Machinery and Equipment	4,413,110	784,335	15,709	5,181,736
Vehicles	1,494,489	206,407	55,762	1,645,134
Right-to-Use Lease Assets	2,439	2,539	0	4,978
Infrastructure	17,597,138	839,779	0	18,436,917
Intangibles	309,081	3,016	0	312,097
Total Accumulated Depreciation/Amortization	26,029,973	1,934,422	71,471	27,892,924
Total Capital Assets Being Depreciated/Amortized, Net	30,641,823	5,884,469	32,206	36,494,086
Governmental Activities Capital Assets, Net	\$39,113,106	\$11,766,424	\$5,652,125	\$45,227,405

Depreciation/Amortization expense was charged to the following functions:

Governmental Activities:	
Public Safety and Legal Services	\$ 525,292
Physical Health and Social Services	30,594
County Environment and Education	50,779
Roads and Transportation	1,241,583
Governmental Services to Residents	21,964
Administration	64,210
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 1,934,422</u>

## Notes to Financial Statements (Continued)

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### Note 5: County Farm Lease Receivable

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

Year Ending June 30,	Amount
2025	<u><u>\$10,952</u></u>

### Note 6: Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2024 is as follows:

Fund	Description	Amount
General	Services	\$ 6,153
Special Revenue:		
Secondary Roads	Services	11,142
EMS	Services	314
Landfill Postclosure Costs	Services	<u>187</u>
Total for Governmental Funds		<u><u>\$17,796</u></u>

Fund	Description	Amount
Custodial:		
County Offices	Collections	\$ 1,564
Agricultural Extension Education		2,559
Schools		97,608
Community Colleges		8,873
Corporations		30,639
Townships		2,370
City Special Assessments		459
Auto License and Use Tax		381,176
All Other		<u>3,559</u>
Total for Custodial Funds		<u><u>\$528,807</u></u>

## Notes to Financial Statements (Continued)

### Note 7: Long-Term Liabilities

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

	Lease Agreements	General Obligation Capital Loan Notes	Estimated Liability for Landfill Post-Closure Care Costs	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance Beginning of Year	\$87,692	\$2,690,000	\$250,146	\$259,982	\$1,339,983	\$123,993	\$4,751,796
Increases	0	0	0	265,289	559,020	47,337	871,646
Decreases	2,539	470,424	9,600	259,982	0	16,462	759,007
Balance End of Year	\$85,153	\$2,219,576	\$240,546	\$265,289	\$1,899,003	\$154,868	\$4,864,435
Due Within One Year	\$ 2,642	\$ 435,000	\$ 0	\$265,289	\$ 0	\$ 0	\$ 702,931

### General Obligation Capital Loan Notes Payable

On May 14, 2020, the County issued \$4,500,000 of General Obligation Capital Loan Notes, Series 2020 with interest rates ranging from 1.45% to 1.85% per annum. The notes were issued to provide funds for a radio tower project. A summary of the County's June 30, 2024 general obligation capital loan notes indebtedness is as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2025	1.65%	\$ 435,000	\$ 39,592	\$ 474,592
2026	1.70%	445,000	32,415	477,415
2027	1.75%	450,000	24,850	474,850
2028	1.80%	460,000	16,975	476,975
2029	1.85%	429,576	8,695	438,271
		<u>\$2,219,576</u>	<u>\$122,527</u>	<u>\$2,342,103</u>

During the year, the County retired \$470,424 of the capital loan notes.

## Notes to Financial Statements (Continued)

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### Note 7: Long-Term Liabilities (Continued)

#### Postclosure Care Costs

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County has stopped accepting waste at the landfill. The \$240,546 reported as estimated liability for landfill postclosure care costs at June 30, 2024, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care during the year ended June 30, 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

In anticipation of state regulations requiring municipal solid waste landfills to demonstrate financial responsibility for the costs of closure and postclosure care, the County has restricted \$519,367 as of June 30, 2024 for such purposes. These funds are reflected as a restriction of fund balance within the Special Revenue – Landfill Postclosure Costs Fund.

#### Lease Agreements

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

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,642	\$ 3,358	\$ 6,000
2026	2,750	3,250	6,000
2027	2,862	3,138	6,000
2028	2,978	3,022	6,000
2029	3,100	2,900	6,000
2030-2034	17,498	12,502	30,000
2035-2039	21,365	8,635	30,000
2040-2044	26,086	3,914	30,000
2045-2049	5,872	128	6,000
	<u>\$85,153</u>	<u>\$40,847</u>	<u>\$126,000</u>

### Note 8: Pension Plan

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



## Notes to Financial Statements (Continued)

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### Note 8: Pension Plan (Continued)

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

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

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

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

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

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

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

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

## Notes to Financial Statements (Continued)

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### Note 8: Pension Plan (Continued)

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

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

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

The County's contributions to IPERS for the year ended June 30, 2024 totaled \$557,316.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a net pension liability of \$1,899,003 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the County's proportion was 0.0420720%, which was an increase of 0.006606% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$230,073. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Notes to Financial Statements (Continued)

### Note 8: Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 415,773	\$ 8,965
Changes of Assumptions	0	65,039
Net Difference Between Projected and Actual Earnings on IPERS' Investments	313,211	0
Changes in Proportion and Differences Between County Contributions and the County's Proportionate Share of Contributions	94,364	118,988
County Contributions Subsequent to the Measurement Date	557,316	0
Total	<u>\$1,380,664</u>	<u>\$192,992</u>

\$557,316 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ (58,011)
2026	(217,200)
2027	733,547
2028	145,712
2029	26,608
Total	<u>\$ 630,356</u>

There were no non-employer contributing entities at IPERS.

## Notes to Financial Statements (Continued)

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### Note 8: Pension Plan (Continued)

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

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

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21.00%	4.56%
International Equity	16.50	6.22
Global Smart Beta Equity	5.00	5.22
Core Plus Fixed Income	23.00	2.69
Public Credit	3.00	4.38
Cash	1.00	1.59
Private Equity	17.00	10.44
Private Real Assets	9.00	3.88
Private Credit	4.50	4.60
Total	100.00%	

## Notes to Financial Statements (Continued)

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### **Note 8: Pension Plan (Continued)**

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability:	\$5,332,838	\$1,899,003	\$(979,523)

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, 2024.

### **Note 9: Other Postemployment Benefits (OPEB)**

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	89
Total	93

## Notes to Financial Statements (Continued)

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

Total OPEB Liability – The County’s total OPEB liability of \$154,868 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2023.

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

Rate of Inflation (Effective July 1, 2023)	2.50% per Annum.
Rates of Salary Increase (Effective July 1, 2023)	3.25% per Annum.
Discount Rate (Effective July 1, 2023)	3.65% Compounded Annually, including Inflation.
Healthcare Cost Trend Rate (Effective July 1, 2023)	5.00% Initial Rate.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65% which reflects the index for 20 year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP2014 Annuity Mortality Table. Annual retirement probabilities are based on varying rates by age and turnover probabilities that mirror those used by IPERS.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

### Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	<u>\$123,993</u>
Changes for the Year:	
Service Cost	7,941
Interest	5,744
Differences Between Expected and Actual Experiences	47,557
Changes in Assumptions	(13,905)
Benefits Payments	<u>(16,462)</u>
Net Changes	<u>30,875</u>
Total OPEB Liability End of Year	<u><u>\$154,868</u></u>

Changes of assumptions reflect a change in the discount rate from 2.14% in fiscal year 2023 to 3.65% in fiscal year 2024.

## Notes to Financial Statements (Continued)

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

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$163,727	\$154,868	\$146,704

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

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB Liability	\$145,540	\$154,868	\$165,373

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense of \$8,633. At June 30, 2024, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$107,508
Changes in Assumptions	(4,472)
	<u>\$103,036</u>

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

Year Ending June 30,	Amount
2025	\$ 11,410
2026	11,410
2027	11,410
2028	13,088
2029	13,649
Thereafter	<u>42,069</u>
	<u>\$103,036</u>

## Notes to Financial Statements (Continued)

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### **Note 10: Risk Management**

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

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

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

Initial risk of loss for the self-insured coverages is retained by the Pool. The Pool obtained a reinsurance policy for the year ended June 30, 2024, which covers exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers compensation, and in excess of \$400,000 per occurrence, up to a maximum of \$7,000,000 per occurrence, including the retention of the Pool, for general liability, police professional, errors and omissions and automobile liability. The Pool records a liability for unpaid claims based on estimates of reported and incurred but not reported claims and related loss adjustments expenses. At June 30, 2024, 2023 and 2022, the Pool reported a surplus of assets over liabilities.

Each member retains the risk of claims, if any, exceeding maximum reinsurance coverages and the amount of surplus maintained in the Pool by means of an assessment that would be charged to the member County in addition to the premium contributions. At June 30, 2024, settled claims have not exceeded the Pool or reinsurance coverage since commencement of the Pool.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2024 were \$466,880.



## Notes to Financial Statements (Continued)

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### **Note 10: Risk Management (Continued)**

Initial membership into the Pool is for a mandatory three year period. Subsequent to the initial term, a member County may withdraw at the end of any fiscal year. The initial membership period for Chickasaw County commenced July 1, 1987, and is subject to renewal every five years. The County also carries commercial insurance purchased by the Pool from other insurers for coverages associated with the employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### **Note 11: Employee Health Insurance Plan**

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

Administrative service fees and plan contributions are paid monthly from the County's operating funds to a separate account administered by Employee Benefit Systems. The County records the plan assets and related liabilities of the Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2024 was \$1,021,062.

Amounts payable from the Employee Group Health Fund at June 30, 2024 total \$19,996 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$329,898 at June 30, 2024 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims to be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid Claims Beginning of Year	\$ 1,344
Incurred Claims (including claims incurred but not reported at June 30, 2024)	65,516
Payments on Claims During the Year	<u>46,864</u>
Unpaid Claims End of Year	<u><u>\$19,996</u></u>

## Notes to Financial Statements (Continued)

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### **Note 12: Tax Abatements**

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

#### **County Tax Abatements**

For the year ended June 30, 2024, the County did not abate property tax under urban renewal and economic development projects.

#### **Tax Abatements of Other Entities**

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

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Nashua	Urban renewal and economic development projects	\$ 954
City of New Hampton	Urban renewal and economic development projects	49,577

### **Note 13: Business Transactions**

Business transactions between the County and County officials or employees were noted.

### **Note 14: Construction Commitments**

The Iowa Department of Transportation has entered into a contract on behalf of Chickasaw County for a bridge replacement project. As of June 30 2024, costs of \$66,444 on the project have been incurred. The balance remaining on the contract at June 30, 2024 will be paid as work on the project progresses.

The Iowa Department of Transportation has entered into a contract on behalf of Chickasaw County for a road construction project. As of June 30, 2024, costs of \$10,368 on the project have been incurred. The balance remaining on the contract at June 30, 2024 will be paid as work on the project progresses.

## **Notes to Financial Statements (Continued)**

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### **Note 14: Construction Commitments (Continued)**

The Iowa Department of Transportation has entered into a contract on behalf of Chickasaw County for a road construction project. As of June 30, 2024, costs of \$4,260,036 on the project have been incurred. The balance remaining on the contract at June 30, 2024 will be paid as work on the project progresses.

The Iowa Department of Transportation has entered into a contract on behalf of Chickasaw County for a bridge replacement project. As of June 30, 2024, costs of \$13,283 on the project have been incurred. The balance remaining on the contract at June 30, 2024 will be paid as work on the project progresses.

Chickasaw County has entered into a contract totaling \$1,146,334 for a bridge replacement project. As of June 20, 2024, costs of \$1,099,637 on the project have been incurred. The contract will be paid as work on the project progresses.

Chickasaw County started the Heritage Water Project during this fiscal year and has incurred costs of \$37,047 for the planning and design of the project. The County has also entered into a contract totaling \$143,839 for the construction phase of the Heritage Water Project. As of June 30, 2024, costs of \$135,580 have been incurred on construction for the project. The contract will be paid as work on the project progresses.

### **Note 15: Closure and Postclosure Care Costs**

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

State and Federal laws and regulations required the Agency to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near and after the date the landfill stops accepting waste, state laws require the Agency to submit a closure and postclosure plan detailing the schedule for and the methods by which the operator will meet the conditions for proper closure and postclosure. The Agency is in compliance with this requirement. On June 30, 2024, Chickasaw County did not anticipate any additional assessment for closure and postclosure costs.

### **Note 16: Subsequent Events**

Management evaluated subsequent events through March 27, 2025 the date the financial statements were available to be issued.

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**BUDGETARY COMPARISON SCHEDULE OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN BALANCES  
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS**

**REQUIRED SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2024

	Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
<b>RECEIPTS:</b>				
Property and Other County Tax	\$ 8,036,925	\$ 7,689,848	\$ 7,689,848	\$ 347,077
Interest and Penalty on Property Tax	39,398	15,000	15,000	24,398
Intergovernmental	7,805,790	8,012,221	8,012,221	(206,431)
Licenses and Permits	144,982	50,300	25,300	119,682
Charges for Service	1,877,722	1,476,188	1,626,188	251,534
Use of Money and Property	550,618	145,852	145,852	404,766
Miscellaneous	310,869	212,100	350,563	(39,694)
Total Receipts	18,766,304	17,601,509	17,864,972	901,332
<b>DISBURSEMENTS:</b>				
Public Safety and Legal Services	3,928,502	3,969,514	4,414,596	486,094
Physical Health and Social Services	1,528,450	1,784,749	1,860,849	332,399
County Environment and Education	728,060	827,214	991,984	263,924
Roads and Transportation	7,446,409	7,283,124	7,663,830	217,421
Governmental Services to Residents	525,439	611,228	682,901	157,462
Administration	1,957,325	1,989,177	2,280,249	322,924
Non-Program	0	0	7,277	7,277
Debt Service	516,896	476,473	516,898	2
Capital Projects	2,513,789	4,086,198	4,488,140	1,974,351
Total Disbursements	19,144,870	21,027,677	22,906,724	3,761,854
Excess (Deficiency) of Receipts Over (Under) Disbursements	(378,566)	(3,426,168)	(5,041,752)	4,663,186
Other Financing Sources (Uses), Net	12,702	0	12,702	0
Change in Balances	(365,864)	(3,426,168)	(5,029,050)	4,663,186
Balance Beginning of Year	11,232,896	8,788,413	8,788,413	2,444,483
Balance End of Year	\$10,867,032	\$ 5,362,245	\$ 3,759,363	\$7,107,669

See Accompanying Independent Auditor's Report

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION**

**REQUIRED SUPPLEMENTARY INFORMATION**  
Year Ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$18,766,304	\$ 223,021	\$18,989,325
Expenditures	19,144,870	(1,106,724)	18,038,146
Net	(378,566)	1,329,745	951,179
Other Financings Sources, Net	12,702	0	12,702
Beginning Fund Balances	11,232,896	(1,216,845)	10,016,051
Increase in Reserve For: Inventories	0	15,865	15,865
Ending Fund Balances	\$10,867,032	\$ 128,765	\$10,995,797

See Accompanying Independent Auditor's Report

## **CHICKASAW COUNTY**

### **New Hampton, Iowa**

#### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING**

June 30, 2024

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except the Internal Service Fund and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, three budget amendments increased budgeted disbursements by \$1,879,047. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2024, disbursements exceeded the amounts budgeted in the nonprogram function.

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY (ASSET)  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST TEN YEARS\***  
(In Thousands)

**REQUIRED SUPPLEMENTARY INFORMATION**

	2024	2023	2022	2021
County's Proportion of the Net Pension Liability (Asset)	0.0420720%	0.0354670%	0.3012505%**	0.0465508%
County's Proportionate Share of the Net Pension Liability (Asset)	\$1,899	\$1,340	\$(1,040)	\$3,270
County's Covered Payroll	\$5,649	\$4,874	\$ 4,670	\$4,671
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	33.62%	27.49%	(22.27)%	70.01%
IPERS' Net Position as a Percentage of the Total Pension Liability (Asset)	90.13%	91.40%	100.81%	82.90%

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

\*\* Overall plan net pension asset.

See Accompanying Independent Auditor's Report.

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



**CHICKASAW COUNTY****New Hampton, Iowa****SCHEDULE OF COUNTY CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST TEN YEARS  
(In Thousands)****REQUIRED SUPPLEMENTARY INFORMATION**

	2024	2023	2022	2021
Statutorily Required Contribution	\$ 557	\$ 527	\$ 457	\$ 440
Contributions in Relation to the Statutorily Required Contribution	(557)	(527)	(457)	(440)
Contribution Deficiency	\$ 0	\$ 0	\$ 0	\$ 0
County's Covered Payroll	\$5,997	\$5,649	\$4,874	\$4,670
Contributions as a Percentage of Covered Payroll	9.29%	9.33%	9.37%	9.43%

See Accompanying Independent Auditor's Report

2020	2019	2018	2017	2016	2015
\$ 444	\$ 438	\$ 387	\$ 394	\$ 385	\$ 375
(444)	(438)	(387)	(394)	(385)	(375)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$4,671	\$4,586	\$4,265	\$4,335	\$4,234	\$4,124
9.50%	9.55%	9.07%	9.09%	9.09%	9.09%

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY**

Year Ended June 30, 2024

*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%.

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

	2024	2023	2022
Service Cost	\$ 7,941	\$ 8,179	\$ 7,921
Interest Cost	5,744	2,860	3,425
Differences Between Expected and Actual Experiences	47,557	0	103,025
Changes in Assumptions	(13,905)	0	10,192
Benefit Payments	(16,462)	(25,036)	(50,960)
Net Changes in Total OPEB Liability	30,875	(13,997)	73,603
Total OPEB Liability Beginning of Year	123,993	137,990	64,387
 Total OPEB Liability End of Year	 \$ 154,868	 \$ 123,993	 \$ 137,990
 Covered Employee Payroll	 \$5,047,829	 \$4,983,879	 \$4,312,587
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 3.07%	 2.49%	 3.20%

See Accompanying Independent Auditor's Report

2021	2020	2019	2018
\$ 4,208	\$ 4,075	\$ 8,212	\$ 8,212
2,254	2,135	2,562	2,553
0	(7,868)	(8,008)	(9,303)
0	2,081	0	0
(4,524)	(1,408)	0	(2,395)
1,938	(985)	2,766	(933)
62,449	63,434	60,668	61,601
<u>\$ 64,387</u>	<u>\$ 62,449</u>	<u>\$ 63,434</u>	<u>\$ 60,668</u>
\$4,164,521	\$4,098,142	\$4,237,016	\$3,971,202
1.55%	1.52%	1.50%	1.53%

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB LIABILITY

Year Ended June 30, 2024

*Changes of Benefit Terms:*

There are no significant changes in benefit terms.

*Changes of Assumptions:*

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

Year Ended June 30, 2024	3.65%
Year Ended June 30, 2023	2.14%
Year Ended June 30, 2022	2.14%
Year Ended June 30, 2021	3.50%
Year Ended June 30, 2020	3.50%
Year Ended June 30, 2019	3.72%
Year Ended June 30, 2018	3.72%

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

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

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2024

	Special Revenue				
	REAP	Recorder's Records Management	Chickasaw County Betterment	Economic Development	EMS Donations
<b>ASSETS</b>					
Cash, Cash Equivalents and Pooled Investments	\$55,146	\$21,188	\$ 92,738	\$45,163	\$11,461
Receivables:					
Accounts	0	164	0	0	0
Opioid Settlement	0	0	0	0	0
Due From Other Governments	0	0	10,157	0	0
<b>TOTAL ASSETS</b>	<b>\$55,146</b>	<b>\$21,352</b>	<b>\$102,895</b>	<b>\$45,163</b>	<b>\$11,461</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Salaries and Benefits Payable	0	0	0	0	0
Due to Other Governments	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Deferred Inflows of Resources:					
Unavailable Revenues:					
Other	0	0	0	0	0
Fund Balances:					
Restricted For:					
Landfill Postclosure	0	0	0	0	0
Opioid Abatement	0	0	0	0	0
Other Purposes	55,146	21,352	102,895	45,163	11,461
Total Fund Balances	55,146	21,352	102,895	45,163	11,461
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$55,146</b>	<b>\$21,352</b>	<b>\$102,895</b>	<b>\$45,163</b>	<b>\$11,461</b>

See Accompanying Independent Auditor's Report

**Schedule 1**

Special Revenue							
EMS	Tourism	Opioid Settlement	Bypass Basin	Landfill Postclosure Costs	Sheriff's Forfeiture	Twin Ponds Nature Center	Total
\$1,032,698	\$46,275	\$ 91,137	\$92,588	\$519,795	\$ 660	\$23,371	\$2,032,220
72,887	0	0	0	0	7,836	0	80,887
0	0	252,035	0	0	0	0	252,035
0	0	0	0	0	0	0	10,157
<u>\$1,105,585</u>	<u>\$46,275</u>	<u>\$343,172</u>	<u>\$92,588</u>	<u>\$519,795</u>	<u>\$8,496</u>	<u>\$23,371</u>	<u>\$2,375,299</u>
\$ 17,964	\$ 1,555	\$ 0	\$ 0	\$ 241	\$ 0	\$ 0	\$ 19,760
14,911	0	0	0	0	0	0	14,911
314	0	0	0	187	0	0	501
<u>33,189</u>	<u>1,555</u>	<u>0</u>	<u>0</u>	<u>428</u>	<u>0</u>	<u>0</u>	<u>35,172</u>
16,556	0	236,600	0	0	0	0	253,156
0	0	0	0	519,367	0	0	519,367
0	0	106,572	0	0	0	0	106,572
1,055,840	44,720	0	92,588	0	8,496	23,371	1,461,032
<u>1,055,840</u>	<u>44,720</u>	<u>106,572</u>	<u>92,588</u>	<u>519,367</u>	<u>8,496</u>	<u>23,371</u>	<u>2,086,971</u>
<u>\$1,105,585</u>	<u>\$46,275</u>	<u>\$343,172</u>	<u>\$92,588</u>	<u>\$519,795</u>	<u>\$8,496</u>	<u>\$23,371</u>	<u>\$2,375,299</u>



**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year Ended June 30, 2024

	Special Revenue				
	Recorder's	Chickasaw			
	Records	County	Economic	EMS	
REAP	Management	Betterment	Development	Donations	
<b>REVENUES:</b>					
Property and Other County Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Local Option Sales Tax	0	0	106,935	0	0
Intergovernmental	10,742	0	0	0	0
Charges for Service	0	2,012	0	0	0
Use of Money and Property	1,385	201	0	0	0
Miscellaneous	0	0	0	0	18,335
Total Revenues	12,127	2,213	106,935	0	18,335
<b>EXPENDITURES:</b>					
Operating:					
Public Safety and Legal Services	0	0	0	0	6,874
County Environment and Education	0	0	0	6,600	0
Capital Projects	0	0	0	0	0
Total Expenditures	0	0	0	6,600	6,874
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	12,127	2,213	106,935	(6,600)	11,461
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	0	0	0	0	0
Transfers Out	0	0	(120,000)	0	0
Total Other Financing Sources (Uses)	0	0	(120,000)	0	0
Change in Fund Balances	12,127	2,213	(13,065)	(6,600)	11,461
Fund Balances Beginning of Year	43,019	19,139	115,960	51,763	0
Fund Balances End of Year	\$55,146	\$21,352	\$ 102,895	\$45,163	\$11,461

See Accompanying Independent Auditor's Report

**Schedule 2**

Special Revenue								
EMS	Tourism	Opioid Settlement	Bypass Basin	Landfill Postclosure Costs	Attorney Forfeiture	Sheriff's Forfeiture	Twin Ponds Nature Center	Total
\$ 0	\$19,908	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,908
0	0	0	0	0	0	0	0	106,935
551,803	0	0	0	0	0	7,836	0	570,381
629,440	0	0	0	0	0	0	0	631,452
38,008	0	2,594	3,867	6,494	12	7	623	53,191
3,300	0	62,103	0	0	0	0	0	83,738
1,222,551	19,908	64,697	3,867	6,494	12	7,843	623	1,465,605
904,962	0	0	0	0	2,084	0	0	913,920
0	15,358	0	0	9,744	0	0	0	31,702
96,753	0	0	0	0	0	0	0	96,753
1,001,715	15,358	0	0	9,744	2,084	0	0	1,042,375
220,836	4,550	64,697	3,867	(3,250)	(2,072)	7,843	623	423,230
499,394	0	0	0	10,000	0	0	0	509,394
0	0	0	0	0	0	0	0	(120,000)
499,394	0	0	0	10,000	0	0	0	389,394
720,230	4,550	64,697	3,867	6,750	(2,072)	7,843	623	812,624
335,610	40,170	41,875	88,721	512,617	2,072	653	22,748	1,274,347
\$1,055,840	\$44,720	\$106,572	\$92,588	\$519,367	\$ 0	\$8,496	\$23,371	\$2,086,971

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**COMBINING STATEMENT OF FIDUCIARY**  
**NET POSITION**  
**CUSTODIAL FUNDS**  
June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>ASSETS</b>				
Cash, Cash Equivalents and Pooled Investments:				
County Treasurer	\$ 0	\$ 2,559	\$ 602,763	\$ 97,608
Other County Officials	40,821	0	0	0
Receivables:				
Property Tax:				
Delinquent	0	367	644	15,039
Succeeding Year	0	274,046	480,778	10,449,850
Accounts	0	0	0	0
Assessments	0	0	0	0
Due From Other Governments	0	0	0	0
<b>TOTAL ASSETS</b>	<b>40,821</b>	<b>276,972</b>	<b>1,084,185</b>	<b>10,562,497</b>
<b>LIABILITIES</b>				
Accounts Payable	0	0	4,437	0
Salaries and Benefits Payable	0	0	4,838	0
Due to Other Governments	1,564	2,559	0	97,608
Due to Individuals and Private Entities	94	0	0	0
Compensated Absences	0	0	8,614	0
<b>TOTAL LIABILITIES</b>	<b>1,658</b>	<b>2,559</b>	<b>17,889</b>	<b>97,608</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	0	274,390	481,382	10,464,069
<b>NET POSITION</b>				
Restricted for Individuals, Organizations and Other Governments	<u>\$39,163</u>	<u>\$ 23</u>	<u>\$ 584,914</u>	<u>\$ 820</u>

See Accompanying Independent Auditor's Report

**Schedule 3**

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
\$ 8,873 0	\$ 30,639 0	\$ 2,370 0	\$ 459 0	\$381,176 0	\$ 835,164 0	\$ 1,961,611 40,821
1,337	9,245	273	0	0	6,479	33,384
926,644	3,591,155	258,361	0	0	669,325	16,650,159
0	0	0	0	0	5,572	5,572
0	0	0	3,927	0	0	3,927
0	0	0	0	0	36,718	36,718
936,854	3,631,039	261,004	4,386	381,176	1,553,258	18,732,192
0	0	0	0	0	2,458	6,895
0	0	0	0	0	1,341	6,179
8,873	30,639	2,370	459	381,176	3,559	528,807
0	0	0	0	0	21,776	21,870
0	0	0	0	0	3,823	12,437
8,873	30,639	2,370	459	381,176	32,957	576,188
927,886	3,599,139	258,625	3,927	0	675,804	16,685,222
\$ 95	\$ 1,261	\$ 9	\$ 0	\$ 0	\$ 844,497	\$ 1,470,782

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY  
NET POSITION - CUSTODIAL FUNDS**

Year Ended June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>ADDITIONS:</b>				
Property and Other County Tax	\$ 0	\$267,033	\$457,893	\$10,083,168
911 Surcharge	0	0	0	0
State Tax Credits	0	17,139	29,289	562,653
Office Fees and Collections	865,410	0	0	0
Auto Licenses, Use Tax and Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	127,481	0	0	0
Miscellaneous	0	0	29,111	0
Total Additions	992,891	284,172	516,293	10,645,821
<b>DEDUCTIONS:</b>				
Agency Remittances:				
To Other Funds	603,834	0	0	0
To Other Governments	268,626	284,151	502,615	10,645,076
To Individuals and Private Entities	103,670	0	0	0
Total Deductions	976,130	284,151	502,615	10,645,076
<b>CHANGES IN NET POSITION</b>	16,761	21	13,678	745
<b>NET POSITION BEGINNING OF YEAR</b>	22,402	2	571,236	75
<b>NET POSITION END OF YEAR</b>	\$ 39,163	\$ 23	\$584,914	\$ 820

See Accompanying Independent Auditor's Report

**Schedule 4**

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
\$905,059	\$3,185,587	\$245,790	\$ 0	\$ 0	\$ 363,701	\$15,508,231
0	0	0	0	0	171,339	171,339
50,831	360,778	11,623	0	0	12,629	1,044,942
0	0	0	0	0	0	865,410
0	0	0	0	6,776,790	0	6,776,790
0	0	0	15,078	0	0	15,078
0	0	0	0	0	70,215	197,696
0	0	0	0	0	142,662	171,773
955,890	3,546,365	257,413	15,078	6,776,790	760,546	24,751,259
0	0	0	0	186,064	0	789,898
955,801	3,545,104	257,407	15,078	6,590,726	902,019	23,966,603
0	0	0	0	0	70,215	173,885
955,801	3,545,104	257,407	15,078	6,776,790	972,234	24,930,386
89	1,261	6	0	0	(211,688)	(179,127)
6	0	3	0	0	1,056,185	1,649,909
\$ 95	\$ 1,261	\$ 9	\$ 0	\$ 0	\$ 844,497	\$ 1,470,782

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

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

For the Last Ten Years

	Modified Accrual Basis			
	2024	2023	2022	2021
<b>REVENUES:</b>				
Property and Other County Tax	\$ 6,990,365	\$ 6,607,016	\$ 6,586,443	\$ 6,536,434
Local Option Sales Tax	1,071,147	1,000,003	1,018,403	912,947
Interest and Penalty On Property Tax	39,398	27,898	29,161	41,111
Intergovernmental	7,966,734	6,534,762	5,286,519	7,208,831
Licenses and Permits	139,945	137,750	52,870	37,772
Charges For Service	1,914,187	1,339,998	1,188,419	1,007,191
Use of Money and Property	542,298	508,647	101,357	92,764
Miscellaneous	325,281	516,795	287,037	309,737
Total	\$18,989,325	\$16,672,869	\$14,550,209	\$16,146,787
<b>EXPENDITURES:</b>				
Operating:				
Public Safety and Legal Services	\$ 3,913,626	\$ 3,994,920	\$ 2,339,754	\$ 2,414,797
Physical Health and Social Services	1,518,481	1,481,228	1,417,676	1,386,623
Mental Health	0	0	310,013	358,920
County Environment and				
Education	729,610	756,062	695,743	637,708
Roads and Transportation	6,551,349	7,854,137	5,808,850	6,236,603
Governmental Services To Residents	516,317	506,365	480,846	443,896
Administration	1,961,589	1,720,395	1,575,354	1,571,478
Non-Program	0	0	0	0
Debt Service	516,896	478,060	479,360	515,885
Capital Projects	2,330,278	1,381,296	893,134	1,965,764
Total	\$18,038,146	\$18,172,463	\$14,000,730	\$15,531,674

See Accompanying Independent Auditor's Report

**Schedule 5**

Modified Accrual Basis					
2020	2019	2018	2017	2016	2015
\$ 6,310,440	\$ 5,913,863	\$ 5,470,557	\$ 5,292,840	\$ 5,167,370	\$ 5,101,686
783,300	696,020	652,432	671,941	605,398	725,287
14,146	29,082	28,470	32,290	24,692	32,579
5,630,099	6,070,731	4,955,998	5,930,437	5,268,597	4,528,661
27,633	25,583	21,696	23,954	21,387	18,436
906,417	1,031,565	1,052,787	1,253,162	1,094,977	1,130,493
156,090	148,159	127,048	112,598	113,637	70,844
995,224	153,319	218,130	190,315	246,912	250,284
\$14,823,349	\$14,068,322	\$12,527,118	\$13,507,537	\$12,542,970	\$11,858,270
\$ 2,397,024	\$ 2,187,308	\$ 2,018,205	\$ 2,106,573	\$ 1,881,655	\$ 1,917,371
1,481,626	1,461,571	1,200,482	1,401,413	1,438,314	1,410,731
448,858	537,338	582,044	735,876	752,030	775,060
646,261	688,091	668,771	672,756	791,925	692,056
6,592,732	6,933,298	5,416,207	5,796,016	5,926,818	5,169,828
446,025	410,321	408,032	458,743	426,921	416,291
1,542,784	1,514,519	1,474,372	1,471,452	1,484,522	1,423,842
0	1,333,724	662,014	184,756	267,131	4,526
518,452	0	0	0	0	0
2,566,363	30,126	164,599	198,522	7,985	110,524
\$16,640,125	\$15,096,296	\$12,594,726	\$13,026,107	\$12,977,301	\$11,920,229





## **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**

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To the Officials of Chickasaw County  
New Hampton, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chickasaw County, Iowa as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Chickasaw County, Iowa's basic financial statements, and have issued our report thereon dated March 27, 2025.

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

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001 and 2024-003 to be material weaknesses.

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

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

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## **Chickasaw County, Iowa's Responses to Findings**

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

## **Purpose of this Report**

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

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



Charles City, Iowa  
March 27, 2025

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**SCHEDULE OF FINDINGS**  
Year Ended June 30, 2024

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES**

**2024-001   Segregation of Duties**

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

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

***Cause*** – Limited staff available to segregate duties.

***Effect*** – Inadequate segregation of duties could adversely affect the County's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

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

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

***Conclusion*** – Response accepted.

**2024-002   Preparation of Full Disclosure Financial Statements**

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

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

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

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**SCHEDULE OF FINDINGS (CONTINUED)**  
Year Ended June 30, 2024

**Findings Related to the Financial Statements: (Continued)**

**2024-002 Preparation of Full Disclosure Financial Statements (Continued)**

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

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

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

***Conclusion*** – Response acknowledged.

**2024-003 Financial Reporting**

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

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

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

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

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**SCHEDULE OF FINDINGS (CONTINUED)**  
Year Ended June 30, 2024

**Findings Related to the Financial Statements: (Continued)**

**2024-003 Financial Reporting (Continued)**

***Recommendation*** – The County should establish procedures to ensure all transactions are identified and properly reported in the County’s financial statements.

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

***Conclusion*** – Response accepted.

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

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

**2024-A Certified Budget** – Disbursements during the year ended June 30, 2024 exceeded the amounts budgeted in the nonprogram function.

***Recommendation*** – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

***Response*** – We will amend the budget when required.

***Conclusion*** – Response accepted.

**2024-B Questionable Expenditures** – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s opinion dated April 25, 1979, public funds may only be spent for public benefit. No expenditures were noted which we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented.

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

**CHICKASAW COUNTY**  
**New Hampton, Iowa**

**SCHEDULE OF FINDINGS (CONTINUED)**  
Year Ended June 30, 2024

**Other Findings Related to Required Statutory Reporting: (Continued)**

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

Name, Title and Business Connection	Transaction Description	Amount
<b>Brenda Schnoebelen, Treasurer's Office</b>		
Margie Zipse, Mother	Election Worker	\$ 330
<b>Toni Schwickerath, Assessor Clerk</b>		
Rapid Printers, Owner	Election supplies, stationary, general office supplies	25,816

In accordance with Chapter 331.342 of the Code of Iowa, the transactions with Margie Zipse do not appear to represent conflicts of interest since total transactions were less than \$6,000 during the fiscal year.

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

**2024-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.

**2024-F    Bond Coverages** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed periodically to ensure that coverage is adequate for current operations.

**2024-G    Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.

**2024-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.

**2024-I    Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

**2024-J    Tax Increment Financing** – For the year ended June 30, 2024, the County Auditor prepared reconciliations for each city reconciling TIF receipts with total outstanding TIF debt.