



Anderson, Wilmarth, Van Der Maaten, Fretheim,  
Evelsizer Olson, Noble, Lynch & Zahasky  
212 Winnebago Street, Decorah, IA 52101  
Decorah: (563)382-2959  
Fax: (563)382-3773  
Ossian: (563)532-9104  
[www.andersonlawdecorah.com](http://www.andersonlawdecorah.com)

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March 11, 2025

Attn: Bill Blum  
Iowa Department of Natural Resources  
Wallace State Office Building  
900 East Grand Avenue  
Des Moines, IA 50319

Re: Winneshiek County Area Solid Waste Agency  
(WCASWA) Financial Assurance

Dear Mr. Blum:

Please find enclosed the completed Financial Assurance Report for the Winneshiek County Area Solid Waste Agency. Also included is a copy of the engineer's estimates, current values held in the "local government dedicated fund", and the agency resolution. The Agency's audit report can be located at [www.auditor.iowa.gov/audit-reports](http://www.auditor.iowa.gov/audit-reports). The pdf number is - 24142322C00F\_B2E72D81DA0EC.pdf.

If there is anything further that you need, please contact me.

Sincerely,

Jana Evelsizer Olson  
[jana.olson@andersonlawdecorah.com](mailto:jana.olson@andersonlawdecorah.com)

JMEO/pjh  
Enclosure

CERTIFIED/RETURN RECEIPT

**RECEIVED**

**MAR 18 2025**

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Andrew F. Van Der Maaten •  
Daniel L. Fretheim

John S. Anderson • •  
Jana M. Evelsizer Olson ♦

Dustin H. Noble  
Charles W. Crain•

Lee E. Wilmarth, Of Counsel  
Calvin R. Anderson, Retired

Richard D. Zahasky, Retired  
Timothy C. Lynch, Retired

• Attorney and Certified Mediator Also licensed in • Minnesota • Illinois ♦ Colorado

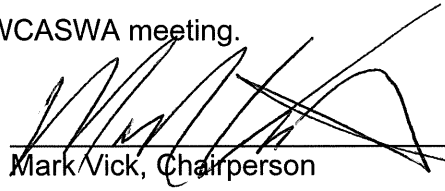
**RESOLUTION NO. 25-01**

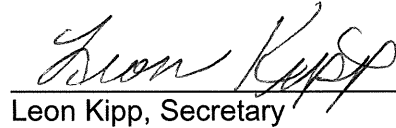
**RESOLUTION OF THE  
WINNESHIEK COUNTY AREA SOLID WASTE AGENCY (WCASWA)  
REVISED CLOSURE & POST CLOSURE CARE  
FINANCIAL RESPONSIBILITY PLAN**

The engineer's estimate dated February 11, 2025, is attached describing in detail the estimated closure and post closure costs, with total closure costs of \$4,860,785.00 and post closure costs of \$1,548,507.00. The 2024 audit for the WCASWA has been submitted to the Iowa State Auditor and is available as Document Number 24142322C00F\_B2E72D81DA0EC.pdf. Total proceeds currently held for closure and post closure costs through December 31, 2024, total \$7,263,055.32.

It is the intention of the WCASWA to fund any further additional closure costs, post closure costs or corrective action costs as necessary.

Resolution passed March 10, 2025, at the WCASWA meeting.

  
\_\_\_\_\_  
Mark Vick, Chairperson

  
\_\_\_\_\_  
Leon Kipp, Secretary



# Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

## SECTION 1: FACILITY INFORMATION

(please print or type)

### Information Requested

Facility Name: Winneshiek County Sanitary Landfill Permit Number: 96-SDP-01-74P

Permitted Agency/Entity: Winneshiek County Area Solid Waste Agency

## SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 4,860,785.00	February 11, 2025
Updated Postclosure Cost Estimate	\$ 1,548,507.00	February 11, 2025
Initial or Updated Corrective Action Cost Estimate	\$	

\*Attach closure/postclosure cost estimate(s) signed and certified by an Iowa-licensed professional engineer. Cost estimates shall include, at a minimum, each of the cost line items defined in 113.14(3)"c" for closure and 113.14(4)"c" for postclosure. Please provide closure and/or postclosure site area acreage information with the estimates.

Provide a cost estimate for corrective action only if corrective action is required and a corrective action plan has been approved by the Department. Attach the corrective action cost estimate signed and certified by an Iowa-licensed professional engineer. The cost estimate shall account for total costs of the activities described in the approved corrective action plan for the corrective action period.

## SECTION 3: FACILITY WASTE TONNAGE INFORMATION

Information Requested	Tons
Remaining permitted capacity as of the beginning of permit holder's current fiscal year	587,679
Amount of waste disposed of at the facility during the prior year	22,744

## SECTION 4: PROOF OF COMPLIANCE

### Publicly Owned Municipal Solid Waste Landfills (ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report  
Prepared by: Hacker, Nelson & Co., P.C.  
For fiscal year ending: June 30, 2024

### Privately Owned Municipal Solid Waste Landfills (ATTACH AFFIDAVIT)

Attach owner/operator's affidavit indicating that an annual review has been performed by a certified public accountant to determine whether the privately owned landfill is in compliance with IAC 567 Chapter 113. The affidavit shall state the name of the certified public accountant, the dates and conclusions of the review, and the steps taken to rectify any deficiencies identified by the accountant.

RECEIVED

MAR 18 2025

## SECTION 5: FINANCIAL ASSURANCE INSTRUMENT

Type and Value of Financial Assurance Instrument(s)

(ATTACH INSTRUMENT(S))

Assurance Instrument	Establishment Date	Mechanism Covers	Instrument Value*
Trust Fund 567 IAC 113.14(6)"a"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Surety Bond 567 IAC 113.14(6)"b"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Letter of Credit 567 IAC 113.14(6)"c"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Insurance 567 IAC 113.14(6)"d"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Financial Test 567 IAC 113.14(6)"e"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Financial Test 567 IAC 113.14(6)"f"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Guarantee 567 IAC 113.14(6)"g"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't Guarantee 567 IAC 113.14(6)"h"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Dedicated Fund 567 IAC 113.14(6)"i"	April 12, 2010	Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$ *\$7,148,421.00 See Note 6, Page 16 Audit, 6/30/2024

\*Pursuant to IAC 567 113.14(9), if account(s) are restricted/reserved to pay for closure, postclosure or corrective action costs, then the amount of the financial assurance instrument may be reduced by the sum of the cash balance of the account(s) established to comply with subrule 113.14(8).

## SECTION 6: INITIAL PROOF OF ESTABLISHMENT OF ACCOUNTS

Check Which Applies:  New Mechanism  Previously Submitted

Pursuant to IAC 567 Chapter 113.14(8)"f", documentation of the establishment of accounts is to be submitted to the department by April 1, 2003 for currently permitted MSWLFs. Permit holders for MSWLFs permitted after April 1, 2003, shall submit documentation of the establishment of accounts prior to the MSWLF's initial receipt of waste.

Please attach documentation indicating accounts/fund have been established for closure and postclosure care and if the account(s) are restricted/reserved for closure or postclosure care. Examples of documentation include bank statements for closure/postclosure accounts, letter signed by the chief financial officer, letter from certified public accountant, etc.

Accounts established pursuant to paragraph 113.14(6)“a” for trust funds or paragraph 113.14(6)“i” for local government dedicated funds also satisfies the requirements of this subrule, and the permit holder shall not be required to establish additional closure and postclosure accounts.

**SECTION 7: CLOSURE AND POSTCLOSURE ACCOUNTS**

Completion of the following closure and postclosure account information complies with the annual financial statement requirements of IAC 567 113.14(3)“a” and 113.14(4)“a” by indicating the current balance(s) of the closure/postclosure account(s) or dedicated/trust fund and the projected amount(s) to be deposited in the account(s).

Under “Beginning Balance”, please state the account/fund balance 30 days after the start of the previous fiscal year, for “Ending Balance”, indicate the account balance 30 days after the close of the previous fiscal year, and for “Projected Deposit”, indicate the amount to be deposited within 30 days of the close of the permit holder’s fiscal year.

Information Requested	Beginning Balance	Ending Balance	Projected Deposit
Closure Account Balance <i>(see formula below)</i>	\$ 4,891,608.00	\$ 5,421,338.00	\$
Postclosure Account Balance <i>(see formula below)</i>	\$ 1,558,327.00	\$ 1,727,083.00	\$
<b>Or</b>			
Dedicated Fund Balance <i>(see formula below)</i>	\$	\$	\$
Trust Fund Balance <i>(see formula below)</i>	\$	\$	\$

**Formula for Projected Deposits**

Closure or Postclosure Account

$$\frac{CE - CB}{RPC} \times TR$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, “RPC” is the remaining permitted capacity in tons, of the landfill from the beginning of the current fiscal year, and “TR” is the total number of tons of solid waste disposed in the prior year.

Dedicated/Trust Fund

$$\frac{CE - CB}{Y}$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, and “Y” is number of years remaining in the pay-in period.

If needed, the space below can be used to show calculations for projected deposits

<p>Closure</p> <p>Estimated Cost \$4,860,785.00</p> <p>Balance \$5,421,338.00 per 6/30/2024 Audit</p> <p>Closure Fund Balance 12/31/2024: \$5,505,395.00</p>	<p>Post Closure</p> <p>Estimated Cost \$1,548,507.00</p> <p>Balance \$1,727,083.00 per 6/30/2024 Audit</p> <p>Post Closure Fund balance 12/31/2024: \$1,757,660.32</p> <p>Total closure and post closure funds held on December 31, 2024, are \$7,263,055.32.</p>
--	---

**SECTION 8: PERMIT HOLDER ENDORSEMENT**

Submittal of this completed and endorsed form along with all required documentation establishes Notification and Proof of Permit Holder Compliance with IAC 567 Chapter 113.

Name of Official: Mark Vick Title: Chairperson


Agency/Entity: Winneshiek County Area Solid Waste Agency

Address: 201 West Main Street

City: Decorah State: IA Zip: 52101

Telephone: 563-382-2370 Fax: \_\_\_\_\_

Email Address: \_\_\_\_\_

Signature of Official:  Date: 03/10/2025

Questions? Contact Bill Blum at (515) 240-6048 or [Bill.Blum@dnr.iowa.gov](mailto:Bill.Blum@dnr.iowa.gov)

**2024 FINANCIAL ASSURANCE**  
 Facility: **Winneshie County Sanitary Landfill**  
 Permit #: **96-SDP-1-74P**  
 Date Submitted: **Tuesday, February 11, 2025**
**AECOM**


LANDFILL CELL CLOSURE ESTIMATE			
2023	C5 EXP - Composite Closure	\$	4,746,860
02/11/25	IDNR Inflation Factor		1,0240
2024	C5 EXP - Composite Closure	\$	4,869,785
	Annual Closure Increase	\$	113,925
INCLUDING			
	Design	5%	\$ 243,039
	QA/QC	5%	\$ 243,039
POST-CLOSURE COST ESTIMATE			
2023	ESTIMATED POST-CLOSURE COSTS DEVELOPMENT AND OPERATIONS PLAN - MAINTENANCE COSTS	\$	25,880
2023	IDNR GROUNDWATER MONITORING AND REPORTING COSTS	\$	24,527
	SUBTOTAL	\$	50,407
	Post-Closure Care Duration - Years	30	\$ 1,512,214
02/11/25	IDNR Inflation Factor		1,0240
2024	C5 EXP - Composite Closure	\$	1,548,597
	Annual Post-Closure Increase	\$	36,293
2024	<b>TOTAL CLOSURE &amp; POST CLOSURE ESTIMATE</b>	<b>\$</b>	<b>6,409,292</b>
2023	<b>TOTAL CLOSURE &amp; POST CLOSURE ESTIMATE</b>	<b>\$</b>	<b>6,259,074.23</b>
	<b>INCREASE TOTAL</b>	<b>\$</b>	<b>150,218</b>

2023 TABLE 1				
ESTIMATED CLOSURE COSTS				
C5 EXP - Composite Closure		39.0	AC	
Task	Unit	Quantity	Unit Cost	Est.Total Cost
Composite Closure	AC	39.0	\$ 121,714.37	\$ 4,746,860
<b>ESTIMATED CLOSURE COSTS</b>				<b>\$ 4,746,860</b>
INCLUDING				
	Design		5.0%	\$ 237,343
	QA/QC		5.0%	\$ 237,343

2023 TABLE 2		
ANNUAL POST-CLOSURE COSTS		
Estimated Post-Closure Costs: Development and Operations Plan-Maintenance Costs	Semi-Annual Review	\$ 1,431
	Site Maintenance	\$ 5,963
	Leachate	\$ 5,963
	Engineering-Admin	\$ 12,522
SUBTOTAL		\$ 25,880
Groundwater Monitoring and Reporting Costs	Est YR Analytical Cost:	\$ 15,483
	Est YR Labor Cost:	\$ 9,064
SUBTOTAL		\$ 24,527
<b>ANNUAL POST-CLOSURE COSTS</b>		<b>\$ 50,407</b>

2024 TABLE 3		
CAPACITY AND TONNAGE		
Date	Description	Tons
2024	Permitted Capacity	587,679
2024	Waste Filled	22,744

PERMITTED CAPACITY	ADJUSTED ANNUALLY BASED ON SURVEY DATA AND CURRENT CALCULATED COMPACTION RATE
--------------------	---


 I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the state of Iowa.

CHRISTOPHER G. OELKERS, P.E. Date 02/11/25  
 License No. 22053  
 My license renewal date is 12/31/2021  
 Pages or sheets covered by this seal: All Pages

**WINNESHIEK COUNTY  
DECORAH, IOWA**

**FINANCIAL REPORT**

**JUNE 30, 2024**



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WINNESHIEK COUNTY

OFFICIALS  
June 30, 2024

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Dan Langreck	Board of Supervisors, Chairperson	December 2024
Mark Vick	Board of Supervisors, Vice-Chairperson	December 2026
Shirley Vermace	Board of Supervisors	December 2024
Steve Kelsay	Board of Supervisors	December 2026
Mark Faldet	Board of Supervisors	December 2026
Benjamin Steines	County Auditor	December 2024
Brenda Kreitzer	County Treasurer	December 2026
Jayne Schultz	County Recorder	December 2026
Dan Marx	County Sheriff	December 2024
Andrew Van Der Maaten	County Attorney	December 2026
James Alstad	County Assessor	Appointed
Michael Kueny	County Engineer	Appointed



# Hacker Nelson & Co., CPAs

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Supervisors  
Winneshiek County  
Decorah, Iowa

### Report on the Audit of the Financial Statements

#### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Winneshiek County, 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 U.S. generally accepted accounting principles.

#### Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Winneshiek County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Winneshiek County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Winneshiek 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

U.S. generally accepted accounting principles 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 5 through 5g and pages 53 through 59 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 U.S. generally accepted auditing standards, 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 Winneshiek County's June 30, 2024 basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information shown on Schedules 1 through 9, are the responsibility of management and were derived from and relate 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information shown on Schedules 1 through 9, are fairly stated in all material respects in relation to the years ended June 30, 2015 through 2024 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 February 28, 2025, on our consideration of Winneshiek County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Winneshiek County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Winneshiek County's internal control over financial reporting and compliance.

*Hatcher, Nelson & Co., CPAs*

Decorah, Iowa  
February 28, 2025

WINNESHIEK COUNTY  
DECORAH, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2024

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Winneshiek 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 4.31%, or approximately \$1,022,000 from fiscal year 2023 to fiscal year 2024. The County received \$339,545 of federal grants from the American Rescue Plan Act (ARPA). Property taxes, unrestricted investment earnings, and gain on sale of capital assets increased approximately \$654,711, \$299,254, and \$198,436, respectively.
- Program expenses of the County's governmental activities were 3.36%, or approximately \$773,000 more in fiscal year 2024 than in fiscal year 2023. Public safety and legal services, administration, roads and transportation, and government services to residents had the most significant increases at approximately \$452,942, \$488,205, \$113,399, and \$195,035, respectively, while county environment and education had the most significant decrease of approximately \$345,414.
- Net position of the County's governmental activities increased 1.28%, or approximately \$926,000 during fiscal year 2024.

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 Winneshiek 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 Winneshiek County's operations in more detail than the government-wide financial statements by providing information about the most significant funds with all other nonmajor funds presented in total in a single column. For Winneshiek County, the general fund, rural services and secondary roads special revenue funds are the most significant funds. The remaining financial statements provide information about the enterprise activities and other activities for which Winneshiek County acts solely as an agent or custodian for the benefit of those outside of County government (custodial funds).

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

Required supplementary information further explains and supports the financial statements with a comparison of the County's budget for the year, the County's proportionate share of the net pension liability and related contributions, as well as presenting the schedule of changes in the County's total OPEB liability, related ratios and notes.

## USING THIS ANNUAL REPORT (Continued)

Other supplementary information provides detailed information about the nonmajor governmental funds, the special revenue funds, the proprietary funds, the individual custodial funds, and compares governmental fund activity to prior years.

### 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 and business-type 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 other non-program activities. Property tax, state tax credits, and state and federal grants finance most of these activities. The business-type activities are provided on a charge for goods or services basis to recover all of the expenses for the goods or services provided.

#### *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, and 3) the capital projects fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.



REPORTING THE COUNTY'S FINANCIAL ACTIVITIES (Continued)

*Fund Financial Statements (Continued)*

2) Proprietary funds account for the County's Landfill fund, the Burr Oak and Festina Sanitary Systems, and the Frankville Water District - enterprise funds and employee group health insurance - internal service fund. The enterprise funds account for the charges for goods and services received to recover expenses for goods or services provided. 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 net position and a statement of cash flows.

3) Fiduciary funds are used to report assets held in a trust or custodial capacity for others which cannot be used to support the County's own programs. These fiduciary funds include custodial funds that account for emergency management services, the County Assessor and 911 Service Board, to name a few.

The required financial statements for fiduciary funds includes 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. Net position of the County's governmental activities increased 1.28%, or approximately \$926,000. Net position of the County's business-type activities decreased 0.41%, or approximately \$5,000. The analysis that follows focuses on the changes in the net position of governmental activities for the years ended June 30, 2024 and 2023.

	Condensed Statement of Net Position		
	(Expressed in Thousands)		
	Governmental Activities		
	2024	2023	Percent Change
Current and other assets	\$ 28,952	\$ 27,535	5.15%
Capital assets	61,747	61,638	0.18%
Total assets	90,699	89,173	1.71%
Deferred outflows of resources	2,186	1,385	57.83%
Current liabilities	2,467	3,162	-21.98%
Noncurrent liabilities	4,252	3,106	36.90%
Total liabilities	6,719	6,268	7.20%
Deferred inflows of resources	13,099	12,149	7.82%
Net position:			
Net investment in capital assets	60,634	61,165	-0.87%
Restricted	6,270	6,738	-6.95%
Unrestricted	6,163	4,238	45.42%
Total net position	\$ 73,067	\$ 72,141	1.28%

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The analysis that follows focuses on the changes in the net position of business-type activities for the years ended June 30, 2024 and 2023.

	Condensed Statement of Net Position		
	(Expressed in Thousands)		
	Business-type Activities		
	2024	2023	Percent Change
Current and other assets	\$ 93	\$ 76	22.37%
Capital assets	2,388	2,026	17.87%
<b>Total assets</b>	<b>2,481</b>	<b>2,102</b>	<b>18.03%</b>
Long-term debt outstanding	810	811	-0.12%
Other liabilities	456	71	542.25%
<b>Total liabilities</b>	<b>1,266</b>	<b>882</b>	<b>43.54%</b>
Net position:			
Net investment in capital assets	1,540	1,187	29.74%
Restricted	448	422	6.16%
Unrestricted (deficit)	(773)	(389)	-98.71%
<b>Total net position</b>	<b>\$ 1,215</b>	<b>\$ 1,220</b>	<b>-0.41%</b>

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings, equipment, right-to-use equipment, and right-to-use IT subscription), 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 for governmental activities decreased 0.87%, or approximately \$531,000. For business-type activities this net position category increased 29.74%, or approximately \$353,000.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category for governmental activities decreased 6.95%, or approximately \$468,000. This decrease is primarily due to a decrease in the amounts held at year end in the special revenue - secondary roads. For business-type activities this net position category increased 6.16%, or approximately \$26,000.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements increased for the governmental activities approximately \$1,925,000, or 45.42% and decreased approximately \$384,000, or 98.71% for the business-type activities. The increase in governmental activities is due to a decrease in pension related deferred inflows and an increase in pension related deferred outflows.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following analysis shows the changes in net position for the governmental activities for the years ended June 30, 2024 and 2023.

	Changes in Net Position (Expressed in Thousands)		
	Governmental Activities		
	2024	2023	Percent Change
<b>REVENUES</b>			
Program revenue:			
Charges for service	\$ 2,537	\$ 2,741	-7.44%
Operating grants	6,538	6,531	0.11%
Capital grants	398	452	-11.95%
General revenue:			
Property taxes	10,887	10,232	6.40%
Local option sales tax	2,116	2,087	1.39%
Penalty and interest on property taxes	51	49	4.08%
State tax credits	704	744	-5.38%
American Rescue Plan Act	339	218	55.50%
Rents	138	130	6.15%
Unrestricted investment earnings	758	459	65.14%
Gain on sale of capital assets	264	65	306.15%
<b>Total revenues</b>	<b>24,730</b>	<b>23,708</b>	<b>4.31%</b>
<b>PROGRAM EXPENSES</b>			
Public safety and legal services	4,926	4,474	10.10%
Physical health and social services	1,430	1,441	-0.76%
County environment and education	2,819	3,164	-10.90%
Roads and transportation	10,052	9,938	1.15%
Governmental services to residents	1,077	882	22.11%
Administration	3,078	2,590	18.84%
Non-program	413	533	-22.51%
<b>Total expenses</b>	<b>23,795</b>	<b>23,022</b>	<b>3.36%</b>
Increase in net position before transfers	935	686	36.30%
Transfers	(9)	-	0.00%
<b>Change in net position</b>	<b>926</b>	<b>686</b>	<b>34.99%</b>
NET POSITION, beginning of year	72,141	71,455	0.96%
NET POSITION, end of year	\$ 73,067	\$ 72,141	1.28%

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

The following analysis shows the changes in net position for the business-type activities for the years ended June 30, 2024 and 2023.

	Changes in Net Position (Expressed in Thousands)		
	Business-type Activities		
	2024	2023	Percent Change
REVENUES			
Program revenue:			
Charges for service	\$ 549	\$ 536	2.43%
PROGRAM EXPENSES			
Operating expenses	563	554	1.62%
Decrease in net position before transfers	(14)	(18)	22.22%
Transfers	9	-	0.00%
Change in net position	(5)	(18)	72.22%
NET POSITION, beginning of year	1,220	1,238	-1.45%
NET POSITION, end of year	\$ 1,215	\$ 1,220	-0.41%

**INDIVIDUAL MAJOR FUND ANALYSIS**

As the County completed the year, its governmental funds reported a fund balance of \$13,926,078, an increase of \$1,116,379 over last year's total of \$12,809,699. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The general fund revenues increased \$1,513,014 or 11.40% from the prior year and the expenditures increased \$2,288,617 or 18.10%. The most significant increase in revenue for the County's general fund was proceeds from notes payable and sale of capital assets of \$1,250,000 and \$303,354, respectively. There was also an increase in property and other County tax of \$585,000 and a decrease in intergovernmental receipts of \$1,152,357. The most significant increase in expenditures was in the capital projects function which increased \$1,823,138. The ending fund balance showed a decrease of 2.40% from the prior year balance of \$7,520,368 to \$7,342,451.
- The ending fund balance for the rural services fund increased by \$438,679 or 12.10% over the prior year. Overall revenues increased 2.40% and the expenditures increased 6.90%.
- Secondary roads fund revenues decreased \$7,351 or 0.17% from the prior year. For the year, expenditures totaled \$8,449,711, a decrease of \$2,255,620 or 21.07%. The secondary roads fund balance increased \$763,657 from the prior year to \$1,333,088.

## BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Supervisors annually adopts a budget following required public notice and hearing for all funds, except the internal service fund and custodial funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County's budget is prepared on the cash basis. Over the course of the year, the County amended its budget once. This amendment was made in May 2024, which resulted in an increase in budgeted receipts and an increase in budgeted disbursements. However, this did not require an increase in property taxes.

The County's total receipts were approximately \$2,383,000 less than the amended budget, a variance of 9.24%. The most significant variance resulted in the County receiving fewer intergovernmental receipts than budgeted.

Total disbursements were approximately \$5,825,000 less than the amended budget. Actual disbursements for roads and transportation, administration, and capital projects were approximately \$601,000, \$1,109,000, and \$2,840,000, respectively, less than budgeted. This was primarily due to budgeting for more various road projects which were not completed during the fiscal year and budgeting to spend all ARPA funds received.

The amendments made during the 2024 fiscal year should have no impact on the 2025 fiscal year's budget.

The following chart shows the original and final budget for fiscal year 2024 as well as the actual receipts and disbursements for the year.

	Budgetary Comparison Schedule (Expressed in Thousands)			
	Budget Basis	Budgeted Amounts		Variance
		Original	Final	
<b>RECEIPTS</b>				
Property and other County taxes	\$ 12,961	\$ 12,093	\$ 12,093	\$ 868
Interest and penalty on property taxes	52	40	40	12
Intergovernmental	7,664	10,239	10,451	(2,787)
Licenses and permits	74	42	42	32
Charges for service	809	804	709	100
Use of money and property	867	248	250	617
Miscellaneous	985	2,193	2,209	(1,224)
<b>Total receipts</b>	<b>\$ 23,412</b>	<b>\$ 25,659</b>	<b>\$ 25,794</b>	<b>\$ (2,382)</b>
<b>DISBURSEMENTS</b>				
Public safety and legal services	\$ 5,133	\$ 5,533	\$ 5,568	\$ 435
Physical health and social services	1,430	1,845	1,920	490
County environment and education	2,634	2,719	2,871	237
Roads and transportation	8,380	7,986	8,981	601
Governmental services to residents	748	857	859	111
Administration	3,377	4,084	4,486	1,109
Non-program	2	5	4	2
Capital projects	2,460	4,545	5,300	2,840
<b>Total disbursements</b>	<b>\$ 24,164</b>	<b>\$ 27,574</b>	<b>\$ 29,989</b>	<b>\$ 5,825</b>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

At the end of fiscal year 2024, Winneshiek County had \$61,746,346 invested in a broad range of capital assets, including large road equipment, infrastructure, and construction in progress for the governmental activities. For the enterprise funds, the County had \$2,388,148 invested in land, landfill and sewer systems.

The County had depreciation/amortization expense of \$3,415,569 for fiscal year 2024 and total accumulated depreciation/amortization of \$61,084,355 as of June 30, 2024 for the governmental activities. The County had depreciation/depletion expense of \$56,702 for fiscal year 2024 and total accumulated depreciation/depletion of \$2,231,491 as of June 30, 2024 for the business-type activities. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

### *Debt*

At year-end, the County had \$2,571,374 in notes and other debt compared to \$1,915,915 last year. More detail is presented in Note 9 to the financial statements.

The County's general obligation bond rating continues to carry the fourth highest rating possible, a rating that has been assigned by national rating agencies to the County's debt since 1995. The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5 percent of the assessed value of all taxable property within the County's corporate limits. The County's outstanding general obligation debt is significantly below this \$112,199,622 limit.

Other obligations include compensated absences. More detailed information about the County's long-term liabilities is presented in Note 9 to the financial statements.

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

Winneshiek County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2025 budget, tax rates and the fee that will be charged for various County activities. One of those factors is the economy.

The County's local option sales taxes received continue to be a significant portion of County revenues and account, in part, for property tax levy rates lower than would otherwise be possible.

Another factor is the effects of HF718 and SF2442 on property taxes. These new laws affect our property tax levies imposing limits that require the County to either find budget efficiencies or reduce services to residents. In the long term, there will no longer be any efficiencies to find, and the only option may be to reduce services.

## 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 Winneshiek 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 County Auditor's Office, Winneshiek County, 201 West Main Street, Decorah, IA 52101.

WINNESHIEK COUNTY  
STATEMENT OF NET POSITION  
June 30, 2024

EXHIBIT A

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and pooled investments	\$ 13,718,077	\$ 92,566	\$ 13,810,643
Receivables:			
Property tax:			
Delinquent	1,598		1,598
Succeeding year	12,596,844		12,596,844
Accounts	100,081		100,081
Accrued interest	64,588		64,588
Opioid settlement	383,382		383,382
Due from other governments	1,133,710		1,133,710
Inventories	683,722		683,722
Lease receivable	125,158		125,158
Prepaid expenses	145,854		145,854
Non-depreciable assets	3,112,805	409,235	3,522,040
Capital assets, net of accumulated depreciation/depletion/amortization	58,633,541	1,978,913	60,612,454
Total assets	<u>90,699,360</u>	<u>2,480,714</u>	<u>93,180,074</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	2,165,510		2,165,510
OPEB related deferred outflows	20,015		20,015
Total deferred outflows of resources	<u>2,185,525</u>	<u>-</u>	<u>2,185,525</u>
Total assets and deferred outflows of resources	<u>\$ 92,884,885</u>	<u>\$ 2,480,714</u>	<u>\$ 95,365,599</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,202,364		\$ 1,202,364
Salaries and benefits payable	189,090	\$ 7,061	196,151
Accrued interest payable	10,027	1,361	11,388
Due to (from) other funds	(383,028)	383,028	-
Due to other governments	1,345		1,345
Unearned revenues	591,578		591,578
Long-term liabilities:			
Portion due within one year:			
Right-to-use lease agreements	4,660		4,660
IT subscription liability	17,346		17,346
Notes payable	250,000	28,914	278,914
Compensated absences	584,409	35,650	620,059
Portion due after one year:			
Net pension liability	3,242,568		3,242,568
Total OPEB liability	167,619		167,619
IT subscription liability	90,595		90,595
Notes payable	750,000	809,800	1,559,800
Total liabilities	<u>6,718,573</u>	<u>1,265,814</u>	<u>7,984,387</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	12,596,844		12,596,844
Pension related deferred inflows	199,312		199,312
OPEB related deferred inflows	177,883		177,883
Lease related	125,158		125,158
Total deferred inflows of resources	<u>13,099,197</u>	<u>-</u>	<u>13,099,197</u>
<b>NET POSITION</b>			
Net investment in capital assets	60,633,745	1,549,434	62,183,179
Restricted for:			
Rural services purposes	4,071,746		4,071,746
Secondary roads purposes	533,427		533,427
Capital projects	29,392		29,392
Opioid abatement	513,508		513,508
Other special revenue purposes	1,030,102		1,030,102
Other purposes	92,051	438,590	530,641
Unrestricted (deficit)	6,163,144	(773,124)	5,390,020
Total net position	<u>73,067,115</u>	<u>1,214,900</u>	<u>74,282,015</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 92,884,885</u>	<u>\$ 2,480,714</u>	<u>\$ 95,365,599</u>

See Notes to Financial Statements.

WINNESHIEK COUNTY  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2024

Functions and Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Public safety and legal services	\$ 4,926,475	\$ 109,883	\$ 2,177		\$ (4,814,415)		\$ (4,814,415)
Physical health and social services	1,429,873	521,123	247,410	\$ 120	(661,220)		(661,220)
County environment and education	2,818,723	191,605	452,769	57,800	(2,116,549)		(2,116,549)
Roads and transportation	10,051,564	108,775	5,770,579	324,787	(3,847,423)		(3,847,423)
Governmental services to residents	1,077,434	1,222,055	15,337	15,706	175,664		175,664
Administration	3,078,120				(3,078,120)		(3,078,120)
Non-program	413,109	383,309	49,528		19,728		19,728
<b>Total governmental activities</b>	<b>23,795,298</b>	<b>2,536,750</b>	<b>6,537,800</b>	<b>398,413</b>	<b>(14,322,335)</b>	<b>\$ -</b>	<b>(14,322,335)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Landfill	443,055	439,081				(3,974)	(3,974)
Burr Oak Sewer fund	58,387	40,846				(17,541)	(17,541)
Festina Sewer fund	22,459	26,485				4,026	4,026
Frankville Water District fund	39,738	38,218				(1,520)	(1,520)
Frankville Sewer fund	-	4,360				4,360	4,360
<b>Total business-type activities</b>	<b>563,639</b>	<b>548,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,649)</b>	<b>(14,649)</b>
<b>Total</b>	<b>\$ 24,358,937</b>	<b>\$ 3,085,740</b>	<b>\$ 6,537,800</b>	<b>\$ 398,413</b>	<b>(14,322,335)</b>	<b>(14,649)</b>	<b>(14,336,984)</b>
<b>GENERAL REVENUES</b>							
Property taxes levied for general purposes					10,886,630		10,886,630
Local option sales tax					2,116,477		2,116,477
Penalty and interest on property taxes					51,451		51,451
State tax credits					703,843		703,843
American Rescue Plan Act					339,545		339,545
Rents					137,669		137,669
Unrestricted investment earnings					758,184	113	758,297
Gain on sale of capital assets					263,727		263,727
Transfers					(9,571)	9,571	-
<b>Total general revenues</b>					<b>15,247,955</b>	<b>9,684</b>	<b>15,257,639</b>
<b>Change in net position</b>					<b>925,620</b>	<b>(4,965)</b>	<b>920,655</b>
<b>NET POSITION, beginning of year</b>					<b>72,141,495</b>	<b>1,219,865</b>	<b>73,361,360</b>
<b>NET POSITION, end of year</b>					<b>\$ 73,067,115</b>	<b>\$ 1,214,900</b>	<b>\$ 74,282,015</b>

See Notes to Financial Statements.



WINNESHIEK COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2024

	ASSETS	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds	
		General	Rural Services			Secondary Roads
Cash and pooled investments		\$ 7,114,386	\$ 3,847,609	\$ 1,134,752	\$ 1,174,744	\$ 13,271,491
Receivables:						
Property tax:						
Delinquent		1,411	187			1,598
Succeeding year		10,868,763	1,728,081			12,596,844
Accounts		94,042	1,450	4,349	240	100,081
Accrued interest		62,074			651	62,725
Opioid settlement					383,382	383,382
Due from other funds		383,028				383,028
Due from other governments		398,903	237,693	479,156	17,958	1,133,710
Prepaid expenditures		88,528	10,163	47,163		145,854
Inventories				683,722		683,722
Lease receivable		125,158				125,158
Total assets		<u>\$ 19,136,293</u>	<u>\$ 5,825,183</u>	<u>\$ 2,349,142</u>	<u>\$ 1,576,975</u>	<u>\$ 28,887,593</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable		\$ 198,098	\$ 13,579	\$ 963,387	\$ 3,974	\$ 1,179,038
Salaries and benefits payable		124,733	11,690	52,667		189,090
Due to other governments		1,345				1,345
Unearned revenues		425,383				425,383
Total liabilities		<u>749,559</u>	<u>25,269</u>	<u>1,016,054</u>	<u>3,974</u>	<u>1,794,856</u>
Deferred inflows of resources:						
Succeeding year property tax		10,868,763	1,728,081			12,596,844
Other		50,362	150		394,145	444,657
Lease related		125,158				125,158
Total deferred inflows of resources		<u>11,044,283</u>	<u>1,728,231</u>	<u>-</u>	<u>394,145</u>	<u>13,166,659</u>
Fund balances:						
Nonspendable:						
Inventories				683,722		683,722
Prepaid expenditures		88,528	10,163	47,163		145,854
Restricted for:						
Other purposes		3,523				3,523
Rural services purposes			4,061,520			4,061,520
Secondary roads purposes				602,203		602,203
Opioid abatement					130,125	130,125
Other special revenue purposes					1,019,339	1,019,339
Capital projects					29,392	29,392
Unassigned		7,250,400				7,250,400
Total fund balances		<u>7,342,451</u>	<u>4,071,683</u>	<u>1,333,088</u>	<u>1,178,856</u>	<u>13,926,078</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 19,136,293</u>	<u>\$ 5,825,183</u>	<u>\$ 2,349,142</u>	<u>\$ 1,576,975</u>	<u>\$ 28,887,593</u>

See Notes to Financial Statements.

WINNESHIEK COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2024

<b>Reconciliation of governmental fund balances to net position:</b>		
Total governmental fund balances	\$	13,926,078
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds, net of accumulated depreciation/amortization of: \$61,084,355.		61,746,346
<b>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:</b>		
Deferred outflows of resources	\$ 2,185,525	
Deferred inflows of resources	<u>(377,194)</u>	1,808,331
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.		444,657
The internal service fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the internal service fund are included with governmental activities in the statement of net position.		258,927
<b>Other liabilities, including net pension liability and accrued interest, right-to-use agreements, compensated absences payable, total OPEB liability, IT subscription liability, are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds:</b>		
Note payable		(1,000,000)
Net pension liability		(3,242,568)
Total OPEB liability		(167,619)
Right-to-use lease agreements		(4,660)
IT subscription liability		(107,941)
Compensated absences		(584,409)
Accrued interest		<u>(10,027)</u>
Net position of governmental activities per Exhibit A	\$	<u>73,067,115</u>
<b>Cash and pooled investments of governmental activities include the following reclassifications:</b>		
Internal service fund cash at June 30, 2024	\$	<u>446,586</u>

WINNESHIEK COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2024

	General	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Rural Services	Secondary Roads		
<b>REVENUES</b>					
Property and other County taxes	\$ 9,205,190	\$ 1,681,870			\$ 10,887,060
Local option sales tax		2,116,477			2,116,477
Interest and penalty on property taxes	51,451				51,451
Intergovernmental	1,247,583	537,435	\$ 6,038,598	\$ 50,476	7,874,092
Licenses and permits	2,266	7,800	39,850		49,916
Charges for service	752,820	11,635	30	35,972	800,457
Use of money and property	867,666			5,897	873,563
Miscellaneous	1,046,890	4,191	125,693	140,048	1,316,822
<b>Total revenues</b>	<b>13,173,866</b>	<b>4,359,408</b>	<b>6,204,171</b>	<b>232,393</b>	<b>23,969,838</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Public safety and legal services	5,138,586				5,138,586
Physical health and social services	1,319,365	88,130		15,546	1,423,041
County environment and education	1,683,742	925,191		1	2,608,934
Roads and transportation		195,780	7,898,700		8,094,480
Governmental services to residents	1,071,185	12,465			1,083,650
Administration	3,116,107	180			3,116,287
Non-program	2,354				2,354
Capital projects	2,326,638		551,011	124,886	3,002,535
<b>Total expenditures</b>	<b>14,657,977</b>	<b>1,221,746</b>	<b>8,449,711</b>	<b>140,433</b>	<b>24,469,867</b>
<b>(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES</b>	<b>(1,484,111)</b>	<b>3,137,662</b>	<b>(2,245,540)</b>	<b>91,960</b>	<b>(500,029)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from disposal of capital assets	303,354		72,625		375,979
Proceeds from notes payable	1,250,000				1,250,000
Transfers in			2,936,572		2,936,572
Transfers out	(247,160)	(2,698,983)			(2,946,143)
	1,306,194	(2,698,983)	3,009,197	-	1,616,408
<b>Change in fund balances</b>	<b>(177,917)</b>	<b>438,679</b>	<b>763,657</b>	<b>91,960</b>	<b>1,116,379</b>
<b>FUND BALANCES, beginning of year</b>	<b>7,520,368</b>	<b>3,633,004</b>	<b>569,431</b>	<b>1,086,896</b>	<b>12,809,699</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 7,342,451</b>	<b>\$ 4,071,683</b>	<b>\$ 1,333,088</b>	<b>\$ 1,178,856</b>	<b>\$ 13,926,078</b>

See Notes to Financial Statements.

WINNESHIEK COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2024

Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities:

Net change in fund balances - total governmental funds \$ 1,116,379

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation/amortization expenses in the statement of activities. This is the amount by which capital additions exceeds depreciation/amortization expense in the current year, as follows:

Depreciation/amortization expense	\$ (3,415,569)	
Capital assets contributed by the Iowa Department of Transportation	618,121	
Capital outlays	<u>3,350,002</u>	552,554

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	(430)	
Other	<u>212,862</u>	212,432

The net effect of disposal of capital assets. (112,252)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Current year repayments exceeded issuances, as follows:

Issued	(1,250,000)	
Repaid	<u>278,272</u>	(971,728)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due.

In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (10,027)

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. 812,513

The internal service fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the internal service fund is reported with governmental activities. (196,509)

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

Pension expense		(458,505)
OPEB expense		(5,990)
Compensated absences		<u>(13,247)</u>

Change in net position of governmental activities per Exhibit B \$ 925,620

WINNESHIEK COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2024

	Business-type Activities			Governmental
	Nonmajor			Activities
	Landfill	Enterprise Funds	Total	Internal Service Fund
<b>ASSETS</b>				
Cash and pooled investments		\$ 92,566	\$ 92,566	\$ 446,586
Accrued interest receivable			-	1,862
<b>Total current assets</b>		<b>\$ 92,566</b>	<b>92,566</b>	<b>448,448</b>
<b>Noncurrent assets:</b>				
Non-depreciable assets	282,252	126,983	409,235	
Net capital assets		1,978,913	1,978,913	
<b>Total noncurrent assets</b>	<b>282,252</b>	<b>2,105,896</b>	<b>2,388,148</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 282,252</b>	<b>\$ 2,198,462</b>	<b>\$ 2,480,714</b>	<b>\$ 448,448</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
<b>Liabilities:</b>				
Salaries and benefits payable			\$ 7,061	\$ 23,326
Accrued interest payable		\$ 1,361	1,361	
Due to other funds		383,028	383,028	
Notes payable		28,914	28,914	
Compensated absences	35,650		35,650	
<b>Total current liabilities</b>	<b>42,711</b>	<b>413,303</b>	<b>456,014</b>	<b>23,326</b>
<b>Noncurrent liabilities:</b>				
Long-term debt	-	809,800	809,800	-
<b>Total liabilities</b>	<b>42,711</b>	<b>1,223,103</b>	<b>1,265,814</b>	<b>23,326</b>
<b>Deferred inflows of resources:</b>				
Other	-	-	-	166,195
<b>Net position:</b>				
Net investment in capital assets	282,252	1,267,182	1,549,434	
Restricted		438,590	438,590	
Unrestricted (deficit)	(42,711)	(730,413)	(773,124)	258,927
<b>Total net position</b>	<b>239,541</b>	<b>975,359</b>	<b>1,214,900</b>	<b>258,927</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 282,252</b>	<b>\$ 2,198,462</b>	<b>\$ 2,480,714</b>	<b>\$ 448,448</b>

See Notes to Financial Statements.

WINNESHIEK COUNTY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2024

	Business-type Activities			Governmental
	Nonmajor			Activities
	Landfill	Enterprise Funds	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for service		\$ 109,909	\$ 109,909	\$ 1,966,841
Contract services	\$ 439,081		439,081	
<b>Total operating revenues</b>	<b>439,081</b>	<b>109,909</b>	<b>548,990</b>	<b>1,966,841</b>
<b>OPERATING EXPENSES</b>				
Wages and benefits	443,055		443,055	
Depreciation		56,702	56,702	
Other		47,921	47,921	
Insurance claims paid			-	2,188,883
<b>Total operating expenses</b>	<b>443,055</b>	<b>104,623</b>	<b>547,678</b>	<b>2,188,883</b>
<b>Operating (loss) profit</b>	<b>(3,974)</b>	<b>5,286</b>	<b>1,312</b>	<b>(222,042)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income		113	113	25,533
Interest expense		(15,961)	(15,961)	
<b>Net nonoperating revenues (expenses)</b>	<b>-</b>	<b>(15,848)</b>	<b>(15,848)</b>	<b>25,533</b>
<b>Loss before transfers</b>	<b>(3,974)</b>	<b>(10,562)</b>	<b>(14,536)</b>	<b>(196,509)</b>
<b>TRANSFERS</b>				
Transfer in		109,216	109,216	
Transfer out		(99,645)	(99,645)	
		9,571	9,571	-
<b>Change in net position</b>	<b>(3,974)</b>	<b>(991)</b>	<b>(4,965)</b>	<b>(196,509)</b>
<b>NET POSITION, beginning of year</b>	<b>243,515</b>	<b>976,350</b>	<b>1,219,865</b>	<b>455,436</b>
<b>NET POSITION, end of year</b>	<b>\$ 239,541</b>	<b>\$ 975,359</b>	<b>\$ 1,214,900</b>	<b>\$ 258,927</b>

WINNESHIEK COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2024

	Business-type Activities			Governmental Activities
	Nonmajor Enterprise		Total	Internal Service Fund
	Landfill	Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from contract labor	\$ 442,740		\$ 442,740	
Cash received from charges for services		\$ 109,909	109,909	\$ 1,969,154
Cash paid to employees for services	(442,740)		(442,740)	
Cash paid to suppliers for services		(47,921)	(47,921)	(2,212,602)
Net cash provided by (used in) operating activities	-	61,988	61,988	(243,448)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating transfers in		109,216	109,216	
Operating transfers (out)		(99,645)	(99,645)	
Net cash provided by noncapital financing activities	-	9,571	9,571	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Increase due to other funds		383,028	383,028	
Proceeds from notes payable		32,811	32,811	
Principal payments on notes payable		(33,922)	(33,922)	
Purchase of capital assets		(418,496)	(418,496)	
Interest paid on long-term borrowing		(18,537)	(18,537)	
Net cash used in capital and related financing activities	-	(55,116)	(55,116)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	-	113	113	25,722
Net increase (decrease) in cash	-	16,556	16,556	(217,726)
CASH, beginning of year	-	76,010	76,010	664,312
CASH, end of year	\$ -	\$ 92,566	\$ 92,566	\$ 446,586
<b>Reconciliation of operating (loss) income to net cash provided by (used in) operating activities:</b>				
Operating (loss) income	\$ (3,974)	\$ 5,286	\$ 1,312	\$ (222,042)
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:				
Depreciation and depletion		56,702	56,702	
Change in assets and liabilities:				
Deferred revenue				2,313
Accounts payable				(23,719)
Salaries and benefits payable	315		315	
Accrued compensated absences	3,659		3,659	
Net cash provided by (used in) operating activities	\$ -	\$ 61,988	\$ 61,988	\$ (243,448)

See Notes to Financial Statements.

WINNESHIEK COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
June 30, 2024

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## ASSETS

## Cash and pooled investments:

County Treasurer	\$ 2,659,114
Other County officials	49,471

## Receivables:

## Property tax:

Delinquent	2,522
Succeeding year	29,574,860

Accounts	52,398
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Accrued interest	3,482
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Due from other governments	31,082
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Prepaid insurance	12,676
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Total assets	32,385,605
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## LIABILITIES

Accounts payable	11,205
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Salaries and benefits payable	19,719
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Due to other funds	24,160
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Due to other governments	814,219
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Trusts payable	4,780
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Deferred revenues	5,647
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Total liabilities	879,730
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## DEFERRED INFLOWS OF RESOURCES

Unavailable property tax revenue	29,574,860
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## NET POSITION

Restricted for individuals, organizations and other governments	\$ 1,931,015
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WINNESHIEK COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
For the Year Ended June 30, 2024

ADDITIONS	
Property and other County taxes	\$ 28,521,347
State tax credits	2,043,614
Office fees and collections	499,940
Auto license, use tax and postage	8,313,870
911 telephone surcharges	61,849
Miscellaneous	454,067
Assessments	1,022,453
Trusts	<u>23,884</u>
Total additions	<u>40,941,024</u>
DEDUCTIONS	
Agency remittances:	
To other funds	608,935
To other governments	39,830,483
Trusts paid out	24,702
Miscellaneous	<u>496,439</u>
Total deductions	<u>40,960,559</u>
Change in net position	(19,535)
NET POSITION, beginning of year	<u>1,950,550</u>
NET POSITION, end of year	<u><u>\$ 1,931,015</u></u>

# WINNESHIEK COUNTY

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of Operations and Significant Accounting Policies

#### a. Nature of Operations

Winneshiek County (the 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.

#### b. Significant Accounting Policies

##### *Scope of Reporting Entity*

For financial reporting purposes, Winneshiek 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; or the organization is fiscally dependent on the primary government. Also, any other organizations that due to the nature or significance of their relationship with the County should be included in the financial statements as component units. The County has no component units which meet the Governmental Accounting Standards Board criteria.

##### *Joint Ventures*

The County participates in jointly governed organizations that provide services to the County and meet the criteria of a joint venture since there is ongoing financial interest or responsibility by the participating governments. The County is a member of Decorah MetroNet (MetroNet) and Winneshiek County Area Solid Waste Agency (Agency).

##### *Jointly Governed Organizations*

The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Winneshiek County Assessor's Conference Board, Northeast Iowa Behavioral Health, Inc., Winneshiek County Emergency Management Commission and Winneshiek 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.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Government-wide Financial Statements*

The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the County. 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 are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

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, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor governmental and nonmajor proprietary funds. The internal service fund is presented in a single column on the face of the proprietary funds' statements.

The major funds of the financial reporting entity are described below:

*Governmental*

General Fund - the general fund accounts for all the financial resources of the County, except for those required to be accounted for by other funds. The revenues of the general fund are primarily derived from general property taxes, charges for services, licenses and permits, and certain revenues from state and federal sources. The expenditures of the general fund primarily relate to general administration of public safety and legal services, physical health and social services, county environment and education, governmental services to residents and administration.

Special Revenue Funds - the special revenue funds are used to account for revenues derived from specific sources which are restricted or committed for expenditure for specified purposes other than debt service or capital projects. The major funds in this category are rural services and secondary roads.

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

The secondary roads fund is used to account for the road use tax allocation from the State of Iowa, transfers from the general fund, and the special revenue, rural services fund and other revenues to be used for secondary roads construction and maintenance.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Fund Financial Statements (Continued)*

Additionally, the County reports the following funds:

*Proprietary Funds*

Enterprise Funds - enterprise funds are used to account for operations and activities that are financed and operated in a matter similar to a private business enterprise and where the costs of providing goods or services to the general public on a continuing basis are expected to be financed or recovered primarily through user charges or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The major enterprise fund of the County is used to account for the lease of the landfill to the Winneshiek County Area Solid Waste Agency and contract labor provided to the Agency by the County.

Internal Service Fund - an internal service fund is utilized to account for the financing of health insurance provided to the employees of the various departments of the County.

*Fiduciary Fund*

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

*Measurement Focus and Basis of Accounting*

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

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

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Measurement Focus and Basis of Accounting (Continued)*

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, acquisitions under right-to-use lease agreements and IT subscription liability 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services and employees for health insurance. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

*Cash and Pooled Investments*

The County Treasurer maintains two primary demand deposit accounts through which the majority of the County's cash resources are processed.

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Property Tax Receivable*

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax 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 have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds become 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.

*Local Option Sales Tax*

Local option sales tax revenue is allocated 100% to rural services special revenue funds.

*Grants*

Federal and state grants, primarily capital grants, are recorded as revenue when the expenditures for the purpose of the grant have been incurred. Substantially all other shared revenues are recorded during the period when received from the collecting authority, the State of Iowa.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Interfund Transactions*

During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2024, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

*Due from Other Governments*

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

*Inventories*

Inventories are valued at cost using the first-in, first-out method. Inventories in the special revenue funds 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.

*Prepaid Expenditures*

Payments made for insurance for a future period beyond June 30, 2024 are recorded as prepaid expenditures. The fund balances in the governmental fund types have been reserved for the prepaid expenditures recorded in those funds. This reflects the amount of net position not currently available for expenditure.

*Capital Assets*

Capital assets are tangible and intangible assets, which include property, equipment and vehicles, and infrastructure assets are reported in the applicable governmental or business-type activities columns 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.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Capital Assets (Continued)*

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
Land, buildings and improvements	\$ 25,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000
Right-to-use IT subscription assets	5,000
Infrastructure, road networks	50,000
Intangibles	50,000

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

Asset Class	Estimated Useful Lives (in Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Equipment	3 - 20
Vehicles	5 - 15
Infrastructure, road networks	10 - 50
Right-to-use leased assets	2 - 99
Right-to-use IT subscription assets	2 - 10
Intangibles	5 - 20

Depletion is recorded on the landfill using the useful life of 26 years.



1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Leases - County as Lessee*

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

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

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

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

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

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

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*County as Lessor*

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

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

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

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

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

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

*Subscription-Based Information Technology Arrangements (SBITA)*

Winneshiek County has entered into a contract that conveys control of the right to use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$5,000 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.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Subscription-Based Information Technology Arrangements (SBITA) (Continued)*

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

Winneshiek 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 noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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 Revenues*

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 and advance premiums collected during the fiscal year from employees and the County's contributions to the employee group health insurance plan for premiums due in July of the following fiscal year.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Trusts Payable*

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

*Compensated Absences*

County employees receive vacation leave at the following rates:

Years of Service	Vacation Credited on Anniversary Date
Upon employment	10 days
6 years but less than 12	15 days
12+	20 days

County employees may accumulate up to two times their annual allotment of vacation days. Sick leave accrues at the rate of two days per month and employees may accumulate up to 120 days sick leave. These accumulations are not recognized as expenditures by the County until used. The County's policy prohibits payoff of accumulated sick leave at termination of employment. Consequently, no liability for accumulated sick leave at June 30, 2024 has been determined or presented. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. The County's approximate maximum liability for accrued vacation pay at June 30, 2024 is \$620,059. 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 rural services and secondary roads special revenue funds.

In accordance with the Code of Iowa Chapter 509A.13, the County provides post-employment health care benefits. Employees retiring before attaining sixty-five years of age may continue participation in the plan at their own expense until the employee attains age sixty-five.

*Long-term Liabilities*

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary funds statement of net position.

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*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 rural services and secondary roads special revenue funds.

*Total OPEB Liability*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the 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 rural services and secondary roads special revenue 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 delinquent property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which they are levied and deferred amounts related to leases.

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

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

The following accounting policies are followed in preparing the financial statements (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.

Unassigned - all amounts not included in the preceding classifications.

*Net Position*

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 the outstanding balances of notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position consists of net position with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted net position is used first when an expense is incurred for purposes for both restricted and unrestricted net position.

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

*Budgets and Budgetary Accounting*

The budgetary comparison and related disclosures are reported as required supplementary information. During the year ended June 30, 2024, disbursements did not exceed the amounts budgeted in any function. Disbursements in no departments exceeded the amounts appropriated.

1. Nature of Operations and Significant Accounting Policies (Continued)

b. Significant Accounting Policies (Continued)

*Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)*

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

*Management Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Pooled Investments

The County's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to 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.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$5,213,725. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

Interest Rate Risk

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

NOTES TO FINANCIAL STATEMENTS

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3. Due from Other Governments

Due from other governments consist of the following at June 30, 2024:

Governmental:		
General fund:		
Community Development Block Grant	\$	312,541
Sheriff Grants		37,237
Healthy Aging Grant		12,510
Other		<u>36,615</u>
		<u>398,903</u>
Special revenue funds:		
Rural services fund:		
Local option sales tax		202,409
Miscellaneous state grants and reimbursements		<u>35,284</u>
		<u>237,693</u>
Secondary roads fund:		
Road use tax		478,041
Other		<u>1,115</u>
		<u>479,156</u>
Nonmajor governmental		<u>17,958</u>
Total governmental funds	\$	<u>1,133,710</u>

4. Due From and Due to Other Funds

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

Receivable Fund	Payable Fund	Amount
General fund	Proprietary fund - Burr Oak Sewer	\$ 9,071
General fund	Proprietary fund - Festina Sewer	<u>373,957</u>
		<u>\$ 383,028</u>

The general fund paid for new pumps for the Burr Oak Sewer. Burr Oak is making monthly payments to pay off the amount.

The general fund is paying for equipment improvements for the Festina Sewer. The general fund will be reimbursed once Festina Sewer receives their loans and grants for the project.



NOTES TO FINANCIAL STATEMENTS

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5. Interfund Transfers

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

	Transfers In	Transfers Out
<b>General fund:</b>		
Secondary roads		\$ 237,589
Burr Oak Sewer		9,571
<b>Special revenue funds:</b>		
Rural services		2,698,983
Secondary roads	\$ 2,936,572	
<b>Proprietary funds:</b>		
Burr Oak Sewer	30,891	21,322
Burr Oak Sewer Sinking	22,322	21,320
Festina Sewer	5,569	10,244
Festina Sewer Sinking	9,544	5,569
Festina Sewer Reserve	700	
Frankville Sewer	20,070	21,120
Frankville Water District	20,120	20,070
	\$ 3,045,788	\$ 3,045,788
<b>Total</b>	<b>\$ 3,045,788</b>	<b>\$ 3,045,788</b>

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

Transfers in the proprietary funds are generally to move resources to and from note sinking and reserve funds to fund principal and interest payments.

The transfer from the general fund to the Burr Oak Sewer fund was for an advanced payment for new pumps.

NOTES TO FINANCIAL STATEMENTS

6. **Capital Assets**

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

Governmental Activities	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,081,279			\$ 2,081,279
Construction in progress	324,462	\$ 707,064		1,031,526
<b>Total capital assets not being depreciated</b>	<b>2,405,741</b>	<b>707,064</b>	<b>\$ -</b>	<b>3,112,805</b>
<b>Capital assets being depreciated:</b>				
Buildings	9,697,347	1,316,747		11,014,094
Equipment	12,507,131	1,718,206	804,895	13,420,442
Vehicles	1,671,524	226,106	50,017	1,847,613
Infrastructure	93,240,082			93,240,082
<b>Total capital assets being depreciated</b>	<b>117,116,084</b>	<b>3,261,059</b>	<b>854,912</b>	<b>119,522,231</b>
<b>Less accumulated depreciation:</b>				
Buildings	6,050,955	291,129		6,342,084
Equipment	7,558,353	672,256	697,585	7,533,024
Vehicles	1,331,230	252,027	48,673	1,534,584
Infrastructure	43,423,040	2,168,479		45,591,519
<b>Total accumulated depreciation</b>	<b>58,363,578</b>	<b>3,383,891</b>	<b>746,258</b>	<b>61,001,211</b>
<b>Total capital assets being depreciated, net</b>	<b>58,752,506</b>	<b>(122,832)</b>	<b>108,654</b>	<b>58,521,020</b>
<b>Intangible right-to-use assets:</b>				
Leased equipment	404,957		386,665	18,292
Less accumulated amortization	49,257	13,941	51,003	12,195
<b>Intangible right-to-use assets, net</b>	<b>355,700</b>	<b>(13,941)</b>	<b>335,662</b>	<b>6,097</b>
<b>Intangible right-to-use subscription</b>				
Less accumulated amortization	177,373	17,737		177,373
	53,212			70,949
<b>Intangible right-to-use subscription, net</b>	<b>124,161</b>	<b>(17,737)</b>	<b>-</b>	<b>106,424</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>59,232,367</b>	<b>(154,510)</b>	<b>444,316</b>	<b>58,633,541</b>
<b>Governmental activities, capital assets, net</b>	<b>\$ 61,638,108</b>	<b>\$ 552,554</b>	<b>\$ 444,316</b>	<b>\$ 61,746,346</b>

NOTES TO FINANCIAL STATEMENTS

6. **Capital Assets (Continued)**

Capital assets activity for the business-type activities for the year ended June 30, 2024 was as follows:

Business-type Activities	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<b>Capital assets not being depreciated:</b>				
Land	\$ 409,235	\$ -	\$ -	\$ 409,235
<b>Capital assets being depreciated or depleted:</b>				
Equipment	2,418,460	418,496		2,836,956
Landfill	1,373,448			1,373,448
<b>Total capital assets being depreciated or depleted</b>	<b>3,791,908</b>	<b>418,496</b>	<b>-</b>	<b>4,210,404</b>
<b>Less accumulated depreciation or depletion:</b>				
Equipment	801,341	56,702		858,043
Landfill	1,373,448			1,373,448
<b>Total accumulated depreciation or depletion</b>	<b>2,174,789</b>	<b>56,702</b>	<b>-</b>	<b>2,231,491</b>
<b>Total capital assets being depreciated or depleted, net</b>	<b>1,617,119</b>	<b>361,794</b>	<b>-</b>	<b>1,978,913</b>
<b>Business-type activities, capital assets, net</b>	<b>\$ 2,026,354</b>	<b>\$ 361,794</b>	<b>\$ -</b>	<b>\$ 2,388,148</b>

For the year ended June 30, 2024, depreciation/amortization expense was charged to functions of the primary government as follows:

<b>Governmental activities:</b>	
Public safety and legal services	\$ 122,152
Physical health and social services	6,073
County environment and education	369,003
Roads and transportation	2,766,424
Governmental services to residents	10,236
Administration	141,681
<b>Total</b>	<b>\$ 3,415,569</b>
<b>Business-type activities:</b>	
Burr Oak Sewer fund	\$ 30,010
Festina Sewer fund	11,215
Frankville Water District fund	15,477
<b>Total</b>	<b>\$ 56,702</b>

NOTES TO FINANCIAL STATEMENTS

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7. Lease Receivables

Effective July 2021, the County entered into a three-year lease agreement to rent office space. The County is to receive approximately \$6,344 rent monthly with an implicit rate of 0.13%. This lease expired June 30, 2024.

Effective December 2018, the County entered into a five-year lease agreement to rent approximately 0.2 acres of land. The County is to receive \$600 monthly with an implicit rate of 2.29%. This lease was renewed for another five years.

Effective March 2023, the County entered into a three-year lease agreement to rent approximately 40.64 acres of land. The County is to receive \$12,851 annually with an implicit rate of 3.74%.

The following is a schedule by year of future minimum lease payments and the present value of net minimum lease payments following June 30, 2024.

Year Ending June 30,	Amount
2025	\$ 20,051
2026	7,200
2027	7,200
2028	7,200
2029	7,200
2030 - 2034	36,000
2035 - 2039	36,000
2040 - 2044	31,800
Total minimum lease payments	152,651
Less amount representing interest	(27,493)
Present value of net minimum lease payments	\$ 125,158

NOTES TO FINANCIAL STATEMENTS

8. 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. The custodial fund collections also include accruals of property tax for the succeeding year. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments for the year ended June 30, 2024 is as follows:

Fund	Description	Amount
<b>Governmental:</b>		
General fund	Services	\$ 1,345
<b>Fiduciary fund:</b>		
<b>Custodial funds:</b>		
County offices	Collections	\$ 23,846
Agricultural Extension Education		1,801
Schools		112,537
Community colleges		8,472
Corporations		35,677
Townships		4,632
Auto license and use tax		576,912
Other		50,342
<b>Total custodial funds</b>		<b>\$ 814,219</b>

9. Long-term Debt Obligations

Long-term liability activity for the governmental activities for the year ended June 30, 2024 was as follows:

Governmental Activities	Balance June 30, 2023	Issued	(Paid)	Balance June 30, 2024	Amounts Due Within One Year
<b>Governmental activities:</b>					
Notes payable	\$ -	\$ 1,250,000	\$ (250,000)	\$ 1,000,000	\$ 250,000
<b>Other liabilities:</b>					
Compensated absences	571,162	584,409	(571,162)	584,409	584,409
IT subscription liability	125,041		(17,100)	107,941	17,346
Right-to-use lease agreements	347,896		(343,236)	4,660	4,660
	1,044,099	584,409	(931,498)	697,010	606,415
<b>Governmental activities:</b>					
Long-term liabilities	\$ 1,044,099	\$ 1,834,409	\$ (1,181,498)	\$ 1,697,010	\$ 856,415

NOTES TO FINANCIAL STATEMENTS

9. **Long-term Debt Obligations (Continued)**

Long-term liability activity for the business-type activities for the year ended June 30, 2024 was as follows:

Business-type Activities	Balance June 30, 2023	Issued	(Paid)	Balance June 30, 2024	Amounts Due Within One Year
<b>Other liabilities:</b>					
Notes payable	\$ 839,825	\$ 32,811	\$ (33,922)	\$ 838,714	\$ 28,914
Compensated absences	31,991	35,650	(31,991)	35,650	35,650
<b>Business-type activities:</b>					
Long-term liabilities	<u>\$ 871,816</u>	<u>\$ 68,461</u>	<u>\$ (65,913)</u>	<u>\$ 874,364</u>	<u>\$ 64,564</u>

**Right-to-Use Lease Agreements**

During December 2022, the County entered into a new lease agreement for copiers for the County offices. An initial lease liability was recorded in the amount of \$18,292. The agreement requires quarterly payments of \$7,089 over two years, with an implicit interest rate of 3.80% and final payment due November 2024.

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

Year Ending June 30,	Principal	Interest
2025	<u>\$ 4,660</u>	<u>\$ 66</u>

**IT Subscription Liability**

On July 1, 2020, the County entered into an IT subscription license and services information technology agreement with Central Square for public safety software. An initial IT subscription liability was recorded in the amount of \$177,373. The agreement requires annual payments of \$18,900 over ten years with an initial payment made July 1, 2020, with an interest rate of 1.44% and final payment due July 1, 2029.

During the year ended June 30, 2024, principal and interest paid were \$17,100 and \$1,800, respectively. Future principal and interest payments as of June 30, 2024 are as follows:

Year Ending June 30,	Principal	Interest
2025	\$ 17,346	\$ 1,554
2026	17,596	1,304
2027	17,849	1,051
2028	18,106	794
2029	18,367	533
2030	<u>18,677</u>	<u>223</u>
Total	<u>\$ 107,941</u>	<u>\$ 5,459</u>

9. Long-term Debt Obligations (Continued)

Notes Payable

a. USDA Rural Development

In April 1993, the County issued revenue notes totaling \$105,000 at 5% interest due in annual payments of \$6,226 starting July 1995 through 2032. These notes were used to partially finance the Burr Oak Sewer Project and are recorded in the enterprise fund. Interest expense of \$2,194 is reported in the Burr Oak Sewer enterprise fund.

In February 2019, the County issued revenue notes totaling \$348,000 at 2% interest due in annual payments of \$12,723 starting February 2020 through 2059. This note was used to finance the Burr Oak Sewer Improvement Project and is recorded in the enterprise fund. Interest expense of \$4,066 is reported in the Burr Oak Sewer enterprise fund.

In November 2021, the County issued revenue notes totaling \$76,000 at 1.125% interest due in annual payments of \$2,371 starting December 2022 through 2064. These notes were used primarily for construction improvements and are recorded in the enterprise fund. Interest expense of \$824 is reported in the Burr Oak Sewer enterprise fund.

b. Department of Natural Resources

In April 2000, the County issued revenue notes totaling \$132,500 at 4.5% interest due in annual payments of \$7,342 starting July 2003 through 2039. These notes were issued to partially finance the Festina Wastewater Collection & Treatment System Project. Interest expense of \$1,662 is reported in the Festina Sewer enterprise fund.

In March 2021, the County issued revenue notes totaling \$64,450 at 0% interest due in 2024 as a lump sum. This note will be used to finance the Festina Sewer Improvement Project and is recorded in the enterprise fund. However, the funds have not been drawn as of June 30, 2024.

c. Iowa Finance Authority

In December 2015, the County issued Water Revenue Notes totaling \$910,000 at 1.75% interest due in annual payments starting June 2016 through 2045. These notes were used to partially finance the Frankville Water Project and are recorded in the enterprise fund. Following completion of the project, an amount equal to 50% of the aggregate disbursements was forgiven by the issuer. The project was completed in fiscal year 2018 for a total of \$884,965 and \$442,482 of proceeds were forgiven. Interest expense of \$6,212 is reported in the Frankville Water District enterprise fund.

In December 2023, the County issued Water Revenue Notes totaling \$571,000 at 1.75%. The note has not been finalized as of June 30, 2024. These notes are being used to partially finance the Festina Sewer Project. As of June 30, 2024, the County has drawn down \$32,811 and has paid \$4,000 of principal. Interest expense of \$254 is reported in the Festina Sewer District enterprise fund. Since the loan has not been finalized there is no payment schedule available.

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt Obligations (Continued)

Notes Payable (Continued)

d. General Obligation Emergency Communication Services Notes

In 2018, the County participated in General Obligation Emergency Communication Services Notes issued for the purpose of constructing towers to enhance emergency communication throughout Winneshiek County. The notes are payable solely from revenues generated by surcharges generated by the 911 board. The County or any political subdivision thereof is not obligated in any manner for repayment of the notes. Accordingly, the notes are not reported as liabilities in the accompanying financial statements. During July 2020, the County refinanced with a new note for \$2,100,000 at 1.85% and repaid the \$1,422,363 balance of the original note. As of June 30, 2024, the balance outstanding was \$1,725,537, and is subject to County's debt limit.

e. Spectrum Industries

On March 1, 2024, the County entered into an agreement with Spectrum Industries to purchase their building for \$1,250,000, payable in annual installments of \$250,000, including interest at 3%, collateralized by real estate. There was no interest costs incurred and charge to expenses for the year ended June 30, 2024.

A summary of the note principal and interest maturities is as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Notes Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2025	\$ 250,000	\$ 12,575	\$ 28,914	\$ 16,733
2026	250,000	22,500	30,442	15,977
2027	250,000	15,000	30,992	15,182
2028	250,000	7,500	31,563	14,366
2029			32,160	13,525
2030 - 2034			153,735	54,853
2035 - 2039			133,230	40,626
2040 - 2044			146,940	28,214
2045 - 2049			79,119	16,701
2050 - 2054			64,812	11,658
2055 - 2059			71,093	4,401
2060 - 2062			35,714	182
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 57,575</b>	<b>\$ 838,714</b>	<b>\$ 232,418</b>



9. Long-term Debt Obligations (Continued)

Debt Limit

At June 30, 2024, the debt issued by the County did not exceed its legal debt margin compiled as follows:

Total assessed valuation	\$2,243,992,448
Debt limit - 5% of total assessed valuation	\$ 112,199,622
Debt applicable to debt limit:	
Notes payable	(1,000,000)
Other debt	(2,564,251)
Legal debt margin	\$ 108,635,371

10. Pension Plan

*Plan Description*

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

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

*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.

10. Pension Plan (Continued)

*Pension Benefits (Continued)*

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.

*Disability and Death Benefits*

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

*Contributions*

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

In fiscal year 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 \$812,511.

*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 \$3,242,568 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2023 and the total net 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 collective proportion was 0.071839%, which was an increase of 0.009420% over its collective proportion measured as of June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

10. **Pension Plan (Continued)**

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

For the year ended June 30, 2024, the County recognized pension expense of \$458,505. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Total of all Groups</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 608,788	\$ 14,862
Changes of assumptions		83,897
Net difference between projected and actual earnings on IPERS' investments	488,194	
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	256,017	100,553
County contributions subsequent to the measurement date	812,511	
<b>Total</b>	<b>\$ 2,165,510</b>	<b>\$ 199,312</b>

\$812,511 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 inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2025	\$ 4,121
2026	(258,637)
2027	1,146,640
2028	219,702
2029	41,861
<b>Total</b>	<b>\$ 1,153,687</b>

There were no non-employer contributing entities to IPERS.

NOTES TO FINANCIAL STATEMENTS

10. Pension Plan (Continued)

*Actuarial Assumptions*

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

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

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

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

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

10. Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total net 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 net pension liability.

*Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 8,603,316	\$ 3,242,568	\$ (1,251,146)

*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*

At June 30, 2024, the County had no payables to report for the defined benefit pension plan for legally required County contributions and legally required employee contributions, which had been withheld from employee wages but not yet remitted to IPERS.

11. Other Postemployment Benefits (OPEB)

*Plan Description*

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

*OPEB Benefits*

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

11. Other Postemployment Benefits (OPEB) (Continued)

*OPEB Benefits (Continued)*

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	-
Active employees	<u>131</u>
 Total	 <u>131</u>

*Total OPEB Liability*

The County's total OPEB liability of \$167,619 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023 with update procedures used to roll forward to the June 30, 2023 measurement date.

*Actuarial Assumptions*

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2024)	3.00% per annum.
Rates of salary increase (effective June 30, 2024)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2024)	3.65% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	5.00% per annum.

*Discount Rate*

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

Mortality rates are from RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

NOTES TO FINANCIAL STATEMENTS

11. Other Postemployment Benefits (OPEB) (Continued)

*Changes in the Total OPEB Liability*

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 302,844
Changes for the year:	
Service cost	15,667
Interest cost	5,948
Changes in assumptions	(52,089)
Difference between expected and actual experiences	(102,198)
Benefit payments	(2,553)
Net change	(135,225)
Total OPEB liability end of year	\$ 167,619

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

*Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (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	\$ 180,122	\$ 167,619	\$ 155,764

*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	\$ 147,233	\$ 167,619	\$ 191,916

NOTES TO FINANCIAL STATEMENTS

11. Other Postemployment Benefits (OPEB) (Continued)

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the year ended June 30, 2024, the County recognized OPEB expense of \$5,990. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experiences	\$ 1,884	\$ 129,770
Changes in assumptions	18,131	48,113
Total	\$ 20,015	\$ 177,883

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

Year Ending June 30,	Amount
2025	\$ (13,072)
2026	(13,072)
2027	(13,072)
2028	(13,072)
2029	(13,072)
Thereafter	(92,508)
Total	\$ (157,868)

12. Risk Management

Winneshiek County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (pool) is a local government risk-sharing pool whose 803 members include various governmental entities throughout the State of Iowa. The pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability, law enforcement liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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



**12. Risk Management (Continued)**

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

The County's property and casualty contributions to the pool are recorded as expenditures from its operating funds at the time of payment to the pool. The County's contributions to the pool for the year ended June 30, 2024 were \$311,474.

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

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

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

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The County uses a partially self-funded health insurance plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Midwest Group Benefits. The agreement is subject to automatic renewal provisions. The County purchases insurance with various deductibles based on the plan selected by employees and self-insures to provide employees with lower deductibles per year. The County's maximum annual cost per employee of this coverage varies depending on the option selected with different plans for secondary road department employees. The County has incurred costs totaling \$2,188,883 for the 2024 fiscal year. At June 30, 2024, the maximum potential additional County liability because of these plans was \$811,000.

13. Deferred Compensation Plan

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by either Knox Financial/Lincoln Investments or Nationwide (depending on individual employee elections) and do not constitute a liability of the County.

14. Tax Abatements

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

*County Tax Abatements*

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

For the year ended June 30, 2024, the County abated no property tax under the urban renewal development agreement.

*Tax Abatements of Other Entities*

Other entities within the County also provided tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Calmar, the City of Decorah, and the City of Ossian offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Calmar	Urban renewal and economic development projects	\$ 10,827
	Chapter 404 tax abatement program	6,321
City of Decorah	Urban renewal and economic development projects	31,744
City of Ossian	Chapter 404 tax abatement program	3,691

NOTES TO FINANCIAL STATEMENTS

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15. **Construction, Purchase and Other Commitments**

The total outstanding construction and purchase commitments of the County at June 30, 2024 amounted to \$1,506,937 and commitments to be reimbursed is \$97,515.

16. **Contingent Liabilities**

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by granting authorities but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

The County is currently contingently liable to perform environmental cleanup at two locations due to the Iowa Department of Natural Resources (DNR) classifying them as high-risk sites. Proposals have been submitted to the Iowa DNR outlining the County's plans for cleanup. As of June 30, 2024, no ruling has been made by the Iowa DNR. As a result, no estimate can be made of future cleanup costs. Funds may be available from the Iowa Comprehensive Petroleum Underground Storage Tank fund to offset some of these potential costs.

17. **Fund Balance**

The government-wide statement of net position reports \$6,270,226 of restricted net position, of which \$6,178,175 is restricted by enabling legislation. The amounts restricted at June 30, 2024 are as follows:

Restricted net position:	
Rural services	\$ 4,071,746
Secondary roads	533,427
Capital projects fund	29,392
Opioid abatement	513,508
Other special revenue	1,030,102
Other	92,051
<b>Total restricted net position</b>	<b>\$ 6,270,226</b>

Restricted net position:	
Proprietary funds:	
Burr Oak Sewer	\$ 192,354
Burr Oak Sewer Reserve	6,226
Festina Sewer	189,966
Festina Sewer Reserve	18,153
Other purpose	31,891
<b>Total restricted net position, proprietary funds</b>	<b>\$ 438,590</b>

NOTES TO FINANCIAL STATEMENTS

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17. **Fund Balance (Continued)**

The governmental fund balances as of June 30, 2024 are as follows:

Nonspendable:	
General fund	\$ 88,528
Special revenue funds:	
Rural services	10,163
Secondary roads	730,885
<b>Total nonspendable</b>	<b>\$ 829,576</b>
Restricted:	
General fund	\$ 3,523
Special revenue funds:	
Rural services	4,061,520
Secondary roads	602,203
REAP Grant	353,712
Water Testing Grant	176,625
Conservation Land Acquisition Fund	455,395
Recorder's Records Management	33,607
Local Government Opioid Abatement	130,125
Capital projects fund:	
Freeport Trail	10,750
Prairie Farmer Trail	18,642
<b>Total restricted</b>	<b>\$ 5,846,102</b>

18. **Joint Ventures**

The County is a participant in the Winneshiek County Area Solid Waste Agency (Agency). The County currently guarantees landfill tonnage (usage) by residents to the Agency. The County appoints members to the Agency Board and is guaranteed access to the landfill so long as it is a member. The Agency Board sets tonnage fee rates, which are charged to contracted haulers who are responsible for garbage collection and billing and collecting from local residents. Audited financial statements of Winneshiek County Area Solid Waste Agency are available from the Agency at 2000 140<sup>th</sup> Avenue, Decorah, IA 52101.

The County participates in MetroNet, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The County appoints a member to the MetroNet Board and has access to the broadband service provided by MetroNet. MetroNet's audited financial statements are included in the City of Decorah's financial statements and are available from the City of Decorah at City Hall, Decorah, IA 52101.

19. **Accrued Closure and Postclosure Care Costs**

Since the County owns the land and leases it to the Winneshiek County Area Solid Waste Agency (Agency), it is ultimately responsible for the closure and postclosure care costs of the landfill. The County is under the understanding that the Agency will cover these costs through their operations. The landfill site is currently regulated by the Iowa Department of Natural Resources (DNR).

19. Accrued Closure and Postclosure Care Costs (Continued)

To comply with federal and state regulations, the Agency is required to complete a monitoring system plan and a closure/postclosure care plan and to provide funding necessary to effect closure and postclosure care, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total cost consists of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Agency have been estimated at \$4,746,860 and \$1,512,214 for closure and postclosure care, respectively, for a total of \$6,259,074 as of June 30, 2024, and the portion of the liability that has been recognized is \$3,837,311. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the landfill is 23 years. The capacity used at June 30, 2024 was 61%. The total closure and postclosure estimate as of June 30, 2023 was \$6,100,463 and the portion of the liability that had been recognized was \$3,628,197.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Agency has accumulated resources to fund these costs and, at June 30, 2024, assets of \$7,148,421 are restricted for these purposes, of which \$5,421,338 is for closure and \$1,727,083 is for postclosure care. They are reported as restricted investments in the Agency's statements of net position.

20. Subsequent Events

Management has evaluated subsequent events through February 28, 2025, the date on which the financial statements were available to be issued.

**Required Supplementary Information**

WINNESHIEK COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE OF  
RECEIPTS, DISBURSEMENTS AND CHANGES IN BALANCES  
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS  
June 30, 2024

	Actual/Budget	Less Amounts not Budgeted	Budget Basis	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
				Original	Final	
<b>RECEIPTS</b>						
Property and other County taxes	\$ 12,961,144		\$ 12,961,144	\$ 12,093,069	\$ 12,093,069	\$ 868,075
Interest and penalty on property taxes	51,411		51,411	40,450	40,450	10,961
Intergovernmental	7,663,898		7,663,898	10,238,810	10,450,564	(2,786,666)
Licenses and permits	74,043		74,043	41,400	41,400	32,643
Charges for service	809,355		809,355	804,225	709,225	100,130
Use of money and property	866,928		866,928	248,256	250,256	616,672
Miscellaneous	988,450	\$ 3,106	985,344	2,193,296	2,208,796	(1,223,452)
<b>Total receipts</b>	<b>23,415,229</b>	<b>3,106</b>	<b>23,412,123</b>	<b>25,659,506</b>	<b>25,793,760</b>	<b>(2,381,637)</b>
<b>DISBURSEMENTS</b>						
Public safety and legal services	5,133,231		5,133,231	5,532,408	5,567,408	434,177
Physical health and social services	1,430,069		1,430,069	1,845,357	1,920,357	490,288
County environment and education	2,633,484		2,633,484	2,719,393	2,870,883	237,399
Roads and transportation	8,379,519		8,379,519	7,986,119	8,981,119	601,600
Governmental services to residents	748,221		748,221	856,976	858,476	110,255
Administration	3,377,261		3,377,261	4,084,171	4,486,363	1,109,102
Non-program	2,354		2,354	4,500	4,500	2,146
Capital projects	2,459,982		2,459,982	4,545,000	5,300,000	2,840,018
<b>Total disbursements</b>	<b>24,164,121</b>	<b>-</b>	<b>24,164,121</b>	<b>27,573,924</b>	<b>29,989,106</b>	<b>5,824,985</b>
<b>(DEFICIENCY) EXCESS OF RECEIPTS (UNDER) OVER DISBURSEMENTS</b>	<b>(748,892)</b>	<b>3,106</b>	<b>(751,998)</b>	<b>(1,914,418)</b>	<b>(4,195,346)</b>	<b>3,443,348</b>
<b>OTHER FINANCING SOURCES, NET</b>	<b>562,376</b>	<b>-</b>	<b>562,376</b>	<b>30,000</b>	<b>330,000</b>	<b>232,376</b>
<b>Change in balances</b>	<b>(186,516)</b>	<b>3,106</b>	<b>(189,622)</b>	<b>(1,884,418)</b>	<b>(3,865,346)</b>	<b>3,675,724</b>
<b>BALANCE, beginning of year</b>	<b>13,458,007</b>	<b>-</b>	<b>13,458,007</b>	<b>10,698,225</b>	<b>10,698,225</b>	<b>2,759,782</b>
<b>BALANCE, end of year</b>	<b>\$ 13,271,491</b>	<b>\$ 3,106</b>	<b>\$ 13,268,385</b>	<b>\$ 8,813,807</b>	<b>\$ 6,832,879</b>	<b>\$ 6,435,506</b>

See Notes to Required Budgetary Information and Independent Auditor's Report.

WINNESHIEK COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 BUDGET TO GAAP RECONCILIATION  
 For the Year Ended June 30, 2024

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 23,415,229	\$ 554,609	\$ 23,969,838
Expenditures	24,164,121	305,746	24,469,867
Net	(748,892)	248,863	(500,029)
Other financing sources, net	562,376	1,054,032	1,616,408
Beginning fund balance	13,458,007	(648,308)	12,809,699
Ending fund balance	<u>\$ 13,271,491</u>	<u>\$ 654,587</u>	<u>\$ 13,926,078</u>

See Notes to Required Budgetary Information and Independent Auditor's Report.



**WINNESHIEK COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING**  
**Year Ended June 30, 2024**

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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 amount not budgeted and are deducted when determining the County's budget basis includes the Sheriff's Forfeiture. 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:

1. Public safety and legal services
2. Physical health and social services
3. County environment and education
4. Roads and transportation
5. Governmental services to residents
6. Administration
7. Non-program
8. Debt service
9. Capital projects

Function disbursements required to be budgeted include disbursements for the general fund, the special revenue funds, the capital projects fund, and the debt service fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted receipts by \$135,254, and increased budgeted disbursements by \$2,415,182. The budget amendment is reflected in the final budgeted amounts.

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

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's collective proportion of the net pension liability (asset)	0.071839%	0.062419%	0.409797% **	0.073932%	0.068278%	0.068993%	0.070890%	0.070499%	0.065954%	0.064759%
County's collective proportionate share of the net pension liability (asset)	\$ 3,243	\$ 2,358	\$ (1,415)	\$ 5,193	\$ 3,954	\$ 4,366	\$ 4,722	\$ 4,437	\$ 3,258	\$ 2,568
County's covered payroll	\$ 8,835	\$ 7,964	\$ 7,715	\$ 7,120	\$ 6,647	\$ 6,363	\$ 6,083	\$ 5,838	\$ 5,550	\$ 5,450
County's collective proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.71%	29.61%	-18.34%	72.94%	59.49%	68.62%	77.63%	76.00%	58.70%	47.12%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

\*\* Overall plan net pension asset.

See Notes to Required Pension Liability Information and Independent Auditor's Report.

WINNESHIEK COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY CONTRIBUTIONS  
 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 For the Last Ten Years  
 (In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 813	\$ 825	\$ 746	\$ 727	\$ 676	\$ 634	\$ 576	\$ 552	\$ 531	\$ 507
Contributions in relation to the statutorily required contribution	(813)	(825)	(746)	(727)	(676)	(634)	(576)	(552)	(531)	(507)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 8,752	\$ 8,835	\$ 7,964	\$ 7,715	\$ 7,120	\$ 6,647	\$ 6,363	\$ 6,083	\$ 5,838	\$ 5,550
Contributions as a percentage of covered payroll	9.29%	9.34%	9.37%	9.42%	9.49%	9.54%	9.05%	9.07%	9.10%	9.14%

See Notes to Required Pension Liability Information and Independent Auditor's Report.

WINNESHIEK COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY  
Year Ended June 30, 2024

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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%.

See Independent Auditor's Report.

WINNESHIEK COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES  
For the Last Seven Years

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 15,667	\$ 30,826	\$ 29,928	\$ 20,200	\$ 19,612	\$ 18,066	\$ 17,539
Interest cost	5,948	6,409	5,723	8,857	8,412	8,693	8,188
Difference between expected and actual experiences	(102,198)		(30,894)		(18,868)		4,278
Changes in assumptions	(52,089)		17,165		504		10,432
Benefit payments	(2,553)	(6,132)	(2,838)	(18,539)	(13,224)	(11,647)	(12,602)
Net change in total OPEB liability	(135,225)	31,103	19,084	10,518	(3,564)	15,112	27,835
Total OPEB liability beginning of year	302,844	271,741	252,657	242,139	245,703	230,591	202,756
Total OPEB liability end of year	<u>\$ 167,619</u>	<u>\$ 302,844</u>	<u>\$ 271,741</u>	<u>\$ 252,657</u>	<u>\$ 242,139</u>	<u>\$ 245,703</u>	<u>\$ 230,591</u>
Covered-employee payroll	\$7,965,555	\$7,083,977	\$6,877,648	\$6,806,242	\$6,608,002	\$6,375,436	\$5,856,616
Total OPEB liability as a percentage of covered-employee payroll	2.10%	4.28%	3.95%	3.71%	3.66%	3.85%	3.94%

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

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

*Changes in Benefit Terms:*

There were no significant changes in benefit terms.

*Changes in Assumptions:*

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

Year Ended June 30, 2024	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	3.58%
Year Ended June 30, 2018	3.58%
Year Ended June 30, 2017	4.50%

See Independent Auditor's Report.

**Other Supplementary Information**

WINNESHIEK COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2024

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and pooled investments	\$ 1,145,352	\$ 29,392	\$ 1,174,744
Receivables:			
Accounts	240		240
Accrued interest	651		651
Opioid settlement	383,382		383,382
Due from other governments	17,958		17,958
<b>Total assets</b>	<b>\$ 1,547,583</b>	<b>\$ 29,392</b>	<b>\$ 1,576,975</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 3,974	\$ -	\$ 3,974
Deferred inflows of resources:			
Other	394,145	-	394,145
Fund balances:			
Restricted for:			
Opioid abatement	130,125		130,125
Other special revenue funds	1,019,339		1,019,339
Capital projects		29,392	29,392
<b>Total fund balances</b>	<b>1,149,464</b>	<b>29,392</b>	<b>1,178,856</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,547,583</b>	<b>\$ 29,392</b>	<b>\$ 1,576,975</b>

WINNESHIEK COUNTY  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 50,476		\$ 50,476
Charges for service	35,972		35,972
Use of money and property	5,897		5,897
Miscellaneous	140,048		140,048
<b>Total revenues</b>	<b>232,393</b>	<b>\$ -</b>	<b>232,393</b>
<b>EXPENDITURES</b>			
Current:			
Physical health and social services	15,546		15,546
County environment and education	1		1
Capital projects	124,886		124,886
<b>Total expenditures</b>	<b>140,433</b>	<b>-</b>	<b>140,433</b>
<b>Change in fund balances</b>	<b>91,960</b>	<b>-</b>	<b>91,960</b>
FUND BALANCES, beginning of year	1,057,504	29,392	1,086,896
FUND BALANCES, end of year	<b>\$ 1,149,464</b>	<b>\$ 29,392</b>	<b>\$ 1,178,856</b>



WINNESHIEK COUNTY  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2024

	REAP Grant	Water Testing Grant	Conservation Land Acquisition Fund	Recorder's Records Management	Local Government Opioid Abatement Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>						
Cash and pooled investments	\$ 353,249	\$ 171,475	\$ 457,324	\$ 33,333	\$ 129,971	\$ 1,145,352
Receivables:						
Accounts				240		240
Accrued interest	463			34	154	651
Opioid settlement					383,382	383,382
Due from other governments		5,720	12,238			17,958
<b>Total assets</b>	<b>\$ 353,712</b>	<b>\$ 177,195</b>	<b>\$ 469,562</b>	<b>\$ 33,607</b>	<b>\$ 513,507</b>	<b>\$ 1,547,583</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ -	\$ 570	\$ 3,404	\$ -	\$ -	\$ 3,974
Deferred inflows of resources:						
Other	-	-	10,763	-	383,382	394,145
Fund balances:						
Reserved	353,712	176,625	455,395	33,607	130,125	1,149,464
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 353,712</b>	<b>\$ 177,195</b>	<b>\$ 469,562</b>	<b>\$ 33,607</b>	<b>\$ 513,507</b>	<b>\$ 1,547,583</b>

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 2024

	REAP Grant	Water Testing Grant	Conservation Land Acquisition Fund	Recorder's Records Management	Local Government Opioid Abatement Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>						
Intergovernmental	\$ 12,732	\$ 34,527	\$ 3,217			\$ 50,476
Charges for service			33,115	\$ 2,857		35,972
Use of money and property	5,499			398		5,897
Miscellaneous			68,506		\$ 71,542	140,048
<b>Total revenues</b>	<b>18,231</b>	<b>34,527</b>	<b>104,838</b>	<b>3,255</b>	<b>71,542</b>	<b>232,393</b>
<b>EXPENDITURES</b>						
Current:						
Physical health and social services		15,546				15,546
County environment and education	1					1
Capital projects			124,886			124,886
<b>Total expenditures</b>	<b>1</b>	<b>15,546</b>	<b>124,886</b>	<b>-</b>	<b>-</b>	<b>140,433</b>
<b>Change in fund balances</b>	<b>18,230</b>	<b>18,981</b>	<b>(20,048)</b>	<b>3,255</b>	<b>71,542</b>	<b>91,960</b>
FUND BALANCES, beginning of year	335,482	157,644	475,443	30,352	58,583	1,057,504
FUND BALANCES, end of year	<b>\$ 353,712</b>	<b>\$ 176,625</b>	<b>\$ 455,395</b>	<b>\$ 33,607</b>	<b>\$ 130,125</b>	<b>\$ 1,149,464</b>

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 COMBINING SCHEDULE OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 June 30, 2024

	Frankville Water District Fund	Burr Oak Sewer Fund	Festina Sewer Fund	Burr Oak Sewer Sinking Fund	Festina Sewer Sinking Fund	Burr Oak Sewer Reserve Fund	Festina Sewer Reserve Fund	Frankville Sewer Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>									
Cash and pooled investments	\$ 4,939	\$ 7,075	\$ 25,282	\$ 43	\$ 27,538	\$ 6,226	\$ 18,153	\$ 3,310	\$ 92,566
<b>Total current assets</b>	<b>4,939</b>	<b>7,075</b>	<b>25,282</b>	<b>43</b>	<b>27,538</b>	<b>6,226</b>	<b>18,153</b>	<b>3,310</b>	<b>92,566</b>
<b>Noncurrent assets:</b>									
Non-depreciable assets		123,483	3,500						126,983
Net capital assets	649,689	648,618	680,606						1,978,913
<b>Total noncurrent assets</b>	<b>649,689</b>	<b>772,101</b>	<b>684,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,105,896</b>
<b>Total assets</b>	<b>\$ 654,628</b>	<b>\$ 779,176</b>	<b>\$ 709,388</b>	<b>\$ 43</b>	<b>\$ 27,538</b>	<b>\$ 6,226</b>	<b>\$ 18,153</b>	<b>\$ 3,310</b>	<b>\$ 2,198,462</b>
<b>LIABILITIES AND NET POSITION</b>									
<b>Liabilities:</b>									
Accrued interest payable	\$ 477	\$ 456	\$ 428						\$ 1,361
Due to other funds		9,071	373,957						383,028
Notes payable	13,000	12,135	3,779						28,914
<b>Total current liabilities</b>	<b>13,477</b>	<b>21,662</b>	<b>378,164</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>413,303</b>
<b>Noncurrent liabilities:</b>									
Long-term debt	330,000	419,027	60,773						809,800
<b>Total liabilities</b>	<b>343,477</b>	<b>440,689</b>	<b>438,937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,223,103</b>
<b>Net position:</b>									
Net investment in capital assets	306,689	340,939	619,554						1,267,182
Restricted	1,000	192,354	189,966	43	27,538	6,226	18,153	3,310	438,590
Unrestricted (deficit)	3,462	(194,806)	(539,069)						(730,413)
<b>Total net position</b>	<b>311,151</b>	<b>338,487</b>	<b>270,451</b>	<b>43</b>	<b>27,538</b>	<b>6,226</b>	<b>18,153</b>	<b>3,310</b>	<b>975,359</b>
<b>Total liabilities and net position</b>	<b>\$ 654,628</b>	<b>\$ 779,176</b>	<b>\$ 709,388</b>	<b>\$ 43</b>	<b>\$ 27,538</b>	<b>\$ 6,226</b>	<b>\$ 18,153</b>	<b>\$ 3,310</b>	<b>\$ 2,198,462</b>

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 For the Year Ended June 30, 2024

	Frankville Water District Fund	Burr Oak Sewer Fund	Festina Sewer Fund	Burr Oak Sewer Sinking Fund	Festina Sewer Sinking Fund	Burr Oak Sewer Reserve Fund	Festina Sewer Reserve Fund	Frankville Sewer Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>									
Charges for services	\$ 38,218	\$ 40,846	\$ 26,485					\$ 4,360	\$ 109,909
Total operating revenues	<u>38,218</u>	<u>40,846</u>	<u>26,485</u>	\$ -	\$ -	\$ -	\$ -	<u>4,360</u>	<u>109,909</u>
<b>OPERATING EXPENSES</b>									
Depreciation	15,477	30,010	11,215						56,702
Other	18,049	20,544	9,328						47,921
Total operating expenses	<u>33,526</u>	<u>50,554</u>	<u>20,543</u>	-	-	-	-	-	<u>104,623</u>
Operating income (loss)	<u>4,692</u>	<u>(9,708)</u>	<u>5,942</u>	-	-	-	-	<u>4,360</u>	<u>5,286</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>									
Interest income	1	33	79						113
Interest expense	(6,212)	(7,833)	(1,916)						(15,961)
Net nonoperating revenues (expenses)	<u>(6,211)</u>	<u>(7,800)</u>	<u>(1,837)</u>	-	-	-	-	-	<u>(15,848)</u>
(Loss) income before transfers	<u>(1,519)</u>	<u>(17,508)</u>	<u>4,105</u>	-	-	-	-	<u>4,360</u>	<u>(10,562)</u>
<b>OPERATING TRANSFERS</b>									
Transfer in	20,120	30,891	5,569	22,322	9,544		700	20,070	109,216
Transfer out	(20,070)	(21,322)	(10,244)	(21,320)	(5,569)			(21,120)	(99,645)
Total operating transfers	<u>50</u>	<u>9,569</u>	<u>(4,675)</u>	<u>1,002</u>	<u>3,975</u>	-	<u>700</u>	<u>(1,050)</u>	<u>9,571</u>
Change in net position	<u>(1,469)</u>	<u>(7,939)</u>	<u>(570)</u>	<u>1,002</u>	<u>3,975</u>	-	<u>700</u>	<u>3,310</u>	<u>(991)</u>
NET POSITION, beginning of year	<u>312,620</u>	<u>346,426</u>	<u>271,021</u>	<u>(959)</u>	<u>23,563</u>	<u>6,226</u>	<u>17,453</u>	<u>-</u>	<u>976,350</u>
NET POSITION, end of year	<u>\$ 311,151</u>	<u>\$ 338,487</u>	<u>\$ 270,451</u>	<u>\$ 43</u>	<u>\$ 27,538</u>	<u>\$ 6,226</u>	<u>\$ 18,153</u>	<u>\$ 3,310</u>	<u>\$ 975,359</u>

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	911 Surcharge	Other	Total
<b>ASSETS</b>											
Cash and pooled investments:											
County Treasurer		\$ 1,801	\$ 710,235	\$ 112,537	\$ 8,472	\$ 35,677	\$ 4,632	\$ 576,912	\$ 869,350	\$ 339,498	\$ 2,659,114
Other County officials	\$ 49,471										49,471
Receivables:											
Property tax:											
Delinquent		27	65	1,740	131	348	61			150	2,522
Succeeding year		281,363	647,564	17,131,321	1,325,412	8,102,522	566,177			1,520,501	29,574,860
Accounts	3,315								49,083		52,398
Accrued interest									3,482		3,482
Due from other governments			7						7,640	23,435	31,082
Prepaid insurance			3,211							9,465	12,676
Total assets	<u>52,786</u>	<u>283,191</u>	<u>1,361,082</u>	<u>17,245,598</u>	<u>1,334,015</u>	<u>8,138,547</u>	<u>570,870</u>	<u>576,912</u>	<u>929,555</u>	<u>1,893,049</u>	<u>32,385,605</u>
<b>LIABILITIES</b>											
Accounts payable			653						2,826	7,726	11,205
Salaries and benefits payable			4,860							14,859	19,719
Due to other funds	24,160										24,160
Due to other governments	23,846	1,801		112,537	8,472	35,677	4,632	576,912		50,342	814,219
Trusts payable	4,780										4,780
Deferred revenues										5,647	5,647
Total liabilities	<u>52,786</u>	<u>1,801</u>	<u>5,513</u>	<u>112,537</u>	<u>8,472</u>	<u>35,677</u>	<u>4,632</u>	<u>576,912</u>	<u>2,826</u>	<u>78,574</u>	<u>879,730</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable property tax revenue	-	281,363	647,564	17,131,321	1,325,412	8,102,522	566,177	-	-	1,520,501	29,574,860
<b>NET POSITION</b>											
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 708,005</u>	<u>\$ 1,740</u>	<u>\$ 131</u>	<u>\$ 348</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 926,729</u>	<u>\$ 293,974</u>	<u>\$ 1,931,015</u>

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 For the Year Ended June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax	911 Surcharge	Other	Total
<b>ADDITIONS</b>											
Property and other County taxes		\$ 267,761	\$ 502,615	#####	\$ 1,260,939	\$ 7,822,769	\$ 566,813			\$ 1,466,712	\$ 28,521,347
State tax credits		17,980	33,231	961,180	230,959	675,463	30,446			94,355	2,043,614
Office fees and collections	\$497,025									2,915	499,940
Auto license, use tax and postage								\$8,313,870			8,313,870
911 telephone surcharges									\$ 61,849		61,849
Miscellaneous Assessments	114,174								300,750	39,143	454,067
Trusts	23,884									1,022,453	1,022,453
<b>Total additions</b>	<b>635,083</b>	<b>285,741</b>	<b>535,846</b>	<b>17,594,918</b>	<b>1,491,898</b>	<b>8,498,232</b>	<b>597,259</b>	<b>8,313,870</b>	<b>362,599</b>	<b>2,625,578</b>	<b>40,941,024</b>
<b>DEDUCTIONS</b>											
Agency remittances:											
To other funds	328,513							280,422			608,935
To other governments	281,868	285,756		17,595,810	1,491,965	8,500,643	597,221	8,033,448	404,191	2,639,581	39,830,483
Trusts paid out	24,702										24,702
Miscellaneous			496,439								496,439
<b>Total deductions</b>	<b>635,083</b>	<b>285,756</b>	<b>496,439</b>	<b>17,595,810</b>	<b>1,491,965</b>	<b>8,500,643</b>	<b>597,221</b>	<b>8,313,870</b>	<b>404,191</b>	<b>2,639,581</b>	<b>40,960,559</b>
<b>Change in net position</b>	<b>-</b>	<b>(15)</b>	<b>39,407</b>	<b>(892)</b>	<b>(67)</b>	<b>(2,411)</b>	<b>38</b>	<b>-</b>	<b>(41,592)</b>	<b>(14,003)</b>	<b>(19,535)</b>
<b>NET POSITION</b>											
Beginning of year	-	42	668,598	2,632	198	2,759	23	-	968,321	307,977	1,950,550
End of year	\$ -	\$ 27	\$ 708,005	\$ 1,740	\$ 131	\$ 348	\$ 61	\$ -	\$ 926,729	\$ 293,974	\$ 1,931,015

See Independent Auditor's Report.

WINNESHIEK COUNTY  
 COMPARATIVE SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION  
 ALL GOVERNMENTAL FUNDS  
 Years Ended June 30,

	Modified Accrual Basis									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>										
Property and other County taxes	\$ 10,887,060	\$ 10,233,147	\$ 9,808,140	\$ 9,715,712	\$ 9,484,837	\$ 9,152,042	\$ 8,930,264	\$ 8,712,158	\$ 8,231,786	\$ 8,107,755
Local option sales tax	2,116,477	2,086,644	2,094,242	1,998,639	1,622,807	1,578,360	1,478,524	1,464,256	1,432,705	1,490,067
Interest and penalty on property taxes	51,451	48,849	41,913	49,403	30,333	50,713	49,606	50,410	49,382	49,277
Intergovernmental	7,874,092	9,089,887	13,210,864	11,105,389	10,127,476	7,754,386	8,523,223	9,563,682	7,616,214	6,093,748
Licenses and permits	49,916	49,242	74,890	39,510	38,286	39,999	26,902	30,072	23,929	20,989
Charges for service	800,457	850,686	928,907	957,829	825,031	830,633	865,011	840,636	725,481	707,793
Use of money and property	873,563	572,948	197,367	200,358	229,415	305,440	215,463	167,180	159,766	151,327
Miscellaneous	1,316,822	1,030,041	1,324,697	858,351	689,435	901,520	994,723	984,116	888,330	722,092
Total revenues	<u>\$ 23,969,838</u>	<u>\$ 23,961,444</u>	<u>\$ 27,681,020</u>	<u>\$ 24,925,191</u>	<u>\$ 23,047,620</u>	<u>\$ 20,613,093</u>	<u>\$ 21,083,716</u>	<u>\$ 21,812,510</u>	<u>\$ 19,127,593</u>	<u>\$ 17,343,048</u>
<b>EXPENDITURES</b>										
<b>Current:</b>										
Public safety and legal services	\$ 5,138,586	\$ 4,741,659	\$ 4,146,115	\$ 4,131,751	\$ 3,811,585	\$ 3,344,469	\$ 3,101,880	\$ 3,981,797	\$ 2,781,637	\$ 2,609,552
Physical health and social services	1,423,041	1,459,585	1,406,871	1,388,975	1,313,157	1,215,798	1,215,239	1,251,659	1,324,333	1,303,254
Mental health			480,010	600,870	765,137	833,400	893,379	967,694	834,286	1,401,148
County environment and education	2,608,934	3,223,391	5,004,347	3,533,448	3,064,345	2,405,707	2,327,203	2,151,576	1,817,801	1,685,897
Roads and transportation	8,094,480	9,507,708	8,100,951	7,243,285	9,441,090	8,917,062	6,757,855	8,079,231	7,662,578	5,237,297
Governmental services to residents	1,083,650	893,104	2,217,806	584,942	628,094	586,284	576,687	569,843	544,433	549,902
Administration	3,116,287	2,558,782	2,429,219	2,159,208	2,214,807	2,306,062	2,468,551	2,171,283	2,139,199	2,020,823
Non-program	2,354	2,500	2,033	1,974	2,816	1,821	1,574	2,002,804	4,087	3,712
Capital projects	3,002,535	2,023,247	1,627,688	2,121,989	2,313,153	1,672,492	1,376,654	2,747,014	1,657,479	1,665,783
Total expenditures	<u>\$ 24,469,867</u>	<u>\$ 24,409,976</u>	<u>\$ 25,415,040</u>	<u>\$ 21,766,442</u>	<u>\$ 23,554,184</u>	<u>\$ 21,283,095</u>	<u>\$ 18,719,022</u>	<u>\$ 23,922,901</u>	<u>\$ 18,765,833</u>	<u>\$ 16,477,368</u>

See Independent Auditor's Report.



# Hacker Nelson & Co., CPAs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Supervisors  
Winneshiek County  
Decorah, Iowa

We have audited, in accordance with the U.S. generally accepted auditing standards 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, the business-type activities, each major fund, and the aggregate remaining fund information of Winneshiek County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Winneshiek County's basic financial statements, and have issued our report thereon dated February 28, 2025.

#### Report on Internal Control over Financial Reporting

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

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

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



## Overlapping Duties

### Condition

The County's offices are not large enough to permit an adequate segregation of duties for effective internal controls. Management has not separated incompatible activities of personnel, thereby creating risks related to the safeguarding of cash and the accuracy of the financial statements.

### 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.

### Cause

The concentration of closely related duties and responsibilities such as the recording and processing of cash receipts, preparing grant expenditure reports, preparing financial information for posting and analyzing financial information by a small staff makes it impossible to establish an adequate system of automatic internal checks on the accuracy and reliability of the accounting records.

### Effect

This deficiency results in a reasonable possibility that the County would not be able to detect misstatements that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

### Recommendation

The County should review the operating procedures of the County offices to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials. While we do recognize that the County is not large enough to permit a segregation of duties for effective internal controls, we believe it is important the Board be aware that this condition does exist.

### Views of Responsible Officials and Planned Corrective Actions

Management is cognizant of this limitation and will implement additional procedures where possible.

### Report on Compliance and Other Matters

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

### Winneshiek County's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the Winneshiek County's response to the finding identified in our audit is described above. The Winneshiek County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Hacker, Nelson & Co., CPAs

Decorah, Iowa  
February 28, 2025



# Hacker Nelson & Co., CPAs

## MANAGEMENT LETTER

To the Board of Supervisors  
Winneshiek County  
Decorah, Iowa

In planning and performing our audit of the basic financial statements of Winneshiek County for the year ended June 30, 2024, we considered the County's internal control to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control or state statutory compliance matters, accordingly, we provide no such assurance.

In accordance with Chapter 11 of the Code of Iowa, we are required to report on the County's compliance with certain sections of the Iowa Code, Attorney General's Opinions, and other matters. Items 1 through 10 below are compliance comments required by the Iowa Auditor of State. A separate report dated February 28, 2025, contains our report on the County's internal control over financial reporting. This letter does not affect our report dated February 28, 2025, on the basic financial statements of Winneshiek County. Comment 11 is an unresolved comment from the prior year. These comments are not intended to and do not constitute legal opinions. We did not audit the County's responses and, accordingly, we express no opinion on them.

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.

1. Certified Budget  
Disbursements for the year ended June 30, 2024 did not exceed the amounts budgeted for any function.
2. Questionable Expenditures  
We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's Opinion dated April 25, 1979.
3. Travel Expense  
No expenditures of County money for travel expenses of spouses of County officials and/or employees were noted.
4. Business Transactions  
We noted no business transactions between the County and County officials and/or employees for the year ended June 30, 2024.

5. Restricted Donor Activity

Per Chapter 68B of the Code of Iowa, County officials are prohibited from receiving or soliciting gifts from a restricted donor. A restricted donor per Chapter 68B.2(24)(a) is a "party to any one or any combination of sales, purchases, leases or contracts to, from, or with the agency in which the donee holds office or is employed." No gifts were received from a restricted donor.

6. Bond Coverage

Surety bond coverage of County officials and employees is in accordance with statutory provisions.

7. Board Minutes

No transactions were found that we believe should have been approved in the Board minutes but were not. The minutes were published as required by Chapter 349.18 of the Code of Iowa and Attorney General's Opinions dated December 10, 1985, December 31, 1986, and May 2, 1989.

8. Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County's investment policy were noted.

9. 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).

10. Tax Increment Financing (TIF)

For the year ended June 30, 2024, the County Auditor's Office performed their duties in accordance with Chapter 403.19(6)(a)(1) of the Code of Iowa and completed reconciliations of each City's TIF receipts and TIF debt certified.

11. Capital Asset Records

A partial record of the County's fixed assets is maintained by individual offices. Property journal totals have not been summarized, nor has reconciliation been performed to balance additions and deletions to the general ledger.

Recommendation

We recommend complete property and equipment records be developed. In addition, to facilitate proper insurance, maintenance and safeguarding of these assets, an inventory of all property and equipment should be taken at least once each year and checked against the fixed assets records. Management may want to consider the employment of an outside consulting firm to maintain its property records.

Response and Corrective Action Planned

We are continually making improvements to our inventory management procedures and will make an effort to take updated inventory at least once per year.

Conclusion

Response accepted.

12. Solid Waste Tonnage Fees Retained

During the year ended June 30, 2024, the solid waste fees established by Chapter 455B.310 of the Code of Iowa, were administered by Winneshiek County Area Solid Waste Agency. The Agency is a 28E organization of which Winneshiek County is a member.

13. Financial Assurance

The Winneshiek County Area Solid Waste Agency has demonstrated financial assurance for closure and postclosure care costs by establishing a closure and postclosure account as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. As of June 30, 2024, the estimated closure and postclosure care costs were fully funded by a dedicated investment account. The calculation is made as follows:

	<u>Closure</u>	<u>Postclosure</u>
Total estimated costs for closure and postclosure care	\$ 4,746,860	\$ 1,512,214
Less balance of funds held in local dedicated fund at June 30, 2024	<u>(5,421,338)</u>	<u>(1,727,083)</u>
Dedicated funds in excess of estimated costs for closure and postclosure care	<u>\$ (674,478)</u>	<u>\$ (214,869)</u>

14. Lease Agreement

During conversations with County staff, it was noted that a County employee made a verbal agreement with an employee of the lessor organization without a resolution or amendment to a written lease agreement between the County and lessor organization.

Recommendation

We recommend a resolution be passed by the County Board of Supervisors to amend any lease agreements. The County should work with their County attorney to amend the lease agreement if it is their desire to change the lease agreement.

Response and Corrective Action Planned

The County is working on updating the lease to reflect the verbal agreements made.

Conclusion

Response accepted.

This report, a public record by law, is intended solely for the information and use of the Board of Supervisors, management and citizens of Winneshiek County, and federal awarding agencies and pass-through entities to whom the County may report. The report is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by the personnel of Winneshiek County during the course of our audit. If you have any questions concerning these or other matters, we would be happy to discuss them with you at your convenience.

*Hatcher, Nelson & Co., CPAs*