MARSHALL COUNTY

Independent Auditors' Reports
Basic Financial Statements
and Supplementary Information
Schedule of Findings and Questioned Costs

June 30, 2022

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Marshall County

Officials

Name	Title	Expires
Bill Patten	Board of Supervisors	January 2023
Dave Thompson	Board of Supervisors	January 2023
Steve Salasek	Board of Supervisors	January 2025
Nan Benson	County Auditor/Recorder	January 2025
Jarret Heil	County Treasurer	January 2023
Joel Phillips	County Sheriff	January 2023
Jordan Gaffney	County Attorney	January 2023
Blaze Wurr	County Assessor	January 2023

BOWMAN & MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

24 EAST MAIN STREET · MARSHALLTOWN, IOWA 50158 · 641-753-9337 · FAX 641-753-6366
418 2ND STREET · GLADBROOK, IOWA 50635 · 641-473-2717 · FAX 641-753-6366

Elizabeth A. Miller, CPA · beth@bowmanandmillerpc.com
Nathan P. Minkel, CPA · nathan@bowmanandmillerpc.com
Taylor G. Johnson, CPA · taylor@bowmanandmillerpc.com

Independent Auditors' Report

To the Officials of Marshall County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Marshall County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Marshall County as of June 30, 2022 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, Marshall County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Marshall County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Marshall County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 5 through 11 and 57 through 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marshall County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 6 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2023 on our consideration of Marshall County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Marshall County's internal control over financial reporting and compliance.

Bowman and Miller, P.C.

January 5, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Marshall County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The County implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain assets and liability accounts related to leases and restated net position by ($360) to retroactively report in accordance with the GASBS.

- Revenues of the County's governmental activities increased 25.2%, or approximately $6.7 million, from fiscal year 2021 to fiscal year 2022. Property tax revenues decreased approximately $70,000, charges for services increased approximately $457,000, operating grants, contributions and restricted interest decreased approximately $77,000, capital grants, contributions and restricted interest increased approximately $495,000 and other general revenues increased approximately $4.1 million due to insurance reimbursements.

- Program expenses of the County's governmental activities were 2.9%, or approximately $725,000, less in fiscal year 2022 than in fiscal year 2021. Roads and transportation had the largest decrease of approximately $646,000, public safety and legal services decreased approximately $511,000 and administration increased approximately $367,000.

- The County's net position increased 13.4%, or approximately $8.8 million, over the June 30, 2021 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Supplementary Information provides detailed information about the nonmajor governmental and the individual Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities
(Expressed in Thousands)

	June 30, 2022	June 30, 2021
Current and other assets	$ 57,305	50,169
Capital assets	53,930	49,980
Total assets	111,235	100,149
Deferred outflows of resources	1,478	1,966
Long-term liabilities	5,740	11,532
Other liabilities	9,943	5,116
Total liabilities	15,683	16,648
Deferred inflows of resources	23,005	20,213
Net position:		
Net investment in capital assets	49,614	45,370
Restricted	15,358	16,570
Unrestricted	9,053	3,314
Total net position	$ 74,025	65,254

Net position of Marshall County's governmental activities increased 13.4% (approximately $74 million compared to approximately $65 million).

The largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 9.4%, or approximately $4.2 million, over the prior year due primarily to renovations on the County courthouse.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position decreased approximately $1.2 million, or 7.3%, from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately $3.3 million at June 30, 2021 to approximately $9 million at the end of this year, an increase of 173%. This increase is due to a decrease in the net pension liability (asset).

Changes in Net Position of Governmental Activities		
	Year Ended June 30,	
	2022	2021 (Not restated)
Revenues:		
Program revenues:		
Charges for services	$ 2,607,200	2,150,347
Operating grants, contributions and restricted interest	6,654,010	6,730,848
Capital grants, contributions and restricted interest	741,822	247,186
General revenues:		
Property tax	14,091,109	14,161,451
Tax increment financing	573,153	42,907
Penalty and interest on property tax	111,081	188,632
State tax credits	1,092,949	1,038,632
Local option sales tax	1,776,113	1,518,765
American Rescue Plan Act	988,333	-
Unrestricted investment earnings	128,197	82,657
Other general revenues	4,536,139	445,834
Total revenues	33,300,106	26,607,259
Program expenses:		
Public safety and legal services	9,053,265	9,563,792
Physical health and social services	497,615	531,621
Mental health	960,490	983,087
County environment and education	1,153,871	1,159,159
Roads and transportation	8,659,546	9,305,238
Governmental services to residents	1,183,645	1,049,716
Administration	2,974,208	2,606,865
Non-program	-	10,628
Interest on long-term debt	46,251	43,642
Total expenses	24,528,891	25,253,748
Change in net position	8,771,215	1,353,511
Net position beginning of year, as restated	65,253,548	63,900,397
Net position end of year	$ 74,024,763	65,253,908

Marshall County's governmental activities net position increased approximately $8.8 million during the year. Revenues for governmental activities increased approximately $6.7 million over the prior year, with other general revenues increasing approximately $4.1 million from the prior year due to receipt of insurance proceeds from the 2018 tornado damage. Capital grants, contributions and restricted interest increased approximately $495,000 and the County received approximately $988,000 from the American Rescue Plan Act.

The cost of all governmental activities this year was approximately $24.5 million compared to approximately $25.3 million last year. However, as shown in the Statement of Activities on pages 14-15, the amount taxpayers ultimately financed for these activities was approximately $14.5 million because some of the cost was paid by those who directly benefited from the programs (approximately $2.6 million) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately $7.4 million). Overall, the County's governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2022 from approximately $9.1 million to approximately $10 million.

INDIVIDUAL MAJOR FUND ANALYSIS

As Marshall County completed the year, its governmental funds reported a combined fund balance of approximately $25.2 million, an increase of approximately $3.3 million above last year's total of approximately $21.9 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- The General Fund is comprised of General Basic, General Supplemental, Conservation Land Acquisition Trust, Klauenberg Trust and Jail Commissary Profit funds. The ending fund balance increased approximately $1.6 million from the prior year. Revenues decreased approximately $318,000 from the prior year and expenditures decreased approximately $451,000.

- Special Revenue, Mental Health Fund balance at year end decreased by approximately $210,000 from the prior year primarily due to the elimination of this fund at June 30, 2022. The County was required by Senate File 619 to transfer the remaining fund balance to the Central Iowa Community Service Region prior to June 30, 2022.

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

- In the Special Revenue, Secondary Roads Fund, the maximum amount was transferred from the Special Revenue, Rural Services Fund. Revenues increased approximately $645,000, expenditures decreased approximately $515,000 and transfers from the Special Revenue, Rural Services Fund increased approximately $135,000. These factors increased the ending fund balance by approximately $1.8 million.

- Special Revenue, American Rescue Plan Fund was established to account for the revenues and expenditures related to the receipt of the federal American Rescue Plan Act funding.

- The Debt Service Fund began collecting property taxes and made the first principal and interest payment on the County's general obligation capital loan notes.

- The Capital Projects Fund continues to receive insurance proceeds and incur costs related to the July 2018 tornado and the August 2020 derecho for courthouse repairs and renovations. The proceeds from the capital loan note issued in fiscal year 2021 are also paying for some of these costs along with the County's new emergency services communication equipment and systems.

BUDGETARY HIGHLIGHTS

Over the course of the year, Marshall County amended its budget one time. The amendment was made in January 2022. This resulted in an increase in budgeted revenues of approximately $8.6 million, mostly in miscellaneous revenue and an increase in budgeted disbursements of approximately $12.7 million with most of the increase due to an increase in capital projects.

The County's receipts were approximately $4.2 million less than budgeted, a variance of 11.3%.

Total disbursements were approximately $12.8 million less than the amended budget. Actual disbursements were less than budgeted for public safety and legal services by $978,312, physical health and social services by $187,414, mental health by $62,599, county environment and education by $336,967, roads and transportation by $856,381, governmental services to residents by $157,032, administration by $708,936, capital projects by $9,540,141 and debt service by $600. The comparison of Marshall County's actual to budgeted amounts will usually show expenditures to be well below budgeted amounts in most areas in most years. The budget was not exceeded for any function for the year ended June 30, 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022 Marshall County had approximately $111 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities and roads and bridges. This is a net increase (including additions and deletions) of approximately $6.1 million, or 5.8%, over last year.

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

	June 30, 2022	June 30, 2021 (As Restated)*
Land	$ 2,515	2,515
Construction in progress	6,254	3,557
Buildings and improvements	28,716	26,292
Equipment and vehicles	14,669	13,932
Right to use leased assets	346	123
Infrastructure	58,098	58,098
Total	$ 110,598	104,517

This year's major additions included (in thousands):	
Emergency communication towers and systems	$ 1,068
Secondary road equipment	863
Remodeling county annex building	745
Remodeling courthouse	2,237
Total	$ 4,913

* Beginning capital assets were restated to implement GASB Statement No. 87, Leases.

The County had depreciation/amortization expense of $2,548,224 in fiscal year 2022 and total accumulated depreciation/amortization of $56,667,723 at June 30, 2022.

The County's fiscal year 2022 capital expenditures were approximately $6.1 million which included approximately $2.2 million on remodeling the courthouse and approximately $1.1 million for emergency communication towers and systems. More detailed information about the County's capital assets is presented in Note 11 to the financial statements.

Outstanding Debt of Governmental Activities at Year End		
	June 30,	
	2022	2021 (As Restated)
General obligation capital loan notes	$ 4,060,000	4,610,000
Lease agreements	256,221	59,494
Total	$ 4,316,221	4,669,494

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

The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Marshall County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $170 million.

There is no bond rating requested for the County at this time. Additional information about the County's long-term debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Marshall County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2023 budget, tax rates, and the fees charged for various County activities. One of those factors is the economy. The Consumer Price Index increased 9.1% at June 30, 2022. Unemployment in the County now stands at 4.4% versus 3.8% a year ago. This compares with the State's unemployment rate of 2.9% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2023. An additional consideration was the tornado on July 19, 2018, which was one of the reasons the County amended their fiscal year 2022 budgeted revenues and expenditures. The majority of this change was to account for insurance proceeds and the associated expenditures. Amounts available for appropriation in the fiscal year 2023 budget are approximately $37 million, a decrease of 21.2% from the final fiscal year 2022 budget. Miscellaneous funds from EMC Insurance plus expenditures for reconstruction continue to impact total budgeted revenue. Budgeted disbursements decreased 11.6% which is due to capital project expenditures related to the July 2018 tornado repairs plus additional repairs to the courthouse and other county buildings at Marshall County's expense. When the budget was set it was anticipated that much more of the project would be completed by fiscal year end 2022, however, due to construction delays a significant budget amendment will be needed for fiscal year end 2023. There were modest increases in public safety, physical health and social services, county conservation, roads and transportation, government services, and administration expenditures which were offset by elimination of mental health expenditures, and a decrease in capital projects expenditures. In 2022, the County began a $2.7 million emergency communication tower and system project with $1.2 million to be paid in fiscal year 2023. The County has added no other major new programs or initiatives to the fiscal year 2023 other than continuing accounting for the facility repairs in capital projects and accounting for American Rescue Plan Act related expenditures.

If these estimates are realized, the County's total operating fund balance is expected to decrease approximately $8,659,336 by the close of fiscal year 2023, due primarily to $7,175,000 of transfers from General Basic to Capital Projects to fund the remaining costs for the courthouse renovation.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Marshall 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 Marshall County Auditor and Recorder's Office, 1 East Main Street, Marshalltown, Iowa 50158.

Marshall County
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	$ 32,845,297
Receivables:	
Property tax:	
Delinquent	3,768
Succeeding year	15,596,241
Succeeding year tax increment financing	56,195
Interest and penalty on property tax	6,147
Accounts	24,133
Insurance	3,011,030
Opioid settlement	798,811
Accrued interest	658
Due from other governments	708,277
Lease receivable	262,000
Inventories	1,103,167
Prepaid expenses	136,513
Capital assets not being depreciated	8,768,959
Capital assets, net of accumulated depreciation/amortization	45,160,893
Net pension asset	2,752,865
Total assets	111,234,954
Deferred Outflows of Resources	
Pension related deferred outflows	1,417,172
OPEB related deferred outflows	60,952
Total deferred outflows of resources	1,478,124
Liabilities	
Accounts payable	2,651,890
Accrued interest payable	3,337
Salaries and benefits payable	403,435
Due to other governments	226,071
Unearned revenues	6,659,144
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	72,422
General obligation capital loan notes	565,000
Compensated absences	644,218
Portion due or payable after one year:	
Lease agreements	183,799
General obligation capital loan notes	3,495,000
Total OPEB liability	779,283
Total liabilities	15,683,599

See notes to financial statements.

Marshall County
Statement of Net Position
June 30, 2022

Exhibit A

	Governmental Activities
Deferred Inflows of Resources	
Lease related	262,000
Unavailable property tax revenue	15,596,241
Unavailable tax increment financing revenue	56,195
Pension related deferred inflows	6,464,124
OPEB related deferred inflows	626,156
Total deferred inflows of resources	23,004,716
Net Position	
Net investment in capital assets	49,613,631
Restricted for:	
Supplemental levy purposes	1,860,949
Rural services purposes	2,974,413
Secondary roads purposes	6,340,339
Capital projects	3,115,218
Opioid settlement	798,811
Other purposes	267,872
Unrestricted	9,053,530
Total net position	$ 74,024,763

Marshall County
Statement of Activities
Year Ended June 30, 2022

			Program Revenues		
		Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:					
Governmental activities:					
Public safety and legal services	$	9,053,265	1,137,154	307,761	-
Physical health and social services		497,615	5,486	993,666	-
Mental health		960,490	-	-	-
County environment and education		1,153,871	398,328	33,648	89,653
Roads and transportation		8,659,546	212,798	5,297,072	622,336
Governmental services to residents		1,183,645	723,690	94	-
Administration		2,974,208	41,621	21,769	29,833
Non-program		-	88,123	-	-
Interest on long-term debt		46,251	-	-	-
Total	$	24,528,891	2,607,200	6,654,010	741,822

General Revenues:

Property and other county tax levied for:

General purposes

Debt service

Tax increment financing

Interest and penalty on property tax

State tax credits and replacements

Local option sales tax

American Rescue Plan Act

Unrestricted investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position beginning of year, as restated

Net position end of year

Exhibit B

Net (Expense) Revenue and Changes in Net Position
(7,608,350)
501,537
(960,490)
(632,242)
(2,527,340)
(459,861)
(2,880,985)
88,123
(46,251)
(14,525,859)
14,041,518
49,591
573,153
111,081
1,092,949
1,776,113
988,333
128,197
4,536,139
23,297,074
8,771,215
65,253,548
$ 74,024,763

Marshall County
Balance Sheet
Governmental Funds
June 30, 2022

		Special Revenue	
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments	$ 13,225,355	2,877,041	4,899,834
Receivables:			
Property tax:			
Delinquent	3,311	290	-
Succeeding year	11,974,241	3,015,200	-
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	6,147	-	-
Accounts	6,762	1,200	10,529
Insurance	-	-	-
Opioid settlement	-	-	-
Lease receivable	262,000	-	-
Accrued interest	658	-	-
Due from other governments	85,301	139,181	481,379
Inventories	-	-	1,103,167
Prepaid expenses	112,109	-	24,404
Total assets	$ 25,675,884	6,032,912	6,519,313
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 154,992	218	398,063
Salaries and benefits payable	241,822	31,112	130,501
Due to other governments	111,756	11,679	99,436
Unearned revenues	-	-	-
Total liabilities	508,570	43,009	628,000
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	11,974,241	3,015,200	-
Succeeding year tax increment financing	-	-	-
Other	9,139	290	-
Lease related	262,000	-	-
Total deferred inflows of resources	12,245,380	3,015,490	-

Exhibit C

American Rescue Plan	Capital Projects	Debt Service	Nonmajor	Total
6,811,397	1,709,219	18,422	269,794	29,811,062
-	-	167	-	3,768
-	-	606,800	-	15,596,241
-	-	-	56,195	56,195
-	-	-	-	6,147
-	195	-	-	18,686
-	3,011,030	-	-	3,011,030
-	-	-	798,811	798,811
-	-	-	-	262,000
-	-	-	-	658
-	-	-	2,416	708,277
-	-	-	-	1,103,167
-	-	-	-	136,513
6,811,397	4,720,444	625,389	1,127,216	51,512,555
149,053	1,605,226	-	4,338	2,311,890
-	-	-	-	403,435
3,200	-	-	-	226,071
6,659,144	-	-	-	6,659,144
6,811,397	1,605,226	-	4,338	9,600,540
-	-	606,800	-	15,596,241
-	-	-	56,195	56,195
-	-	158	798,811	808,398
-	-	-	-	262,000
-	-	606,958	855,006	16,722,834

Marshall County
Balance Sheet (Continued)
Governmental Funds
June 30, 2022

		Special Revenue	
	General	Rural Services	Secondary Roads
Fund balances:			
Nonspendable:			
Inventories	-	-	1,103,167
Prepaid expenses	112,109	-	17,204
Restricted for:			
Supplemental levy purposes	1,748,840	-	-
Rural services purposes	-	2,974,413	-
Secondary roads purposes	-	-	4,770,942
Conservation land acquisition	1,117,266	-	-
Debt service	-	-	-
Capital projects	-	-	-
Other purposes	-	-	-
Committed for capital projects	40,000	-	-
Assigned for conservation purposes	370,161	-	-
Assigned for sheriff	299,185	-	-
Unassigned	9,234,373	-	-
Total fund balances	12,921,934	2,974,413	5,891,313
Total liabilities, deferred inflows of resources and fund balances	$ 25,675,884	6,032,912	6,519,313

See notes to financial statements

American Rescue Plan	Capital Projects	Debt Service	Nonmajor	Total
-	-	-	-	1,103,167
-	-	-	-	129,313
-	-	-	-	1,748,840
-	-	-	-	2,974,413
-	-	-	-	4,770,942
-	-	-	-	1,117,266
-	-	18,431	-	18,431
-	3,115,218	-	-	3,115,218
-	-	-	267,872	267,872
-	-	-	-	40,000
-	-	-	-	370,161
-	-	-	-	299,185
-	-	-	-	9,234,373
-	3,115,218	18,431	267,872	25,189,181
6,811,397	4,720,444	625,389	1,127,216	51,512,555

Marshall County
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2022

Total governmental fund balances (page 19)		$ 25,189,181
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is $110,597,575 and the accumulated depreciation/amortization is $56,667,723.		53,929,852
Other long-term assets are not available to pay current year expenditures, as follows:		
Deferred inflows of resources	$ 808,398	
Net pension asset	2,752,865	3,561,263
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health and dental insurance benefit plans to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		2,699,682
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	$ 1,478,124	
Deferred inflows of resources	(7,090,280)	(5,612,156)
Long-term liabilities, including lease agreements payable, general obligation capital loan notes payable, compensated absences payable, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(5,743,059)
Net position of governmental activities (page 13)		$ 74,024,763

See notes to financial statements.

Marshall County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

		Special Revenue		
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	$ 10,421,479	703,909	2,916,493	-
Tax increment financing	-	-	-	-
Local option sales tax	-	-	1,776,113	-
Interest and penalty on property tax	111,464	-	-	-
Intergovernmental	2,077,723	52,860	259,366	5,916,198
Licenses and permits	63	-	239,916	41,552
Charges for service	1,053,575	-	6,700	-
Use of money and property	286,327	-	-	3,210
Miscellaneous	350,726	-	18	171,246
Total revenues	14,301,357	756,769	5,198,606	6,132,206
Expenditures:				
Operating:				
Public safety and legal services	8,417,474	-	697,427	-
Physical health and social services	508,263	-	18,429	-
Mental health	-	967,092	-	-
County environment and education	750,953	-	135,485	-
Roads and transportation	-	-	-	7,717,472
Governmental services to residents	833,769	-	1,216	-
Administration	2,434,174	-	-	-
Debt service	-	-	-	-
Capital projects	55,023	-	-	180,540
Total expenditures	12,999,656	967,092	852,557	7,898,012
Excess (deficiency) of revenues over (under) expenditures	1,301,701	(210,323)	4,346,049	(1,765,806)
Other financing sources (uses):				
Sale of capital assets	-	-	-	25,100
Transfers in	259,920	-	-	3,587,846
Transfers out	-	-	(3,585,993)	-
Lease agreements	57,910	-	-	18,696
Total other financing sources (uses)	259,920	-	(3,585,993)	3,612,946
Change in fund balances	1,561,621	(210,323)	760,056	1,847,140
Fund balances beginning of year	11,302,403	210,323	2,214,357	4,025,477
Fund balances end of year	$ 12,864,024	-	2,974,413	5,872,617

See notes to financial statements.

American Rescue Plan	Capital Projects	Debt Service	Nonmajor	Total
-	-	573,153	-	14,615,034
-	-	-	49,433	49,433
-	-	-	-	1,776,113
-	-	-	-	111,464
988,333	29,833	46,042	21,140	9,391,495
-	-	-	-	281,531
-	-	-	6,856	1,067,131
8,722	13,047	-	592	311,898
-	4,208,905	-	53,666	4,784,561
997,055	4,251,785	619,195	131,687	32,388,660
6,444	-	-	18,923	9,140,268
-	-	-	-	526,692
-	-	-	-	967,092
-	-	-	54,638	941,076
-	-	-	15,000	7,732,472
341,817	-	-	-	1,176,802
31,557	-	-	-	2,465,731
-	-	606,176	-	606,176
309,329	5,095,784	-	1,615	5,642,291
689,147	5,095,784	606,176	90,176	29,198,600
307,908	(843,999)	13,019	41,511	3,190,060
-	-	-	-	25,100
-	302,681	-	-	4,150,447
(307,908)	(253,208)	-	(3,338)	(4,150,447)
-	-	-	-	76,606
(307,908)	49,473	-	(3,338)	101,706
-	(794,526)	13,019	38,173	3,291,766
-	3,909,744	5,412	229,699	21,897,415
-	3,115,218	18,431	267,872	25,189,181

Marshall County
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Change in fund balances - Total governmental funds (page 22)		$ 3,291,766
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activites report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation/ amortization expense in the current year, as follows:		
Expenditures for capital assets	$ 6,205,669	
Right-to-use leased capital assets	233,671	
Depreciation/amortization expense	(2,548,224)	3,891,116
Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds, as follows:		
Property tax	(588)	
Opioid settlement	798,811	798,223
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:		
Issued	(233,761)	
Repaid	586,994	353,233
The current year County IPERS contributions are reported as expenditures in the governmental funds but, are reported as deferred outflows of resources in the Statement of Net Position.		849,591
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	41,236	
Pension expense	732,551	
OPEB expense	2,682	
Interest on long-term debt	9,925	786,394
The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health and dental insurance benefit plans to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		(1,199,108)
Change in net position of governmental activities (page 15)		$ 8,771,215

Marshall County
Statement of Net Position
Proprietary Fund
June 30, 2022

	Internal Service-Employee Group Health
Assets	
Cash and cash equivalents	$ 3,034,235
Accounts receivable	5,447
Total assets	3,039,682
Liabilities	
Accounts payable	340,000
Net Position	
Restricted for employee health	$ 2,699,682

See notes to financial statements.

Marshall County
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2022

		Internal Service-Employee Group Health
Operating revenues:		
Reimbursements from operating funds		$ 1,286,408
Reimbursements from employees and others		163,015
Insurance reimbursements		17
Total operating revenues		1,449,440
Operating expenses:		
Medical claims	$ 2,026,135	
Insurance premiums	505,463	
Adminstrative fees	127,755	2,659,353
Operating loss		(1,209,913)
Non-operating revenues:		
Interest income		10,805
Net loss		(1,199,108)
Net position beginning of year		3,898,790
Net position end of year		$ 2,699,682

See notes to financial statements.

Exhibit I

Marshall County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2022

	Internal Service-Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	$ 1,286,408
Cash received from employees and others	160,355
Cash paid to suppliers for services	(2,484,556)
Net cash used by operating activities	(1,037,793)
Cash flows from investing activities:	
Interest on investments	10,805
Net decrease in cash and cash equivalents	(1,026,988)
Cash and cash equivalents beginning of year	4,061,223
Cash and cash equivalents end of year	$ 3,034,235

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (1,209,913)
Adjustments to reconcile operating loss to net cash used by operating activities:	
(Increase) in accounts receivable	(2,677)
Increase in accounts payable	174,797
Net cash used by operating activities	$ (1,037,793)

See notes to financial statements.

Marshall County
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	$ 10,227,712
Other County officials	94,519
Receivables:	
Property tax:	
Delinquent	18,077
Succeeding year	52,409,043
Accounts	14,732
Accrued interest	6,890
Assessments	93,219
Due from other governments	72,319
Total assets	62,936,511
Liabilities	
Accounts payable	97,073
Salaries and benefits payable	6,143
Due to other governments	1,834,680
Trusts payable	52,214
Compensated absences	21,975
Total liabilities	2,012,085
Deferred Inflows of Resources	
Unavailable property tax revenue	52,409,043
Net Position	
Restricted for individuals, organizations and other governments	$ 8,515,383

See notes to financial statements.

Marshall County
Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2022

Additions:	
Property and other county tax	$ 49,990,700
911 surcharge	318,037
State tax credits	4,270,761
Reimbursements other governments	2,873,319
Interest	21,080
Office fees and collections	957,673
Auto license, use tax and postage	13,166,202
Assessments	34,935
Trusts	888,917
Miscellaneous	173,307
Total additions	72,694,931
Deductions:	
Agency remittances:	
To other funds	880,697
To other governments	70,303,218
Trusts paid out	823,318
Total deductions	72,007,233
Change in net position	687,698
Net position beginning of year	7,827,685
Net position end of year	$ 8,515,383

See notes to financial statements.

Marshall County
Notes to Financial Statements
June 30, 2022

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

One drainage district, a joint district between Marshall and Story Counties, is managed and supervised by elected trustees. This district is included as a Custodial Fund of the County.

(1) Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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: Marshall County Assessor's Conference Board, Marshall County E911 Service Board, Marshall County Public Safety Communications Center and Marshall County Emergency Management 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.

The County has been designated as trustee of the Marshall County Solid Waste Management Commission's Irrevocable Trust Fund. The purpose of this fund is to demonstrate financial assurance for closure, post-closures and corrective action as required by law. The County's responsibility for this fund is limited to a fiduciary relationship and as such, the activity has been reported in a Custodial Fund of the County.

The County also participates in the following additional jointly governed organizations established pursuant to Chapter 28E and Chapter 256I of the Code of Iowa: Solid Waste Management Commission of Marshall County, Region Six Planning Commission, Central Iowa Juvenile Detention Center, Mid-Iowa Drug Task Force, Central Iowa Community Service Region and Iowa River Valley Early Childhood Area.

B. Basis of Presentation

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The American Rescue Plan Fund is used to account for funds received from the Federal government to help local governments recover from the COVID-19 pandemic.

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

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.

Insurance Receivable – This represents claims made to the County's insurance company for damage to the courthouse from the July 2018 tornado that will be received in the next fiscal year.

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

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

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

(1) Summary of Significant Accounting Policies (continued)

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

Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

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

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	30 – 50
Building improvements	20 – 50
Infrastructure	15 – 65
Right-to-use leased assets	5 - 10
Equipment	5 – 25
Vehicles	7 – 10

Leases – **County as Lessee:** Marshall County is the lessee for several noncancellable leases of equipment and one lease for office space. The County has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

(1) Summary of Significant Accounting Policies (continued)

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

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

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

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

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

County as Lessor: Marshall County is a lessor for three pieces of farmland, a county building and range equipment. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

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

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 hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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

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

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

(1) Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

(1) Summary of Significant Accounting Policies (continued)

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

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

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements did not exceed the amounts budgeted.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of $1,001,161. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

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

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

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

Transfer to	Transfer from	Amount
Capital Projects	Special Revenue:	
	American Rescue Plan	$ 302,681
General	Special Revenue:	
	Attorney Collections	3,338
	American Rescue Plan	3,374
	Capital Projects	253,208
		259,920
Special Revenue:	Special Revenue:	
Secondary Roads	Rural Services	3,585,993
	American Rescue Plan	1,853
		3,587,846
Total		$ 4,150,447

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

(4) County Lease Receivable

The County owns two parcels of farm land. One is the farm land surrounding the former county home. This farm land is split into two leases. Effective July 1, 2015, the County entered into a nineteen-year lease with Mid-Iowa Antique Power Association for 51 acres whereby they operate this farm land. The County is to receive $6,375 in land rent annually with an implicit rate of 2.0%. Effective March 1, 2021, the County entered into a three-year lease with an area farmer for 230 acres whereby they operate this farm land. The County is to receive $85,100 in land rent annually with an implicit rate of 2.0%. The other farm land is owned by the County Conservation. Effective April 15, 2022, the County entered into a two-year lease with an area farmer whereby they operate this farm land. The County is to receive $28,120 in land rent annually with an implicit rate of 2.0%.

The County also maintains an outdoor firearms range at the County Sheriff's office. Effective July 1, 2021, the County entered into a six-year usage agreement with the City of State Center whereby they are allowed to use the range. The County is to receive $33,694 in equipment for the range in exchange for the usage agreement.

(4) County Lease Receivable (continued)

Year Ending June 30,	Amount
2023	$ 125,494
2024	68,882
2025	12,272
2026	12,272
2027	12,273
2028-2032	31,874
2033-2034	12,750
Total	275,817
Less interest	13,817
Present value	$ 262,000

(5) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Lease Agreements	General Obligation Capital Loan Notes	Compensated Absences	Net Pension Liability (Asset)	Total OPEB Liability	Total
Balance beginning of year	$ 59,454	4,610,000	685,454	5,421,322	815,585	11,591,815
Increases	233,761	-	25,975	-	-	259,736
Decreases	36,994	550,000	67,211	8,174,187	36,302	8,864,694
Balance end of year	$ 256,221	4,060,000	644,218	(2,752,865)	779,283	2,986,857
Due within one year	$ 72,422	565,000	644,218	-	-	1,281,640

Capital Loan Notes

On March 17, 2021, the County issued $4,610,000 of general obligation capital loan notes, Series 2021A, with an interest rate of 1.00% per annum. The bonds were issued to provide funds to defray the costs associated with the tornado and derecho damage to the courthouse and to pay the costs associated with peace officer communication equipment and other emergency services communication equipment and systems. During the year ended June 30, 2022, the County retired $550,000 in principal and $55,576 of interest.

(5) Long-Term Liabilities (continued)

A summary of the County's June 30, 2022 general obligation loan indebtedness is as follows:

Year Ending June 30,	Interest Rate	Courthouse Renovations and Emergency Communication Equipment Issued March 17, 2021 Principal	Interest	Total
2023	1.00 %	$ 565,000	40,600	605,600
2024	1.00	570,000	34,950	604,950
2025	1.00	575,000	29,250	604,250
2026	1.00	580,000	23,500	603,500
2027	1.00	585,000	17,700	602,700
2028-2029	1.00	1,185,000	17,800	1,202,800
Totals		$ 4,060,000	163,800	4,223,800

Lease Agreements

On March 1, 2019, the County entered into a lease agreement for three copiers for the department of human services office. An initial lease liability was recorded in the amount of $21,052. The agreement requires monthly payments of $368 over 5 years, with an implicit rate of 2.0% and a final payment due on February 1, 2024.

On March 29, 2019, the County entered into a lease agreement for two copiers and a printer for the attorney's office. An initial lease liability was recorded in the amount of $31,880. The agreement requires monthly payments of $558 over 5 years, with an implicit rate of 2.0% and a final payment due on February 28, 2024.

On April 1, 2019, the County entered into a lease agreement for a copier for the public health office. An initial lease liability was recorded in the amount of $10,920. The agreement requires monthly payments of $191 over 5 years, with an implicit rate of 2.0% and a final payment due on March 1, 2024.

On August 28, 2019, the County entered into a lease agreement for three copiers for the sheriff's office. An initial lease liability was recorded in the amount of $36,547. The agreement requires monthly payments of $726 over 5 years, with an implicit rate of 2.0% and a final payment due on July 28, 2024.

On July 13, 2021, the County entered into a lease agreement for a copier for the conservation office. An initial lease liability was recorded in the amount of $9,075. The agreement requires monthly payments of $159 over 5 years, with an implicit rate of 2.0% and a final payment due on June 13, 2026.

On March 1, 2022, the County entered into a lease agreement for a copier for the engineer's office. An initial lease liability was recorded in the amount of $18,696. The agreement requires monthly payments of $327 over 5 years, with an implicit rate of 2.0% and a final payment due on February 1, 2027.

(5) Long-Term Liabilities (continued)

Lease Agreements (continued)

On July 20, 2021, the County entered into a lease agreement for general office space. An initial lease liability was recorded in the amount of $48,835. The agreement requires variable monthly payments ranging from $1,303 to $1,436 monthly over 3 years, with an implicit rate of 2.0% and a final payment due on June 30, 2024.

Future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Lease Agreements Principal	Interest	Total
2023	$ 72,422	3,776	76,198
2024	70,367	2,922	73,289
2025	40,473	1,869	42,342
2026	37,716	1,115	38,831
2027	35,243	375	35,618
Total	$ 256,221	10,057	266,278

Industrial Development Revenue Bonds

The County has issued a total of $6,790,000 in industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which $3,053,487 is outstanding at June 30, 2022. The bonds and related interest are payable solely from the rents payable by the tenants of the properties constructed, and the bond principal and interest do not constitute liabilities of the County.

(6) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health and dental insurance benefit plans. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark Blue Cross and Blue Shield of South Dakota. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of $50,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Unity Point Health Partners from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2022 was $1,286,408.

(6) Employee Health Insurance Plan (continued)

Amounts payable from the Employee Group Health Insurance Fund at June 30, 2022 total $340,000, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was $2,699,682 at June 30, 2022 and is reported as a designation of the Internal Service, Employee Group Health Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No.10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	$ 165,203
Incurred claims (including claims incurred but not reported at June 30, 2022)	2,026,135
Payments:	
Payment on claims during the year	1,851,338
Unpaid claims end of year	$ 340,000

(7) Pension Plan

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

(7) Pension Plan (continued)

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

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

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

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

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

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.01% of covered payroll, for a total rate of 18.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2022 totaled $849,591.

(7) Pension Plan (continued)

Net Pension Liability (Asset), Pension Expense (Income), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County reported a net pension liability (asset) of $(2,752,865) for its proportionate share of the net pension liability. The net pension liability (asset) was measured as of June 30, 2021 and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County's proportion was (0.7974074)%, which was an increase of 0.7202327% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (income) of $(732,551). At June 30, 2022, 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 experience	$ 283,743	90,629
Changes of assumptions	97,208	72,828
Net difference between projected and actual earnings on IPERS' investments	-	6,211,610
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	186,630	89,057
County contributions subsequent to the measurement date	849,591	-
Total	$ 1,417,172	6,464,124

$849,591 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ (1,479,648)
2024	(1,446,611)
2025	(1,351,365)
2026	(1,646,542)
2027	27,623
Total	$ (5,896,543)

(7) Pension Plan (continued)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability (asset) in the June 30, 2021 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, 2021 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 2021 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	100.0 %	

(7) Pension Plan (continued)

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	$ 2,883,928	(2,752,865)	(7,474,222)

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

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, 2022.

(8) Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Marshall 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.

(8) Other Postemployment Benefits (OPEB) (continued)

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	158
Total	160

Total OPEB Liability – The County's total OPEB liability of $779,283 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.00% per annum.
Rates of salary increase (effective June 30, 2022)	2.50% per annum, including inflation.
Discount rate (effective June 30, 2022)	2.14% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	5.00% per annum.

Discount rate – The discount rate used to measure the total OPEB liability was 2.14% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. 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, 2022 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

(8) Other Postemployment Benefits (OPEB) (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 815,585
Changes for the year:	
Service cost	81,071
Interest cost	16,681
Differences between expected and actual experiences	(163,537)
Changes in assumptions	63,294
Benefit payments	(33,811)
Net changes	(36,302)
Total OPEB liability end of year	$ 779,283

Changes of assumptions reflect a change in the discount rate from 3.5% in fiscal year 2021 to 2.14% in fiscal year 2022.

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 (1.14%) or 1% higher (3.14%) than the current discount rate.

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	$ 840,745	779,283	721,832

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

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	$ 684,119	779,283	893,946

(8) Other Postemployment Benefits (OPEB) (continued)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of $2,682. At June 30, 2022, the County reported deferred outflows and inflows of resources related to OPEB from the following resources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	-	415,800
Changes of assumptions		60,952	210,356
Total	$	60,952	626,156

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

Year Ending June 30,		Amount
2023	$	(66,623)
2024		(66,623)
2025		(66,623)
2026		(66,623)
2027		(66,623)
Thereafter		(232,089)
Total	$	(565,204)

(9) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2022 is as follows:

Fund	Description	Amount
General	Services	$ 111,756
Special Revenue:		
Rural Services	Services	11,679
Secondary Roads	Services	99,436
American Rescue Plan	Services	3,200
Total for governmental funds		$ 226,071
Custodial:		
County Recorder	Collections	$ 42,145
Schools		289,037
Community Colleges		29,754
Corporations		147,628
Auto License and Use Tax		1,125,718
City Special Assessments		104,746
All other		95,652
Total for custodial funds		$ 1,834,680

(10) Risk Management

Marshall County is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by the purchase of commercial insurance. The County assumes liability for any deductibles and claims in excess of coverage limits. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

Governmental activities:	Restated, Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets not being depreciated/amortized:				
Land	$ 2,514,501	-	-	2,514,501
Construction in progress	3,557,345	3,097,508	400,395	6,254,458
Total capital assets not being depreciated/amortized	6,071,846	3,097,508	400,395	8,768,959
Capital assets being depreciated/amortized:				
Buildings	26,291,964	2,423,958	-	28,715,922
Equipment and vehicles	13,932,059	1,103,483	367,006	14,668,536
Right-to-use leased building	-	205,991	-	205,991
Right-to-use equipment	123,158	27,771	10,959	139,970
Infrastructure, road network	58,098,197	-	-	58,098,197
Total capital assets being depreciated/amortized	98,445,378	3,761,203	377,965	101,828,616
Less accumulated depreciation/amortization for:				
Buildings	13,867,281	478,324	-	14,345,605
Equipment and vehicles	7,803,175	833,505	348,030	8,288,650
Right-to-use leased assets	64,064	39,243	10,959	92,348
Infrastructure, road network	32,743,968	1,197,152	-	33,941,120
Total accumulated depreciation/amortization	54,478,488	2,548,224	358,989	56,667,723
Total capital assets being depreciated/amortized, net	43,966,890	1,212,979	18,976	45,160,893
Governmental activities capital assets, net	$ 50,038,736	4,310,487	419,371	53,929,852

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	$ 326,601
County environment and education	170,482
Roads and transportation	1,779,329
Governmental services to residents	24,359
Administration	247,453
Total depreciation/amortization expense - governmental activities	$ 2,548,224

(12) Marshall County Financial Information Included in the Mental Health/Disability Services of the Central Iowa Community Service Region

Mental Health/Disability Services of the Central Iowa Community Service Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa includes the following member counties: Boone County, Franklin County, Greene County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County and Warren County. The financial activity of Marshall County's Special Revenue, Mental Health Fund is included in the Mental Health/Disability Services of the Central Iowa Community Service Region for the year ended June 30, 2022, as follows:

Revenues:		
Property and other county tax		$ 703,909
Intergovernmental revenues:		
State tax credits		52,860
Total revenues		756,769
Expenditures:		
Services to persons with:		
Mental illness		70,339
General administration		
Direct administration	$ 55,402	
Distribution to regional fiscal agent	841,351	896,753
Total expenditures		967,092
Deficiency of revenues under expenditures		(210,323)
Fund balance beginning of year		210,323
Fund balance end of year		$ -

(13) Development Agreement

The County agreed to rebate 100% of the incremental property tax paid by Consumers Development, LLC, or others within the Marshalltown Gateway Centre Urban Renewal Area, in exchange for the costs of certain improvements. The incremental property tax to be received by the County under Chapter 403.19 of the Code of Iowa from the developer will be rebated to Consumers Development, LLC for a period not to exceed twenty years or in a cumulative amount not to exceed a total of $1,051,000. The payments will be made on December 1 and June 1 of each fiscal year, beginning on December 1, 2007.

The total rebated during the year ended June 30, 2022 was $54,091 and the cumulative rebated amount is $597,234.

(14) Tax Abatements

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

(14) Tax Abatements (continued)

County Tax Abatements

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

For the year ended June 30, 2022, $54,091 of property tax was diverted from the County under the urban renewal and economic development projects.

Tax Abatements of Other Entities

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

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2022 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of State Center	Urban renewal and economic development projects	$ 1,496
City of Marshalltown	Urban renewal and economic development projects	32,290
City of LeGrand	Chapter 404 tax abatement program	8,129

(15) Construction Commitments

The County has entered into contracts totaling $8,560,240 for courthouse renovation and repairs and other county building repairs related to the July 2018 tornado. As of June 30, 2022, costs of $3,526,452 on the project have been incurred. The $5,033,788 balance remaining on the project at June 30, 2022 will be paid as work on the project progresses.

(15) Construction Commitments (continued)

The County has entered into a contract totaling $2,669,299 for the construction of emergency communication towers and systems. As of June 30, 2022, costs of $1,468,114 on the project have been incurred. The $1,201,185 balance remaining on the project at June 30, 2022 will be paid as work on the project progresses. The County issued general obligation capital loan notes to fund this project.

(16) Accounting Change

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The restatement to retroactively report the change in net position is as follows:

	Net Position	Capital Assets	Long-term Liabilities Lease Agreements
Balances June 30, 2021, as previously reported	$ 65,253,908	49,979,642	-
Change to implement GASBS No. 87	(360)	59,094	59,494
Balances July 1, 2021, as restated	$ 65,253,548	50,038,736	59,494

(17) Opioid Litigation Settlement

The State of Iowa along with other states settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor, detect, and prevent diversion of the drugs. The County also settled the same claims and related claims. Due to its settlement of these claims, the County will receive payments from the Defendant companies over the next seventeen years. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction, treatment, and recovery services.

(18) Date of Management Evaluation

Management has evaluated subsequent events through January 5, 2023, the date on which the financial statements were available to be issued.

Required Supplementary Information

Marshall 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, 2022

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property and other county tax	$ 16,428,025	-
Interest and penalty on property tax	112,090	-
Intergovernmental	12,494,752	-
Licenses and permits	281,466	-
Charges for service	1,080,299	-
Use of money and property	311,081	-
Miscellaneous	2,189,362	22,951
Total receipts	32,897,075	22,951
Disbursements:		
Public safety and legal services	9,124,409	-
Physical health and social services	435,897	-
Mental health	971,937	-
County environment and education	943,337	-
Roads and transportation	7,890,719	-
Governmental services to residents	1,191,136	-
Administration	2,431,779	-
Debt service	606,176	-
Capital projects	8,229,308	1,615
Total disbursements	31,824,698	1,615
Excess (deficiency) of receipts over (under) disbursements	1,072,377	21,336
Other financing sources, net	25,100	-
Change in fund balance	1,097,477	21,336
Balance beginning of year	28,713,585	3,720
Balance end of year	$ 29,811,062	25,056

See accompanying independent auditors' report.

	Budgeted Amounts		Final to Net
Net	Original	Final	Variance
16,428,025	16,141,493	16,141,493	286,532
112,090	80,000	80,000	32,090
12,494,752	8,351,646	12,106,720	388,032
281,466	55,335	259,260	22,206
1,080,299	828,323	888,623	191,676
311,081	217,525	247,525	63,556
2,166,411	2,754,500	7,344,589	(5,178,178)
32,874,124	28,428,822	37,068,210	(4,194,086)
9,124,409	10,008,328	10,102,721	978,312
435,897	623,311	623,311	187,414
971,937	834,536	1,034,536	62,599
943,337	1,287,843	1,280,304	336,967
7,890,719	8,611,100	8,747,100	856,381
1,191,136	1,016,388	1,348,168	157,032
2,431,779	3,014,485	3,140,715	708,936
606,176	606,776	606,776	600
8,227,693	5,964,073	17,767,834	9,540,141
31,823,083	31,966,840	44,651,465	12,828,382
1,051,041	(3,538,018)	(7,583,255)	8,634,296
25,100	10,000	10,000	15,100
1,076,141	(3,528,018)	(7,573,255)	8,649,396
28,709,865	13,933,567	28,587,537	122,328
29,786,006	10,405,549	21,014,282	8,771,724

Marshall County
Budgetary Comparison Schedule -
Budget to GAAP Reconciliation
Required Supplementary Information
Year Ended June 30, 2022

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	$ 32,897,075	(508,415)	32,388,660
Expenditures	31,824,698	(2,626,098)	29,198,600
Net	1,072,377	2,117,683	3,190,060
Other financing sources, net	25,100	76,606	101,706
Beginning fund balances	28,713,585	(6,816,170)	21,897,415
Ending fund balances	$ 29,811,062	(4,621,881)	25,189,181

Marshall County
Notes to Required Supplementary Information-
Budgetary Reporting
June 30, 2022

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. 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, one budget amendment increased budgeted disbursements by $12,684,625. The budget amendment is reflected in the final budgeted amounts.

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

During the year ended June 30, 2022, disbursements did not exceed the amounts budgeted for any function.

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

		2022	2021	2020
County's proportion of the net pension liability (asset)		(0.7974074) %	0.0771747 %	0.0713084 %
County's proportionate share of the net pension liability (asset)	$	(2,752,865)	5,421,322	4,129,227
County's covered payroll	$	8,948,717	8,774,087	8,752,304
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		(30.76) %	61.79 %	47.18 %
IPERS' net position as a percentage of the total pension liability (asset)		100.81 %	82.90 %	85.45 %

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

2019	2018	2017	2016	2015
0.0714879 %	0.0769774 %	0.0792355 %	0.0743841 %	0.0670501 %
4,523,932	5,127,672	4,986,543	3,674,933	2,659,146
8,195,441	7,856,581	7,756,838	7,768,922	7,587,125
55.20 %	65.27 %	64.29 %	47.30 %	35.05 %
83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

Marshall County
Schedule of County Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
Required Supplementary Information

		2022	2021	2020	2019
Statutorily required contribution	$	849,591	844,966	837,428	843,105
Contributions in relation to the statutorily required contribution		(849,591)	(844,966)	(837,428)	(843,105)
Contribution deficiency (excess)	$	-	-	-	-
County's covered payroll	$	9,088,045	8,948,717	8,774,087	8,752,304
Contributions as a percentage of covered payroll		9.35%	9.44%	9.54%	9.63%

See accompanying independent auditors' report.

2018	2017	2016	2015	2014	2013
751,822	723,843	717,206	722,327	703,957	681,722
(751,822)	(723,843)	(717,206)	(722,327)	(703,957)	(681,722)
-	-	-	-	-	-
8,195,441	7,856,581	7,756,838	7,768,922	7,587,125	7,446,144
9.17%	9.21%	9.25%	9.30%	9.28%	9.16%

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 a demographic assumption study dated June 28, 2018:

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

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

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

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

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

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

	2022	2021	2020	2019	2018
Service Cost	$ 81,071	57,523	56,120	61,450	59,951
Interest Cost	16,681	28,006	25,883	31,721	29,944
Difference between expected and actual experiences	(163,537)	-	(203,291)	-	(183,452)
Changes in assumptions	63,294	-	3,261	-	(352,486)
Benefit payments	(33,811)	(25,208)	(20,288)	(48,406)	(35,092)
Net change in total OPEB liability	(36,302)	60,321	(138,315)	44,765	(481,135)
Total OPEB liability beginning of year	815,585	755,264	893,579	848,814	1,329,949
Total OPEB liability end of year	$ 779,283	815,585	755,264	893,579	848,814
Covered-employee payroll	$ 8,851,978	8,330,194	8,227,540	8,100,042	7,676,708
Total OPEB liability as a percentage of covered-employee payroll	8.80%	9.79%	9.18%	11.03%	11.06%

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:

The 2022 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2022:

- Changed mortality assumptions to the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement.

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, 2022	2.14%
Year ended June 30, 2021	3.50%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.00%

Supplementary Information

Marshall County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

				Special
	Resource Enhancement and Protection	Sheriff's Investigative	County Recorder's Records Management	Attorney's Forfeiture
Assets				
Cash, cash equivalents and pooled investments	$ 129,812	16,051	30,713	16,462
Receivables:				
Succeeding year tax increment financing	-	-	-	-
Opioid settlment	-	-	-	-
Due from other governments	-	-	-	-
Total assets	$ 129,812	16,051	30,713	16,462
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ -	-	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Other purposes	129,812	16,051	30,713	16,462
Total liabilities, deferred inflows of resources and fund balances	$ 129,812	16,051	30,713	16,462

Revenue				
Attorney's Collections	Drainage Certificates	Urban Renewal Revenue	Local Government Opioid Abatement Fund	Total
51,700	25,056	-	-	269,794
-	-	56,195	-	56,195
-	-	-	798,811	798,811
2,416	-	-	-	2,416
54,116	25,056	56,195	798,811	1,127,216
4,338	-	-	-	4,338
-	-	56,195	-	56,195
-	-	-	798,811	798,811
-	-	56,195	798,811	855,006
49,778	25,056	-	-	267,872
54,116	25,056	56,195	798,811	1,127,216

Marshall County
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

				Special
	Resource Enhancement and Protection	Sheriff's Investigative	County Recorder's Records Management	Attorney's Forfeiture
Revenues:				
Tax increment financing	$ -	-	-	-
Intergovernmental	15,935	-	-	-
Charges for service	-	-	6,856	-
Use of money and property	293	37	94	37
Miscellaneous	-	2,604	-	5,832
Total revenues	16,228	2,641	6,950	5,869
Expenditures:				
Operating:				
Public safety and legal services	-	608	-	90
County environment and education	-	-	-	-
Governmental services to residents	-	-	15,000	-
Capital projects	-	-	-	-
Total expenditures	-	608	15,000	90
Excess (deficiency) of revenues over (under) expenditures	16,228	2,033	(8,050)	5,779
Other financing uses:				
Transfers out	-	-	-	-
Change in fund balances	16,228	2,033	(8,050)	5,779
Fund balances beginning of year	113,584	14,018	38,763	10,683
Fund balances end of year	$ 129,812	16,051	30,713	16,462

Revenue			
Attorney's Collections	Drainage Certificates	Urban Renewal Revenue	Total
-	-	49,433	49,433
-	-	5,205	21,140
-	-	-	6,856
131	-	-	592
22,279	22,951	-	53,666
22,410	22,951	54,638	131,687
18,225	-	-	18,923
-	-	54,638	54,638
-	-	-	15,000
-	1,615	-	1,615
18,225	1,615	54,638	90,176
4,185	21,336	-	41,511
(3,338)	-	-	(3,338)
847	21,336	-	38,173
48,931	3,720	-	229,699
49,778	25,056	-	267,872

Marshall County
Combining Schedule of Fiduciary Net Position
Custodial Funds
June 30, 2022

	County Offices		Agricultural	
	County Recorder	County Sheriff	Extension Education	County Assessor
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	$ -	-	2,665	455,631
Other County officials	41,965	52,554	-	-
Receivables:				
Property tax:				
Delinquent	-	-	82	277
Succeeding year	-	-	295,000	756,737
Accounts	180	-	-	-
Accrued interest	-	-	-	-
Assessments	-	-	-	-
Due from other governments	-	-	-	-
Total assets	$ 42,145	52,554	297,747	1,212,645
Liabilities				
Accounts payable	-	-	-	3,308
Salaries and benefits payable	-	-	-	6,143
Due to other governments	42,145	340	2,665	-
Trusts payable	-	52,214	-	-
Compensated absences	-	-	-	14,016
Total liabilities	42,145	52,554	2,665	23,467
Deferred Inflows of Revenues				
Unavailable revenues	-	-	295,000	756,737
Net Position				
Restricted for individuals, organizations and other governments	$ -	-	82	432,441

See accompanying independent auditors' report.

Schools	Community Colleges	Corporations	Townships	Brucellosis and Tuberculosis Eradication	City Special Assessments	Auto License and Use Tax
289,037	29,754	147,628	4,411	2,359	11,527	1,125,718
-	-	-	-	-	-	-
9,738	973	6,948	58	1	-	-
31,335,576	3,544,192	15,832,905	638,789	4,844	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	93,219	-
-	-	-	-	-	-	-
31,634,351	3,574,919	15,987,481	643,258	7,204	104,746	1,125,718
-	-	-	-	-	-	-
-	-	-	-	-	-	-
289,037	29,754	147,628	4,411	2,359	104,746	1,125,718
-	-	-	-	-	-	-
-	-	-	-	-	-	-
289,037	29,754	147,628	4,411	2,359	104,746	1,125,718
31,335,576	3,544,192	15,832,905	638,789	4,844	-	-
9,738	973	6,948	58	1	-	-

Marshall County
Combining Schedule of Fiduciary Net Position
Custodial Funds (Continued)
June 30, 2022

	Local Emergency Management Services	Tax Sale Redemption Non-County	Solid Waste Irrevocable Trust
Assets			
Cash, cash equivalents and pooled investments:			
County Treasurer	$ 376,073	80,253	5,403,347
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	-	-	-
Succeeding year	-	-	-
Accounts	-	-	-
Accrued interest	-	-	6,890
Assessments	-	-	-
Due from other governments	7,401	-	-
Total assets	$ 383,474	80,253	5,410,237
Liabilities			
Accounts payable	14,933	-	-
Salaries and benefits payable	-	-	-
Due to other governments	-	80,253	-
Trusts payable	-	-	-
Compensated absences	7,959	-	-
Total liabilities	22,892	80,253	-
Deferred Inflows of Revenues			
Unavailable revenues	-	-	-
Net Position			
Restricted for individuals, organizations and other governments	$ 360,582	-	5,410,237

E911	Marshall County Communications	Other	Total
1,054,704	1,079,092	165,513	10,227,712
-	-	-	94,519
-	-	-	18,077
-	-	1,000	52,409,043
14,552	-	-	14,732
-	-	-	6,890
-	-	-	93,219
64,918	-	-	72,319
1,134,174	1,079,092	166,513	62,936,511
321	78,511	-	97,073
-	-	-	6,143
-	-	5,624	1,834,680
-	-	-	52,214
-	-	-	21,975
321	78,511	5,624	2,012,085
-	-	1,000	52,409,043
1,133,853	1,000,581	159,889	8,515,383

Marshall County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2022

	County Offices		Agricultural	
	County Recorder	County Sheriff	Extension Education	County Assessor
Additions:				
Property and other county tax	$ -	-	279,148	728,398
E911 surcharge	-	-	-	-
State tax credits	-	-	21,943	39,424
Reimbursements other governments	-	-	-	-
Interest	-	-	-	-
Office fees and collections	764,077	186,740	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	178,305	-	-
Miscellaneous	-	-	-	1,245
Total additions	764,077	365,045	301,091	769,067
Deductions:				
Agency remittances:				
To other funds	293,826	185,824	-	-
To other governments	470,251	3,980	301,101	751,831
Trusts paid out	-	175,241	-	-
Total deductions	764,077	365,045	301,101	751,831
Changes in net position	-	-	(10)	17,236
Net position beginning of year	-	-	92	415,205
Net position end of year	$ -	-	82	432,441

Schools	Community Colleges	Corporations	Townships	Brucellosis and Tuberculosis Eradication	City Special Assessments	Auto License and Use Tax
29,508,303	3,315,866	15,533,477	617,001	4,564	-	-
-	-	-	-	-	-	-
2,432,850	247,709	1,492,221	36,163	375	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	13,163,766
-	-	-	-	-	34,935	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,941,153	3,563,575	17,025,698	653,164	4,939	34,935	13,163,766
-	-	-	-	-	-	401,047
31,941,787	3,563,565	17,025,909	653,168	4,940	34,935	12,762,719
-	-	-	-	-	-	-
31,941,787	3,563,565	17,025,909	653,168	4,940	34,935	13,163,766
(634)	10	(211)	(4)	(1)	-	-
10,372	963	7,159	62	2	-	-
9,738	973	6,948	58	1	-	-

Marshall County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds (Continued)
Year Ended June 30, 2022

	Local Emergency Management Services	Tax Sale Redemption Non-County	Solid Waste Irrevocable Trust	E911
Additions:				
Property and other county tax	$ -	-	-	-
E911 surcharge	-	-	-	318,037
State tax credits	-	-	-	-
Reimbursements other governments	1,466,412	-	-	79,427
Interest	-	-	18,883	1,194
Office fees and collections	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	-	484,549	-	-
Miscellaneous	6,645	-	160,000	5,417
Total additions	1,473,057	484,549	178,883	404,075
Deductions:				
Agency remittances:				
To other funds	-	-	-	-
To other governments	1,475,336	-	-	276,731
Trusts paid out	-	484,549	-	-
Total deductions	1,475,336	484,549	-	276,731
Changes in net position	(2,279)	-	178,883	127,344
Net position beginning of year	362,861	-	5,231,354	1,006,509
Net position end of year	$ 360,582	-	5,410,237	1,133,853

Marshall County Communications	Other	Total
-	3,943	49,990,700
-	-	318,037
-	76	4,270,761
1,327,480	-	2,873,319
970	33	21,080
-	6,856	957,673
-	2,436	13,166,202
-	-	34,935
-	226,063	888,917
-	-	173,307
1,328,450	239,407	72,694,931
-	-	880,697
1,022,641	14,324	70,303,218
-	163,528	823,318
1,022,641	177,852	72,007,233
305,809	61,555	687,698
694,772	98,334	7,827,685
1,000,581	159,889	8,515,383

Marshall County
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds
For the Last Ten Years

		2022	2021	2020	2019
Revenues:					
Property and other county tax	$	14,615,034	14,265,182	12,846,150	12,654,057
Tax increment financing		49,433	42,907	40,998	40,536
Local option sales tax		1,776,113	1,518,765	1,546,903	1,287,037
Interest and penalty on property tax		111,464	194,182	51,206	100,752
Intergovernmental		9,391,495	12,377,079	8,087,596	7,934,115
Licenses and permits		281,531	63,386	72,273	57,902
Charges for service		1,067,131	1,050,137	1,010,568	980,912
Use of money and property		311,898	232,162	386,136	363,706
Miscellaneous		4,784,561	780,890	5,482,377	14,450,304
Total	$	32,388,660	30,524,690	29,524,207	37,869,321
Expenditures:					
Operating:					
Public safety and legal services	$	9,140,268	9,200,948	9,079,392	8,667,041
Physical health and social services		526,692	513,259	496,192	515,411
Mental health		967,092	1,005,131	1,328,454	904,590
County environment and education		941,076	1,010,601	986,067	1,191,115
Roads and transportation		7,732,472	7,857,412	8,330,411	8,306,138
Governmental services to residents		1,176,802	976,010	852,345	897,904
Administration		2,465,731	2,457,862	2,309,925	2,623,500
Debt service		606,176	30,865	30,860	109,368
Capital projects		5,642,291	2,754,616	6,679,286	14,445,573
Total	$	29,198,600	25,806,704	30,092,932	37,660,640

Modified Accrual Basis					
2018	2017	2016	2015	2014	2013
12,707,266	12,334,541	12,434,629	12,261,750	12,593,094	12,318,561
45,597	45,223	-	-	-	-
1,206,255	1,343,263	1,641,388	1,222,611	1,134,553	1,074,652
101,013	127,555	102,236	104,649	116,324	108,006
8,336,929	7,919,057	7,495,625	7,086,993	6,353,340	6,279,617
74,530	60,871	74,393	52,084	194,955	227,073
1,025,453	935,737	958,389	842,646	771,758	973,531
278,681	203,749	189,708	208,339	197,831	221,486
334,667	337,357	489,048	356,615	304,600	220,294
24,110,391	23,307,353	23,385,416	22,135,687	21,666,455	21,423,220
7,821,114	7,765,532	7,518,230	7,347,330	7,251,390	6,907,463
609,712	600,628	621,941	612,244	686,973	812,509
933,943	957,887	1,054,625	4,767,126	1,151,650	1,586,563
933,427	906,258	860,933	972,934	954,346	1,286,349
7,386,762	7,876,876	6,296,373	5,820,001	6,159,224	6,200,500
904,653	957,346	839,859	821,340	937,099	722,347
2,681,178	2,627,354	2,577,366	2,547,928	2,865,986	2,459,776
768,080	744,099	731,651	748,865	634,839	593,550
902,338	120,324	494,520	929,074	139,771	434,453
22,941,207	22,556,304	20,995,498	24,566,842	20,781,278	21,003,510

Marshall County

Schedule 6

Schedule of Expenditures of Federal Awards
Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Adminstrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	00002129750	$ 16,213
Total U.S. Department of Agriculture			16,213
U.S. Department of Housing and Urban Development:			
Passed through Iowa Economic Development Authority:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-WS-026	1,183
Total U.S. Department of Housing and Urban Development			1,183
U.S. Department of Justice:			
Passed through Iowa Department of Justice:			
Crime Victim Assistance	16.575	2019-V2-GX-0058	2,819
Crime Victim Assistance	16.575	VS-21-135-VWC	39,493
			42,312
Violence Against Women Formula Grants	16.588	VS-21-55-PR-012	105,906
Violence Against Women Formula Grants	16.588	2020-V2-GX-0032	34,049
			139,955
Passed through Iowa Department of Public Safety:			
Public Safety Partnership and Community Policing Grants	16.710	19-CAMP-18	3,412
Passed through Governor's Office of Drug Control Policy:			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant Program/Grants to State and Territories	16.803	19-JAG-394824	82,000
Passed through City of Marshalltown:			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant Program/Grants to State and Territories	16.803	2018-DJ-BX-01074	8,120
			90,120
Total U.S. Department of Justice			275,799

See accompanying independent auditors' report.

Marshall County

Schedule 6

Schedule of Expenditures of Federal Awards (Continued)
Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Transportation:			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-CO64(134)	66,890
Passed through Iowa Department of Public Safety:			
Passed through Governor's Traffic Safety Bureau:			
State and Community Highway Safety	20.600	402-MOPT, Task 27	6,549
State and Community Highway Safety	20.600	402-MOPT, Task 23	9,959
			16,508
Total U.S. Department of Transportation			83,398
U.S. Department of Treasury:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	FY22	997,055
Total U.S. Department of Treasury			997,055
U.S. Department of Health and Human Services:			
Passed through Iowa Department of Human Services:			
Human Services Adminstrative Reimbursements:			
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	00002129750	17
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002129750	4,265
Foster Care-Title IV-E	93.658	00002129750	4,383
Title IV-E Prevention Program	93.472	00002129750	636
Adoption Assistance	93.659	00002129750	2,380
Medicaid Cluster:			
Medical Assistance Program	93.778	00002129750	19,400
Children's Health Insurance Program	93.767	00002129750	344
Social Services Block Grant	93.667	00002129750	4,463
Passed through Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5881I460	22,767
Passed through Polk County:			
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5885BT464	4,938
Total U.S. Department of Health and Human Services			63,593

See accompanying independent auditors' report.

Marshall County
Schedule of Expenditures of Federal Awards (Continued)
Year ended June 30, 2022

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Homeland Security:			
Passed through Iowa Homeland Security and Emergency Management Division:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	IA DR4557	**84,902
Total U.S. Department of Homeland Security			84,902
Total			$ 1,522,143

** These expenditures were incurred during fiscal year 2020 and 2021.

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Marshall County under programs of the federal government for the year ended June 30, 2022. The information in this Schedule 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 Marshall County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Marshall County.

Summary of 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.

Indirect Cost Rate - Marshall County has elected not to use the 10% deminimis indirect cost rate as allowed under the Uniform Guidance.

BOWMAN & MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

24 EAST MAIN STREET · MARSHALLTOWN, IOWA 50158 · 641-753-9337 · FAX 641-753-6366
418 2ND STREET · GLADBROOK, IOWA 50635 · 641-473-2717 · FAX 641-753-6366

Elizabeth A. Miller, CPA · beth@bowmanandmillerpc.com
Nathan P. Minkel, CPA · nathan@bowmanandmillerpc.com
Taylor G. Johnson, CPA · taylor@bowmanandmillerpc.com

Independent Auditors' 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 Marshall 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 Marshall County, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 5, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-22 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are 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, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Marshall County's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Bowman and Miller, P.C.

January 5, 2023

BOWMAN & MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

24 EAST MAIN STREET · MARSHALLTOWN, IOWA 50158 · 641-753-9337 · FAX 641-753-6366
418 2ND STREET · GLADBROOK, IOWA 50635 · 641-473-2717 · FAX 641-753-6366

Elizabeth A. Miller, CPA · beth@bowmanandmillerpc.com
Nathan P. Minkel, CPA · nathan@bowmanandmillerpc.com
Taylor G. Johnson, CPA · taylor@bowmanandmillerpc.com

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Officials of Marshall County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Marshall County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Marshall County's major federal program for the year ended June 30, 2022. Marshall County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Marshall County complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for Audit of Compliance

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Marshall County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.

- Obtain an understanding of Marshall County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Marshall County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in the internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above, However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Bowman and Miller, P.C.

January 5, 2023

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Part I: Summary of the Independent Auditors' Results:

(a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.

(b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

(d) An unmodified opinion was issued on compliance with requirements applicable to the major program.

(e) The major program was Assistance Listing Number 21.027 – Coronavirus State and Local Fiscal Recovery Program.

(f) The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

(g) Marshall County did not qualify as a low-risk auditee.

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY:

II-A-22 Segregation of Duties

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

Condition – Generally, one or two individuals in the office identified may have control over the following areas for which no compensating controls exist:

	Applicable Office
(1) All incoming mail should be opened by an employee who is not authorized to make entries to the accounting records. This employee should prepare a listing of cash and checks received. The mail should then be forwarded to the accounting personnel for processing. Later, the same listing should be compared to the cash receipt records.	Sheriff
(2) Bank accounts should be reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash.	Sheriff

Cause – The County office noted above has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

Recommendation – The County Sheriff should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The office should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports. Such reviews should be performed by independent persons to the extent possible and should be evidenced by initials or signature of the reviewer and the date of the review.

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

INTERNAL CONTROL DEFICIENCY (continued):

Response – The sheriff's office will review their office policies and attempt to segregate duties where possible. Where it is not possible, increased review by supervisory personnel will be performed.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-22 Certified Budget – Disbursements during the year ended June 30, 2022 did not exceed the amounts budgeted.

IV-B-22 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-22 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

Marshall County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

IV-D-22 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Business Connection	Description	Amount
Dave Thompson, Board of Supervisor, Owner of thompson True-Value	Supplies	$ 3,582
John Hunger, Jailer, Owner of Starlight Installation	Contract labor	710
Jeannie Ferneau, Auditor's office clerk, husband owns Sub City	Meals	109
Melanie Ewalt, GIS employee, Owner of Sweet Smells by Mel	Cookies	130
Curt Miller, Secondary Road Employee, Owner of Keen Edge	Services	91
Nicholas Stegmann, son of Conservation Director Mike Stegmann	Services	150

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with Board of Supervisor, Jailer, Clerk, GIS employee, Secondary Road employee and Conservation Director's son do not appear to represent conflicts of interest since total transactions with each individual were less than $6,000 during the fiscal year.

IV-E-22 Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-22 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be periodically reviewed to ensure that the coverage is adequate for current operations.

IV-G-22 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-H-22 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

IV-I-22 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).

IV-J-22 Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

Marshall County
Audit Staff

This audit was performed by:

Bowman and Miller, P.C.
Certified Public Accountants
Marshalltown, Iowa

Personnel:

Elizabeth A. Miller, CPA, Partner
Nathan P. Minkel, CPA, Partner
Taylor G. Johnson, CPA, Partner