



Financial Statements
June 30, 2021
Benton County

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

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Benton County

Benton County
Officials

Name	Title	Term Expires
Gary Bierschenk Rick Primmer Tracy Seeman	Board of Supervisors Board of Supervisors Board of Supervisors	December 2024 December 2024 December 2022
Hayley Rippel	County Auditor	December 2024
Melinda Schottmer	County Treasurer	December 2022
Lexa Speidel	County Recorder	December 2022
Ronald J. Tippet	County Sheriff	December 2024
David C. Thompson	County Attorney	December 2022
Larry Andreesen	County Assessor	Appointed



Independent Auditor's Report

To the Officials of Benton County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Iowa, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Iowa, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 16 to the financial statements, the County has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, which has resulted in a restatement of the net position as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benton County's 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, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The list of county officials, combining nonmajor fund financial statements, and the schedule of revenues by source and expenditures by function are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining nonmajor fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the schedule of revenues by source and expenditures by function, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The list of county officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Dubuque, Iowa
February 16, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Benton County provides this Management's Discussion and Analysis as part of our annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

FINANCIAL HIGHLIGHTS

Total revenue for the County's governmental activities increased from 2020 to 2021, approximately 22.9%.

Property tax experienced a 15.7% increase, growing from \$9.750 million in 2020 to \$11.283 million in 2021.

Intergovernmental revenues of the governmental funds, including grants and contributions, increased approximately \$2.18 million from \$11.179 million in 2020 to \$13.357 million in 2021.

Governmental activities program expenses increased in 2021 when compared to 2020 by approximately \$190,000. Roads and transportation experienced the most significant change, decreasing in 2021 from \$10.562 million to \$9.736 million. County environment and education experienced the most significant increase in 2021 from \$5.165 million to \$5.689 million.

USING THIS ANNUAL REPORT

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

- *Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the government's financial activities.
- The *Government-wide Financial Statements* consist of a statement of net position and a statement of activities. These provide information about the activities of Benton County as a whole and present an overall view of the County's finances.
- The *Fund Financial Statements* tell how government services were financed in the short term as well as what remains for future spending. Fund financial statements report Benton County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Benton County acts solely as an agent or custodian for the benefit of those outside of the government.
- The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's budget for the year.
- *Supplementary Information* provides detailed information about the non-major governmental and the individual fiduciary funds.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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 about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities 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 all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 event or 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 periods.

The County's governmental activities are displayed in the statement of net position and the statement of activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration or general government, interest on long-term debt and other non-program activities. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The County has three kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These governmental funds include:
 - a. The General Fund
 - b. Special Revenue Funds, such as Rural Services, Secondary Roads, Mental Health, Watershed Management Authority, and other nonmajor funds
 - c. The Capital Projects Funds (Nonmajor Fund)
 - d. The Debt Service Fund (Nonmajor Fund)
 - e. The Permanent Fund (Nonmajor 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 one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) Proprietary funds account for the County's employee group health insurance, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for the proprietary funds include a statement of net position, a statement of revenues, expenses, and changes in fund net position and a statement of cash flows.

- 3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include, but are not limited to, custodial funds that account for:

County Assessor
E911 Surcharge
Joint Disaster Services

The required financial statements for the fiduciary funds include a statement of fiduciary net position and statement of changes in fiduciary net position.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position.

The County's combined net position increased from \$51.944 million in 2020 to \$55.896 million in 2021. Our analysis below focuses on the net position and changes in net position of the County's governmental activities.

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

	2021	2020
Current and other assets	\$ 30,067,906	\$ 26,057,574
Capital assets	44,757,207	43,885,264
Total assets	74,825,113	69,942,838
 Deferred outflows of resources	 1,777,386	 1,576,729
 Other liabilities	 782,849	 1,847,455
Long-term liabilities	5,680,069	4,423,737
Total liabilities	6,462,918	6,271,192
 Deferred inflows of resources	 14,243,919	 13,303,881
 Net position:		
Net investment in capital assets	44,757,207	43,885,264
Restricted	9,481,585	7,676,663
Unrestricted	1,656,870	382,567
Total net position	\$ 55,895,662	\$ 51,944,494

The Net Position of the County's governmental activities increased from \$51,944,494 in 2020 to \$55,895,662 in 2021. The largest portion of the County's net position is invested in capital assets. The change in total net position is due largely to an increase in restricted net position related to an increase in road use tax revenue. Unrestricted net position is 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.

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

	<u>2021</u>	<u>2020</u>
Revenues		
Charges for service and sales	\$ 2,365,782	\$ 2,207,802
Operating grants and contributions	11,778,635	9,789,296
Capital grants and contributions	1,868,328	455,693
Property taxes	11,282,711	9,750,391
Penalty and interest on property taxes	74,873	34,835
State tax credits	848,815	710,612
Local option sales tax	1,177,959	1,026,869
Unrestricted investment earnings	67,687	72,352
Miscellaneous	471,169	304,942
Total revenues	<u>29,935,959</u>	<u>24,352,792</u>
Expenses		
Public safety and legal services	5,026,147	4,899,529
Physical health and social services	1,029,662	1,104,513
Mental health	1,330,359	1,022,854
County environment and education	5,688,983	5,165,940
Roads and transportation	9,736,416	10,562,384
Government services to residents	801,856	802,441
Administration	2,250,732	2,134,968
Non-program	120,636	106,780
Total expenses	<u>25,984,791</u>	<u>25,799,409</u>
Change in net position	3,951,168	(1,446,617)
Net position beginning of year	51,944,494	53,391,111
Net position end of year	<u>\$ 55,895,662</u>	<u>\$ 51,944,494</u>

GOVERNMENTAL ACTIVITIES

The results of governmental activities for the year resulted in Benton County's net position increasing by \$3,951,168. Total revenues for governmental activities increased from the prior year, including property taxes which increased \$1,532,320.

The county-wide property tax rates in 2021 increased from 2020; the overall county-wide property tax dollars levied, including gas and electric, increased \$1,528,633 in 2021 from 2020. This is a result of the increased taxable valuation and the increased .54568 in levy.

	<u>FY2021</u>	<u>FY2020</u>
Countywide taxable value	1,597,703,225	1,505,641,064
Countywide levy rate less debt	5.51709	4.97141
Dollars levied less debt	8,814,665	7,485,162
Countywide taxable debt service value	1,635,238,726	1,545,993,972
Countywide debt service levy rate	0	0
Dollars levied for debt service	0	0
Total countywide levy rate	5.51709	4.97141
Total dollars levied countywide	8,814,665	7,485,162
Rural taxable value	1,033,246,261	966,391,948
Rural tax levy rate	2.97858	2.97858
Dollars levied for rural area only	3,077,607	2,878,477
Total dollars levied	11,892,272	10,363,639

The cost of all governmental activities this year was \$25.985 million compared to \$25.799 million last year. However, as shown in the Statement of Activities on page 16, the amount that our taxpayers ultimately financed for these activities through County property taxes was only \$11.358 million because some of the cost was paid by those directly benefiting from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. The County paid for the remaining "public benefit" portion of governmental activities with other revenues, such as interest and general entitlements.

THE COUNTY'S INDIVIDUAL MAJOR FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$14,798,581 which is higher than last year's total of \$11,039,254. The following are the most significant changes in the governmental funds from the prior year.

General Fund

General Fund revenues increased in 2021 by \$1,638,514 and expenditures increased \$68,132 when compared to the prior year. The ending fund balance increased from 2020 to 2021 by \$2,111,763 to \$7,113,940 with \$5,082,830 of that balance being unassigned. Unassigned funds are available for any legal use within the fund. The County continues to commit a portion of the ending fund balance to address any emergency response in Benton County in addition to capital improvements and equipment replacement.

	<u>2021</u>	<u>2020</u>
Ending Total Fund Balance	\$ 7,113,940	\$ 5,002,177
Restricted	1,435,110	1,063,447
Committed	596,000	596,000
Unassigned	5,082,830	3,342,730
Revenue	11,561,970	9,923,456
Other Financing Sources (Uses)	(281,560)	(74,836)
Expenditures	9,168,647	9,100,515

Secondary Roads

Secondary Roads Fund expenditures decreased by \$1,085,786 over the prior year, which is mainly due to less bridge replacement and paving projects. The fund encountered an increase in revenues from 2020 to 2021 of \$985,394 due to an increase in road use tax and grant revenue. Non-spendable fund balance, which generally accounts for inventory reserves, decreased \$13,924 from 2020 to 2021. All of these factors combined have resulted in an increase in the Secondary Roads Fund ending balance of \$1,930,777. The County continues to plan for long-range projects including grading, paving and bridge replacement projects, and expects to fund a portion of those projects through local option sales tax revenue. Steps continue to be taken to re-design current projects to reduce costs, yet still meet the needs and safety of the traveling public.

	<u>2021</u>	<u>2020</u>
Ending Total Fund Balance	\$ 4,125,331	\$ 2,194,553
Nonspendable	260,599	274,523
Restricted	3,864,732	1,920,030
Revenue	7,088,691	6,103,297
Other Financing Sources	3,576,843	3,203,889
Expenditures	8,734,757	9,820,543

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 custodial funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated functional level (activity), not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The County budget is prepared on the cash basis. Benton County amended its operating budget two times during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY21, Benton County had \$44.757 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

Debt

The County had no outstanding general obligation debt for 2021.

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 limitation is \$132.28 million, based on 2021 values.

100% Assessed Values for Calculating Debt Capacity

<u>2020 for 21/22 collections</u>	<u>2019 for 20/21 collections</u>	<u>2018 for 19/20 collections</u>
\$2,645,648,535	\$2,628,421,863	\$2,755,808,842

Other obligations include accrued vacation pay and sick leave. More detailed information about the County's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Benton County's elected and appointed officials and citizens considered many factors when setting the 2022 fiscal year budget, tax rates, and the fees that will be charged for the various County activities.

Inflation in the State is comparable to the increase in the national Consumer Price Index of 7.0 percent for calendar year 2021.

Benton County takes the economic situation in account when adopting the General Fund budget for FY2022. Benton County continues to use local option sales and services tax receipts to fund activities in the rural fund resulting in a reduced levy. Benton County will continue to use fund reserves to finance programs we currently offer and offset the effect of inflation on program costs.

Overall budgeted program disbursements are expected to increase in FY22 in comparison to actual disbursements for FY21. Activities with relatively large increases include Public Safety and Legal Services, Roads and Transportation, and Administration. Part of the Public Safety and Legal Services increase is due to the additional cost the County is required to cover for the Emergency Management. The Palo Nuclear Plant has closed and they used to fund 50% of the EMA Budget. A significant portion of County Environment and Education disbursements is directly related to the County serving as the lead in the Middle Cedar Watershed Management Authority (WMA). The watershed grant is in the final stages and will continue to phase out as Benton County acted as WMA's fiscal agent over the past five fiscal years. FY 21, the County separated out the Weed Eradication and related expenses from Roads and Transportation and now show it in the County Environment and Education. The County's mental health budget provides funding to the mental health region and the County. However, it is in accordance with the mental health region's by laws. In 2021, the County still paid a portion of the regional payment using the fund balance, but also continued improving on utilizing the Rural Access Center (RAC). Benton County is continuing to work hard filling the gaps in mental health services, the RAC is a collaborative approach to increase access to much needed mental health services and is setting a big example for other counties in the state to do the same. The County has applied for all grants and additional funding they qualified for to help offset the additional expenses that COVID has caused and continues to impact.

The County will closely monitor changes in the political climate and in the administration at both the Federal and State level and the potential affect it may have on the County and its financial position. The County must plan and cautiously make financial decisions today based on the careful analysis of its current and future financial condition. Those decisions however may be impacted by future changes in funding levels from the Federal and State government as well as legislation that may affect the County's funding and/or provision of services. The County's management actively looks for alternate ways to deliver services that would improve efficiency and reduce expenses. The County performs long-term planning for capital improvements and other major expenses in an effort to moderate financial impacts. The County must be financially prepared to respond to natural and man-made disasters with the ability to protect the safety and welfare of its citizens while continuing to provide essential services.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Benton County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office, Benton County, P.O. Box 549, 111 E. 4th Street, Vinton, Iowa 52349.



Basic Financial Statements
Benton County

Benton County
Exhibit A – Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash and Pooled Investments	\$ 14,382,712
Receivables	
Property tax	
Delinquent	136,356
Succeeding year	13,606,186
Interest and penalty on property tax	89,088
Accounts	153,703
Accrued interest	2,116
Due from Other Governments	1,263,392
Inventories	260,599
Prepaid Expenses	173,754
Capital Assets	
Capital assets, not being depreciated	5,910,220
Capital assets, net of accumulated depreciation	38,846,987
Total assets	74,825,113
Deferred Outflows of Resources	
Pension Related Deferred Outflows	1,486,115
OPEB Related Deferred Outflows	291,271
Total deferred outflows of resources	1,777,386
Liabilities	
Accounts Payable	526,573
Salaries and Benefits Payable	256,276
Long-Term Liabilities	
Portion due or payable within one year	
Installment purchase agreement	21,653
Compensated absences	533,749
Termination benefits	6,375
Portion due or payable after one year	
Net pension liability	4,417,449
Total OPEB liability	700,418
Termination benefits	425
Total liabilities	6,462,918

Benton County
Exhibit A – Statement of Net Position
June 30, 2021

	Governmental Activities
Deferred Inflows of Resources	
Succeeding Year Property Tax Revenue	\$ 13,606,186
Pension Related Deferred Inflows	266,931
OPEB Related Deferred Inflows	370,802
Total deferred inflows of resources	14,243,919
Net Position	
Net Investment in Capital Assets	44,757,207
Restricted for	
Secondary roads purposes	4,125,331
Mental health purposes	676,298
Supplemental levy purposes	1,435,110
Other purposes	2,267,476
Endowments	
Expendable	129,405
Nonexpendable	847,965
Unrestricted	1,656,870
Total net position	\$ 55,895,662

Benton County
Exhibit B - Statement of Activities
Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Functions/Programs					
Governmental Activities					
Public safety and legal services	\$ 5,026,147	\$ 789,597	\$ 2,160	\$ -	\$ (4,234,390)
Physical health and social services	1,029,662	263,933	597,228	-	(168,501)
Mental health	1,330,359	-	167,717	-	(1,162,642)
County environment and education	5,688,983	199,678	3,767,427	95,558	(1,626,320)
Roads and transportation	9,736,416	456,699	6,553,086	1,772,770	(953,861)
Government services to residents	801,856	623,510	608,543	-	430,197
Administration	2,250,732	32,365	82,474	-	(2,135,893)
Non-program	120,636	-	-	-	(120,636)
Total Governmental Activities	<u>\$ 25,984,791</u>	<u>\$ 2,365,782</u>	<u>\$ 11,778,635</u>	<u>\$ 1,868,328</u>	<u>\$ (9,972,046)</u>
General Revenues					
Property and other County tax levied for					
General purposes					\$ 11,282,711
Penalty and interest on property tax					74,873
State tax credits					848,815
Local option sales tax					1,177,959
Unrestricted investment earnings					67,687
Miscellaneous					<u>471,169</u>
Total General Revenues					<u>13,923,214</u>
Change in Net Position					3,951,168
Net Position Beginning of Year					<u>51,944,494</u>
Net Position End of Year					<u>\$ 55,895,662</u>

Benton County
Exhibit C – Balance Sheet
Governmental Funds
June 30, 2021

	Special Revenue					Nonmajor Governmental Funds	Total
	General	Rural Services	Secondary Roads	Mental Health	Watershed Management Authority		
Assets							
Cash and Pooled Investments	\$ 7,145,411	\$ 648,322	\$ 3,573,604	\$ 655,158	\$ -	\$ 2,147,044	\$ 14,169,539
Receivables							
Property tax							
Delinquent	93,481	37,409	-	5,466	-	-	136,356
Succeeding year	8,989,850	4,090,675	-	525,661	-	-	13,606,186
Interest and penalty on property tax	89,088	-	-	-	-	-	89,088
Accounts	109,336	-	44,281	-	-	86	153,703
Accounts interest	2,052	-	-	-	-	64	2,116
Due from Other Funds	-	-	-	-	-	291,381	291,381
Due from Other Governments	161,070	-	649,158	46,997	316,337	89,830	1,263,392
Inventories	-	-	260,599	-	-	-	260,599
Prepays	-	-	-	-	-	36,164	36,164
Total assets	\$ 16,590,288	\$ 4,776,406	\$ 4,527,642	\$ 1,233,282	\$ 316,337	\$ 2,564,569	\$ 30,008,524
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 140,084	\$ 4,157	\$ 334,303	\$ 27,377	\$ 19,470	\$ 101	\$ 525,492
Salaries and benefits payable	177,640	4,120	68,008	3,946	1,804	758	256,276
Due to other funds	-	-	-	-	291,381	-	291,381
Total liabilities	317,724	8,277	402,311	31,323	312,655	859	1,073,149
Deferred Inflows of Resources							
Unavailable revenues							
Succeeding year property tax	8,989,850	4,090,675	-	525,661	-	-	13,606,186
Other	168,774	36,467	-	9,030	316,337	-	530,608
Total deferred inflows of resources	9,158,624	4,127,142	-	534,691	316,337	-	14,136,794
Fund Balances							
Nonspendable	-	-	260,599	-	-	884,129	1,144,728
Restricted	1,435,110	640,987	3,864,732	667,268	-	1,679,581	8,287,678
Committed	596,000	-	-	-	-	-	596,000
Unassigned	5,082,830	-	-	-	(312,655)	-	4,770,175
Total fund balances	7,113,940	640,987	4,125,331	667,268	(312,655)	2,563,710	14,798,581
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,590,288	\$ 4,776,406	\$ 4,527,642	\$ 1,233,282	\$ 316,337	\$ 2,564,569	\$ 30,008,524

Benton County
 Exhibit D – Reconciliation of the Balance Sheet –
 Governmental Funds to the Statement of Net Position
 June 30, 2021

Total Governmental Fund Balances		\$ 14,798,581
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		44,757,207
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		530,608
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources		1,777,386
Deferred inflows of resources		(637,733)
The Internal Service Fund is used by the County to charge the costs of health insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		349,682
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position. Balances at June 30, 2021, are:		
Compensated absences	\$ (533,749)	
Total OPEB liability	(700,418)	
Installment purchase agreement	(21,653)	
Net pension liability	(4,417,449)	
Termination benefits	(6,800)	
Total long-term liabilities	(5,680,069)	(5,680,069)
Net Position of Governmental Activities		\$ 55,895,662

Benton County
 Exhibit E – Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2021

	Special Revenue						Total
	General	Rural Services	Secondary Roads	Mental Health	Watershed Management Authority	Nonmajor Governmental Funds	
Revenues							
Property and other County tax	\$ 7,471,499	\$ 2,921,845	\$ -	\$ 822,587	\$ -	\$ 1,177,938	\$ 12,393,869
Interest and penalty on property tax	73,915	-	-	-	-	-	73,915
Intergovernmental	2,456,071	174,619	6,656,749	230,214	3,492,054	347,056	13,356,763
Licenses and permits	27,425	-	42,464	-	-	-	69,889
Charges for service	976,076	15,500	470	-	-	5,163	997,209
Use of money and property	113,613	-	-	-	-	23,980	137,593
Miscellaneous	443,371	-	389,008	-	234,029	118,073	1,184,481
Total revenues	11,561,970	3,111,964	7,088,691	1,052,801	3,726,083	1,672,210	28,213,719
Expenditures							
Operating							
Public safety and legal services	4,619,600	1,164	-	-	-	39,595	4,660,359
Physical health and social services	983,300	-	-	-	-	14,059	997,359
Mental health	-	-	-	1,319,766	-	-	1,319,766
County environment and education	920,850	475,432	-	-	3,968,483	198,158	5,562,923
Roads and transportation	-	-	7,562,315	-	-	-	7,562,315
Governmental services to residents	769,724	4,676	-	-	-	6,081	780,481
Administration	1,754,537	4,778	-	-	-	97,958	1,857,273
Non-program	120,636	-	-	-	-	-	120,636
Capital projects	-	-	1,172,442	-	-	506,121	1,678,563
Total expenditures	9,168,647	486,050	8,734,757	1,319,766	3,968,483	861,972	24,539,675
Excess (Deficiency) of Revenues over (Under) Expenditures	2,393,323	2,625,914	(1,646,066)	(266,965)	(242,400)	810,238	3,674,044
Other Financing Sources (Uses)							
Sale of capital assets	18,440	-	66,843	-	-	-	85,283
Transfers in	100,000	500,000	3,510,000	-	-	150,000	4,260,000
Transfers out	(400,000)	(3,000,000)	-	-	-	(860,000)	(4,260,000)
Total other financing sources (uses)	(281,560)	(2,500,000)	3,576,843	-	-	(710,000)	85,283
Net Change in Fund Balances	2,111,763	125,914	1,930,777	(266,965)	(242,400)	100,238	3,759,327
Fund Balances Beginning of Year	5,002,177	515,073	2,194,554	934,233	(70,255)	2,463,472	11,039,254
Fund Balances End of Year	\$ 7,113,940	\$ 640,987	\$ 4,125,331	\$ 667,268	\$ (312,655)	\$ 2,563,710	\$ 14,798,581

Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ 3,759,327

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

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

Expenditures for capital assets	\$ 1,975,737	
Contributed capital assets	1,746,289	
Depreciation expense	<u>(2,850,084)</u>	871,942

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

Repayments		21,653
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Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are reported as deferred inflows of resources in the governmental funds as follows:

Property tax	67,759	
Grants	<u>(177,090)</u>	(109,331)

The current year County IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		659,296
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Exhibit F – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds to the Statement of Activities
 Year Ended June 30, 2021

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

Compensated absences	\$ (72,251)	
OPEB Expense	(37,572)	
Pension Expense	(864,786)	
Termination Benefits	<u>10,200</u>	
		\$ (964,409)

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

(287,310)

Change in net position of governmental activities

\$ 3,951,168

Benton County
Exhibit G – Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Internal Service - Benton County Co-Insurance</u>
Assets	
Cash and pooled investments	\$ 213,173
Prepaid expense	<u>137,590</u>
Total assets	<u>350,763</u>
Liabilities	
Accounts payable	<u>1,081</u>
Net Position	
Unrestricted	<u><u>\$ 349,682</u></u>

Benton County
 Exhibit H – Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 Year Ended June 30, 2021

	Internal Service - Benton County <u>Co-Insurance</u>
Operating Revenues	
Charges for service	\$ 1,591,805
Miscellaneous	<u>59,883</u>
Total operating revenues	<u>1,651,688</u>
Operating Expenses	
Insurance premiums	1,880,214
Claims and administrative expenses	<u>58,784</u>
Total operating expenses	<u>1,938,998</u>
Change in Net Position	(287,310)
Net Position Beginning of Year	<u>636,992</u>
Net Position End of Year	<u><u>\$ 349,682</u></u>

Benton County
 Exhibit I – Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2021

	Internal Service - Benton County <u>Co-Insurance</u>
Cash Flows from Operating Activities	
Cash received from employees and others	\$ 1,652,436
Cash paid for administrative fees and supplies	(58,208)
Cash paid for insurance claims/premiums	<u>(1,888,901)</u>
Net Cash used for Operating Activities	(294,673)
Cash and Pooled Investments at Beginning of Year	<u>507,846</u>
Cash and Pooled Investments at End of Year	<u><u>\$ 213,173</u></u>
Reconciliation of Change in Net Position to Net Cash provided by Operating Activities	
Change in net position	\$ (287,310)
Adjustments to reconcile change in net position to net cash used for operating activities	
Decrease in accounts receivable	748
Increase in accounts payable	576
Increase in prepaid expense	<u>(8,687)</u>
Net Cash used for Operating Activities	<u><u>\$ (294,673)</u></u>

Benton County
 Exhibit J – Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2021

Assets	
Cash and pooled investments	
County Treasurer	\$ 2,512,423
Other County officials	48,002
Receivables	
Property tax	
Delinquent	403,569
Succeeding year	35,245,881
Special assessments	42,483
Interest on special assessments	8,138
Due from other governments	<u>58,867</u>
Total assets	<u>38,319,363</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	12,084
Due to other governments	1,944,956
Trusts payable	<u>7,376</u>
Total liabilities	<u>1,964,416</u>
Deferred Inflows of Resources	
Unavailable revenues	
Succeeding year property tax	<u>35,245,881</u>
Net Position	<u><u>\$ 1,109,066</u></u>

Benton County
 Exhibit K – Statement of Changes in Fiduciary Net Position
 Custodial Funds
 Year Ended June 30, 2021

Additions	
Property and other county tax	\$ 31,716,148
911 surcharge	254,162
State tax credits	2,536,734
Auto licenses and use tax	11,215,140
Office fees and collections	545,004
Intergovernmental	612,360
Assessments	21,054
Trusts	534,784
Miscellaneous	<u>1,560</u>
Total additions	<u>47,436,946</u>
Deductions	
Agency remittances	
To other governments	45,579,949
Payments for the benefit of other governments	1,255,492
Trusts paid out	<u>800,452</u>
Total deductions	<u>47,635,893</u>
Changes in net position	(198,947)
Net position beginning of year, as restated	<u>1,308,013</u>
Net position end of year	<u>\$ 1,109,066</u>

Note 1 - Summary of Significant Accounting Policies

Benton County (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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Reporting Entity

For financial reporting purposes, Benton 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.

Based on the above criteria, the County has determined that there are no potential component units which must be included in the County's financial statements as of and for the year ended June 30, 2021.

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: Benton County Assessor's Conference Board, Benton County Emergency Management Commission, Benton County Joint E911 Service Board and Benton County Solid Waste Disposal Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

Basis of Presentation

Government-wide Financial Statements

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt balances attributable to the acquisition, construction or improvement of those assets.

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

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

Special Revenue Funds - The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas. The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance. The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services. The Watershed Management Authority Fund is used to account for the Watershed Management grant.

Additionally, the County reports the following fund types:

Capital Projects – The Capital Projects Funds are used to account for all resources used in the acquisition and construction of capital facilities.

Permanent Fund – The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the County’s programs.

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity

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

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

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

Property Tax Receivable – Property tax 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 March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019, assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021, and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

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.

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

Due From and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Prepaid Expenses – Prepaid expenses represent certain payments to vendors that reflect costs applicable to future accounting periods.

Capital Assets – Capital assets, which include property, equipment and vehicles, intangibles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$500 and estimated useful lives in excess of two years.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Infrastructure	15 - 65
Intangibles	2 - 20
Buildings	20 - 50
Equipment	2 - 30

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation benefits payable to employees. A liability is recorded when incurred in the government-wide, proprietary fund, and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability, 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 and Secondary Roads Funds.

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

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied and unrecognized items not yet charged to pension and OPEB expense.

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

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

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

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

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

Unassigned – All amounts not included in other classifications.

Net Position- The net position of the internal service fund, Benton County Insurance, is designated for future payments of premiums and claims and administrative expenses of the County.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors has provided otherwise in its commitment of assignment actions.

Fund Balance Classification	Purpose	Fund	Amount
Nonspendable	Prepays	Local Option Sales Tax	\$ 36,164
	Inventories	Secondary Roads	260,599
	Donor Restricted	Carol Sue Donovan Conservation Fund	<u>847,965</u>
			<u>\$ 1,144,728</u>
Restricted	General Supplemental	General Fund	\$ 1,435,110
	Rural Services	Rural Services	640,987
	Secondary Roads	Secondary Roads	3,864,732
	Mental Health	Mental Health	667,268
	Records	County Recorder's	
	Management	Records Management	6,488
	Conservation	REAP	13,990
	Emergency Food and Shelter	Emergency Food and Shelter Program	1,311
	Environment	Environmental Projects	200
	Roads, Conservation, Libraries, Emergency Services	LOST	1,005,699
	Electronic	County Recorder's	
	Transactions	Electronic Transaction	584
	Forfeiture	County Sheriff's Forfeiture Fund	53,535
	Commissary	County Sheriff's Commissary Fund	11,903
	Sheriff	County Sheriff's Donation Fund	298
	County Attorney	County Attorney Collections Incentive	38,460
	County Attorney	County Attorney Forfeiture Fund	20,086
	Conservation	Land Acquisition Fund	196,348
	Conservation	Capital Projects	186,814
	Conservation	Carol Sue Donovan Conservation Fund	129,405
	Debt Service	Debt Service Fund	<u>14,460</u>
			<u>\$ 8,287,678</u>
	Committed	Capital Expenditures	General Fund
Emergency Response		General Fund	<u>50,000</u>
		<u>\$ 596,000</u>	

Budgets and Budgetary Accounting – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, no functions exceeded the budgeted amount.

Implementation of GASB Statement No. 84 – As of July 1, 2020, the County adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The impact to the County resulted in the reporting of custodial funds. The effect of the implementation of this standard of beginning net position is disclosed in Note 16.

Note 2 - Deficit Fund Balance

The Watershed Management Authority fund, a governmental fund, had a deficit balance of \$312,655 as of June 30, 2021. The deficit will be addressed next fiscal year with the collection of additional fees.

Note 3 - Cash and Pooled Investments

The County's deposits in banks at June 30, 2021, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The County held no such investments at June 30, 2021.

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

Note 4 - Interfund Balances and Transfers

The detail of due from and to other funds at June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental	Watershed Management	\$ 291,381

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

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

Transfer To	Transfer From	Amount
General	Nonmajor Governmental	\$ 100,000
Rural Services	Nonmajor Governmental	500,000
Secondary Roads	General	250,000
	Rural Services	3,000,000
	Nonmajor Governmental	260,000
		3,510,000
Capital Projects	General	150,000
Total		\$ 4,260,000

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

Note 5 - Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. The custodial funds also include accruals of property tax for the succeeding year. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments related to tax collections at June 30, 2021 is as follows:

Custodial Funds	
County Recorder	\$ 40,053
County Recorder's Electronic Fee	573
Agricultural Extension	5,765
Schools	492,143
Community Colleges	45,192
Corporations	210,225
Townships	10,691
Auto License and Use Tax	967,378
Brucellosis and Tuberculosis Eradication	94
Fire Districts	2,555
City Special Assessments	53,162
Treasurer's Trust	<u>117,125</u>
 Total for Custodial Funds	 <u><u>\$ 1,944,956</u></u>

Note 6 - Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,768,076	\$ -	\$ -	\$ 1,768,076
Construction in progress	1,544,227	2,597,917	-	4,142,144
Total capital assets not being depreciated	<u>3,312,303</u>	<u>2,597,917</u>	<u>-</u>	<u>5,910,220</u>
Capital assets being depreciated				
Buildings	10,321,555	-	-	10,321,555
Equipment	15,782,806	874,623	(96,972)	16,560,457
Infrastructure	60,371,231	249,486	-	60,620,717
Total capital assets being depreciated	<u>86,475,592</u>	<u>1,124,109</u>	<u>(96,972)</u>	<u>87,502,729</u>
Less accumulated depreciation for				
Buildings	3,208,462	234,848	-	3,443,310
Equipment	12,233,062	932,674	(96,972)	13,068,764
Infrastructure	30,461,106	1,682,562	-	32,143,668
Total accumulated depreciation	<u>45,902,630</u>	<u>2,850,084</u>	<u>(96,972)</u>	<u>48,655,742</u>
Total capital assets being depreciated, net	<u>40,572,962</u>	<u>(1,725,975)</u>	<u>-</u>	<u>38,846,987</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,885,265</u>	<u>\$ 871,942</u>	<u>\$ -</u>	<u>\$ 44,757,207</u>

Depreciation expense was charged to the following functions:

Governmental Activities	
Public safety and legal services	\$ 338,117
Physical health and social services	700
Mental health	8,828
County environment and education	121,389
Roads and transportation	2,283,374
Governmental services to residents	12,344
Administration	<u>85,332</u>
 Total Depreciation Expense – Governmental Activities	 <u><u>\$ 2,850,084</u></u>

Note 7 - Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	Compensated Absences	Termination Benefits	Installment Purchase Agreement	Total
Balance beginning of year	\$ 461,498	\$ 17,000	\$ 43,306	\$ 521,804
Increases	533,749	-	-	533,749
Decreases	<u>(461,498)</u>	<u>(10,200)</u>	<u>(21,653)</u>	<u>(493,351)</u>
 Balance end of year	 <u><u>\$ 533,749</u></u>	 <u><u>\$ 6,800</u></u>	 <u><u>\$ 21,653</u></u>	 <u><u>\$ 562,202</u></u>
 Due within one year	 <u><u>\$ 533,749</u></u>	 <u><u>\$ 6,375</u></u>	 <u><u>\$ 21,653</u></u>	 <u><u>\$ 561,777</u></u>

Installment Purchase Agreement

In fiscal year 2020, the County entered a \$64,960 purchase obligation for leased software. The County chose to pay the obligation in three installments. \$21,653 was redeemed during the year ended June 30, 2021. The current portion of the obligation is \$21,653 and the long-term portion is \$0.

Note 8 - Pension Plan

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

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

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

A multiplier (based on years of service).

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

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

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

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

The member’s highest three-year average salary.

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

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

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

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

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29% of pay and the County contributed 9.44% for a total rate of 15.73%. Sheriff, deputies, and the County each contributed 9.26% of covered payroll, for a total rate 18.52%. Protection occupation members contributed 6.41% of pay and the County contributed 9.61% for a total rate of 16.02%

The County’s contributions to IPERS for the year ended June 30, 2021 were \$659,296.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021 the County reported a liability of \$4,417,449 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the County’s collective proportion was 0.062884%, which was an increase 0.004558% from its collective proportion measured as of June 30, 2019.

For the year ended June 30, 2021 the County recognized pension expense of \$864,786. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 24,422	\$ 115,151
Changes of assumptions	308,667	94,451
Net difference between projected and actual earnings on pension plan investments	381,099	-
Changes in proportion and differences between county contributions and proportionate share of contributions	112,631	57,329
County contributions subsequent to the measurement date	659,296	-
Total	\$ 1,486,115	\$ 266,931

\$659,296 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Total
2022	\$ 58,195
2023	120,886
2024	151,661
2025	231,497
2026	(2,351)
	\$ 559,888

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	22%	4.43%
International equity	17.5	5.15
Global smart beta equity	6	4.87
Core-plus fixed income	28	(0.29)
Public credit	4	2.29
Cash	1	(0.78)
Private equity	11	6.54
Private real assets	7.5	4.48
Private credit	3	3.11
	<u>100%</u>	

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability	\$ 8,648,395	\$ 4,417,449	\$ 870,963

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

Payables to IPERS– All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2021.

Note 9 - Other Postemployment Benefits (OPEB)

Plan Description – The County operates a single-employer retiree benefit plan which provides medical benefits for retirees and their spouses. Participants must be age 55 or older at retirement. 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. The Plan does not issue a stand-alone report.

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

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	2
Active employees	<u>106</u>
Total	<u><u>108</u></u>

Total OPEB Liability- The County’s total OPEB liability of \$700,418 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions- The total OPEB liability in the June 30, 2021 interim actuarial measurement was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	2.60% per annum
Rates of salary increase (effective June 30, 2020)	3.25% per annum including inflation
Discount rate (effective June 30, 2021)	2.19% compounded annually including inflation.
Healthcare cost trend rate (effective June 30, 2021)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate- The discount rate used to measure the total OPEB liability was 2.19%, which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 (general retirees), SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 (special service retirees), and the SOA Pub-2010 Contingent Headcount

Weighted Mortality Table fully generational using Scale MP-2019 (surviving spouses). Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2021 interim valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability Beginning of Year	\$ 524,461
Changes for the Year	
Service Cost	57,497
Interest	15,202
Changes in Assumptions	18,979
Differences Between Expected and Actual Experiences	105,322
Benefit Payments	(21,043)
Net Changes	175,957
Total OPEB Liability End of Year	\$ 700,418

Changes of assumptions reflect a change in the discount rate from 2.66% in fiscal year 2020 to 2.19% in fiscal year 2021.

Sensitivity of the County’s Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.19%) or 1% higher (3.19%) than the current discount rate.

	1% Decrease (1.19%)	Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB liability	\$ 741,492	\$ 700,418	\$ 660,353

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 (6.50%) or 1% higher (8.50%) than the current healthcare cost trend rates.

	1% Decrease (6.50% decreasing to 3.50%)	Healthcare Cost Trend Rates (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
Total OPEB liability	\$ 622,468	\$ 700,418	\$ 792,017

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2021, the County recognized OPEB expense of \$58,615. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 198,271	\$ 370,802
Changes in assumptions	93,000	-
Total	\$ 291,271	\$ 370,802

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

Year Ending June 30,	Total
2022	\$ (14,084)
2023	(14,084)
2024	(14,084)
2025	(14,084)
2026	(47,154)
Thereafter	23,959
Total	\$ (79,531)

Note 10 - Termination Benefits

The County offers an early retirement benefit to non-union employees who met certain requirements, such as age and years of service. Those who participate in the benefit receive \$425 per month towards the cost of a single premium under the County's health insurance plan until the retiree turns 65.

As of June 30, 2021, the County has two participants in the plan for a net obligation of \$6,800.

Note 11 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Benton County has entered into an agreement, as allowed by Chapter 331.301 of the Code of Iowa, to become a member in a local government risk pool. The pool was formed July 1, 1987, to provide workers' compensation and property/casualty insurance to counties in the State of Iowa. At present, ten counties are members of the pool.

The risk pool was created for the purposes of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Each member County is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery. The risk pool is responsible for paying the premiums on the insurance policies when due; to pay claims in accordance with the various coverages and to make other payments as required by applicable law; to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool; and to pay all reasonable and necessary expenses for administering the risk pool.

Initial risk of loss for the self-insured coverages is retained by the risk pool. The risk pool obtained a reinsurance policy for the year ended June 30, 2021, which covers exposures of specific losses in excess of \$750,000, with a \$250,000 corridor deductible, per occurrence up to the statutory limits for workers' compensation, including the retention of the pool. The pool also purchased a reinsurance policy for property coverage for losses in excess of \$100,000 to a maximum of \$30,000,000 (limited to scheduled values) in covered property (including the retention). In addition, the pool purchased a reinsurance policy in excess of \$400,000 per occurrence up to a maximum of \$7,000,000 per occurrence, including the retention of the pool for general liability, automobile liability, police professional, and errors and omissions. The risk pool fund records a liability for unpaid claims based on estimates of the costs of individual cases of losses and claims reported to year-end, plus a provision for losses incurred but not yet reported (IBNR). The IBNR estimates are based on the past experience of the Pool and upon the recommendations of By the Numbers Actuarial Consulting, Inc. who also performs an annual actuarial review of the entire program. At June 30, 2021, 2020, and 2019, the risk pool fund reported a surplus of pool assets over liabilities.

Member counties retain the risk of claims, if any, exceeding maximum reinsurance coverages and/or the amount of surplus maintained in the risk pool, by means of an assessment that would be charged to the member county in addition to the premium contributions. As of June 30, 2021, settled claims have not exceeded the risk pool or reinsurance company coverage since commencement of the risk pool for Benton County.

Initial membership into the risk pool was for a mandatory three-year period. Subsequent to the initial term, a member county may withdraw at the end of the fifth fiscal year of any five-year term, with a minimum of ninety (90) days written notice to the Chairman of the Board of Trustees. The initial membership period for the County commenced July 1, 1987. The County extended their membership for a five-year period, commencing July 1, 2015, until July 1, 2020. The County has subsequently extended their membership for another five-year period, commencing July 1, 2020 through July 1, 2025. The County also carries commercial insurance purchased by the risk pool from other insurers for coverage associated with equipment breakdown and cyber liability. The Public Officials Bond and crime coverage is purchased through a local broker. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12 - Donor-Restricted Endowment

The County has a permanent endowment fund (Carol Sue Donovan Conservation Fund) established for the maintenance and operation of wildlife and other conservation areas, and to promote and preserve the health and general welfare of the people by encouraging the orderly development and conservation of natural resources. Any net earnings that are earned are required to be spent for the purposes for which the endowment was established.

Note 13 - Commitment

On October 14, 2019, the County entered into an agreement with the Iowa Natural Heritage Foundation to acquire 160 acres of property. The total purchase price is \$1,024,500 and will be paid for by grants, private contributions, and County funds. The land remains under ownership of the Iowa Heritage Foundation until the balance is satisfied. As of June 30, 2021, the remaining balance owed to the Iowa Heritage Foundation is \$43,011.

Note 14 - Benton County Financial Information Included in the Mental Health/Disability Services of the East Central Region

The Mental Health/Disability Services of the East Central Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa which became effective July 10, 2014, includes the following member counties: Bremer County, Buchanan County, Delaware County, Dubuque County, Iowa County, Johnson County, Jones County, Linn County, and Benton County. The financial activity of Benton County's Special Revenue, Mental Health Fund is included in the Mental Health/Disability Services of the East Central Region for the year ended June 30, 2021 as follows:

Revenues		
Property and other county tax		\$ 822,587
Intergovernmental revenues		
State tax credits	\$ 66,684	
Receipts from regional fiscal agent	163,530	
		230,214
Total revenues		1,052,801
Expenditures		
Services to persons with		
Mental illness	117,485	
Intellectual disability	11,947	
		129,432
General administration		
Direct administration	35,019	
Distribution to regional fiscal agent	1,155,315	
		1,190,334
Total expenditures		1,319,766
Excess of Revenues Over Expenditures		(266,965)
Fund Balance Beginning of Year		934,233
Fund Balance End of Year		\$ 667,268

Note 15 - Contingencies

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the County, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the County's operations and finances.

Note 16 - Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position for custodial funds was restated to retroactively report the change in net position, as follows:

	Fiduciary Activities
Net position June 30, 2020, as previously reported	\$ -
Change to implement GASB No. 84	1,308,013
Net position July 1, 2020, as restated	\$ 1,308,013

Note 17 - Prospective Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements not yet implemented by Benton County. The statements of which might impact Benton County, are as follows:

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the County beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the County beginning with its fiscal year ending June 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the County beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the County beginning with its fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates, issued March 2020, will be effective for the County beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, issued March 2020, will be effective for the County beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, issued June 2020, will be effective for the fiscal year ended June 30, 2022. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans.

The County's management has not yet determined the effect these statements will have on the County's financial statements.

Note 18 - Subsequent Events

On October 19, 2021, a public hearing was held on a General Obligation Emergency Communications Loan Agreement in a principal amount not to exceed \$8,250,000. The loan funds will be used to improve and equip emergency communications systems. On February 15, 2022, the Board of Supervisors approved a resolution approving the bond purchase agreement. \$5,025,000 of General Obligation Emergency Communications Bonds, Series 2022, will be sold and dated March 15, 2022. The stated interest rate on the bonds is 3.00%, with a net interest cost of 1.99%. The final maturity date is June 1, 2029.



Required Supplementary Information
June 30, 2021

Benton County

Benton County

**Budgetary Comparison Schedule of Receipts, Disbursements, and Changes in Balances – Budget and Actual
(Cash Basis) – All Governmental Funds
Required Supplementary Information
Year Ended June 30, 2021**

	Governmental		Variance- Over (Under) Budget	Actual as % of Final Budget	
	Fund Types	Budgeted Amounts			
	Actual	Original	Final		
Receipts					
Property and other County tax	\$ 12,385,070	\$ 12,007,259	\$ 12,007,259	\$ 377,811	103%
Interest and penalty on property tax	68,988	73,452	73,452	(4,464)	94
Intergovernmental	14,348,826	12,018,194	12,389,707	1,959,119	116
Licenses and permits	70,264	63,650	63,650	6,614	110
Charges for service	966,754	797,500	797,500	169,254	121
Use of money and property	135,313	63,440	63,440	71,873	213
Miscellaneous	892,898	580,079	588,004	304,894	152
Total receipts	28,868,113	25,603,574	25,983,012	2,885,101	111
Disbursements					
Operating					
Public safety and legal services	4,674,896	5,128,084	5,128,084	(453,188)	91%
Physical health and social services	978,783	1,468,123	1,468,123	(489,340)	67
Mental health	1,298,620	1,359,223	1,359,223	(60,603)	96
County environment and education	6,270,058	5,350,663	6,447,448	(177,390)	97
Roads and transportation	7,790,432	8,876,835	8,876,835	(1,086,403)	88
Governmental services to residents	780,427	988,325	1,063,325	(282,898)	73
Administration	1,824,003	2,347,690	2,347,690	(523,687)	78
Non-program	110,133	108,000	133,000	(22,867)	83
Capital projects	1,703,326	2,558,500	2,558,500	(855,174)	67
Total disbursements	25,430,678	28,185,443	29,382,228	(3,951,550)	87
Excess (Deficiency) of Receipts over (Under) Disbursements	3,437,435	(2,581,869)	(3,399,216)	6,836,651	
Other Financing Sources, Net	86,531	22,300	22,300	64,231	
Excess (Deficiency) of Receipts and Other Financing Sources over (Under) Disbursements and Other Financing Uses	3,523,966	(2,559,569)	(3,376,916)	6,900,882	
Balance Beginning of Year	10,377,759	8,196,362	8,196,362	2,181,397	
Balance End of Year	\$ 13,901,725	\$ 5,636,793	\$ 4,819,446	\$ 9,082,279	

Benton County
 Budgetary Comparison Schedule – Budget to GAAP Reconciliation
 Required Supplementary Information
 Year Ended June 30, 2021

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 28,868,113	\$ (654,394)	\$ 28,213,719
Expenditures	25,430,678	(891,003)	24,539,675
Net	3,437,435	236,609	3,674,044
Other Financing Sources, Net	86,531	(1,248)	85,283
Beginning Fund Balances	10,377,759	661,495	11,039,254
Ending Fund Balances	\$ 13,901,725	\$ 896,856	\$ 14,798,581

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund or fund type. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendment increased budgeted disbursements by \$1,196,785. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2021, disbursements did not exceed the amounts budgeted for any function.

Benton County
 Schedule of the County's Proportionate Share of the Net Pension Liability
 Iowa Public Employee's Retirement System
 For the Last Seven Years
 Required Supplementary Information

	2021	2020	2019	2018	2017	2016	2015
County's Collective Proportion of the Net Pension Liability	0.0629%	0.0583%	0.0583%	0.0620%	0.0639%	0.0605%	0.0571%
County's Collective Proportionate Share of the Net Pension Liability	\$ 4,417,449	\$ 3,377,472	\$ 3,691,582	\$ 4,127,125	\$ 4,019,266	\$ 2,986,669	\$ 2,263,600
County's Covered Payroll	\$ 6,805,378	\$ 6,575,434	\$ 6,059,655	\$ 5,783,634	\$ 5,744,757	\$ 5,569,491	\$ 5,401,356
County's Collective Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	64.91%	51.37%	60.92%	71.36%	69.96%	53.63%	41.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 30th of the preceding year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily Required Contribution	\$ 659,296	\$ 651,720	\$ 634,402	\$ 555,053	\$ 528,953	\$ 527,819	\$ 512,755	\$ 497,065	\$ 466,148	\$ 428,734
Contributions in Relation to the Statutorily Required Contribution	<u>659,296</u>	<u>651,720</u>	<u>634,402</u>	<u>555,053</u>	<u>528,953</u>	<u>527,819</u>	<u>512,755</u>	<u>497,065</u>	<u>466,148</u>	<u>428,734</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 7,039,392	\$ 6,805,378	\$ 6,575,434	\$ 6,059,655	\$ 5,783,634	\$ 5,744,757	\$ 5,569,491	\$ 5,401,356	\$ 5,185,707	\$ 5,051,477
Contributions as a Percentage of Covered Payroll	9.37%	9.58%	9.65%	9.16%	9.15%	9.19%	9.21%	9.20%	8.99%	8.49%

Changes of Benefit Terms

There are no significant changes in benefit terms.

Changes of Assumptions

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

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

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

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

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 57,497	\$ 68,998	\$ 77,388	\$ 46,160
Interest Cost	15,202	23,438	36,279	21,638
Difference Between Expensed and Actual Experiences	105,322	(195,837)	(358,281)	209,305
Changes in Assumptions	18,979	56,014	10,406	55,230
Benefit Payments	<u>(21,043)</u>	<u>(34,787)</u>	<u>(38,067)</u>	<u>(23,122)</u>
Net Change in Total OPEB Liability	<u>175,957</u>	<u>(82,174)</u>	<u>(272,275)</u>	<u>309,211</u>
Total OPEB Liability Beginning of Year	<u>524,461</u>	<u>606,635</u>	<u>878,910</u>	<u>569,699</u>
Total OPEB Liability End of Year	<u>\$ 700,418</u>	<u>\$ 524,461</u>	<u>\$ 606,635</u>	<u>\$ 878,910</u>
Covered-employee Payroll	\$ 5,908,900	\$ 5,722,906	\$ 5,457,905	\$ 5,286,107
Total OPEB Liability as a Percentage of Covered-employee Payroll	11.9%	9.2%	11.1%	16.6%

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, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.56%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

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



Other Supplementary Information
Benton County

Benton County
Schedule 1 – Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds									
	County Recorder's Records Management	Resource Enhancement and Protection	Emergency Food and Shelter Program	Environmental Projects	Local Option Sales Tax	County Recorder's Electronic Transaction	County Sheriff's Forfeiture Fund	County Sheriff's Commissary Fund	County Sheriff's Donation Fund	County Attorney Collections Incentive
Assets										
Cash and Pooled Investments	\$ 6,485	\$ 13,984	\$ 1,411	\$ 200	\$ 627,705	\$ 584	\$ 53,512	\$ 11,903	\$ 298	\$ 35,948
Receivables										
Accounts	3	6	1	-	53	-	23	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	291,381	-	-	-	-	-
Due from Other Governments	-	-	-	-	86,560	-	-	-	-	3,270
Prepays	-	-	-	-	36,164	-	-	-	-	-
Total assets	\$ 6,488	\$ 13,990	\$ 1,412	\$ 200	\$ 1,041,863	\$ 584	\$ 53,535	\$ 11,903	\$ 298	\$ 39,218
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ 101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-	-	-	-	-	-	758
Total liabilities	-	-	101	-	-	-	-	-	-	758
Fund Balances										
Nonspendable	-	-	-	-	36,164	-	-	-	-	-
Restricted	6,488	13,990	1,311	200	1,005,699	584	53,535	11,903	298	38,460
Total fund balances	6,488	13,990	1,311	200	1,041,863	584	53,535	11,903	298	38,460
Total liabilities and fund balances	\$ 6,488	\$ 13,990	\$ 1,412	\$ 200	\$ 1,041,863	\$ 584	\$ 53,535	\$ 11,903	\$ 298	\$ 39,218

Benton County
Schedule 1 – Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Fund	Capital Projects Funds		Permanent Fund		Total Nonmajor Governmental Funds
	County Attorney Forfeiture Fund	Conservation Land Acquisition Fund	Capital Projects Fund	Carol Sue Donovan Conservation Fund	Debt Service	
Assets						
Cash and Pooled Investments	\$ 20,077	\$ 196,348	\$ 186,814	\$ 977,315	\$ 14,460	\$ 2,147,044
Receivables						
Accounts	-	-	-	-	-	86
Accrued interest	9	-	-	55	-	64
Due from Other Funds	-	-	-	-	-	291,381
Due from Other Governments	-	-	-	-	-	89,830
Prepays	-	-	-	-	-	36,164
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 20,086</u>	<u>\$ 196,348</u>	<u>\$ 186,814</u>	<u>\$ 977,370</u>	<u>\$ 14,460</u>	<u>\$ 2,564,569</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101
Salaries and benefits payable	-	-	-	-	-	758
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>859</u>
Fund Balances						
Nonspendable	-	-	-	847,965	-	884,129
Restricted	20,086	196,348	186,814	129,405	14,460	1,679,581
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>20,086</u>	<u>196,348</u>	<u>186,814</u>	<u>977,370</u>	<u>14,460</u>	<u>2,563,710</u>
Total liabilities and fund balances	<u>\$ 20,086</u>	<u>\$ 196,348</u>	<u>\$ 186,814</u>	<u>\$ 977,370</u>	<u>\$ 14,460</u>	<u>\$ 2,564,569</u>

Benton County
Schedule 2 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds									
	County Recorder's Records Management	Resource Enhancement and Protection	Emergency Food and Shelter Program	Environmental Projects	Local Option Sales Tax	County Recorder's Electronic Transaction	County Sheriff's Forfeiture Fund	County Sheriff's Commissary Fund	County Sheriff's Donation Fund	County Attorney Collections Incentive
Revenues										
Property and other County tax	\$ -	\$ -	\$ -	\$ -	\$ 1,177,938	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	13,701	15,355	-	-	-	-	-	-	-
Charges for service	5,163	-	-	-	-	-	-	-	-	-
Use of money and property	34	108	13	-	659	2	325	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	2	22,423
Total revenues	5,197	13,809	15,368	-	1,178,597	2	325	-	2	22,423
Expenditures										
Operating										
Public safety and legal services	-	-	-	-	-	-	14,833	-	-	24,762
Physical health and social services	-	-	14,059	-	-	-	-	-	-	-
County environment and education	-	13,500	-	-	184,658	-	-	-	-	-
Governmental services to residents	6,081	-	-	-	-	-	-	-	-	-
Administration	-	-	-	-	97,958	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Total expenditures	6,081	13,500	14,059	-	282,616	-	14,833	-	-	24,762
Excess (Deficiency) of Revenues over (Under) Expenditures	(884)	309	1,309	-	895,981	2	(14,508)	-	2	(2,339)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(860,000)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(860,000)	-	-	-	-	-
Net change in fund balances	(884)	309	1,309	-	35,981	2	(14,508)	-	2	(2,339)
Fund Balances Beginning of Year	7,372	13,681	2	200	1,005,882	582	68,043	11,903	296	40,799
Fund Balances End of Year	\$ 6,488	\$ 13,990	\$ 1,311	\$ 200	\$ 1,041,863	\$ 584	\$ 53,535	\$ 11,903	\$ 298	\$ 38,460

Benton County

Schedule 2 – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2021

	Special Revenue Fund	Capital Projects Funds		Permanent Fund		Total Nonmajor Governmental Funds
	County Attorney Forfeiture Fund	Conservation Land Acquisition Fund	Capital Projects Fund	Carol Sue Donovan Conservation Fund	Debt Service	
Revenues						
Property and other County tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,177,938
Intergovernmental	-	-	318,000	-	-	347,056
Charges for service	-	-	-	-	-	5,163
Use of money and property	113	-	-	22,726	-	23,980
Miscellaneous	90	95,558	-	-	-	118,073
Total revenues	203	95,558	318,000	22,726	-	1,672,210
Expenditures						
Operating						
Public safety and legal services	-	-	-	-	-	39,595
Physical health and social services	-	-	-	-	-	14,059
County environment and education	-	-	-	-	-	198,158
Governmental services to residents	-	-	-	-	-	6,081
Administration	-	-	-	-	-	97,958
Capital projects	-	109,461	396,660	-	-	506,121
Total expenditures	-	109,461	396,660	-	-	861,972
Excess (Deficiency) of Revenues over (Under) Expenditures	203	(13,903)	(78,660)	22,726	-	810,238
Other Financing Sources (Uses)						
Transfers in	-	80,000	70,000	-	-	150,000
Transfers out	-	-	-	-	-	(860,000)
Total other financing sources (uses)	-	80,000	70,000	-	-	(710,000)
Net change in fund balances	203	66,097	(8,660)	22,726	-	100,238
Fund Balances Beginning of Year	19,883	130,251	195,474	954,644	14,460	2,463,472
Fund Balances End of Year	\$ 20,086	\$ 196,348	\$ 186,814	\$ 977,370	\$ 14,460	\$ 2,563,710

Benton County
Schedule 3 – Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	County Recorder	County Recorder Electronic Fee	County Sheriff	Agricultural Extension Education Fund	County Assessor Fund	Schools Fund	Community Colleges Fund	Corporations Fund	Townships Fund
Assets									
Cash and Pooled Investments									
County Treasurer	\$ -	\$ -	\$ -	\$ 3,058	\$ 563,604	\$ 253,347	\$ 23,384	\$ 82,027	\$ 5,590
Other County officials	40,053	573	7,376	-	-	-	-	-	-
Receivables									
Property tax									
Delinquent	-	-	-	2,707	6,251	238,796	21,808	128,198	5,101
Succeeding year	-	-	-	260,338	601,172	21,698,986	2,094,262	9,985,173	469,693
Special assessments	-	-	-	-	-	-	-	-	-
Interest on special assessments	-	-	-	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-
Total assets	40,053	573	7,376	266,103	1,171,027	22,191,129	2,139,454	10,195,398	480,384
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities									
Accounts payable	-	-	-	-	1,173	-	-	-	-
Due to other governments	40,053	573	-	5,765	-	492,143	45,192	210,225	10,691
Trust payable	-	-	7,376	-	-	-	-	-	-
Total liabilities	40,053	573	7,376	5,765	1,173	492,143	45,192	210,225	10,691
Deferred Inflows of Resources									
Unavailable revenues									
Succeeding year property tax	-	-	-	260,338	601,172	21,698,986	2,094,262	9,985,173	469,693
Net Position									
Restricted for individuals, organizations and other governments	\$ -	\$ -	\$ -	\$ -	\$ 568,682	\$ -	\$ -	\$ -	\$ -

Benton County
Schedule 3 – Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Auto License and Use Tax Fund	Brucellosis and Tuberculosis Eradication Fund	Fire Districts Fund	E911 Surcharge Fund	Joint Disaster Services Fund	City Special Assessments Fund	Treasurer's Trust Fund	Total
Assets								
Cash and Pooled Investments								
County Treasurer	\$ 967,378	\$ 51	\$ 1,890	\$ 450,848	\$ 41,580	\$ 2,541	\$ 117,125	\$ 2,512,423
Other County officials	-	-	-	-	-	-	-	48,002
Receivables								
Property tax								
Delinquent	-	43	665	-	-	-	-	403,569
Succeeding year	-	4,142	132,115	-	-	-	-	35,245,881
Special assessments	-	-	-	-	-	42,483	-	42,483
Interest on special assessments	-	-	-	-	-	8,138	-	8,138
Due From Other Governments	-	-	-	53,667	5,200	-	-	58,867
Total assets	<u>967,378</u>	<u>4,236</u>	<u>134,670</u>	<u>504,515</u>	<u>46,780</u>	<u>53,162</u>	<u>117,125</u>	<u>38,319,363</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities								
Accounts payable	-	-	-	10,758	153	-	-	12,084
Due to other governments	967,378	94	2,555	-	-	53,162	117,125	1,944,956
Trust payable	-	-	-	-	-	-	-	7,376
Total liabilities	<u>967,378</u>	<u>94</u>	<u>2,555</u>	<u>10,758</u>	<u>153</u>	<u>53,162</u>	<u>117,125</u>	<u>1,964,416</u>
Deferred Inflows of Resources								
Unavailable revenues								
Succeeding year property tax	-	4,142	132,115	-	-	-	-	35,245,881
Net Position								
Restricted for individuals, organizations and other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 493,757</u>	<u>\$ 46,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,066</u>

Benton County
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2021

	County Recorder	County Recorder Electronic Fee	County Sheriff	Agricultural Extension Education Fund	County Assessor Fund	Schools Fund	Community Colleges Fund	Corporations Fund	Townships Fund
Additions									
Property and other county tax	\$ -	\$ -	\$ -	\$ 245,602	\$ 563,531	\$ 20,415,410	\$ 1,883,375	\$ 7,757,905	\$ 435,240
911 surcharge	-	-	-	-	-	-	-	-	-
State tax credits	-	-	-	17,565	40,303	1,497,611	135,096	814,436	24,225
Auto licenses and use tax	-	-	-	-	-	-	-	-	-
Office fees and collections	423,604	6,301	10,488	-	-	-	-	-	-
Intergovernmental	-	-	-	2,436	5,590	217,632	18,707	173,284	1,261
Assessments	-	-	-	-	-	-	-	-	-
Trusts	-	-	534,784	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total additions	423,604	6,301	545,272	265,603	609,424	22,130,653	2,037,178	8,745,625	460,726
Deductions									
Agency remittances									
To other governments	423,604	6,301	10,488	265,603	-	22,130,653	2,037,178	8,745,625	460,726
For the benefit of other governments	-	-	-	-	671,797	-	-	-	-
Trusts	-	-	534,784	-	-	-	-	-	-
Total deductions	423,604	6,301	545,272	265,603	671,797	22,130,653	2,037,178	8,745,625	460,726
Changes in net position	-	-	-	-	(62,373)	-	-	-	-
Net position beginning of year, as restated	-	-	-	-	631,055	-	-	-	-
Net position end of year	\$ -	\$ -	\$ -	\$ -	\$ 568,682	\$ -	\$ -	\$ -	\$ -

Benton County
Schedule 4 – Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2021

	Auto License and Use Tax Fund	Brucellosis and Tuberculosis Eradication Fund	Fire Districts Fund	E911 Surcharge Fund	Joint Disaster Services Fund	City Special Assessments Fund	Treasurer's Trust Fund	Total
Additions								
Property and other county tax	\$ -	\$ 4,051	\$ 122,110	\$ -	\$ -	\$ -	\$ 288,924	\$ 31,716,148
911 surcharge	-	-	-	254,162	-	-	-	254,162
State tax credits	-	290	7,208	-	-	-	-	2,536,734
Auto licenses and use tax	11,215,140	-	-	-	-	-	-	11,215,140
Office fees and collections	-	-	-	-	-	-	104,611	545,004
Intergovernmental	-	40	633	29,379	163,398	-	-	612,360
Assessments	-	-	-	-	-	21,054	-	21,054
Trusts	-	-	-	-	-	-	-	534,784
Miscellaneous	-	-	-	-	182	-	1,378	1,560
Total additions	11,215,140	4,381	129,951	283,541	163,580	21,054	394,913	47,436,946
Deductions								
Agency remittances								
To other governments	11,215,140	4,381	129,951	-	-	21,054	129,245	45,579,949
For the benefit of other governments	-	-	-	387,018	196,677	-	-	1,255,492
Trusts	-	-	-	-	-	-	265,668	800,452
Total deductions	11,215,140	4,381	129,951	387,018	196,677	21,054	394,913	47,635,893
Changes in net position	-	-	-	(103,477)	(33,097)	-	-	(198,947)
Net position beginning of year, as restated	-	-	-	597,234	79,724	-	-	1,308,013
Net position end of year	\$ -	\$ -	\$ -	\$ 493,757	\$ 46,627	\$ -	\$ -	\$ 1,109,066

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

	Modified Accrual Basis									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property and other County tax	\$ 12,393,869	\$ 10,729,740	\$ 10,105,857	\$ 9,893,064	\$ 9,608,610	\$ 9,383,641	\$ 9,396,646	\$ 9,263,165	\$ 9,066,277	\$ 9,283,332
Interest and penalty on property tax	73,915	22,157	47,672	53,847	46,645	54,004	68,058	54,401	67,455	60,888
Intergovernmental	13,356,763	11,179,436	9,374,366	7,825,924	8,028,085	7,572,012	6,442,227	6,934,298	7,063,795	8,270,387
Licenses and permits	69,889	68,281	68,313	73,142	60,141	65,548	63,988	50,916	55,517	53,781
Charges for service	997,209	845,094	882,129	881,892	816,903	844,395	789,381	1,039,262	1,134,314	1,074,105
Use of money and property	137,593	132,913	107,825	191,315	89,245	101,403	149,507	230,181	229,341	242,838
Miscellaneous	1,184,481	731,920	543,923	529,201	527,920	355,650	539,276	673,090	312,031	480,803
Total	\$ 28,213,719	\$ 23,709,541	\$ 21,130,085	\$ 19,448,385	\$ 19,177,549	\$ 18,376,653	\$ 17,449,083	\$ 18,245,313	\$ 17,928,730	\$ 19,466,134
Expenditures										
Operating										
Public safety and legal services	\$ 4,660,359	\$ 4,562,040	\$ 4,344,032	\$ 4,019,187	\$ 3,884,346	\$ 3,777,516	\$ 3,702,267	\$ 3,372,083	\$ 3,094,449	\$ 3,378,100
Physical health and social services	997,359	952,423	1,082,917	980,849	913,160	908,267	779,444	772,894	791,283	727,188
Mental health	1,319,766	999,890	813,179	843,669	955,600	939,392	667,148	717,608	877,412	2,241,438
County environment and education	5,562,923	5,250,632	3,262,597	2,125,837	1,877,291	1,943,572	1,595,984	1,858,870	2,135,404	1,680,767
Roads and transportation	7,562,315	8,608,241	8,898,519	7,243,446	8,020,685	7,284,266	7,305,395	6,587,736	6,247,839	6,433,156
Governmental services to residents	780,481	815,278	740,414	727,617	713,645	675,738	660,222	676,648	797,697	586,446
Administration	1,857,273	1,878,905	1,861,769	1,973,233	1,754,532	1,593,103	1,535,126	1,354,202	1,399,113	1,365,671
Non-program	120,636	106,780	107,340	109,663	105,123	115,201	116,134	114,899	139,267	134,980
Debt service	-	-	559,882	139,511	140,956	142,131	57,081	59,714	61,930	819,476
Capital projects	1,678,563	1,317,302	967,075	433,638	1,963,367	2,057,251	628,069	1,031,306	618,578	269,161
Total	\$ 24,539,675	\$ 24,491,491	\$ 22,637,724	\$ 18,596,650	\$ 20,328,705	\$ 19,436,437	\$ 17,046,870	\$ 16,545,960	\$ 16,162,972	\$ 17,636,383



Information Provided to Comply with
Government Auditing Standards and the Uniform Guidance
June 30, 2021

Benton County



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

To the Officials of Benton County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Iowa, (County) as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Benton County’s basic financial statements, and have issued our report thereon dated February 16, 2022.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005, and 2021-006 to be significant deficiencies.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from the procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Dubuque, Iowa
February 16, 2022



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

To the Officials of Benton County:

Report on Compliance for the Major Federal Program

We have audited Benton County, Iowa’s (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County’s major federal program for the year ended June 30, 2021. The County’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for the County’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County’s compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Benton County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Dubuque, Iowa
February 16, 2022

Benton County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services Pass-through program from Iowa Department of Human Services SNAP Cluster State Administrative Matching Grants for the Supplemental Nutritional Assistance Program	10.561	N/A	\$ <u>29,997</u>
Department of Housing and Urban Development Pass-through program from Iowa Economic Development Authority CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster National Disaster Resilience Competition	14.272	13-NRDI-002	<u>3,731,597</u>
Department of Transportation Pass-through program from Iowa Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	BROSCHBP - CO06(117) --NC-6	<u>426,481</u>
Pass-through program from East Central Iowa Council of Governments COVID-19 - Formula Grants for Rural Areas	20.509	FTA5311-CARES Act	245,720
Formula Grants for Rural Areas	20.509	FTA5311	<u>172,794</u>
			<u>418,514</u>
Total Department of Transportation			<u>844,995</u>
Department of Treasury Pass-through program from Iowa Department of Revenue COVID-19 - Coronavirus Relief Fund	21.019	GOV0055	554,431
COVID-19 - Coronavirus Relief Fund	21.019	LPHD	<u>24,385</u>
Total Department of Treasury			<u>578,816</u>
Election Assistance Commission Pass-through program from Iowa Election Assistance Commission COVID-19 - HAVA Election Security Grants	90.404	HAVA Cares Act	<u>22,000</u>

Benton County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/ CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services			
Pass-through program from			
Iowa Department of Human Services			
Title IV-E Prevention Program	93.472	N/A	\$ 1,544
CCDF Cluster			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	6,557
Foster Care-Title IV-E	93.658	N/A	7,870
Adoption Assistance - Title IV-E	93.659	N/A	3,870
Social Services Block Grant	93.667	N/A	7,164
Children's Health Insurance Program	93.767	N/A	637
Medicaid Cluster			
Medical Assistance Program	93.778	N/A	<u>26,143</u>
Total Department of Health and Human Services			<u>53,785</u>
Department of Homeland Security			
Pass-through program from			
Iowa Department of Homeland Security and Emergency Management			
Disaster Grants-Public Assistance	97.036	DR4289	33,747
United Way of America			
Emergency Food and Shelter National Board Program	97.024	20-2856-00	<u>15,355</u>
Total Department of Homeland Security			<u>49,102</u>
Total Federal Financial Assistance			<u>\$ 5,310,292</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Benton County, Iowa, (the County) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2 - Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

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

Part I: Summary of Independent Auditor's Results:

Financial Statements

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

Federal Awards

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

Identification of major program:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing/CFDA Number</u>
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster National Disaster Resilience Competition	14.272
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Part II: Findings Related to the Basic Financial Statements:

Material Weaknesses

2021-001 Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – During the course of our engagement, we proposed material audit adjustments to capital assets, due from other governments, intergovernmental revenue, and unavailable revenue.

Cause – There is a limited number of office employees with varying levels of experience with the reporting requirements. This significantly limits the County’s review procedures.

Effect – The effect of this condition was financial data was not in accordance with generally accepted accounting principles.

Recommendation – We recommend that County staff continue to receive relevant training and that additional review procedures be implemented, especially in the area of due from other governments and revenue.

Response – The employees fill out a slip that goes with the checks to deposit stating the line items and description. It has been noted, that if its due from other governments we will mark it better so for reporting purposes these will be easier to track. DFOG will be entered in the memo.

2021-002 Preparation of Financial Statements

Criteria – A properly designed system of internal control over financial reporting includes the preparation of an entity’s financial statements and accompanying notes to the financial statements by internal personnel of the entity.

Condition – As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements. It is the responsibility of management and those charged with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations.

Cause – We recognize that with a limited number of office employees, preparation of the financial statements is difficult.

Effect – The effect of this condition is that the year-end financial reporting is prepared by a party outside of the entity. The outside party does not have the constant contact with ongoing financial transactions that internal staff have.

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

Recommendation – We recommend that County officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances to enable staff to draft the financial statements internally.

Response – The County will continue to review operating procedures and segregate employee duties to the extent financially feasible to maximize internal control.

2021-003 Treasurer’s Office – Segregation of Duties

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

Condition – Several persons in the Treasurer’s office take turns receipting funds, making deposits, and reconciling bank statements. This situation presents a lack of segregation of duties.

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

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

Recommendation – The Treasurer has done a good job enhancing controls through supervision and review of work. We recommend that the Treasurer continue to look for opportunities to increase controls as staff changes.

Response – The Treasurer or 1st, 2nd or 3rd deputy perform the daily balancing. The First Deputy balances the bank account daily. Monthly balancing is done by the Treasurer, first and second deputy. Monthly motor vehicle balancing to the state report is completed by the second deputy with first deputy verifying the amounts. Bank statements are done in the computer by the Treasurer and the hard copies of all deposits are verified to the statements by the second deputy. In addition, a daily verification of the Daily Bank Deposit Transfers Journal Entry is performed. We continually look for ways to separate the duties performed within the confines of the staff available.

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

Significant Deficiencies

2021-004 Sheriff's Office – Segregation of Duties

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

Condition – The Sheriff's Office has implemented various procedures to enhance internal controls, including the Stellar Teller System and involving additional staff in the receipt function. However, there are receipt and disbursement processes in which a full segregation of duties has not yet been obtained.

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

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

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

Response – Agrees with finding. Sheriff feels it difficult to get more separation.

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

2021-005 Recorder's Office – Segregation of Duties

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

Condition – In the Recorder's Office there are generally only one or two individuals in the office with control over the receipts and disbursements areas for which no compensating controls exist.

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

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

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

Response – Agrees with finding. Still limited on staff in the office.

2021-006 Conservation Camping Fees – Segregation of Duties

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

Condition – The collection of camping fees is generally performed by the same park ranger that has performed the camper counts. In addition, the reconciliation process is performed by staff, who also has access to the monies collected.

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

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

Recommendation – We understand that the County has made improvements in the collection process. County officials should continue to review the operating procedures of collecting camper fees to obtain the maximum internal control possible under the circumstances.

Response – There are currently two people counting the camping fees to agree on totals. The camper registration rosters are sent to the director and cross referenced with camping receipts turned in. There will be credit card payments and staff will not deal with cash for those reservations. There is an on-line option now available also.

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

There were no federal findings and questioned costs to report.

Part IV: Other Findings Related to Required Statutory Reporting:

2021-IA-A Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amounts budgeted by function. However, disbursements in certain departments exceed the amounts appropriated.

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

Views of Responsible Officials – The County attempts to complete amendments in a timely fashion, and will continue to monitor the budget closely to determine budgetary needs as they arise.

2021-IA-B Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979, were noted.

2021-IA-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2021-IA-D Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
John's Tire Service, owned by husband of Melinda Schottmer (County Treasurer)	Services	\$ 6,857
Trevor Seeman, son of Tracy Seeman (supervisor)	Services	1,350
Ehlinger's Vinton Express, owned by husband of Bonnie Ehlinger (employee)	Supplies	1,336
Barb Campbell, sister is Deb Fleming (employee)	Supplies	152

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

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

- 2021-IA-E Restricted Donor Activity** – No transactions were noted between the County and County officials, County employees, and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2021-IA-F Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- 2021-IA-G Board Minutes** – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2021-IA-H Deposits and Investments** – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- 2021-IA-I Resource Enhancement and Protection Certification** – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2021-IA-J Annual Urban Renewal Report** – The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1.