

**SIOUX COUNTY, IOWA
Independent Auditors' Report
Financial Statements
And
Other Supplemental Information
Schedule of Findings
June 30, 2020**

SIOUX COUNTY, IOWA

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SIoux COUNTY, IOWA

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SIOUX COUNTY, IOWA

County Officials

Name	Title	Term Expires
Mark Sybesma	Board of Supervisors	December 31, 2024
Al Bloemendaal	Board of Supervisors	December 31, 2024
Jerry Muilenburg	Board of Supervisors	December 31, 2022
Carl Vande Weerd	Board of Supervisors	December 31, 2022
John Degen	Board of Supervisors	December 31, 2024
Ryan Dokter	County Auditor	December 31, 2024
Daniel Zomermaand	County Treasurer	December 31, 2022
Jessica Kooiker	County Recorder	December 31, 2022
Dan Altena	County Sheriff	December 31, 2024
Thomas Kunstle	County Attorney	December 31, 2022



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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Sioux County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sioux County, Iowa (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sioux County, Iowa as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 17 to the financial statements, agency fund fixed assets had previously been included in the County's fixed asset schedule. These amounts have been corrected on the accompanying financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the county's proportionate share of net pension liability, schedule of county contributions and the changes in the county's total OPEB liability, related ratios and notes on pages 7 through 14 and 50 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2021 on our consideration of Sioux 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 Sioux 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 Sioux County's internal control over financial reporting and compliance.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 10, 2021

SIoux COUNTY, IOWA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SIoux 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, 2020. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

2020 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of FY20 by \$96,419,150 (net position).
 - Sioux County's total net position increased by \$6,164,010 from the FY19 restated net position.
 - As of the close of FY20, Sioux County governmental funds reported combined ending fund balances of \$35,191,006, an increase of \$3,732,098 in comparison with the prior year.
 - At the end of FY20, unassigned fund balance for the general fund was \$5,278,946, or 54% of total general fund expenditures.
-

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

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

The **Government-wide Financial Statements** consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Sioux 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 Sioux County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Sioux County acts solely as an agent or custodian for the benefit of those outside of the government (Agency Funds).

Notes to the 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 Sioux County's budget for the year, the County's proportionate share of net the pension liability and related contributions, as well as presenting the schedule of Total OPEB Liability, related notes and ratios.

Other Supplementary Information provides detailed information about the non-major governmental and individual Agency Funds.

REPORTING THE COUNTY AS A WHOLE

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 about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The **Statement of Net Position** presents all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being 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 fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will not result in cash flows until future fiscal periods.

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

Fund Financial Statements

The **fund financial statements** provide detailed information about individual, significant funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

The county has four kinds of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are

available for spending. These governmental funds include: 1) the General Fund, 2) the Special Revenue funds such as Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund, and 4) Capital Projects Funds. 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 statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for emergency management services and the County Assessor to name a few.

The required financial statement for fiduciary funds is a statement of fiduciary assets and liabilities.

- 3) A proprietary fund accounts for the County's partial funding of health insurance deductibles, internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for 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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Sioux County's net position for FY20 totaled \$96,419,150. This compares to FY19, restated, at \$90,255,140. The analysis that follows focuses on the components of net position for the governmental activities.

Net Position of Governmental Activities		
	2019	
	(As Restated)	2020
Current and other assets	\$ 46,202,815	\$ 49,173,432
Capital assets	69,413,628	73,313,610
Total assets	<u>115,616,443</u>	<u>122,487,042</u>
Deferred outflows of resources:		
Pension related deferred outflows	1,607,872	1,326,711
OPEB related deferred outflows	17,452	17,434
Total deferred outflows of resources	<u>1,625,324</u>	<u>1,344,145</u>
Long-term liabilities outstanding	13,188,951	13,191,169
Other liabilities	1,534,729	1,698,015
Total liabilities	<u>14,723,680</u>	<u>14,889,184</u>
Deferred inflows of resources:		
Unavailable revenue- Subsequent year property taxes	11,665,257	11,417,621
Pension related deferred inflows	554,585	994,252
OPEB related deferred inflows	43,104	110,980
Total deferred inflows of resources	<u>12,262,946</u>	<u>12,522,853</u>
Net Position:		
Net Investment in capital assets	65,385,489	70,138,093
Restricted	22,981,653	23,644,948
Unrestricted	1,887,998	2,636,109
Total net position	<u>\$ 90,255,140</u>	<u>\$ 96,419,150</u>

The County's net position increased \$6,164,010 during the current year. The largest portion of the County's net position is the County's net investment in capital assets (e.g. land, infrastructure, intangibles, buildings and equipment), less the accumulated depreciation and related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation as to how they can be used.

Unrestricted Net Position – The part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a balance of \$1,887,998 at June 30, 2019 to a balance of \$2,636,109 at the end of this year, an increase of 39.6%.

The increase in unrestricted net position was attributable in large part to the decrease in the deficit balance in the Urban Renewal District fund and CARES Act funding.

Restricted Net Position – The portion of net position subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used – increased from \$22,981,653 at June 30, 2019 to \$23,644,948 at the end of this year, an increase of 2.9%.

Governmental Activities – Governmental activities increased the County's net position by \$6,164,010. Key elements of this increase are as follows:

Changes in Net Position of Governmental Activities		
	2019	
	(As Restated)	2020
Revenues:		
Program revenues:		
Charges for service and sales	\$ 1,833,799	\$ 2,299,733
Operating grants and contributions	6,699,788	7,195,074
Capital grants and contributions	4,143,879	4,410,665
General revenues:		
State tax credits	655,618	617,922
Local Option sales Tax	2,241,382	2,346,442
Property Tax	10,339,677	10,919,339
Interest and penalties on taxes	65,189	29,560
Unrestricted investment earnings	564,707	465,875
Miscellaneous	695,078	419,765
Total revenues	27,239,117	28,704,375
Program expenses:		
Public safety and legal services	4,549,859	4,978,710
Physical health and social services	805,897	782,667
Mental health	770,768	586,696
County environment and education	1,594,005	2,066,168
Roads and Transportation	9,349,699	10,027,397
Government services to residents	1,162,711	1,240,159
Administration or general government	2,147,836	2,402,978
Non-Program Services	329,757	202,441
Interest on long-term debt	211,746	253,149
Total expenses	20,922,278	22,540,365
Increase in net position	6,316,839	6,164,010
Net position beginning of year - as restated	83,938,301	90,255,140
Net position end of year	\$ 90,255,140	\$ 96,419,150

- The County continues to receive capital grants from Sioux County Conservation to fund the construction of a new nature center. Revenues and expenses increased by a similar amount from the prior year, and the increase in net position in FY20 equals \$6,164,010, compared to \$6,316,839 in FY19.
- The County recorded CARES Act funding that was used for public safety as operating grants totaling \$312,366 for the year ended June 30, 2020.
- Road Use Tax revenue, recorded in operating grants, increased \$257,502 when comparing the year ended June 30, 2020 to 2019.

BUDGETARY HIGHLIGHTS

Over the course of the year, Sioux County amended its budget two times. The first amendment was made April 7, 2020 and resulted in an additional \$100,000 of revenues and \$316,649 of expenditures. The main purposes of the amendment were to adjust for an additional \$100,000 of Intergovernmental revenues, as well as, increased spending of \$316,649 between Physical Health and Social Services, County Environment and Education, Administration, and Nonprogram Current expenditures.

The second amendment was made on May 26, 2020. The main purpose of the amendment was to adjust for additional spending of \$125,000 for Capital Projects expenditures.

The County's total receipts on a cash basis for FY20 were \$25,890,573. The County budgeted \$26,293,112 as projected revenues, for a difference of \$402,539, a variance of 1.5%.

Total cash disbursements in FY20 were \$24,871,619. The County budgeted total disbursements to be \$31,443,360. This represents \$6,571,741 less of cash disbursements than what the County budgeted for.

INDIVIDUAL MAJOR FUND ANALYSIS

As Sioux County completed the year, its governmental funds reported a combined fund balance of \$35,191,006.

The General Fund, as the operating fund of Sioux County, ended FY20 with a balance of \$6,045,065. The General Fund ending fund balance in FY19 was \$5,649,413. This represents an increase of \$395,652. The majority of this increase is due to increased property tax valuations and CARES Act funding.

The Rural Services Fund ended FY20 with a balance of \$3,016,464. The ending fund balance for FY19 was \$2,244,910. This represents an increase of \$771,554. The majority of this increase is due to increased property tax valuations.

The Secondary Road Fund ended FY20 with a balance of \$19,118,288. The ending fund balance for FY19 was \$18,977,929. This represents an increase of \$140,359. The county is increasing this Fund's balance to save for upcoming road and bridge projects.

The Urban Renewal District #1 Fund ended FY20 with a deficit fund balance of \$1,724,211. The ending fund balance for FY19 was a deficit balance of \$1,967,114. This represents a decrease in the deficit of \$242,903. The majority of this increase is due to increased property tax valuations.

The Conservation Land Acquisition Fund ended FY20 with a balance of \$2,101,882. The ending fund balance for FY19 was \$295,899. This represents an increase of \$1,805,983 due to the issuance of \$1,850,000 in General Obligation Capital Loan Notes, Series 2019.

The Debt Service Fund ended FY20 with a balance of \$4,186,969. The ending fund balance for FY19 was \$4,522,106. This represents a decrease of \$335,137 due to no new debt issuances and the payments of debt.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY20 Sioux County had \$73,313,610 invested in capital assets, net of accumulated depreciation compared to \$69,413,628 at the end of FY19.

Capital Assets of Governmental Activities at Year End		
	2019	
	(As Restated)	2020
Land	\$ 4,632,024	\$ 4,703,304
Buildings and improvements	13,084,215	17,707,839
Equipment	15,351,912	15,713,994
Infrastructure	90,495,471	91,409,426
Construction in Progress	2,555,349	4,037,229
Totals	\$ 126,118,971	\$ 133,571,792

The County had depreciation expense of \$4,397,112 for the year and total accumulated depreciation of \$60,258,182 at June 30, 2020. Additional information on the County's capital assets can be found in Note 6 of the financial statements.

Debt

Sioux County is assigned an **Aa2** rating from Moody's Rating Committee for its General Obligation Bonds.

At the end of FY20 Sioux County had bonded indebtedness of \$4,440,000. The bonded indebtedness at the end of FY19 was \$3,555,000. General obligation debt relates to the issuance of general obligation bonds for the Public Safety Center construction and the Urban Renewal Road Project which continues to decrease as scheduled principal payments are made. Additional information on the County's long term debt can be found in Note 7 of the financial statements.

At the end of FY20 Sioux County had Revenue Capital Loan Note indebtedness of \$3,960,000. The Capital Note indebtedness at the end of FY19 was \$4,280,000. Revenue Capital Loan Note debt was issued for the construction of a regional airport with the debt being serviced by the Sioux County Regional Airport. Additional information on the County's long term debt can be found in Note 7 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Sioux County's elected and appointed officials and citizens considered many factors when setting the FY20 budget, tax rates, and fees that finance the various County services. Tax rates overall decreased \$0.37473 for FY20.

The General Fund ended FY20 with \$278,660 less than the FY19 ending balance. (The County budgets on a cash basis, therefore, amounts in this budget section are also presented on a cash basis.) Many factors were taken into account when adopting the budget for FY21. Amounts appropriated in the General Fund are approximately \$11,349,257. Amounts appropriated in Special Revenue Funds are approximately \$19,369,194. Debt Service appropriations are \$1,328,942.

If these estimates are realized in FY21, Sioux County's General Fund balance is expected to decrease at FY21 year-end by approximately \$666,657. This is an intentional spend down of the General Fund as the fund is very healthy. The Rural Fund balance will increase by approximately \$232,140, and the Secondary Road Fund balance will decrease \$4,782,188 due to construction projects.

In March 2020, the COVID-19 virus global pandemic began impacting the community. Management is carefully monitoring the situation and evaluating its options during this time.

CONTACTING THE COUNTY'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Sioux County 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:

**Ryan Dokter
Sioux County Auditor
210 Central Avenue SW
Orange City, Iowa 51041
(712) 737-2216**

SIoux COUNTY BOARD OF SUPERVISORS:

Mark Sybesma John Degen Jerry Muilenburg Carl Vande Weerd Al Bloemendaal

SIOUX COUNTY, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 28,880,188
Receivables:	
Property Tax	85,491
Future Property Tax	11,417,621
Accrued Interest	58
Accounts	39,692
Notes	6,114,238
Due from Other Governmental Agencies	1,486,482
Inventories	985,036
Prepaid Expenses	164,626
Land	4,703,304
Construction in Progress	4,037,229
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	64,573,077
Total Assets	<u>122,487,042</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferred Outflows	1,326,711
OPEB Related Deferred Outflows	17,434
Total Deferred Outflows of Resources	<u>1,344,145</u>
LIABILITIES	
Accounts Payable	1,159,506
Accrued Claims Payable	54,438
Due to Other Governmental Agencies	860
Accrued Interest Payable	63,979
Salaries and Benefits Payable	419,232
Long Term Liabilities	
Due within one year:	
Revenue Capital Loan Note	265,000
General Obligation Bonds	865,000
Compensated Absences	316,391
Due in more than one year:	
Revenue Capital Loan Note	3,695,000
Capital Lease Payable	390,000
General Obligation Bonds	3,585,517
Compensated Absences	210,928
Net Pension Liability	3,514,113
Total OPEB Liability	349,220
Total Liabilities	<u>14,889,184</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Subsequent Year Property Taxes	11,417,621
Pension Related Deferred Inflows	994,252
OPEB Related Deferred Inflows	110,980
Total Deferred Inflows of Resources	<u>12,522,853</u>
NET POSITION	
Net Investment in Capital Assets	70,138,093
Restricted for:	
Supplemental Levy Purposes	648,002
Mental Health Purposes	375,828
Rural Services Purposes	2,963,175
Secondary Roads Purposes	18,946,899
Debt Service	164,388
Other Purposes	546,656
Unrestricted	2,636,109
Total Net Position	<u>\$ 96,419,150</u>

See Accompanying Notes to Financial Statements

SIOUX COUNTY, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges for Services</u>
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 4,978,710	\$ 1,099,460
Physical health and social services	782,667	22,800
Mental health	586,696	-
County environment and education	2,066,168	207,632
Roads and transportation	10,027,397	51,500
Government services to residents	1,240,159	813,514
Administration	2,402,978	8,936
Non-program services	202,441	95,891
Interest on long-term debt	253,149	-
Total governmental activities	<u>\$ 22,540,365</u>	<u>\$ 2,299,733</u>

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense) Revenue and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 398,994	\$ -	\$ (3,480,256)
242,407	-	(517,460)
-	-	(586,696)
15,393	2,348,643	505,500
6,538,280	2,062,022	(1,375,595)
-	-	(426,645)
-	-	(2,394,042)
-	-	(106,550)
-	-	(253,149)
<u>\$ 7,195,074</u>	<u>\$ 4,410,665</u>	<u>(8,634,893)</u>

General Revenues:

Property taxes levied for:	
General purposes	10,347,076
Debt service	572,263
Interest and penalties on taxes	29,560
State tax credits	617,922
Local option sales tax	2,346,442
Unrestricted investment earnings	465,875
Miscellaneous	419,765
	<u>14,798,903</u>
Change in net position	6,164,010
Net Position - beginning	90,384,425
Prior Period Adjustment	(129,285)
Net Position - beginning, restated	<u>90,255,140</u>
Net Position - ending	<u>\$ 96,419,150</u>

See Accompanying Notes to Financial Statements

SIOUX COUNTY, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2020

	General	Rural Services	Secondary Roads
Assets			
Cash and Pooled Investments	\$ 5,891,401	\$ 2,859,073	\$ 16,512,579
Receivables:			
Property Tax	61,911	11,930	-
Future Property Tax	7,049,925	2,346,442	-
Accrued Interest	31	-	-
Accounts	8,704	-	30,988
Notes	-	-	-
Due from Other Funds	-	-	1,769,202
Due from Other Governmental Agencies	446,665	153,486	886,331
Inventories	-	-	985,036
Prepaid Expenses	114,627	2,569	47,430
Total Assets	<u>13,573,264</u>	<u>5,373,500</u>	<u>20,231,566</u>
Liabilities			
Accounts Payable	169,116	4,082	979,489
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	860	-	-
Salaries and Benefits Payable	276,315	4,070	133,789
Total Liabilities	<u>446,291</u>	<u>8,152</u>	<u>1,113,278</u>
Deferred Inflows of Resources			
Unavailable Revenue -			
Subsequent Year Property Taxes	7,049,925	2,346,442	-
Delinquent Property Tax	31,983	2,442	-
Total Deferred Inflows of Resources	<u>7,081,908</u>	<u>2,348,884</u>	<u>-</u>
Fund Balances:			
Nonspendable for:			
Inventories	-	-	985,036
Prepaid Expenses	114,627	2,569	47,430
Long-term Notes	-	-	-
Restricted for:			
Supplemental Levy Purposes	651,492	-	-
Mental Health Purposes	-	-	-
Rural Services Purposes	-	3,013,895	-
Secondary Road Purposes	-	-	18,085,822
Debt Service	-	-	-
Other Purposes	-	-	-
Committed for:			
Revolving Loan Purposes	-	-	-
Assigned for:			
Conservation Land Acquisition	-	-	-
Courthouse Capital Improvements	-	-	-
Unassigned	5,278,946	-	-
Total Fund Balances	<u>6,045,065</u>	<u>3,016,464</u>	<u>19,118,288</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,573,264</u>	<u>\$ 5,373,500</u>	<u>\$ 20,231,566</u>

See Accompanying Notes to Financial Statements

Urban Renewal District #1	Conservation Land Acquisition	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 44,027	\$ 436,876	\$ 225,538	\$ 1,965,170	\$ 27,934,664
4,699	-	2,826	4,125	85,491
495,773	-	462,600	1,062,881	11,417,621
1	6	3	1	42
-	-	-	-	39,692
-	1,665,000	3,960,000	489,238	6,114,238
-	-	-	-	1,769,202
-	-	-	-	1,486,482
-	-	-	-	985,036
-	-	-	-	164,626
544,500	2,101,882	4,650,967	3,521,415	49,997,094
-	-	-	6,819	1,159,506
1,769,202	-	-	-	1,769,202
-	-	-	-	860
-	-	-	5,058	419,232
1,769,202	-	-	11,877	3,348,800
495,773	-	462,600	1,062,881	11,417,621
3,736	-	1,398	108	39,667
499,509	-	463,998	1,062,989	11,457,288
-	-	-	-	985,036
-	-	-	-	164,626
-	-	-	489,238	489,238
-	-	-	-	651,492
-	-	-	389,029	389,029
-	-	-	-	3,013,895
-	-	-	-	18,085,822
-	-	4,186,969	-	4,186,969
-	-	-	57,418	57,418
-	-	-	1,382,443	1,382,443
-	2,101,882	-	-	2,101,882
-	-	-	128,421	128,421
(1,724,211)	-	-	-	3,554,735
(1,724,211)	2,101,882	4,186,969	2,446,549	35,191,006
\$ 544,500	\$ 2,101,882	\$ 4,650,967	\$ 3,521,415	\$ 49,997,094

See Accompanying Notes to Financial Statements

SIOUX COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

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

Total Fund Balance - Governmental Funds (page 19)		\$ 35,191,006
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		73,313,610
The internal service fund used by management to charge the costs of self-insured health is included in the statement of net position.		448,336
Deferred inflows from the balance sheet that provide current financial resources for governmental activities.		39,667
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		(63,979)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
	Deferred Outflows of Resources	\$ 1,326,711
	Deferred Inflows of Resources	<u>(994,252)</u>
		332,459
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
	General Obligation Bonds	(4,450,517)
	Capital Lease	(390,000)
	Compensated Absences	(527,319)
	Capital Loan Note	(3,960,000)
	Net Pension Liability	<u>(3,514,113)</u>
		<u>(12,841,949)</u>
Total Net Position - Governmental Activities (page 15)		<u>\$ 96,419,150</u>

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SIOUX COUNTY, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended June 30, 2020

	General	Rural Services	Secondary Roads
Revenue:			
Property and other county taxes	\$ 7,604,172	\$ 4,229,189	\$ -
Interest and penalties on taxes	28,186	-	-
Intergovernmental	1,672,905	24,230	6,833,343
Licenses and permits	-	-	17,730
Charges for services	874,612	19,516	7,203
Use of money and property	327,216	-	26,567
Contribution	-	-	-
Miscellaneous	306,977	-	187,071
Total Revenue	10,814,068	4,272,935	7,071,914
Expenditures:			
Current operating:			
Public safety and legal services	3,973,276	670,009	-
Physical health and social services	780,055	-	-
Mental health	-	-	-
County environment and education	1,554,521	407,933	-
Roads and transportation	130,000	-	6,679,597
Government services to residents	1,076,894	3,760	-
Administration	2,182,618	-	-
Non-program services	90,820	-	-
Capital projects	-	-	2,413,399
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	9,788,184	1,081,702	9,092,996
Excess (deficiency) of revenues over expenditures	1,025,884	3,191,233	(2,021,082)
Other financing sources (uses):			
Sale of Capital Assets	-	-	17,325
Transfers in	-	-	2,674,911
Transfers (out)	(630,232)	(2,419,679)	-
Capital Loan Note Proceeds	-	-	-
Total other financing sources (uses)	(630,232)	(2,419,679)	2,692,236
Net Change in Fund Balances	395,652	771,554	671,154
Fund balances - beginning of year	5,649,413	2,244,910	18,977,929
Decrease in Reserve for Inventory	-	-	(530,795)
Fund balances - end of year	\$ 6,045,065	\$ 3,016,464	\$ 19,118,288

Urban Renewal District #1	Conservation Land Acquisition	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 492,037	\$ -	\$ 570,865	\$ 788,762	\$ 13,685,025
-	-	-	-	28,186
1,374	-	144,709	29,749	8,706,310
-	-	-	-	17,730
-	187,081	-	8,183	1,096,595
2,492	10,601	3,299	145,067	515,242
-	2,154,968	-	-	2,154,968
-	-	-	30,254	524,302
495,903	2,352,650	718,873	1,002,015	26,728,358
-	-	-	52,243	4,695,528
-	-	-	-	780,055
-	-	-	579,445	579,445
-	-	-	-	1,962,454
-	-	-	-	6,809,597
-	-	-	8,991	1,089,645
-	-	-	-	2,182,618
-	-	-	111,621	202,441
-	2,151,693	-	444,726	5,009,818
-	185,000	1,100,000	-	1,285,000
-	59,974	207,010	-	266,984
-	2,396,667	1,307,010	1,197,026	24,863,585
495,903	(44,017)	(588,137)	(195,011)	1,864,773
-	-	-	-	17,325
-	-	253,000	375,000	3,302,911
(253,000)	-	-	-	(3,302,911)
-	1,850,000	-	-	1,850,000
(253,000)	1,850,000	253,000	375,000	1,867,325
242,903	1,805,983	(335,137)	179,989	3,732,098
(1,967,114)	295,899	4,522,106	2,266,560	31,989,703
-	-	-	-	(530,795)
\$ (1,724,211)	\$ 2,101,882	\$ 4,186,969	\$ 2,446,549	\$ 35,191,006

See Accompanying Notes to Financial Statements

SIOUX COUNTY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds (page 22)		\$ 3,732,098
<p>Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Capital outlays exceeded depreciation expense in the current year as follows:</p>		
Expenditures for capital assets	\$ 6,362,957	
Capital Assets Contributed by the IDOT	1,960,634	
Depreciation expense	<u>(4,397,112)</u>	3,926,479
In the Statement of Activities, the loss on the disposition of capital assets is reported whereas the governmental funds report the proceeds from the sale as an increase in financial resources.		(26,496)
<p>Because some inflows will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds, they are as follows:</p>		
Property Tax		15,383
Internal service funds are used by management to fund and maintain the City's health insurance provided to user departments and are included in the statement of net position. The net revenue of the internal service fund is reported with governmental activities.		(182,106)
<p>Proceeds from issuance of 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 issuance exceeded repayments as follows:</p>		
Issued	\$ (1,850,000)	
Repayments of long-term debt	965,000	
Repayments of capital lease	60,000	
Repayments of notes payable	<u>320,000</u>	(505,000)
The effect of bond premium costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		12,621
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.		667,675
<p>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:</p>		
Compensated absences	\$ (85,382)	
Pension expense	(861,681)	
Interest on long-term debt	<u>1,214</u>	(945,849)
Inventories in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding net position is exhausted.		<u>(530,795)</u>
Change in net position of governmental activities (page 17)		<u>\$ 6,164,010</u>

SIOUX COUNTY, IOWA
STATEMENT OF NET POSITION - PROPRIETARY FUND
Governmental Activities - Internal Service Fund
JUNE 30, 2020

ASSETS	
Current Assets	
Cash and Pooled Investments	\$ 945,524
Receivables:	
Accrued Interest	16
Total Assets	<u>945,540</u>
Deferred Outflows of Resources	
Deferred Outflows Related to OPEB Liability	17,434
Total Deferred Outflows of Resources	<u>17,434</u>
LIABILITIES	
Current Liabilities	
Accrued Claims Payable	54,438
Total Current Liabilities	<u>54,438</u>
Noncurrent Liabilities	
Total OPEB Liability	349,220
Total Noncurrent Liabilities	<u>349,220</u>
Total Liabilities	<u>403,658</u>
Deferred Inflows of Resources	
Deferred Inflows Related to OPEB Liability	110,980
Total Deferred Inflows of Resources	<u>110,980</u>
NET POSITION	
Unrestricted	<u>\$ 448,336</u>

SIOUX COUNTY, IOWA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Governmental Activities - Internal Service Fund
For the Year Ended June 30, 2020

Operating revenues:	
Reimbursements from operating funds	\$ 199,200
Total operating revenue	<u>199,200</u>
Operating expenses:	
Claims paid	367,514
Administrative fees	6,513
Other post employment benefits	19,173
Total operating expenses	<u>393,200</u>
Operating (Loss)	(194,000)
Nonoperating income:	
Interest on investments	<u>11,894</u>
Change in Net Position	(182,106)
Net Position - beginning	<u>630,442</u>
Net Position - ending	<u><u>\$ 448,336</u></u>

SIOUX COUNTY, IOWA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Governmental Activities - Internal Service Fund
For the Year Ended June 30, 2020

Cash flows from operating activities:	
Cash received from employer/employee contributions	\$ 199,200
Cash payments for insurance premiums and services	<u>(369,425)</u>
Net cash (used) by operating activities	(170,225)
Cash flows from investing activities:	
Interest on investments	<u>13,812</u>
Net decrease in cash and cash equivalents	(156,413)
Cash and pooled investments - beginning of year	<u>1,101,937</u>
Cash and pooled investments - end of year	<u><u>945,524</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating Loss	(194,000)
Change in assets, deferred inflows of resources, liabilities, and deferred outflows of resources:	
Increase in Deferred Outflows	18
Increase in Deferred Inflows	67,876
Increase in Accrued Claims Payable	4,602
Decrease in OPEB Liability	<u>(48,721)</u>
Net cash (used) by operating activities	\$ (170,225)

SIOUX COUNTY, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2020

ASSETS

Cash and Pooled Investments	\$	3,293,712
Receivables:		
Property Tax		329,600
Future Property Tax		55,811,410
Prepaid Expense		11,545
Accrued Interest		14
Assessments		272,936
Due from Other Governments		115,258
Total Assets		<u>59,834,475</u>

LIABILITIES

Accounts Payable		71,520
Due to Other Governments		59,669,236
Salaries and Benefits Payable		37,908
Compensated Absences		55,811
Total Liabilities	\$	<u>59,834,475</u>

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The more significant accounting policies established under GAAP and used by the County are discussed below.

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

Jointly Governed Organizations – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Sioux County Assessor's Conference Board, Sioux County Emergency Management Commission, Sioux County Public Safety Commission, the Sioux County Civil Service Commission, and Sioux County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County. The County Board of Supervisors also are members of the Sioux County Revolving Loan Fund. This fund is reported as a special revenue fund in these financial statements. Sioux County is also a member of a 28E agreement with the Northwest Iowa Area Solid Waste Agency and Sioux Rivers Mental Health Region.

- B. Basic Financial Statements – Government-Wide Statements – The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements contain only governmental activities. Governmental activities are supported by property tax, intergovernmental revenues, and other nonexchange transactions. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities. The County's Internal Service Fund is classified as a primarily governmental type activity.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County. In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations with the difference reported as net position. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities. 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.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The County does not allocate indirect costs. Certain expenses of the County are accounted for through the internal service fund on a cost-reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

- C. Basis of Presentation – Fund Accounting – The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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

2) Special Revenue Funds

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

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

The Urban Renewal District #1 Fund is used to account for revenues from the tax authorized by ordinance in the urban renewal district and used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal projects.

3) Debt Service Fund

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.

4) Capital Project Fund

The Conservation Land Acquisition Fund is used to account for the contributions, revenues and expenditures related to the creation of specific Conservation capital assets.

Proprietary Fund Types – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles used are those applicable to similar businesses in the private sector. The County reports the following proprietary fund:

Internal Service Fund – Accounts for the County's partial self-funded insurance plan for health insurance. The County's internal service fund is presented as a proprietary fund financial statement. The users of the internal services are the County's governmental activities therefore the statement of net position is consolidated into the government-wide statement of net position. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the County, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting – Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Accrual accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

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

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there is 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 either using restricted or unrestricted resources, it is the County's policy 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.

E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, disbursements exceeded amounts budgeted in the Debt Service function.

F. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the County's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Type	Method
Iowa Public Agency	Amortized Cost
Investment Trust	

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due to other governments.

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, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2019.

- H. Assessments Receivable – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten or more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represents assessments, which are due and payable in the next year but have not been collected and are recorded in a fiduciary fund of the County.
- I. Due to/from Other Funds – During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.
- J. Due to/from Other Governments – Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- K. Inventories – Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Reported inventories in the fund financial statements are equally offset by a nonspendable fund balance which indicates that they are not available to liquidate current obligations.
- L. Deferred Outflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period as well as the change in assumptions for the total OPEB liability.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

M. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 for buildings and structures and machinery and equipment and in excess of \$25,000 for infrastructure.

Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Buildings and Structures	10 – 50 Years
Infrastructure	10 – 65 Years
Machinery and Equipment	3 – 20 Years

N. 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 and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2020. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services, and Secondary Roads Funds.

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

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

P. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to / deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, the 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.

Q. Deferred Inflows of Resources - The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds financial statements and in the governmental activities of the government-wide financial statements. The governmental activities in the government-wide statements report unavailable revenues from subsequent year property taxes, pension related deferred inflows, and OPEB related deferred inflows. The governmental funds report unavailable revenues from subsequent year property taxes and delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

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

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

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

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

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

Unassigned – All amounts not included in other classifications.

NOTE 2 - DEPOSITS AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2020 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$4,347,369 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

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

Custodial Credit Risk: The County has no policy regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 2 - DEPOSITS AND POOLED INVESTMENTS – (CONTINUED)

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) in 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 uses of the County.

Concentration of Credit Risk: The County's investment policy places limits on the amount that may be invested in any one issuer. At the time of purchase, no more than five (5) percent of the investment portfolio of Sioux County shall be invested in the securities of a single issuer. The County's investment in the U.S. Treasuries is not subject to concentration of credit risk as the U.S. Treasuries represent U.S. government issued debt.

Cash and Pooled Investments

The County pools the resources of each individual fund's available cash in order to obtain higher rates of return than could be if the funds were invested individually.

The cash and pooled investments at June 30, 2020 consisted of the following:

Reconciliation to the Financial Statements:

	Carrying Amount
IPAIT Investments	\$ 4,347,369
Demand Deposits	27,825,531
Cash on Hand	1,000
	32,173,900
Unrestricted:	
Cash and Pooled Investments- Governmental Activities	28,880,188
Cash and Pooled Intestments- Agency Funds	3,293,712
	\$ 32,173,900

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2020, short-term interfund borrowings for operating purposes were as follows:

Fund Due To	Fund Due From	Amount
Secondary Roads	Special Revenue – Urban Renewal District #1	\$ 1,769,202*

*This interfund balance represents amounts due to the Secondary Road Fund from the Urban Renewal District #1 Fund to repay costs for a road project within the urban renewal district.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 4 - NOTES RECEIVABLE

Sioux County Revolving Loan Fund - During the year ended June 30, 1989 the Sioux County Revolving Loan Fund was established. The purpose of the fund is to promote economic development in Sioux County. During the year ended June 30, 2020, the County made no contributions to the Sioux County Revolving Loan Fund. The County records the loan activity of this corporation in a Special Revenue Fund.

The proceeds from the businesses remain in the Sioux County Revolving Loan Fund for future loans to other businesses. Loan repayments totaled \$110,127 during the year ended June 30, 2020. The loans are secured by real estate mortgages and personal guarantees of the business owners.

Loans by the Sioux County Revolving Loan Fund are as follows:

Loaned to	Date of Loan	Original Loan Amount	Interest Rate	Term of Loan	Monthly Payment	Loan Balance June 30,2020
Quality Machine Products, Inc	June 26, 2009	\$ 52,500	4.95%	5 yrs.	\$ 944	\$ 35,027
Valley Plating	August 29, 2017	52,500	3.00%	5 yrs.	944	23,724
Cambridge Tech	October 26, 2015	200,000	2.25%	6 yrs.	2,973	46,822
Harbor Group	June 15, 2018	400,000	3.80%	8 yrs.	4,839	322,566
Harbor Group	December 21, 2012	200,000	3.00%	10yrs.	1,931	61,099
		<u>\$ 905,000</u>				<u>\$ 489,238</u>

The County also has a note receivable for \$4,280,000 to be paid by the Sioux County Regional Airport in regard to a capital loan note the County issued on their behalf. The ending balance as of June 30, 2020 is \$3,960,000.

During the year ended June 30, 2020, the County issued a note receivable for \$1,850,000 to be paid by the Conservation Foundation in regard to a capital loan note the County issued on their behalf. Loan repayments totaled \$185,000 during the year. Ending balance as of June 30, 2020 is \$1,665,000.

NOTE 5 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

	Secondary Roads	Debt Service	Capital Improvements	Total Transfers Out
General Fund	\$ 255,232	\$ -	\$ 375,000	\$ 630,232
Rural Services	2,419,679	-	-	2,419,679
Urban Renewal District #1	-	253,000	-	253,000
Total Transfers In	<u>\$ 2,674,911</u>	<u>\$ 253,000</u>	<u>\$ 375,000</u>	<u>\$ 3,302,911</u>

Transfers were used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2019 (As Restated)	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,632,024	\$ 71,280	\$ -	\$ 4,703,304
Construction in Progress	2,555,349	6,745,821	5,263,941	4,037,229
Total capital assets not being depreciated	<u>7,187,373</u>	<u>6,817,101</u>	<u>5,263,941</u>	<u>8,740,533</u>
Capital assets being depreciated:				
Buildings	13,084,215	4,876,695	253,071	17,707,839
Equipment	15,351,912	1,022,468	660,386	15,713,994
Infrastructure	90,495,471	913,955	-	91,409,426
Total capital assets being depreciated	<u>118,931,598</u>	<u>6,813,118</u>	<u>913,457</u>	<u>124,831,259</u>
Less accumulated depreciation for:				
Buildings	6,188,518	321,206	239,512	6,270,212
Equipment	9,950,954	951,397	604,761	10,297,590
Infrastructure	40,565,871	3,124,509	-	43,690,380
Total accumulated depreciation	<u>56,705,343</u>	<u>4,397,112</u>	<u>844,273</u>	<u>60,258,182</u>
Total capital assets being depreciated, net	<u>62,226,255</u>	<u>2,416,006</u>	<u>69,184</u>	<u>64,573,077</u>
Governmental activities capital assets, net	<u>\$ 69,413,628</u>	<u>\$ 9,233,107</u>	<u>\$ 5,333,125</u>	<u>\$ 73,313,610</u>

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 310,383
County environment and education	223,664
Roads and transportation	3,743,087
Government services to residents	86,158
Administration	33,820
	<u>\$ 4,397,112</u>

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities
Land	\$ 4,703,304
Construction in Progress	4,037,229
Capital Assets (net of accumulated depreciation)	64,573,077
Notes Receivable	1,665,000
Less: General Obligation Bonds Payable	(4,450,517)
Capital Lease	(390,000)
Net Investment in Capital Assets	<u>\$ 70,138,093</u>

Construction in progress at June 30, 2020 consisted of costs associated with several road construction projects.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2020 is as follows:

	GO Bonds	Compensated Absences	Direct Borrowing		Total
			Revenue Capital Loan Note	Capital Leases	
Balance Beginning of Year	\$ 3,555,000	\$ 441,937	\$ 4,280,000	\$ 450,000	\$ 8,726,937
Increases	1,850,000	350,545	-	-	2,200,545
Decreases	965,000	265,163	320,000	60,000	1,610,163
Balance End of Year	<u>\$ 4,440,000</u>	<u>\$ 527,319</u>	<u>\$ 3,960,000</u>	<u>\$ 390,000</u>	<u>\$ 9,317,319</u>
Due within one Year	\$ 865,000	\$ 316,391	\$ 265,000	\$ -	\$ 1,446,391

The General Obligation Bonds are shown gross of the unamortized premiums of \$10,517 on the Statement of Net Position.

A summary of the County's June 30, 2020 general obligation bonded indebtedness is as follows:

	Date of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 2020
Series 2016A	2016	2.00%	\$ 355,000 - \$455,000	\$ 2,120,000	\$ 355,000
Series 2012A	2012	.90-2.45%	315,000 - 365,000	3,695,000	2,420,000
Series 2019	2019	3.63%	185,000	1,850,000	1,665,000
					<u>\$ 4,440,000</u>

On June 15, 2012, the County issued \$3,695,000 of General Obligation Refunding Capital Loan Notes, Series 2012A in a crossover advance refunding of the Series 2008 GO Capital Loan Notes. The 2012 bonds have an average interest rate of 1.92% and the 2008 bonds refunded had an average interest rate of 4.1%. The net proceeds from the issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. On June 1, 2016, the notes became callable and the amount in escrow was used to refund the remaining \$3,420,000 of the 2008 bonds. As a result of this refunding, the County reduced its debt service payments over the next twelve years by \$182,099, and obtain an economic gain of \$152,945.

On March 15, 2016, the County issued \$2,120,000 of General Obligation Refunding Capital Loan Notes, Series 2016A in a current refunding of the Series 2007 GO Capital Loan Notes. The 2016 bonds have an average interest rate of 2.00% and the 2007 bonds being refunded have an average interest rate of 3.87%. As a result of this refunding, the County will reduce its debt service payments over the next six years by \$130,001, and obtain an economic gain of \$126,547.

On August 1, 2019, the County issued \$1,850,000 in General Obligation Capital Loan Notes, series 2019 on behalf of the Conservation Foundation for the construction of the Nature Center. The loan is a 10-year 3.6% loan with interest due semiannually and principal payments due annually beginning on December 1, 2019.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES – (CONTINUED)

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 865,000	\$ 117,154	\$ 982,154
2022	520,000	98,148	618,148
2023	525,000	85,579	610,579
2024	530,000	72,412	602,412
2025	535,000	58,634	593,634
2026-2029	1,465,000	93,407	1,558,407
	<u>\$ 4,440,000</u>	<u>\$ 525,334</u>	<u>\$ 4,965,334</u>

\$4,186,969 is available in the Debt Service Fund to service the General Obligation Bonds. The general obligation bonds are to be retired through property tax levies.

	Date of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2020
UR Airport	2017	3.25%	\$279,000 - \$423,000	\$ 4,850,000	<u>\$ 3,960,000</u>

On February 27, 2017, the County issued a \$4,850,000 Revenue Capital Loan. The loan proceeds are to be used for the planning and construction of a regional airport in the County. The loan will not constitute general obligations or be payable in any manner of taxation but will be payable from the secured revenue and other funds derived from, or in connection to the regional airport facility. All or a portion of the Note may be called for redemption by the Issuer and paid before maturity on any date, from any funds regardless of source, in whole or from time to time in part. The terms of redemption shall be par, plus accrued interest to date of call. If the County desires to alter payment schedule to provide for certain accelerated payments without altering the maturity date of the Note, and the lender is agreeable to such changes to the payment schedule.

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 265,000	\$ 94,694	\$ 359,694
2022	270,000	115,700	385,700
2023	280,000	106,763	386,763
2024	290,000	97,500	387,500
2025	300,000	87,913	387,913
2026-2030	1,744,000	278,654	2,022,654
2031-2032	811,000	26,569	837,569
	<u>\$ 3,960,000</u>	<u>\$ 807,793</u>	<u>\$ 4,767,793</u>

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 7 - LONG-TERM LIABILITIES – (CONTINUED)

Capital Leases – In March 2014, the County entered into a fifteen-year lease agreement as lessee to finance the acquisition of the Sandy Hollow Golf Club and Campground. The lease requires fifteen annual payments of \$30,000 with a final balloon payment of \$150,000 at the end of the lease. No interest is to be paid on these annual rental payments. This lease qualifies as a capital lease and, therefore, has been recorded at the present value of minimum lease payments as of the inception date. Of the total cost, \$220,000 is attributed to the land and \$380,000 represents buildings on the property. Total accumulated depreciation for the buildings was \$89,964 as of June 30, 2020. These assets will continue to be depreciated over their useful life of twenty-five years. The lease may be terminated prior to expiration by mutual agreement of the parties or upon default by the County of the terms and provision of the lease.

Year Ending June 30,	Principal
2021	\$ -
2022	30,000
2023	30,000
2024	30,000
2025	30,000
2026-2030	150,000
2031-2032	120,000
	\$ 390,000

NOTE 8 - PENSION PLAN

Plan description – IPERS membership is mandatory for employees of the County, except for those covered by another retirement system. Employees of the County are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees’ Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, 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, anytime after reaching age 62 with 20 or more years of covered employment, or when the member’s years of service plus the member’s age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member’s first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55.

The formula used to calculate a Regular member’s monthly IPERS benefit includes:

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

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

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 8 - PENSION PLAN – (CONTINUED)

The formula used to calculate a sheriffs, deputies and protection occupation members' monthly IPERS benefit includes:

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

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

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

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

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

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29 percent of pay and the County contributed 9.44 percent of covered payroll, for a total rate of 15.73 percent. The Sheriff, deputies and the County each contributed 9.51 percent of covered payroll, for a total rate of 19.02 percent. Protective occupation members contributed 6.61 percent of pay and the County contributed 9.91 percent of covered payroll, for a total rate of 16.52 percent.

The County's total contributions to IPERS for the year ended June 30, 2020 were \$667,675.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the County reported a liability of \$3,514,113 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2019, the County's collective proportion was 0.0606859 percent, which was a decrease of 0.003170 percent from its proportion measured as of June 30, 2018.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 8 - PENSION PLAN – (CONTINUED)

For the year ended June 30, 2020, the County recognized pension expense of \$861,681. At June 30, 2020, 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	\$ 29,392	\$ 161,076
Changes of assumptions	563,871	153,625
Net difference between projected and actual earnings on pension plan investments	-	643,581
Changes in proportion and differences between County contributions and proportionate share of contributions	65,773	35,970
County contributions subsequent to the measurement date	667,675	-
Total	<u>\$ 1,326,711</u>	<u>\$ 994,252</u>

\$667,675 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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,	
2021	\$ 80,314
2022	(170,597)
2023	(127,306)
2024	(107,753)
2025	(9,874)
	<u>\$ (335,216)</u>

There were no non-employer contributing entities at IPERS.

Actuarial assumptions – The total pension liability in the June 30, 2019 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 percent per annum
Salary Increases (effective June 30, 2017)	3.25 to 16.25 percent average, including inflation. Rates vary by membership group.
Investment Rate of Return (effective June 30, 2017)	7.00 percent per annum, compounded annually, net of pension plan investment expense, and including inflation
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and .65 percent real wage inflation.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 8 - PENSION PLAN – (CONTINUED)

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	100%	

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

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate - The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) 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	\$ 7,764,497	\$ 3,514,113	\$ (49,716)

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued 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, 2020.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their 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.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – (CONTINUED)

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

Retired participants must be age 55 or older at retirement. At July 1, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	121
Total	121

Total OPEB Liability – The County’s total OPEB liability of \$349,220 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 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, 2020)	3.00% per annum
Rates of salary increase (effective June 30, 2020)	3.00% per annum including inflation.
Discount rate (effective July 1, 2019)	3.50% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2020)	7.50% initial rate decreasing by .25% annually to an ultimate rate of 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50% 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 2019 generational projection of future mortality improvement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 397,941
Changes for the year:	
Service cost	25,220
Interest	11,977
Difference between Expected and Actual Experience	(77,608)
Changes of Assumptions	1,612
Benefit payments	(9,922)
Net changes	(48,721)
Total OPEB liability end of year	\$ 349,220

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2019 to 3.50% in fiscal year 2020.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – (CONTINUED)

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 377,346	\$ 349,220	\$ 322,995

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 7.5% decreasing to 5.0%. as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower (6.5% to 4.0%) or a 1-percentage point higher (8.5% to 6.0%) than the current rate:

	1% Decrease (6.5% decreasing to 4.0%)	Current Healthcare Cost Trend Rate (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB liability	\$ 309,152	\$ 349,220	\$ 397,349

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB – for the year ended June 30, 2020, the County recognized OPEB expense of \$29,095. At June 30, 2020, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (110,980)
Changes in assumptions	17,434	-
Total	\$ 17,434	\$ (110,980)

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

Year Ending June 30,	Amount
2021	\$ (8,102)
2022	(8,102)
2023	(8,102)
2024	(8,102)
2025	(8,102)
Thereafter	(53,036)
	\$ (93,546)

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 10 - RISK MANAGEMENT

Sioux County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 779 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2020 were \$336,143.

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

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2020, no liability has been recorded in the County's financial statements. As of June 30, 2020, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 10 - RISK MANAGEMENT – (CONTINUED)

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

NOTE 11 - TAX ABATEMENTS

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

Tax Abatements of Other Entities

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2020.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Orange City	Urban Renewal and Economic Development Projects	\$ 43,278
City of Alton	Urban Renewal and Economic Development Projects	4,670
City of Hull	Urban Renewal and Economic Development Projects	106,181
City of Rock Valley	Urban Renewal and Economic Development Projects	50,948

NOTE 12 - CONSTRUCTION COMMITMENT

The County has entered into several construction contracts totaling \$2,907,562 for bridge and culvert construction and roadway paving projects. As of June 30, 2020, \$2,309,503 had been incurred against the contracts. The remaining balance will be paid as work on the projects progresses.

NOTE 13 - PARTIALLY SELF-FUNDED HEALTH INSURANCE PLAN

The Sioux County Partially Self-Funded (PSF) Health Insurance Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with TPA, Ltd. The agreement is subject to automatic renewal provisions. The County assumes liability for out-of-pocket maximums of \$5,000 for single individuals and \$10,000 for family coverage.

Monthly payments of service fees and plan contributions to the Sioux County PSF Health Insurance 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 TPA, Ltd. from the Sioux County PSF Health Insurance Fund. The County records the plan assets and related liabilities of the Sioux County PSF Health Insurance Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2020 was \$369,425.

SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 13 - PARTIALLY SELF-FUNDED HEALTH INSURANCE PLAN – (CONTINUED)

Amounts payable from the PSF Health Insurance Fund at June 30, 2020 total \$54,438 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on estimates of the amounts necessary to pay current year claims. A liability has been established based on the requirements of Government Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

	2020
Unpaid claims, beginning of year	\$ 49,836
Incurred claims (including IBNR's)	367,514
Claim Payments	(362,912)
Unpaid claims, end of year	\$ 54,438

NOTE 14 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to any employee who, with the consent of Sioux county, elects to reduce a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, in service distribution or unforeseeable emergency. The Plan was amended to comply with IRC Section 457(b) which allowed for the Plan to hold its assets in trust. Under these new requirements, the assets of the Plan are no longer subject to the general creditors of the County. The assets are maintained in trust by the employer in connection with the Plan. The Plan is maintained for the exclusive benefit of the employee or his/her beneficiary and, therefore, the liability and corresponding investment are not reflected in the financial statements.

NOTE 15 - GUARANTEED DEBT

Sioux County is a member of a 28E agreement with the Northwest Iowa Area Solid Waste Agency. Sioux County has provided a Local Government Guarantee as specified in IAC 567-111.6(8) for the Agency. The current closure and/or post closure cost estimates being assured through the Local Government Guarantee by Sioux County are as follows:

Closure cost to be assured:	\$ 18,360
Post closure cost to be assured:	\$287,640

NOTE 16 - DEFICIT FUND BALANCE

The County has one fund with a deficit fund balance at June 30, 2020. The County intends to finance the deficits with future property tax revenue and general revenues.

The fund deficits were as follows:

Special Revenue – Urban Renewal District #1	\$1,724,211
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SIOUX COUNTY, IOWA
Notes to Financial Statements
June 30, 2020

NOTE 17 - PRIOR PERIOD ADJUSTMENT

It was determined in the current year that agency fund fixed assets had previously been added to the County's fixed asset schedule. A prior period adjustment was recorded on the Government-Wide financial statements to restate beginning land and depreciable asset balances. The prior period adjustment decreased the Governmental Activities' beginning Net Investment in Capital Assets by \$129,285.

NOTE 18 - PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. This statement will be implemented for the fiscal year ending June 30, 2021. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

REQUIRED SUPPLEMENTARY INFORMATION

SIOUX COUNTY, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Amended		Final Budget
				Positive
				(Negative)
Revenue:				
Property and other county taxes	\$ 12,427,789	\$ 12,427,789	\$ 13,639,381	\$ 1,211,592
Interest and penalties on taxes	54,300	54,300	62,281	7,981
Intergovernmental	8,323,629	8,423,629	8,511,239	87,610
Licenses and permits	19,500	19,500	17,730	(1,770)
Charges for services	942,145	942,145	1,107,997	165,852
Use of money and property	225,124	225,124	516,684	291,560
Miscellaneous	4,200,625	4,200,625	2,035,261	(2,165,364)
Total Revenue	26,193,112	26,293,112	25,890,573	(402,539)
Expenditures:				
Current operating:				
Public safety and legal services	4,884,571	4,884,571	4,624,667	259,904
Physical health and social services	1,282,520	1,394,020	794,718	599,302
Mental Health, MR & DD	787,140	787,140	580,373	206,767
County environment and education	1,868,101	2,053,250	1,976,420	76,830
Roads and transportation	7,628,220	7,628,220	6,796,867	831,353
Government services to residents	1,150,032	1,150,032	1,078,438	71,594
Administration	2,755,417	2,765,417	2,217,892	547,525
Non-program services	242,600	252,600	103,131	149,469
Debt service	1,323,360	1,323,360	1,551,984	(228,624)
Capital projects	9,079,750	9,204,750	5,147,129	4,057,621
Total Expenditures	31,001,711	31,443,360	24,871,619	6,571,741
Excess (Deficiency) of revenues over expenditures	(4,808,599)	(5,150,248)	1,018,954	6,169,202
Other financing sources (uses):				
Transfers in	4,400,721	4,400,721	3,302,911	(1,097,810)
Transfers out	(4,550,721)	(4,550,721)	(3,302,911)	1,247,810
Issuance of Capital Loan Bond	-	-	-	-
Issuance of capital lease	-	-	-	-
Proceeds of Fixed Asset Sales	4,250	4,250	17,325	13,075
Capital Loan Note Proceeds	-	-	1,850,000	1,850,000
Total other financing sources (uses)	(145,750)	(145,750)	1,867,325	2,013,075
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,954,349)</u>	<u>\$ (5,295,998)</u>	2,886,279	<u>\$ 8,182,277</u>
Balance beginning of year			25,048,385	
Balance end of year			<u>\$ 27,934,664</u>	

SIOUX COUNTY, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2020

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except the Internal Service Fund and Agency 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 10 major classes of expenditures known as functions, not by fund or fund type. These 10 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, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$316,649, and a second amendment increasing budgeted disbursements by \$125,000. The budget amendments are reflected in the final budget amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission. During fiscal year 2020, disbursements exceeded budgeted amounts for the E911 System.

During fiscal year 2020, disbursements exceeded budgeted amounts for the Debt Service function.

As noted previously, the actual results of operations are presented in accordance with accounting principles generally accepted in the United States which differ in certain respects from those practices used in the preparation of the 2019-20 budget. For purposes of preparing the budget comparison above, the actual expenses have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenses to cash basis at the end of year are as follows:

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 25,890,573	\$ 837,785	\$ 26,728,358
Expenditures	24,871,619	(8,037)	24,863,585
Net	1,018,954	845,822	1,864,773
Other Financing Sources	1,867,325	-	1,867,325
Beginning Fund Balance	25,048,385	6,941,317	31,989,713
(Decrease) in Reserve for Inventory	-	(530,795)	(530,795)
Ending Fund Balance	<u>\$ 27,934,664</u>	<u>\$ 7,256,344</u>	<u>\$ 35,191,006</u>

SIOUX COUNTY, IOWA
Schedule of Changes in the County's
Total OPEB Liability, Related Ratios and Notes
For the Three Years Ended June 30, 2020
Required Supplementary Information

	2020	2019	2018
Service Cost	\$ 25,220	\$ 26,521	\$ 25,748
Interest Cost	11,977	14,020	13,011
Difference between expected and actual experiences	(77,608)	-	(50,536)
Changes in assumptions	1,612	-	20,462
Benefit payments	(9,922)	(15,407)	(7,292)
Net change in total OPEB liability	(48,721)	25,134	1,393
Total OPEB liability beginning of year	397,941	372,807	371,414
Total OPEB liability end of year	\$ 349,220	\$ 397,941	\$ 372,807
Covered employee payroll	\$ 6,507,619	\$ 6,286,919	\$ 6,103,805
Total OPEB liability as a percentage of covered employee payroll	5.37%	6.33%	6.11%

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 20, 2017	4.50%

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

SIOUX COUNTY
Schedule of the County's Proportionate Share of
Net Pension Liability
Iowa Public Employees' Retirement System Last Six Fiscal Years*
(In Thousands)
Required Supplementary Information
For the Year Ended June 30, 2020

	2020	2019	2018	2017	2016
County's proportion of the net pension liability	.0606859%	.0638555%	.0677955%	.0669958%	0.0616772%
County's proportionate share of the net pension liability	\$ 3,514	\$ 4,041	\$ 4,516	\$ 4,216	\$ 3,047
County's covered payroll	6,841	6,685	6,439	6,167	6,220
County's proportionate share of the net pension liability as a percentage of its covered payroll	51.4%	60.5%	70%	68%	49%
Plan fiduciary net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%
	<u>2015</u>				
County's proportion of the net pension liability	0.0592721%				
County's proportionate share of the net pension liability	\$ 2,425				
County's covered payroll	5,864				
County's proportionate share of the net pension liability as a percentage of its covered payroll	41.4%				
Plan fiduciary net position as a percentage of the total pension liability	87.61%				

*The amounts presented for each fiscal year were determined as of June 30.

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

SIOUX COUNTY
Schedule of the County Contributions
Iowa Public Employees' Retirement System
Last 10 Fiscal Years
(In Thousands)
Required Supplementary Information
For the Year Ended June 30, 2020

	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 668	\$ 657	\$ 609	\$ 589	\$ 553
Contributions in relation to the statutorily required contribution	(668)	(657)	(609)	(589)	(553)
Contribution deficiency (excess)	-	-	-	-	-
County's covered payroll	\$ 7,014	\$ 6,841	\$ 6,685	\$ 6,439	\$ 6,167
Contributions as a percentage of covered payroll	9.52%	9.60%	9.11%	9.15%	8.97%
	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 554	\$ 552	\$ 514	\$ 483	\$ 408
Contributions in relation to the statutorily required contribution	(554)	(552)	(514)	(483)	(408)
Contribution deficiency (excess)	-	-	-	-	-
County's covered payroll	\$ 6,220	\$ 5,864	\$ 5,678	\$ 5,632	\$ 5,366
Contributions as a percentage of covered payroll	8.91%	9.41%	9.05%	8.58%	7.60%

SIOUX COUNTY
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2020

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 beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

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OTHER SUPPLEMENTARY INFORMATION

**SIOUX COUNTY, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2020**

	Special Revenue Funds			
	Recorder's Records Management Fund	Federal Revenue Sharing	Sioux County Revolving Loan Fund	Attorney's Forfeiture Fund
Assets				
Cash and Pooled Investments	\$ 10,742	\$ -	\$ 1,382,443	\$ 6,185
Receivables:				
Property Tax	-	-	-	-
Future Property Tax	-	-	-	-
Accrued Interest	-	-	-	-
Notes	-	-	489,238	-
Total Assets	10,742	-	1,871,681	6,185
Liabilities				
Accounts Payable	-	-	-	5,019
Salaries and Benefits Payable	-	-	-	-
Total Liabilities	-	-	-	5,019
Deferred Inflows of Resources				
Unavailable Revenue-				
Subsequent Year Property Taxes	-	-	-	-
Delinquent Property Tax	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable for:				
Long-term Notes	-	-	489,238	-
Restricted for:				
Mental Health Purposes	-	-	-	-
Other Purposes	10,742	-	-	1,166
Committed for:				
Revolving Loan Purposes	-	-	1,382,443	-
Assigned for:				
Courthouse Capital Improvements	-	-	-	-
Total Fund Balances	10,742	-	1,871,681	1,166
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,742	\$ -	\$ 1,871,681	\$ 6,185

Special Revenue Funds			Capital Projects		Total
Sheriff's Forfeiture Fund	Resource Enhancement and Protection	Mental Health	Courthouse Capital Improvement	Fund	
\$ 1,021	\$ 44,488	\$ 390,070	\$ 130,221		\$ 1,965,170
-	-	4,125	-	-	4,125
-	-	1,062,881	-	-	1,062,881
-	1	-	-	-	1
-	-	-	-	-	489,238
1,021	44,489	1,457,076	130,221		3,521,415
-	-	-	1,800	-	6,819
-	-	5,058	-	-	5,058
-	-	5,058	1,800	-	11,877
-	-	1,062,881	-	-	1,062,881
-	-	108	-	-	108
-	-	1,062,989	-	-	1,062,989
-	-	-	-	-	489,238
-	-	389,029	-	-	389,029
1,021	44,489	-	-	-	57,418
-	-	-	-	-	1,382,443
-	-	-	128,421	-	128,421
1,021	44,489	389,029	128,421		2,446,549
\$ 1,021	\$ 44,489	\$ 1,457,076	\$ 130,221		\$ 3,521,415

SIOUX COUNTY, IOWA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Recorder's Records Management Fund	Federal Revenue Sharing	Sioux County Revolving Loan Fund	Attorney's Forfeiture Fund
Revenue:				
Property and other county taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	8,183	-	-	-
Use of money and property	139	103	143,922	81
Miscellaneous	-	-	-	25
Total Revenue	8,322	103	143,922	106
Expenditures:				
Current operating:				
Public safety and legal services	-	46,000.00	-	6,194
Mental health	-	-	-	-
Government services to residents	8,991	-	-	-
Non-program services	-	-	111,621	-
Capital projects	-	-	-	-
Total Expenditures	8,991	46,000	111,621	6,194
Excess (Deficiency) of revenues over expenditures	(669)	(45,897)	32,301	(6,088)
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	(669)	(45,897)	32,301	(6,088)
Fund balances - beginning of year	11,411	45,897	1,839,380	7,254
Fund balances - end of year	\$ 10,742	\$ -	\$ 1,871,681	\$ 1,166

Special Revenue Funds			Capital Projects Fund	Total
Sheriff's Forfeiture Fund	Resource Enhancement and Protection	Mental Health	Courthouse Capital Improvement	
\$ -	\$ -	\$ 788,762	\$ -	\$ 788,762
-	15,393	14,356	-	29,749
-	-	-	-	8,183
11	811	-	-	145,067
246	-	-	29,983	30,254
257	16,204	803,118	29,983	1,002,015
49	-	-	-	52,243
-	-	579,445	-	579,445
-	-	-	-	8,991
-	-	-	-	111,621
-	45,150	-	399,576	444,726
49	45,150	579,445	399,576	1,197,026
208	(28,946)	223,673	(369,593)	(195,011)
-	-	-	375,000	375,000
-	-	-	375,000	375,000
208	(28,946)	223,673	5,407	179,989
813	73,435	165,356	123,014	2,266,560
\$ 1,021	\$ 44,489	\$ 389,029	\$ 128,421	\$ 2,446,549

SIOUX COUNTY, IOWA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
Agency Funds
June 30, 2020

	County Sheriff	Agricultural Extension	County Assessor	Schools
ASSETS				
Cash and Pooled Investments	\$ 37,171	\$ 3,879	\$ 246,313	\$ 369,278
Receivables:				
Property Tax	-	1,557	2,175	159,711
Future Property Tax	-	310,500	435,000	31,819,258
Accounts	-	-	-	-
Prepaid Expense	-	-	-	-
Assessments	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>37,171</u>	<u>315,936</u>	<u>683,488</u>	<u>32,348,247</u>
LIABILITIES				
Accounts Payable	-	-	191	-
Due to Other Governments	37,171	315,936	645,613	32,348,247
Salaries and Benefits Payable	-	-	14,265	-
Compensated Absences	-	-	23,419	-
Total Liabilities	<u>\$ 37,171</u>	<u>\$ 315,936</u>	<u>\$ 683,488</u>	<u>\$ 32,348,247</u>

Area Schools	Corporations	Townships	City Special Assessments	Auto License and Use Tax
\$ 26,471	\$ 220,949	\$ 7,218	\$ -	\$ 1,067,396
11,055	152,768	2,334	-	-
2,271,432	20,459,061	510,638	-	-
-	-	-	-	-
-	-	-	272,936	-
-	-	-	-	-
<u>2,308,958</u>	<u>20,832,778</u>	<u>520,190</u>	<u>272,936</u>	<u>1,067,396</u>
-	-	-	-	-
2,308,958	20,832,778	520,190	272,936	1,067,396
-	-	-	-	-
<u>\$ 2,308,958</u>	<u>\$ 20,832,778</u>	<u>\$ 520,190</u>	<u>\$ 272,936</u>	<u>\$ 1,067,396</u>

(continued)

SIOUX COUNTY, IOWA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES - (Continued)
Agency Funds
June 30, 2020

	Tax In Advance	Emergency Management Services	Brucellosis and Tuberculosis Eradication	Public Safety Agency	Disposal Agency
ASSETS					
Cash and Pooled Investments	\$ 128,843	\$ 119,265	\$ 72	\$ 290,612	\$ 29,734
Receivables:					
Property Tax	-	-	-	-	-
Future Property Tax	-	-	5,521	-	-
Accrued Interest	-	2	-	-	-
Prepaid Expense	-	1,147	-	10,398	-
Assessments	-	-	-	-	-
Due from Other Governments	-	23,413	-	-	-
Total Assets	<u>128,843</u>	<u>143,827</u>	<u>5,593</u>	<u>301,010</u>	<u>29,734</u>
LIABILITIES					
Accounts Payable	-	2,021	-	590	-
Due to Other Governments	128,843	126,992	5,593	259,199	29,734
Salaries and Benefits Payable	-	4,615	-	19,028	-
Compensated Absences	-	10,199	-	22,193	-
Total Liabilities	<u>\$ 128,843</u>	<u>\$ 143,827</u>	<u>\$ 5,593</u>	<u>\$ 301,010</u>	<u>\$ 29,734</u>

E-911	Treasurer's Trust Fund	Recorder E-Commerce	Flexible Benefits	Sioux Rivers Mental Health	Condemnations	Total
\$ 439,762	\$ 2,018	\$ 905	\$ 16,823	\$ 286,597	\$ 406	\$ 3,293,712
-	-	-	-	-	-	329,600
-	-	-	-	-	-	55,811,410
12	-	-	-	-	-	14
-	-	-	-	-	-	11,545
-	-	-	-	-	-	272,936
91,845	-	-	-	-	-	115,258
<u>531,619</u>	<u>2,018</u>	<u>905</u>	<u>16,823</u>	<u>286,597</u>	<u>406</u>	<u>59,834,475</u>
367	-	-	11,332	57,019	-	71,520
531,252	2,018	905	5,491	229,578	406	59,669,236
-	-	-	-	-	-	37,908
-	-	-	-	-	-	55,811
<u>\$ 531,619</u>	<u>\$ 2,018</u>	<u>\$ 905</u>	<u>\$ 16,823</u>	<u>\$ 286,597</u>	<u>\$ 406</u>	<u>\$59,834,475</u>

SIOUX COUNTY, IOWA
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
County Recorder				
<u>Assets</u>				
Cash and Pooled Investments	\$ -	917,311	\$ 917,311	\$ -
Total Assets	<u>-</u>	<u>917,311</u>	<u>917,311</u>	<u>-</u>
<u>Liabilities</u>				
Due to Other Governments	-	917,311	917,311	-
Total Liabilities	<u>-</u>	<u>917,311</u>	<u>917,311</u>	<u>-</u>
County Sheriff				
<u>Assets</u>				
Cash and Pooled Investments	60,578	1,413,241	1,436,648	37,171
Total Assets	<u>60,578</u>	<u>1,413,241</u>	<u>1,436,648</u>	<u>37,171</u>
<u>Liabilities</u>				
Due to Other Governments	60,578	1,413,241	1,436,648	37,171
Total Liabilities	<u>60,578</u>	<u>1,413,241</u>	<u>1,436,648</u>	<u>37,171</u>
Agricultural Extension Education				
<u>Assets</u>				
Cash and Pooled Investments	955	301,530	298,606	3,879
Property Tax Receivable	-	1,557	-	1,557
Future Property Tax	297,000	310,500	297,000	310,500
Total Assets	<u>297,955</u>	<u>613,587</u>	<u>595,606</u>	<u>315,936</u>
<u>Liabilities</u>				
Due to Other Governments	297,955	613,587	595,606	315,936
Total Liabilities	<u>297,955</u>	<u>613,587</u>	<u>595,606</u>	<u>315,936</u>
County Assessor				
<u>Assets</u>				
Cash and Pooled Investments	251,302	421,314	426,303	246,313
Property Tax Receivable	-	2,175	-	2,175
Future Property Tax	415,000	435,000	415,000	435,000
Total Asset	<u>666,302</u>	<u>858,489</u>	<u>841,303</u>	<u>683,488</u>
<u>Liabilities</u>				
Accounts Payable	1,040	191	1,040	191
Due to Other Governments	633,225	820,614	808,226	645,613
Salaries and Benefits Payable	11,754	14,265	11,754	14,265
Compensated Absences	20,283	23,419	20,283	23,419
Total Liabilities	<u>\$ 666,302</u>	<u>\$ 858,489</u>	<u>\$ 841,303</u>	<u>\$ 683,488</u>

(continued)

SIOUX COUNTY, IOWA
Combining Schedule of Changes in Assets and Liabilities - (Continued)
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Schools				
<u>Assets</u>				
Cash and Pooled Investments	\$ 83,779	\$ 29,304,399	\$ 29,018,900	\$ 369,278
Property Tax Receivable	27,348	159,711	27,348	159,711
Future Property Tax	28,502,740	31,819,258	28,502,740	31,819,258
Total Assets	<u>28,613,867</u>	<u>61,283,368</u>	<u>57,548,988</u>	<u>32,348,247</u>
<u>Liabilities</u>				
Due to Other Governments	28,613,867	61,283,368	57,548,988	32,348,247
Total Liabilities	<u>28,613,867</u>	<u>61,283,368</u>	<u>57,548,988</u>	<u>32,348,247</u>
Area Schools				
<u>Assets</u>				
Cash and Pooled Investments	4,616	2,058,354	2,036,499	26,471
Property Tax Receivable	-	11,055	-	11,055
Future Property Tax	2,003,989	2,271,432	2,003,989	2,271,432
Total Assets	<u>2,008,605</u>	<u>4,340,841</u>	<u>4,040,488</u>	<u>2,308,958</u>
<u>Liabilities</u>				
Due to Other Governments	2,008,605	4,340,841	4,040,488	2,308,958
Total Liabilities	<u>2,008,605</u>	<u>4,340,841</u>	<u>4,040,488</u>	<u>2,308,958</u>
Corporations				
<u>Assets</u>				
Cash and Pooled Investments	57,151	20,204,413	20,040,615	220,949
Property Tax Receivable	23,030	152,768	23,030	152,768
Future Property Tax	19,694,492	20,459,061	19,694,492	20,459,061
Total Assets	<u>19,774,673</u>	<u>40,816,242</u>	<u>39,758,137</u>	<u>20,832,778</u>
<u>Liabilities</u>				
Due to Other Governments	19,774,673	40,816,242	39,758,137	20,832,778
Total Liabilities	<u>19,774,673</u>	<u>40,816,242</u>	<u>39,758,137</u>	<u>20,832,778</u>
Townships				
<u>Assets</u>				
Cash and Pooled Investments	1,030	505,057	498,869	7,218
Property Tax Receivable	-	2,334	-	2,334
Future Property Tax	505,508	510,638	505,508	510,638
Total Assets	<u>506,538</u>	<u>1,018,029</u>	<u>1,004,377</u>	<u>520,190</u>
<u>Liabilities</u>				
Due to Other Governments	506,538	1,018,029	1,004,377	520,190
Total Liabilities	<u>\$ 506,538</u>	<u>\$ 1,018,029</u>	<u>\$ 1,004,377</u>	<u>\$ 520,190</u>

(continued)

SIOUX COUNTY, IOWA
Combining Schedule of Changes in Assets and Liabilities - (Continued)
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
City Special Assessments				
<u>Assets</u>				
Cash and Pooled Investments	\$ 1,114	\$ 111,718	\$ 112,832	\$ -
Assessments Receivable	90,022	272,936	90,022	272,936
Total Assets	<u>91,136</u>	<u>384,654</u>	<u>202,854</u>	<u>272,936</u>
<u>Liabilities</u>				
Due to Other Governments	91,136	384,654	202,854	272,936
Total Liabilities	<u>91,136</u>	<u>384,654</u>	<u>202,854</u>	<u>272,936</u>
Auto License and Use Tax				
<u>Assets</u>				
Cash and Pooled Investments	946,318	12,266,039	12,144,961	1,067,396
Total Assets	<u>946,318</u>	<u>12,266,039</u>	<u>12,144,961</u>	<u>1,067,396</u>
<u>Liabilities</u>				
Due to Other Governments	946,318	12,266,039	12,144,961	1,067,396
Total Liabilities	<u>946,318</u>	<u>12,266,039</u>	<u>12,144,961</u>	<u>1,067,396</u>
Tax In Advance				
<u>Assets</u>				
Cash and Pooled Investments	124,082	179,588	174,827	128,843
Total Assets	<u>124,082</u>	<u>179,588</u>	<u>174,827</u>	<u>128,843</u>
<u>Liabilities</u>				
Due to Other Governments	124,082	179,588	174,827	128,843
Total Liabilities	<u>124,082</u>	<u>179,588</u>	<u>174,827</u>	<u>128,843</u>
Emergency Management Services				
<u>Assets</u>				
Cash and Pooled Investments	117,071	201,886	199,692	119,265
Accrued Interest	349	2	349	2
Due from Other Governments	23,706	23,413	23,706	23,413
Prepaid Insurance	-	1,147	-	1,147
Total Assets	<u>141,126</u>	<u>226,448</u>	<u>223,747</u>	<u>143,827</u>
<u>Liabilities</u>				
Accounts Payable	2,937	2,021	2,937	2,021
Salaries and Benefits Payable	949	4,615	949	4,615
Due to Other Governments	134,269	209,613	216,890	126,992
Compensated Absences	2,971	10,199	2,971	10,199
Total Liabilities	<u>\$ 141,126</u>	<u>\$ 226,448</u>	<u>\$ 223,747</u>	<u>\$ 143,827</u>

(continued)

SIOUX COUNTY, IOWA
Combining Schedule of Changes in Assets and Liabilities - (Continued)
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Brucellosis and Tuberculosis Eradication				
<u>Assets</u>				
Cash and Pooled Investments	\$ 83	\$ 5,583	\$ 5,594	\$ 72
Future Property Tax	5,433	5,521	5,433	5,521
Total Assets	<u>5,516</u>	<u>11,104</u>	<u>11,027</u>	<u>5,593</u>
<u>Liabilities</u>				
Due to Other Governments	5,516	11,104	11,027	5,593
Total Liabilities	<u>5,516</u>	<u>11,104</u>	<u>11,027</u>	<u>5,593</u>
Public Safety Agency				
<u>Assets</u>				
Cash and Pooled Investments	347,208	428,954	485,550	290,612
Prepaid Insurance	-	10,398	-	10,398
Total Assets	<u>347,208</u>	<u>439,352</u>	<u>485,550</u>	<u>301,010</u>
<u>Liabilities</u>				
Accounts Payable	2,134	590	2,134	590
Salaries and Benefits Payable	15,029	19,028	15,029	19,028
Due to Other Governments	310,716	397,541	449,058	259,199
Compensated Absences	19,329	22,193	19,329	22,193
Total Liabilities	<u>347,208</u>	<u>439,352</u>	<u>485,550</u>	<u>301,010</u>
Disposal Agency				
<u>Assets</u>				
Cash and Pooled Investments	29,734	-	-	29,734
Total Assets	<u>29,734</u>	<u>-</u>	<u>-</u>	<u>29,734</u>
<u>Liabilities</u>				
Due to Other Governments	29,734	-	-	29,734
Total Liabilities	<u>29,734</u>	<u>-</u>	<u>-</u>	<u>29,734</u>
E-911				
<u>Assets</u>				
Cash and Pooled Investments	580,810	367,348	508,396	439,762
Accrued Interest	-	12	-	12
Accounts Receivable	25,823	-	25,823	-
Due from Other Governments	80,327	91,845	80,327	91,845
Total Assets	<u>686,960</u>	<u>459,205</u>	<u>614,546</u>	<u>531,619</u>
<u>Liabilities</u>				
Accounts Payable	53	367	53	367
Due to Other Governments	686,907	458,838	614,493	531,252
Total Liabilities	<u>\$ 686,960</u>	<u>\$ 459,205</u>	<u>\$ 614,546</u>	<u>\$ 531,619</u>

(continued)

SIOUX COUNTY, IOWA
Combining Schedule of Changes in Assets and Liabilities - (Continued)
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Treasurer's Trust Fund				
<u>Assets</u>				
Cash and Pooled Investments	\$ -	\$ 157,346	\$ 155,328	\$ 2,018
Total Assets	<u>-</u>	<u>157,346</u>	<u>155,328</u>	<u>2,018</u>
<u>Liabilities</u>				
Due to Other Governments	-	157,346	155,328	2,018
Total Liabilities	<u>-</u>	<u>157,346</u>	<u>155,328</u>	<u>2,018</u>
Recorder E-Commerce				
<u>Assets</u>				
Cash and Pooled Investments	1,074	7,343	7,512	905
Total Assets	<u>1,074</u>	<u>7,343</u>	<u>7,512</u>	<u>905</u>
<u>Liabilities</u>				
Due to Other Governments	1,074	7,343	7,512	905
Total Liabilities	<u>1,074</u>	<u>7,343</u>	<u>7,512</u>	<u>905</u>
Flexible Benefits				
<u>Assets</u>				
Cash and Pooled Investments	14,265	103,429	100,871	16,823
Total Assets	<u>14,265</u>	<u>103,429</u>	<u>100,871</u>	<u>16,823</u>
<u>Liabilities</u>				
Accounts Payable	8,934	11,332	8,934	11,332
Due to Other Governments	5,331	92,097	91,937	5,491
Total Liabilities	<u>14,265</u>	<u>103,429</u>	<u>100,871</u>	<u>16,823</u>
Sioux Rivers Mental health				
<u>Assets</u>				
Cash and Pooled Investments	1,570,629	1,175,961	2,459,993	286,597
Accrued Interest	1,931	-	1,931	-
Accounts Receivable	600	-	600	-
Total Assets	<u>1,573,160</u>	<u>1,175,961</u>	<u>2,462,524</u>	<u>286,597</u>
<u>Liabilities</u>				
Accounts Payable	968,049	57,019	968,049	57,019
Due to Other Governments	605,111	1,118,942	1,494,475	229,578
Total Liabilities	<u>\$ 1,573,160</u>	<u>\$ 1,175,961</u>	<u>\$ 2,462,524</u>	<u>\$ 286,597</u>

(continued)

SIOUX COUNTY, IOWA
Combining Schedule of Changes in Assets and Liabilities - (Continued)
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Condemnations				
<u>Assets</u>				
Cash and Pooled Investments	\$ 406	\$ -	\$ -	\$ 406
Total Assets	<u>406</u>	<u>-</u>	<u>-</u>	<u>406</u>
<u>Liabilities</u>				
Due to Other Governments	406	-	-	406
Total Liabilities	<u>406</u>	<u>-</u>	<u>-</u>	<u>406</u>
Total All Agency Funds				
<u>Assets</u>				
Cash and Pooled Investments	4,192,205	70,130,814	71,029,306	3,293,712
Receivables:				
Property Tax	50,378	329,600	50,378	329,600
Future Property Tax	51,424,162	55,811,410	51,424,162	55,811,410
Accrued Interest	2,280	14	2,280	14
Accounts	26,423	-	26,423	-
Assessments	90,022	272,936	90,022	272,936
Due from Other Governments	104,033	115,258	104,033	115,258
Prepaid Insurance	-	11,545	-	11,545
Total Assets	<u>55,889,503</u>	<u>126,671,576</u>	<u>122,726,604</u>	<u>59,834,475</u>
<u>Liabilities</u>				
Accounts Payable	983,147	71,520	983,147	71,520
Due to Other Governments	54,836,041	126,506,337	121,673,143	59,669,236
Salaries and Benefits Payable	27,732	37,908	27,732	37,908
Compensated Absences	42,583	55,811	42,583	55,811
Total Liabilities	<u>\$ 55,889,503</u>	<u>\$ 126,671,576</u>	<u>\$ 122,726,604</u>	<u>\$ 59,834,475</u>

SIOUX COUNTY, IOWA
Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis of Accounting				
	2020	2019	2018	2017	2016
Revenue:					
Property and other county tax	\$ 13,685,025	\$ 13,033,711	\$ 12,208,697	\$ 11,793,186	\$ 10,910,029
Interest and penalty on property tax	28,186	63,822	55,334	54,996	62,764
Intergovernmental	8,706,310	7,940,875	7,684,963	8,079,074	8,066,337
Licenses and permits	17,730	20,780	20,130	24,520	31,160
Charges for services	1,096,595	1,064,462	1,045,974	974,073	949,631
Use of money and property	515,242	615,974	334,692	160,084	149,000
Nature Center Contribution	2,154,968	2,361,929	-	-	-
Miscellaneous	524,302	688,035	775,657	938,999	417,849
Total Revenue	26,728,358	25,789,588	22,125,447	22,024,932	20,586,770
Expenditures:					
Current operating:					
Public safety and legal services	4,695,528	4,400,249	4,257,670	4,459,451	4,253,490
Physical health and social services	780,055	806,526	764,319	767,662	712,972
Mental health	579,445	775,981	945,249	877,445	1,429,736
County environment and education	1,962,454	1,867,040	1,645,955	1,770,787	1,573,818
Roads and transportation	6,809,597	6,183,315	5,654,301	5,852,786	5,635,863
Government services to residents	1,089,645	1,045,888	1,018,733	955,121	928,843
Administration	2,182,618	2,188,347	1,996,282	1,935,090	1,971,446
Non-program services	202,441	329,757	658,486	892,916	59,630
Capital projects	5,009,818	2,949,806	312,329	2,384,169	812,375
Debt service	1,551,984	1,310,408	1,250,524	849,313	998,957
Total	\$ 24,863,585	\$ 21,857,317	\$ 18,503,848	\$ 20,744,740	\$ 18,377,130

Modified Accrual Basis of Accounting				
2015	2014	2013	2012	2011
\$ 10,807,177	\$ 9,825,942	\$ 9,650,060	\$ 9,339,404	\$ 9,066,719
56,340	60,453	61,062	70,302	64,507
7,424,551	7,303,694	6,341,323	7,188,347	8,558,494
18,545	15,785	16,450	15,460	11,485
868,052	857,217	888,987	856,712	775,739
206,964	142,258	190,165	287,270	324,764
-	-	-	-	-
610,286	513,095	377,265	426,716	436,669
19,991,915	18,718,444	17,525,312	18,184,211	19,238,377
4,151,725	4,156,068	3,923,413	3,838,745	3,755,661
713,684	581,266	656,287	564,555	1,422,596
1,152,388	901,600	936,553	3,131,499	2,219,276
1,733,370	1,188,404	1,106,852	1,202,094	6,012,662
5,451,725	5,758,887	5,303,166	5,859,605	55,000
894,289	1,006,617	722,556	810,295	737,073
1,836,047	1,922,567	1,816,554	1,751,976	1,808,074
13,696	37,156	28,242	55,818	29,905
1,963,928	2,540,139	1,777,524	1,850,354	1,417,750
955,607	952,683	949,972	1,107,032	1,023,859
\$ 18,866,459	\$ 19,045,387	\$ 17,221,119	\$ 20,171,973	\$ 18,481,856

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**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 Board of Supervisors
Sioux County, Iowa

We have audited, in accordance with the 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 Sioux County, Iowa, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Sioux County Iowa's basic financial statements and have issued our report thereon dated March 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sioux County, Iowa's internal control over financial reporting (internal control) as a basis for designing the 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 Sioux County, Iowa's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sioux County, Iowa's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 have not been identified. We did identify a certain deficiency in internal control, described as item 2020-001 in the accompanying schedule of findings that we consider to be a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2020 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.

Sioux County, Iowa's Response to Findings

Sioux County, Iowa's response to the findings identified in our audit is described in the accompanying schedule of findings. Sioux County, Iowa's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Sioux County during the course of our audit. Should you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams + Company, P.C.

Certified Public Accountants

Le Mars, Iowa
March 10, 2021

SIOUX COUNTY
Schedule of Findings
Year Ended June 30, 2020

Part I: Summary of the Independent Auditors' Results

- (a) Unmodified opinions were issued on the financial statements.
- (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.

Part II: Findings Related to the Financial Statements

Instances of Noncompliance

No matters were reported.

There were no prior year audit findings.

Material Weakness

2020-001: Financial Reporting – Material Adjusting Journal Entries

Condition and Criteria – We identified material amounts of receivables, payables and capital asset additions not recorded in the County's financial statements which were proposed and posted to the fund financial statements by management in order for the financial statements to be in conformity with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP).

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – With a limited number of personnel and current staff workload, the time constraints and staff expertise do not allow for all required year end U.S. GAAP adjusting journal entries to be posted.

Recommendation – We recommend that the County implement procedures to ensure all receivables, payables and capital assets are identified and recorded in the County's financial statements.

Views of Responsible Officials – County management will continue to monitor this process on a regular basis and work to implement procedures to ensure the financial statements are properly reported.

SIOUX COUNTY
Schedule of Findings
Year Ended June 30, 2020

Part III: Other Findings Related to Required Statutory Reporting

III-A-20 Certified Budget

Condition and Criteria – Disbursements during the year ended June 30, 2020, exceeded the amounts budgeted in the Debt Service function.

Effect – The County is not in compliance with Chapter 331.435 of the Code of Iowa.

Cause – The County approved two budget amendments during the year ended June 30, 2020. With limited personnel and time constraints, the County inadvertently omitted some items from the preparation of their budget amendment.

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

Views of Responsible Officials – We will amend the budget when required and disbursements will be compared closely to budget so amendments can be made timely in the future.

III-B-20 Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General’s opinion dated April 25, 1979.

III-C-20 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-20 Business Transactions – Business transactions between the County and County officials and/or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction/Description</u>	<u>Amount</u>
C&H Body Shop owned by Brother of Sheriff Employee Nate Huizinga	Auto Body/ Decal Work	\$ 3,028 (2)
Walter Media owned by son of Zoning Department Employee Shane Walter	Multimedia and Marketing	\$ 4,941 (2)
Van Maanen’s owned by father of IT Department employee Micah Van Maanen	Electronics Supplies	\$ 635 (2)

(1) This transaction may represent a conflict of interest and the County should contact legal council for determination as per Chapter 331.342 (j) of the Code of Iowa. Per County management it was noted that the County’s board did approve the transactions.

(2) This transaction does not appear to represent a conflict of interest since the total transaction was less than \$6,000 during the year, per Chapter 362.5(3)(j) of the code of Iowa.

III-E-20 Bond Coverage

Condition and Criteria – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Effect – The County is not in compliance with Chapter 64.12 of the Code of Iowa.

Cause – The County has paid for surety bonds for township clerks, but did not request reimbursement from each township. In accordance with Chapter 64.12 of the Code of Iowa, bonds are required to be paid for by the townships.

SIOUX COUNTY
Schedule of Findings
Year Ended June 30, 2020

Part III: Other Findings Related to Required Statutory Reporting (Continued)

Recommendation – The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Views of Responsible Officials – We feel the amount each township owes is minimal and therefore, it is not worth the time it would take to figure and bill each township.

III-F-20 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2020 for the County Extension Office did not exceed the amount budgeted.

III-G-20 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).

III-H-20 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.

III-I-20 Board Minutes – No transactions were found that we believe should have been approved in the board minutes but were not.

III-J-20 E-911 Certified Budget

Condition and Criteria- Disbursements for the year ended June 30, 2020, exceeded the amounts budgeted.

Effect – E-911 department is not in compliance with Chapter 331.435 of the Code of Iowa.

Cause – The disbursements to budget amounts were overlook during the year ended June 30, 2020.

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

Response – We will amend the budget when required in the future.

III-K-20 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.

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