

**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

Rob Sand  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

**NEWS RELEASE**

FOR RELEASE

March 27, 2020

Contact: Marlys Gaston  
515/281-5834

Auditor of State Rob Sand today released an audit report on Boone County, Iowa.

**FINANCIAL HIGHLIGHTS:**

The County's revenues totaled \$23,395,760 for the year ended June 30, 2019, a 2.2% decrease from the prior year. Expenses for County operations for the year ended June 30, 2019 totaled \$21,108,097, a 2.8% increase over the prior year. The decrease in revenues is due primarily to the decrease in capital contributions from the Iowa Department of Transportation. The increase in expenses is due primarily to the increase in funding provided to the mental health region.

**AUDIT FINDINGS:**

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 88 through 92 of this report. The findings address issues such as lack of segregation of duties, material amounts of accounts receivable not properly recorded in the County's financial statements, lack of a complete County Treasurer bank reconciliation and disbursements exceeding budgeted amounts. Sand provided the County with recommendations to address each of these findings.

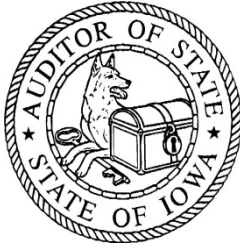
Three of the four findings discussed above are repeated from the prior year. The County Board of Supervisors and other elected officials have a fiduciary responsibility to provide oversight of the County's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**BOONE COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2019**

**Boone County**



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March 18, 2020

Officials of Boone County  
Boone, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Boone County for the year ended June 30, 2019. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Boone County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is written in a cursive, slightly stylized font.

Rob Sand  
Auditor of State

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**Boone County**

**Officials**

**(Before January 2019)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Duffy	Board of Supervisors	Jan 2019
Chad Behn	Board of Supervisors	Jan 2021
Bill Zinnel	Board of Supervisors	Jan 2021
Philippe Meier	County Auditor	Jan 2021
Darcy Bosch	County Treasurer	Jan 2019
Veronica Rardin	County Recorder	Jan 2019
Greg Elsberry	County Sheriff	Jan 2021
Daniel Kolacia	County Attorney	Jan 2019
Paul Overton	County Assessor	Jan 2022

**(After January 2019)**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chad Behn	Board of Supervisors	Jan 2021
Bill Zinnel	Board of Supervisors	Jan 2021
Steve Duffy	Board of Supervisors	Jan 2023
Philippe Meier	County Auditor	Jan 2021
Lauren Novak	County Treasurer	Jan 2023
Chris Duncan	County Recorder	Jan 2023
Greg Elsberry	County Sheriff	Jan 2021
Daniel Kolacia	County Attorney	Jan 2023
Paul Overton	County Assessor	Jan 2022

**Boone County**



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Independent Auditor's Report

To the Officials of Boone County:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Boone County, Iowa, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements 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 U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 County'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 County'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 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, the business type activities, each major fund and the aggregate remaining fund information of Boone County as of June 30, 2019 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## Other Matters

### Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 21 and 64 through 73 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

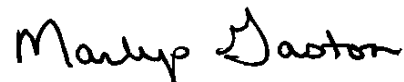
### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boone 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, 2018 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 18, 2020 on our consideration of Boone County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Boone County's internal control over financial reporting and compliance.



Marlys K. Gaston, CPA  
Deputy Auditor of State

March 18, 2020

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Boone 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 (FY) ended June 30, 2019. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### **FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS**

- Boone County's governmental funds expenditures decreased \$2,929,389 or 14.5%, compared to fiscal year 2018. This decrease is primarily related to a decrease of approximately \$2.4 million in public safety and legal services expenses and an approximately \$1.1 million decrease in capital projects, secondary roads construction.
- Boone County's total net position increased \$2,287,663 or 4.0%, over the fiscal year 2018 balance.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### Government-wide Financial Statements

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

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

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

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

### Fund Financial Statements

The County has three kinds of funds:

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

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

- 2) Proprietary Funds account for the County's Enterprise Funds. Boone County's Enterprise, Landfill Operations and Ground Water Tax Funds account for the financial activity of the Boone County Landfill.

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

- 3) Fiduciary Funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for drainage districts, 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.

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

### BOONE COUNTY FINANCIAL ANALYSIS AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of financial position. Boone County's combined net position increased 4.0% over a year ago, increasing from approximately \$57.4 million to approximately \$59.7 million. The analysis that follows focuses on the net position of governmental and business type activities.

	Net Position of Boone County Activities					
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 18,628,425	17,583,118	12,853,204	10,367,811	31,481,629	27,950,929
Capital assets	46,283,232	47,429,452	5,015,208	4,998,966	51,298,440	52,428,418
Total assets	64,911,657	65,012,570	17,868,412	15,366,777	82,780,069	80,379,347
Deferred outflows of resources	1,597,160	1,766,772	76,617	117,424	1,673,777	1,884,196
Long-term liabilities	11,219,122	11,893,334	3,973,396	4,044,526	15,192,518	15,937,860
Other liabilities	646,610	418,719	166,780	124,619	813,390	543,338
Total liabilities	11,865,732	12,312,053	4,140,176	4,169,145	16,005,908	16,481,198
Deferred inflows of resources	8,726,308	8,390,821	52,984	10,541	8,779,292	8,401,362
Net position:						
Net investment in capital assets	42,849,419	43,690,213	5,015,208	4,998,966	47,864,627	48,689,179
Restricted	6,536,603	6,518,277	857,019	653,780	7,393,622	7,172,057
Unrestricted	(3,469,245)	(4,132,022)	7,879,642	5,651,769	4,410,397	1,519,747
Total net position	\$ 45,916,777	46,076,468	13,751,869	11,304,515	59,668,646	57,380,983

Net position of Boone County's governmental activities decreased 0.4% (approximately \$45.9 million compared to approximately \$46.1 million). The largest portion of the County's net position is net investment in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. Unrestricted governmental activities net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, legislation or other legal requirements, increased 16.0% with a deficit of approximately \$4,132,000 at June 30, 2018 and a deficit of approximately \$3,469,000 at June 30, 2019. The deficit is a result of the County's outstanding debt related to the Central Iowa Expo loan guarantee and the County's nearly \$4.3 million share of the IPERS underfunded liability.

The following table entitled “Changes in Net Position of Boone County Activities” compares the changes in detail. Looking at the County as a whole, revenues decreased 2.2% and expenses increased 2.8%. Revenues of the County as a whole decreased \$536,559 compared to fiscal year 2018. Operating grants increased \$324,252 which mostly represents an increase in contributions to the Secondary Road Fund, while capital grants decreased \$1,829,140, which mostly represents decreased capital contributions from the Iowa Department of Transportation. Charges for service increased 11.0%, property tax revenue increased 1.2%, tax increment financing increased 14.0%, local option sales tax revenue decreased 0.4% and other revenue increased 6.4% compared to fiscal year 2018. A look at expenses by function reveals public safety and legal services expenses increased 3.4%, physical health and social services expenses increased 1.0%, mental health expenses increased 34.8%. With the continued implementation of the mental health redesign, the County paid the salary for 1.5 full-time equivalent employees and the region asked for a larger transfer of dollars to the region. County environment and education expenses increased 17.9%, roads and transportation expenses decreased 0.6%, governmental services to residents expenses decreased 2.5%. During the fiscal year 2019, new Windows 10 computers were purchased to run an electronic pollbook program and digitalization of Recorder’s transfer books. Administration expenses increased 6.7%, non-program expenses decreased 60.9% as the inspection cost of the Dakota Access Pipeline winds down, interest on long-term debt decreased by 15.7% and solid waste expenses increased 0.6% compared to fiscal year 2018.

Changes in Net Position of Boone County Activities						
	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for service	\$ 2,946,861	2,582,012	4,765,570	4,360,741	7,712,431	6,942,753
Operating grants, contributions and restricted interest	4,550,750	4,206,498	-	20,000	4,550,750	4,226,498
Capital grants, contributions and restricted interest	863,763	2,692,903	-	-	863,763	2,692,903
General revenues:						
Property tax - general purposes	7,620,924	7,536,202	-	-	7,620,924	7,536,202
Property tax - debt service	204,484	194,211	-	-	204,484	194,211
Tax increment financing	322,562	282,828	-	-	322,562	282,828
Penalty and interest on property tax	99,632	83,424	-	-	99,632	83,424
State tax credits	543,090	556,672	-	-	543,090	556,672
Local option sales tax	987,954	991,923	-	-	987,954	991,923
Grants and contributions not restricted to specific purposes	28,529	37,068	-	-	28,529	37,068
Unrestricted investment earnings	194,105	134,996	215,578	76,942	409,683	211,938
Gain on disposition of capital assets	40,390	129,833	-	-	40,390	129,833
Miscellaneous	11,568	46,066	-	-	11,568	46,066
Total revenues	18,414,612	19,474,636	4,981,148	4,457,683	23,395,760	23,932,319
Program expenses:						
Public safety and legal services	4,049,843	3,918,081	-	-	4,049,843	3,918,081
Physical health and social services	621,694	615,808	-	-	621,694	615,808
Mental health	767,426	569,520	-	-	767,426	569,520
County environment and education	2,244,801	1,903,959	-	-	2,244,801	1,903,959
Roads and transportation	7,882,630	7,933,683	-	-	7,882,630	7,933,683
Governmental services to residents	594,825	609,964	-	-	594,825	609,964
Administration	2,096,917	1,964,365	-	-	2,096,917	1,964,365
Non-program	97,869	250,005	-	-	97,869	250,005
Interest on long-term debt	218,298	258,975	-	-	218,298	258,975
Solid waste	-	-	2,533,794	2,518,459	2,533,794	2,518,459
Total expenses	18,574,303	18,024,360	2,533,794	2,518,459	21,108,097	20,542,819
Change in net position	(159,691)	1,450,276	2,447,354	1,939,224	2,287,663	3,389,500
Net position beginning of year	46,076,468	44,626,192	11,304,515	9,365,291	57,380,983	53,991,483
Net position end of year	\$ 45,916,777	46,076,468	13,751,869	11,304,515	59,668,646	57,380,983

The amounts reported for governmental activities in the Governmental Funds Balance Sheet are different than the Statement of Net Position because:

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position		
<b>Total Governmental Fund Balances</b>		\$ 8,668,147
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$89,857,429 and the accumulated depreciation is \$43,574,197.		46,283,232
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		1,221,933
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 1,597,160	
Deferred inflows of resources	<u>(609,308)</u>	987,852
Long-term liabilities, including notes payable, a capital lease agreement, compensated absences payable, drainage district warrants payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(11,244,387)</u>
<b>Net Position of Governmental Activities</b>		<u>\$ 45,916,777</u>

The County-wide taxable valuation increased approximately 5.13% and the County's rural taxable valuation increased approximately 3.18% compared to the taxable value of the January 1, 2017 assessment year. The budgetary requirements of the County for county-wide purposes required a County-wide levy rate of \$4.42224/\$1,000 of taxable valuation, a 4.0% decrease from the fiscal year 2018 levy rate. The total increase in dollars levied County-wide was \$55,657, or 0.9%.

The budgetary requirements of the County for rural services required a rural services levy rate of \$2.38150/\$1,000 of taxable rural valuation, a decrease of 1.1% from the fiscal year 2018 levy rate. The total dollars levied in unincorporated or rural areas of Boone County was \$2,041,230 for the Rural Services Fund or a 2.0% increase compared fiscal year 2018 dollars levied.

A relatively stagnant property tax base has the potential of putting a governmental entity in financial harm as revenues may not be sufficient to offset the cost of government inflation. Boone County was fortunate to be able to levy enough property tax to remain stable and maintain the essential services County residents expect and deserve. See the detail on property tax in the following table:

Property Tax Levied		
	FY2019	FY2018
County-wide taxable valuation	\$ 1,401,685,316	1,333,258,999
County-wide levy rate without debt service	4.27251	4.45793
Dollars levied without debt service	5,998,715	5,943,572
County-wide taxable debt service valuation	1,443,531,110	1,371,724,916
County debt service levy rate	0.14973	0.14990
Dollars levied for debt service	216,140	205,624
Total County-wide levy rate	4.42224	4.60783
Total dollars levied County-wide	6,204,853	6,149,196
Rural taxable valuation	857,119,383	830,743,162
Rural tax levy rate	2.38150	2.40896
Dollars levied rural area only	2,041,230	2,001,228
Total dollars levied	\$ 8,246,081	8,150,424

### **Governmental Activities**

Since FY2002 Boone County has prepared financial statements on a modified accrual basis. Management will analyze and compare revenues and expenses detailing percentage increases or decreases and explain the reasons they occurred.

- Revenues for governmental activities were approximately \$18.4 million in fiscal year 2019, which is a 5.4% decrease compared to fiscal year 2018. Expenses for governmental activities totaled approximately \$18.6 million, an increase of 3.1% compared to fiscal year 2018. In a difficult budgeting year, Boone County did a remarkable job maintaining expenses to match available revenues, noting the County's net position of governmental activities ended the year at approximately \$45.9 million, a 0.3% decrease from the restated fiscal year 2018 total net position.
- Local option sales tax revenue of \$987,954 was down approximately \$4,000. Boone County uses 75% of the local option sales tax revenue to reduce property tax in the Special Revenue, Rural Services Fund. The remaining 25% of the local option sales tax is spent for community betterment projects throughout the County. The revenue received from local option sales tax decreased 0.4% compared to fiscal year 2018.



## Net Cost of Governmental Activities

Function	Expenses	Program Revenues			FY2019 Net Expense (Revenue)	FY2018 Net Expense (Revenue)
		Charges for Service	Operating and Capital Grants and Contributions	Capital Grants Contributions and Restricted Interest		
Public safety and legal services	\$ 4,049,843	871,587	140,801	-	3,037,455	3,055,621
Physical health and social services	621,694	38,339	155,969	-	427,386	474,554
Mental health	767,426	-	-	-	767,426	569,520
County environment and education	2,244,801	1,117,651	65,897	-	1,061,253	1,180,059
Roads and transportation	7,882,630	220,983	4,181,784	863,763	2,616,100	1,069,222
Governmental services to residents	594,825	586,722	-	-	8,103	52,718
Administration	2,096,917	21,860	6,299	-	2,068,758	1,780,459
Non-program	97,869	89,719	-	-	8,150	101,819
Interest on long-term debt	218,298	-	-	-	218,298	258,975
<b>Total</b>	<b>\$ 18,574,303</b>	<b>2,946,861</b>	<b>4,550,750</b>	<b>863,763</b>	<b>10,212,929</b>	<b>8,542,947</b>

- The cost of all governmental activities this year was approximately \$18.6 million, an increase of approximately \$550,000, or 3.1% over fiscal year 2018.
- The portion of the cost financed by users of Boone County programs from charges for service was approximately \$2.95 million, an increase of approximately \$365,000, or 14.1%, compared to fiscal year 2018.
- The federal and state governments and private contributors subsidized certain programs with operating and capital grants and contributions totaling approximately \$5.4 million, a decrease of 21.5% compared to fiscal year 2018.
- The net cost of governmental activities was financed with general revenues, including property tax related revenue of \$8,790,692, local option sales tax of \$987,954, unrestricted grants and contributions of \$28,529, unrestricted investment earnings of \$194,105, gain on disposition of capital assets of \$40,390 and other miscellaneous revenue of \$11,568. Total general revenues for fiscal year 2019 were \$10,053,238, up \$60,015, or 0.6%, compared to fiscal year 2018.

## Business Type Activities

Function	Expenses	Program Revenues		
		Charges for Service	FY2019 Net Expense or (Revenue)	FY2018 Net Expense or (Revenue)
Solid waste	\$ 2,533,794	4,765,570	(2,231,776)	(1,862,282)

- Program revenues of the Boone County Landfill (BCL) increased 8.8% to \$4,765,570 when compared to fiscal year 2018. The landfill had an overall increase of tonnage of 6,108 tons. Several factors figure into the increase in revenue over fiscal year 2018. When the Ames Resource Recovery Plant (ARRP) is shut down and unable to process waste from Story County, this material is diverted to BCL. Waste was brought to BCL 157 days in fiscal year 2019 compared to 127 days in fiscal year 2018, resulting in 6,189 tons of waste. Overall tonnage from Boone and Greene Counties increased by over 4,000 tons from fiscal year 2018 to fiscal year 2019. During fiscal year 2019, BCL began accepting appliances from Story County, resulting in \$3,680 of new revenue. Overall, revenue from municipal solid waste and construction and demolition waste in Boone and Green counties increased approximately \$132,000. The overall increase in revenue from municipal solid waste, construction and demolition and the shutdown of ARRP increased by approximately \$367,000 in fiscal

year 2019. The Boone County Landfill is Boone County's only business type activity. Revenues of the landfill include charges for service, the Iowa Department of Natural Resources Ground Water Tax (local share) and interest income.

- Keep Boone County Beautiful (KBCB) continued to offer assistance to area cleanup activities. It again hosted the Dragoon River Romp and Keep Boone County Scenic events.
- Commencing on July 1, 2011, the Boone County Landfill became the sole landfill in the Central Iowa Waste Management Association (CIWMA). This followed the closure of the Ames/Story Construction and Demolition Landfill. This waste stream is charged a rate twice the rate paid by customers from the Landfill's primary service area.
- The Landfill's comprehensive planning area received approval of its 2014 plan update in February 2017. The IDNR calculated the planning area's landfill waste diversion rate at 59.6% which exceeds the State of Iowa's 50% diversion goal. This figure will be revisited with the 2020 Comprehensive Plan update.

## MAJOR GOVERNMENTAL FUND ANALYSIS AND HIGHLIGHTS

As previously noted, Boone County uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

The financial performance of Boone County as a whole is reflected in its governmental funds, as well. As Boone County completed the year, its governmental funds reported combined fund balances of \$8,668,147, 1.8% more than last year's total of \$8,512,553. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

### General Fund

General Fund		
	FY2019	FY2018
Beginning fund balance	\$ 2,901,595	2,529,679
Property tax, including penalty and interest	5,182,004	5,124,336
Local option sales tax	224,197	254,231
Intergovernmental	935,816	947,713
Permits and charges for service	1,145,209	1,137,590
Interest and use of property	402,178	282,771
Miscellaneous	250,992	287,068
Capital lease purchase agreement	-	2,669,492
Total revenues and other financing sources:	<u>8,140,396</u>	<u>10,703,201</u>
Public safety and legal services	3,685,790	6,124,669
Physical health and social services	625,053	617,089
County environment and education	764,956	822,178
Governmental services to residents	592,526	604,258
Administration	1,940,029	1,813,086
Non-program	97,869	250,005
Debt service	1,500	-
Capital projects	129,119	-
Transfers to other funds	200,000	100,000
Total expenditures and transfers	<u>8,036,842</u>	<u>10,331,285</u>
Ending fund balance	<u>\$ 3,005,149</u>	<u>2,901,595</u>

The amounts presented combine the general basic, general supplemental, county farmland sale proceeds and conservation land acquisition funds.

Total property tax revenue increased 1.1%. Local option sales tax revenue decreased 11.8% and intergovernmental revenue decreased 1.3%. Revenue from user fees increased 0.7% and interest and use of property increased 42.2% due, in part, to the County investing in drainage district stamped warrants. Other financing sources decreased \$2,669,492 due to the County entering into a capital lease with Motorola for public safety communication and systems equipment in the prior year. Total revenues and other financing sources decreased 23.9% compared to fiscal year 2018.

Total expenditures and transfers decreased 22.2% or \$2,294,443 compared to fiscal year 2018. The purchase of public safety and communication equipment and systems of \$2,669,492 through the lease with Motorola was expensed in public safety and legal services in fiscal year 2018.

The General Fund ending balance is 37.4% of total expenditures and transfers for fiscal year 2019 compared to 28.1% for fiscal year 2018.

**Special Revenue Funds**

Mental Health Fund		
	FY2019	FY2018
Beginning fund balance	\$ 922,014	877,682
Property tax	557,238	561,122
Intergovernmental	47,580	50,145
Total revenues	604,818	611,267
Mental illness	215,072	189,623
General administration and County provided case management	571,718	377,312
Total expenditures	786,790	566,935
Ending fund balance	\$ 740,042	922,014

Boone County levied \$557,238 as determined by the Central Iowa Community Service Region. The fiscal year 2019 ending fund balance was 94.1% of fiscal year 2019 expenditures compared to 162.6% for fiscal year 2018. Revenues decreased 1.1% as property tax revenue was \$3,884 less than fiscal year 2018. Mental health expenditures were 38.8% higher in fiscal year 2019 compared to fiscal year 2018 due to the increase in the amount requested by the region.

Boone County has joined the Central Iowa Community Service (CICS) Region as provided for in the mental health redesign. The fiscal year 2020 property tax asking is \$587,945, the levy requested by the CICS regional board.

Rural Services Fund		
	FY2019	FY2018
Beginning fund balance	\$ 739,386	921,257
Property tax	1,954,658	1,917,186
Local option sales tax	672,953	762,692
Intergovernmental	110,198	113,476
Permits, charges for service and miscellaneous	46,909	40,136
Total revenues	<u>2,784,718</u>	<u>2,833,490</u>
Public safety and legal services	390,374	358,113
County environment and education	372,886	304,150
Governmental services to residents	2,738	2,398
Transfers to other funds	2,289,996	2,350,700
Total expenditures and transfers	<u>3,055,994</u>	<u>3,015,361</u>
Ending fund balance	<u>\$ 468,110</u>	<u>739,386</u>

Property tax revenue for fiscal year 2019 was up \$37,472, or 1.9%. The local effort for Secondary Roads was maintained at 85% of the maximum allowed to be levied for the Secondary Roads Fund.

- Local option sales tax revenue in the Rural Services Fund decreased 11.7% compared to fiscal year 2018.
- Total property tax related revenue (\$1,954,658) is less than the amount transferred to the Secondary Roads Fund (\$2,289,996) by \$335,338, which means local option sales tax or fund balance has paid for all of the services in the Rural Services Fund and part of the road expenses. This is where rural residents realize direct property tax relief because of the local option sales tax.
- The Rural Services Fund ending fund balance now represents 15.32% of the Rural Services Fund expenditures, including transfers to the Secondary Roads Fund, compared to 24.5% for fiscal year 2018.

Secondary Roads Fund		
	FY2019	FY2018
Beginning fund balance	\$ 3,022,755	3,525,785
State fuel tax and other state revenue	4,329,863	4,545,799
Permits, charges for service and miscellaneous	88,338	196,853
Use of money and property	1,237	966
Sale of capital assets	16,100	-
Transfers from other funds	2,489,996	2,450,700
Total revenues and transfers	<u>6,925,534</u>	<u>7,194,318</u>
Secondary road maintenance	6,439,167	6,456,899
Secondary road construction	23,250	1,240,449
Total expenditures	<u>6,462,417</u>	<u>7,697,348</u>
Ending fund balance	<u>\$ 3,485,872</u>	<u>3,022,755</u>

- Secondary Roads Fund revenue and transfers decreased 3.7% compared to fiscal year 2018. Intergovernmental revenue was lower by \$215,936, primarily due to a decrease in road bridge funding revenues. Transfers were \$39,296 higher than in fiscal year 2018.
- Secondary Roads Fund expenditures decreased \$1,234,931 compared to fiscal year 2018, a decrease of 16.0%. The decrease of expenditures was due to \$1.2 million less in construction when compared to fiscal year 2018.

The ending fund balance compared to total expenditures increased to 53.9% in fiscal year 2019 compared to 39.3% in fiscal year 2018.

### Debt Service Fund

	FY2019	FY2018
Beginning fund balance	\$ 110,044	38,390
Property tax	204,306	194,161
Intergovernmental and miscellaneous	141,563	14,931
Transfers from other funds	302,000	281,000
Note proceeds	-	3,296,000
Total revenues and transfers	647,869	3,786,092
Principal	437,426	285,000
Interest	202,997	219,438
Payments on refunding bonds	-	3,210,000
Total expenditures	640,423	3,714,438
Ending fund balance	\$ 117,490	110,044

The Debt Service Fund accumulates resources and pays the principal and interest on the County's general obligation notes. At the end of fiscal year 2019, the County had \$5,343,066 of debt outstanding (including Motorola Capital lease) subject to the debt service tax levy.

### BUSINESS TYPE FUND HIGHLIGHTS

- Fiscal year 2019 was the Boone County Landfill's 50th year of operation. Inspections by a variety of entities continue to demonstrate the Landfill is operated at a level which exceeds regulatory requirements.
- In 2018, the IDNR calculated the CIWMA planning area had landfilled 40.34% of the region's waste. There was only one Waste System in the state which exceeded this percent. This figure will be revisited with the 2020 Comprehensive Plan update.

### Landfill Operations Fund

- Landfill Operations Fund revenue was \$4,878,356 an increase of 12.6% compared to fiscal year 2018. Operating expenses decreased 3.4% compared to fiscal year 2018.
- Landfill operations revenue increased \$544,947 during fiscal year 2019 compared to fiscal year 2018, primarily due to an increase in construction demolition waste.

### **Keep Boone County Beautiful Sub-Account**

This sub-account (within the Landfill Operations Fund) was started to manage several projects of Landfill interest, including:

- The Dragoon River Romp
- Adopt a County Road, City Street or favorite place
- Environmental education
- Keep Boone County Scenic pick up litter day

### **Boone County Recycling Center Sub-Account**

This sub-account (within the Landfill Operations Fund) was started to manage expenses associated with the Boone County Recycling Center. The County has abandoned its efforts to build a new recycling center and is now exploring options to transport recyclables to a larger facility.

### **Landfill Closure/Postclosure Sub-Account**

- The Landfill Closure/Postclosure sub-account has assets totaling \$4,039,297. The fund is funded in accordance with IDNR requirements.
- No closure/postclosure costs were expended from this sub-account during fiscal year 2019.

### **Ground Water Tax Fund (Local Portion of Tip Fee Surcharge)**

This fund accounts for the amount the Boone County Landfill is allowed to retain from the State tipping fee surcharge. Actual revenue for this fund is tied to the tonnage received by the Landfill subject to the surcharge. Tonnage received due to exceptional events is exempt from the state surcharge.

Expenses for fiscal year 2019 include funding for:

- A portion of recyclables processing costs carried out by Genesis Development in Greene County.
- Special event advertising.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Boone County amended its budget one time.

On May 29, 2019, the County Board of Supervisors amended the fiscal year 2019 budget for the following:

- Increased revenue- additional REAP funding of \$11,000; additional passport revenue of \$8,000; additional auto department revenue of \$30,000; additional interest revenue of \$30,000; additional jail cell rental of \$75,000; pipeline inspection fees from Dakota Access Pipeline (DAPL) of \$100,000 and \$3,628 for the reserve deputy fund. Total revenue increased \$257,625.
- Disbursements in the public safety and legal services function were increased \$87,500: \$40,000 to the communication center, \$27,500 to the Sheriff, and \$20,000 increased costs for the County Attorney. Roads and Transportation increased \$300,000 and capital projects for secondary road construction decreased \$300,000. An amendment to non-program for \$100,000 for payment of DAPL inspections; and a \$502 addition to the debt service function.

## **CAPITAL ASSETS**

Boone County's governmental and business type activities concluded fiscal year 2019 with \$51,298,440 invested (net of depreciation) in a broad range of capital assets, including public safety equipment, buildings, parks facilities, landfill, roads and bridges. GASB 34 requires infrastructure and other capital assets to be depreciated according to a capital asset policy. More detailed information about the County's capital assets is presented in Note 6 to the financial statements.

## **LONG-TERM DEBT**

In prior years, the County borrowed \$1.5 million through a general obligation capital loan anticipation project note to purchase approximately 100 acres for the Central Iowa Expo (CIE) site which will be the permanent bi-annual home of the Farm Progress Show for the next 20 years. The anticipation project note was replaced with permanent financing during fiscal year 2009.

To help establish the Central Iowa Expo in Boone County, the County guaranteed part of the debt the CIE has with Community Bank of Boone. As of June 30, 2012, the County refinanced this obligation by converting the short-term financing to urban renewal general obligation capital loan notes of \$2,465,000.

On November 8, 2017 the County issued \$3,296,000 of general obligation refunding capital loan notes, Series 2017. The notes were issued to refund the \$1,130,000 outstanding balance of the general obligation capital loan notes, Series 2009A, dated May 1, 2009 for the CIE site and the \$2,080,000 outstanding balance of the urban renewal general obligation capital loan notes, Series 2011, dated September 1, 2011 to guarantee debt for the CIE.

In fiscal year 2018 the County entered into a ten-year lease purchase agreement with Motorola to finance the Public Safety Communication update.

Additional information about the County's long-term debt is presented in Note 8 to the financial statements.

## **FACTORS BEARING ON THE FUTURE**

Boone County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2020 budget, tax rates and fees that partially finance the various county services. One of those factors is the economy. Boone County's employment (number of persons working) has increased from an average of 13,500 in the mid 1990's to an average of 14,800 for calendar year 2019. The average Boone County unemployment rate for 1998 was 2.4%. Unemployment in Boone County on June 30, 2019 was 2.5% versus 2.2% the year before. This compares with the State's unemployment rate of 2.6% for the same period ended June 30, 2019.

The State of Iowa's modest financial condition and relatively flat revenue projection continue. The County has projected substantially stable revenues from the State and has asked taxpayers to fund the County budget with .06% less property tax dollars compared to fiscal year 2019. The actual decrease from fiscal year 2019 to fiscal year 2020 is approximately \$5,200.

The above factors were all part of the considerations for the fiscal year 2020 budget, which certified taxes as follows: (Amounts certified include utility replacement and property tax dollars.) The FY2020 budget decreased the county-wide dollars certified by \$5,181 compared to 2019.

	Dollars Certified	Percentage Increase (Decrease)
General Fund	\$ 5,051,296	(6.45)
Mental Health Fund	587,945	(0.18)
Rural Services Fund	2,337,513	14.5%
Debt Service Fund	264,146	22.21
Total	<u>\$ 8,240,900</u>	<u>(0.06)</u>

Boone County attempted to maintain the current level of services as the fiscal year 2020 budget was developed. Levy rates (expressed in \$/\$1,000 of taxable valuation) to produce the above dollars for fiscal year 2020 are as follows:

General Basic Levy	\$ 3.36670
Mental Health Levy	\$ 0.39187
Debt Service Levy	\$ 0.17065
Rural Services Basic Levy	\$ 2.46997

Boone County has been fortunate there has been continued new construction and economic growth in the community to help offset the growth in demand for county services. The County-wide taxable valuation for the fiscal year 2019 budget exceeds \$1 billion for the eighth time in County history.

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Boone County citizens, taxpayers, customers, investors and creditors with a general overview of Boone County's finances and to demonstrate Boone County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Boone County Auditor's Office, 201 State Street, Boone, Iowa 50036.



**Boone County**

## **Basic Financial Statements**

Boone County  
Statement of Net Position  
June 30, 2019

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 7,308,214	8,148,701	15,456,915
Cash and cash equivalents - restricted	-	4,039,297	4,039,297
Receivables:			
Property tax:			
Delinquent	30,362	-	30,362
Succeeding year	7,780,000	-	7,780,000
Succeeding year tax increment financing	337,000	-	337,000
Interest and penalty on property tax	216,389	-	216,389
Accounts	30,500	460,333	490,833
Accrued interest	68,017	13,177	81,194
Drainage assessments	842,574	-	842,574
Special assessments	2,700	-	2,700
Internal balances	(191,696)	191,696	-
Due from other governments	487,337	-	487,337
Inventories	1,717,028	-	1,717,028
Capital assets not being depreciated	5,643,460	826,226	6,469,686
Capital assets, net of accumulated depreciation	40,639,772	4,188,982	44,828,754
<b>Total assets</b>	<b>64,911,657</b>	<b>17,868,412</b>	<b>82,780,069</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	1,568,846	69,975	1,638,821
OPEB related deferred outflows	28,314	6,642	34,956
<b>Total deferred outflows of resources</b>	<b>1,597,160</b>	<b>76,617</b>	<b>1,673,777</b>
<b>Liabilities</b>			
Accounts payable	310,481	144,894	455,375
Accrued interest payable	25,265	-	25,265
Salaries and benefits payable	273,598	21,368	294,966
Due to other governments	37,266	518	37,784
Long-term liabilities:			
Portion due or payable within one year:			
General obligation notes	204,000	-	204,000
Capital lease purchase agreement	281,131	-	281,131
Compensated absences	437,285	45,263	482,548
Portion due or payable after one year:			
General obligation notes	2,707,000	-	2,707,000
Capital lease purchase agreement	2,150,935	-	2,150,935
Drainage district warrants	767,452	-	767,452
Total OPEB liability	345,410	81,022	426,432
Net pension liability	4,325,909	376,166	4,702,075
Estimated liability for landfill closure and postclosure care	-	3,470,945	3,470,945
<b>Total liabilities</b>	<b>11,865,732</b>	<b>4,140,176</b>	<b>16,005,908</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	7,780,000	-	7,780,000
Unavailable tax increment financing	337,000	-	337,000
Pension related deferred inflows	609,308	52,984	662,292
<b>Total deferred inflows of resources</b>	<b>8,726,308</b>	<b>52,984</b>	<b>8,779,292</b>
<b>Net Position</b>			
Net investment in capital assets	42,849,419	5,015,208	47,864,627
Restricted for:			
Supplemental levy purposes	660,487	-	660,487
Mental health purposes	715,339	-	715,339
Rural services purposes	572,504	-	572,504
Secondary roads purposes	3,301,992	-	3,301,992
Debt service purposes	532,236	-	532,236
Law enforcement purposes	198,572	-	198,572
Landfill closure and postclosure care	-	581,529	581,529
Other purposes	555,473	275,490	830,963
Unrestricted	(3,469,245)	7,879,642	4,410,397
<b>Total net position</b>	<b>\$ 45,916,777</b>	<b>13,751,869</b>	<b>59,668,646</b>

See notes to financial statements.

Boone County  
Statement of Activities  
Year ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
Public safety and legal services	\$ 4,049,843	871,587	140,801	-	(3,037,455)	-	(3,037,455)
Physical health and social services	621,694	38,339	155,969	-	(427,386)	-	(427,386)
Mental health	767,426	-	-	-	(767,426)	-	(767,426)
County environment and education	2,244,801	1,117,651	65,897	-	(1,061,253)	-	(1,061,253)
Roads and transportation	7,882,630	220,983	4,181,784	863,763	(2,616,100)	-	(2,616,100)
Governmental services to residents	594,825	586,722	-	-	(8,103)	-	(8,103)
Administration	2,096,917	21,860	6,299	-	(2,068,758)	-	(2,068,758)
Non-program	97,869	89,719	-	-	(8,150)	-	(8,150)
Interest on long-term debt	218,298	-	-	-	(218,298)	-	(218,298)
Total governmental activities	18,574,303	2,946,861	4,550,750	863,763	(10,212,929)	-	(10,212,929)
Business type activities:							
Solid waste	2,533,794	4,765,570	-	-	-	2,231,776	2,231,776
Total	\$ 21,108,097	7,712,431	4,550,750	863,763	(10,212,929)	2,231,776	(7,981,153)
<b>General Revenues:</b>							
Property and other county tax levied for:							
General purposes					7,620,924	-	7,620,924
Debt service					204,484	-	204,484
Tax increment financing					322,562	-	322,562
Penalty and interest on property tax					99,632	-	99,632
State tax credits and replacements					543,090	-	543,090
Local option sales tax					987,954	-	987,954
Grants and contributions not restricted to specific purposes					28,529	-	28,529
Unrestricted investment earnings					194,105	215,578	409,683
Gain on disposition of capital assets					40,390	-	40,390
Miscellaneous					11,568	-	11,568
Total general revenues					10,053,238	215,578	10,268,816
Change in net position					(159,691)	2,447,354	2,287,663
Net position beginning of year					46,076,468	11,304,515	57,380,983
Net position end of year					\$ 45,916,777	13,751,869	59,668,646

See notes to financial statements.

Boone County  
Balance Sheet  
Governmental Funds

June 30, 2019

	General	Special Revenue		
		Mental Health	Rural Services	Secondary Roads
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 3,532,598	750,641	499,543	1,563,206
Receivables:				
Property tax:				
Delinquent	20,535	2,390	6,381	-
Succeeding year	4,770,000	555,000	2,206,000	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	216,389	-	-	-
Accounts	17,993	-	-	8,324
Accrued interest	66,713	-	-	-
Drainage assessments	-	-	-	-
Special assessments	2,700	-	-	-
Due from other funds	7,966	-	-	7,596
Due from other governments	69,866	-	98,103	318,416
Inventories	-	-	-	1,717,028
<b>Total assets</b>	<b>\$ 8,704,760</b>	<b>1,308,031</b>	<b>2,810,027</b>	<b>3,614,570</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 249,911	104	14,151	45,296
Salaries and benefits payable	170,613	9,081	12,360	81,544
Due to other funds	170,192	8	5,012	27
Due to other governments	33,998	1,437	-	1,831
Advances from other funds	33,333	-	-	-
Total liabilities	658,047	10,630	31,523	128,698
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	4,770,000	555,000	2,206,000	-
Succeeding year tax increment financing	-	-	-	-
Other	271,564	2,359	104,394	-
Total deferred inflows of resources	5,041,564	557,359	2,310,394	-
Fund balances:				
Nonspendable:				
Inventories	-	-	-	1,717,028
Restricted for:				
Supplemental levy purposes	660,487	-	-	-
Mental health purposes	-	740,042	-	-
Rural services purposes	-	-	468,110	-
Secondary roads purposes	-	-	-	1,768,844
Conservation land acquisition/ capital improvements	67,836	-	-	-
Debt service	-	-	-	-
Law enforcement purposes	198,572	-	-	-
Resource enhancement and protection	-	-	-	-
Other purposes	-	-	-	-
Unassigned	2,078,254	-	-	-
Total fund balances	3,005,149	740,042	468,110	3,485,872
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,704,760</b>	<b>1,308,031</b>	<b>2,810,027</b>	<b>3,614,570</b>

See notes to financial statements.

Debt		
Service	Nonmajor	Total
117,476	844,750	7,308,214
1,056	-	30,362
249,000	-	7,780,000
-	337,000	337,000
-	-	216,389
-	4,183	30,500
-	1,304	68,017
-	842,574	842,574
-	-	2,700
-	1,314	16,876
-	952	487,337
-	-	1,717,028
<u>367,532</u>	<u>2,032,077</u>	<u>18,836,997</u>
-	1,019	310,481
-	-	273,598
-	-	175,239
-	-	37,266
-	-	33,333
-	1,019	829,917
249,000	-	7,780,000
-	337,000	337,000
1,042	842,574	1,221,933
<u>250,042</u>	<u>1,179,574</u>	<u>9,338,933</u>
-	-	1,717,028
-	-	660,487
-	-	740,042
-	-	468,110
-	-	1,768,844
-	-	67,836
117,490	438,969	556,459
-	-	198,572
-	162,519	162,519
-	249,996	249,996
-	-	2,078,254
<u>117,490</u>	<u>851,484</u>	<u>8,668,147</u>
<u>367,532</u>	<u>2,032,077</u>	<u>18,836,997</u>

**Boone County**

Boone County

Reconciliation of the Balance Sheet –  
Governmental Funds to the Statement of Net Position

June 30, 2019

**Total governmental fund balances (page 27)** \$ 8,668,147

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$89,857,429 and the accumulated depreciation is \$43,574,197. 46,283,232

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 1,221,933

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

Deferred outflows of resources	\$ 1,597,160	
Deferred inflows of resources	<u>(609,308)</u>	987,852

Long-term liabilities, including a capital lease purchase agreement, loans payable, compensated absences payable, drainage district warrants payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (11,244,387)

**Net position of governmental activities (page 24)** \$ 45,916,777

See notes to financial statements.



Boone County

Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2019

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
<b>Revenues:</b>				
Property and other county tax	\$ 5,109,867	557,238	1,954,658	-
Local option sales tax	224,197	-	672,953	-
Interest and penalty on property tax	72,137	-	-	-
Tax increment financing	-	-	-	-
Intergovernmental	935,816	47,580	110,198	4,329,863
Licenses and permits	17,250	-	-	10,775
Charges for service	1,127,959	-	45,670	-
Use of money and property	402,178	-	-	1,237
Miscellaneous	250,992	-	1,239	77,563
<b>Total revenues</b>	<b>8,140,396</b>	<b>604,818</b>	<b>2,784,718</b>	<b>4,419,438</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	3,685,790	-	390,374	-
Physical health and social services	625,053	-	-	-
Mental health	-	786,790	-	-
County environment and education	764,956	-	372,886	-
Roads and transportation	-	-	-	6,439,167
Governmental services to residents	592,526	-	2,738	-
Administration	1,940,029	-	-	-
Non-program	97,869	-	-	-
Debt service	1,500	-	-	-
Capital projects	129,119	-	-	23,250
<b>Total expenditures</b>	<b>7,836,842</b>	<b>786,790</b>	<b>765,998</b>	<b>6,462,417</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>303,554</b>	<b>(181,972)</b>	<b>2,018,720</b>	<b>(2,042,979)</b>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	-	16,100
Transfers in	-	-	-	2,489,996
Transfers out	(200,000)	-	(2,289,996)	-
Drainage warrants issued	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(200,000)</b>	<b>-</b>	<b>(2,289,996)</b>	<b>2,506,096</b>
<b>Change in fund balances</b>	<b>103,554</b>	<b>(181,972)</b>	<b>(271,276)</b>	<b>463,117</b>
<b>Fund balances beginning of year</b>	<b>2,901,595</b>	<b>922,014</b>	<b>739,386</b>	<b>3,022,755</b>
<b>Fund balances end of year</b>	<b>\$ 3,005,149</b>	<b>740,042</b>	<b>468,110</b>	<b>3,485,872</b>

See notes to financial statements.

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Debt		
Service	Nonmajor	Total
204,306	-	7,826,069
-	-	897,150
-	-	72,137
-	323,463	323,463
141,563	25,901	5,590,921
-	-	28,025
-	4,850	1,178,479
-	2,939	406,354
-	245,021	574,815
<u>345,869</u>	<u>602,174</u>	<u>16,897,413</u>
-	34,046	4,110,210
-	-	625,053
-	-	786,790
-	661,551	1,799,393
-	-	6,439,167
-	24,207	619,471
-	-	1,940,029
-	-	97,869
640,423	109,610	751,533
-	-	152,369
<u>640,423</u>	<u>829,414</u>	<u>17,321,884</u>
<u>(294,554)</u>	<u>(227,240)</u>	<u>(424,471)</u>
-	-	16,100
302,000	-	2,791,996
-	(302,000)	(2,791,996)
-	563,965	563,965
<u>302,000</u>	<u>261,965</u>	<u>580,065</u>
7,446	34,725	155,594
<u>110,044</u>	<u>816,759</u>	<u>8,512,553</u>
<u>117,490</u>	<u>851,484</u>	<u>8,668,147</u>

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Boone County

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances –  
Governmental Funds to the Statement  
of Activities

Year ended June 30, 2019

**Change in fund balances - Total governmental funds (page 31)** \$ 155,594

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

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

Expenditures for capital assets	\$ 624,772	
Capital assets contributed by the Iowa Department of Transportation	863,763	
Depreciation expense	(2,659,045)	(1,170,510)

In the Statement of Activities, the gain on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. 24,290

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

Property tax	(661)	
Other	630,378	629,717

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

Issued	(563,965)	
Repaid	541,130	(22,835)

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. 631,257

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

Compensated absences	47,986	
OPEB expense	5,420	
Pension expense	(452,715)	
Interest on long-term debt	(7,895)	(407,204)

**Change in net position of governmental activities (page 25)** **\$ (159,691)**

See notes to financial statements.

Boone County  
Statement of Net Position  
Proprietary Funds

June 30, 2019

	Enterprise		
	Nonmajor		Total
	Landfill Operations	Water Tax	
<b>Assets</b>			
Cash and cash equivalents	\$ 7,870,099	278,602	8,148,701
Cash and cash equivalents - restricted	4,039,297	-	4,039,297
Receivables:			
Accounts	460,333	-	460,333
Accrued interest	13,177	-	13,177
Due from other funds	166,364	-	166,364
Advances to other funds	33,333	-	33,333
Capital assets not being depreciated	826,226	-	826,226
Capital assets, net of accumulated depreciation	4,188,982	-	4,188,982
<b>Total assets</b>	17,597,811	278,602	17,876,413
<b>Deferred Outflows of Resources:</b>			
Pension related deferred outflows	69,975	-	69,975
OPEB related deferred outflows	6,642	-	6,642
<b>Total deferred outflows of resources</b>	76,617	-	76,617
<b>Liabilities</b>			
Accounts payable	141,996	2,898	144,894
Salaries and benefits payable	21,368	-	21,368
Due to other funds	8,001	-	8,001
Due to other governments	304	214	518
Long-term liabilities:			
Portion due or payable within one year:			
Compensated absences	45,263	-	45,263
Portion due or payable after one year:			
Net pension liability	376,166	-	376,166
Total OPEB liability	81,022	-	81,022
Estimated liability for landfill closure and postclosure care	3,470,945	-	3,470,945
<b>Total liabilities</b>	4,145,065	3,112	4,148,177
<b>Deferred Inflows of Resources:</b>			
Pension related deferred inflows	52,984	-	52,984
<b>Net Position</b>			
Net investment in capital assets	5,015,208	-	5,015,208
Restricted for:			
Landfill closure and postclosure care	581,529	-	581,529
Ground water tax purposes	-	275,490	275,490
Unrestricted	7,879,642	-	7,879,642
<b>Total net position</b>	\$ 13,476,379	275,490	13,751,869

See notes to financial statements.

Boone County  
Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Proprietary Funds

Year ended June 30, 2019

	Enterprise		
	Nonmajor		Total
	Landfill Operations	Ground Water Tax	
Operating revenues:			
Per capita fees	\$ 175,250	-	175,250
Solid waste fees	4,458,639	102,792	4,561,431
Miscellaneous	28,889	-	28,889
Total operating revenues	4,662,778	102,792	4,765,570
Operating expenses:			
Salaries and wages	472,004	-	472,004
Payroll tax	88,296	-	88,296
Fringe benefits	250,650	-	250,650
Fuel	115,021	-	115,021
Travel	4,108	-	4,108
Utilities	15,338	-	15,338
Insurance	23,020	-	23,020
Solid waste fees remitted to the Iowa Department of Natural Resources and Ground Water Tax Fund	228,997	-	228,997
Education and training	28,140	-	28,140
Engineering	20,836	-	20,836
Maintenance and repair Operations	211,053	-	211,053
Depreciation	154,156	-	154,156
Dues and membership	526,775	-	526,775
Accounting	2,575	-	2,575
Recycling center operations	43,489	-	43,489
Gravel	203,241	217,739	420,980
Leachate hauling and treatment	61,417	-	61,417
Adjustment to estimated liability for landfill closure and postclosure care	4,025	-	4,025
Total operating expenses	(137,086)	-	(137,086)
Operating income (loss)	2,316,055	217,739	2,533,794
Non-operating revenues (expenses):	2,346,723	(114,947)	2,231,776
Interest income	215,578	-	215,578
Change in net position	2,562,301	(114,947)	2,447,354
Net position beginning of year	10,914,078	390,437	11,304,515
Net position end of year	\$ 13,476,379	275,490	13,751,869

See notes to financial statements.

Boone County  
Statement of Cash Flows  
Proprietary Funds  
Year ended June 30, 2019

	Enterprise		
	Nonmajor		Total
	Landfill Operations	Ground Water Tax	
Cash flows from operating activities:			
Cash received from gate fees	\$ 4,552,113	-	4,552,113
Cash received from per capita fee assessments	175,250	-	175,250
Cash received from other operating receipts	28,889	124,641	153,530
Cash paid to suppliers for goods and services	(1,093,005)	(218,706)	(1,311,711)
Cash paid to employees for services	(662,551)	-	(662,551)
Net cash provided (used) by operating activities	3,000,696	(94,065)	2,906,631
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(543,017)	-	(543,017)
Repayment of advances to other funds	16,667	-	16,667
Net cash used by capital and related financing activities	(526,350)	-	(526,350)
Cash flows from investing activities:			
Interest received on investments	46,534	-	46,534
Net increase (decrease) in cash and cash equivalents	2,520,880	(94,065)	2,426,815
Cash and cash equivalents beginning of year	9,388,516	372,667	9,761,183
Cash and cash equivalents end of year	\$ 11,909,396	278,602	12,187,998
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 2,346,723	(114,947)	2,231,776
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	526,775	-	526,775
Closure and postclosure care	(134,406)	-	(134,406)
Changes in assets and liabilities:			
Decrease in accounts receivable	19,647	-	19,647
Decrease in deferred outflows of resources	40,807	-	40,807
Decrease in due from other funds	73,827	21,849	95,676
Increase (decrease) in accounts payable	94,208	(1,181)	93,027
Increase in salaries payable	1,873	-	1,873
Increase in deferred inflows of resources	42,443	-	42,443
Decrease in due to other funds	(29,221)	-	(29,221)
Increase (decrease) in due to other governments	(45,256)	214	(45,042)
Increase in net pension obligation	52,386	-	52,386
Increase in total OPEB liability	2,696	-	2,696
Increase in compensated absences	8,194	-	8,194
Total adjustments	653,973	20,882	674,855
Net cash provided (used) by operating activities	\$ 3,000,696	(94,065)	2,906,631

See notes to financial statements.

**Boone County**

Boone County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2019

**Assets**

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 2,833,664
Other County officials	57,017
Receivables:	
Property tax:	
Delinquent	175,939
Succeeding year	37,057,000
Accounts	1,947
Due from other governments	86,424
Special assessments	98,384
<b>Total assets</b>	<b>40,310,375</b>

**Liabilities**

Accounts payable	67,788
Salaries and benefits payable	17,825
Due to other governments	39,063,492
Trusts payable	1,119,965
Compensated absences	41,305
<b>Total liabilities</b>	<b>40,310,375</b>

<b>Net position</b>	<b>\$ -</b>
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See notes to financial statements.



Boone County

Notes to Financial Statements

June 30, 2019

**(1) Summary of Significant Accounting Policies**

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

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

A. Reporting Entity

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

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

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

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

The Boone County Conservation Foundation is an entity which is legally separate from the County, but is so intertwined with the County it is, in substance, part of the County. It is reported as a Special Revenue Fund. The Foundation is incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Boone County Conservation Board. These donations are to be used for development and enhancement of environmental education and conservation projects which are not included in the County's budget.

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: Boone County Assessor's Conference Board, Boone County Emergency Management Commission, County Community Services and the Boone County Joint 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

B. Basis of Presentation

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities and developmental disabilities services.

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

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

The 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.

Additionally, the County reports the following funds:

Proprietary Fund - The Enterprise, Landfill Operations Fund is used to account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The fund is also used to accumulate resources to fund the closure and postclosure care costs of the Landfill.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Enterprise Funds are charges to customers for sanitary landfill services. Operating expenses for Enterprise Funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2018.

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

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 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. Drainage assessments receivable represent assessments which are due and payable but have not been collected and remaining assessments which are payable but not yet due.

Special Assessments Receivable – Special assessments receivable represents amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 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. Special assessments receivable represents assessments which have been made but have not been collected.

Advances to/from Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent certain transactions between funds had not been paid or received as of June 30, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

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

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings and improvements	25,000
Intangibles	50,000
Equipment and vehicles	5,000

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

Asset Class	Estimated Useful lives (In Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Infrastructure and road network	10 - 65
Intangibles	5 - 20
Equipment	3 - 20
Vehicles	3 - 15

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

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

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

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

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

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

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

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

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

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

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

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



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

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Enterprise, Landfill Operations Fund is designated for operating costs of the Landfill.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. Disbursements during the year ended June 30, 2019 exceeded the amount budgeted in the non-program function and disbursements in two departments exceeded the amounts appropriated.

**(2) Cash, Cash Equivalents and Pooled Investments**

The County's deposits in banks at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2019, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$180,408. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

**(3) Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2019 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue:	
	Mental Health	\$ 8
	Rural Services	38
	Secondary Roads	27
	Enterprise:	
	Landfill Operations	<u>7,893</u>
		<u>7,966</u>
Special Revenue:	General	2,514
Secondary Roads	Special Revenue:	
	Rural Services	4,974
	Enterprise:	
	Landfill Operations	<u>108</u>
		<u>7,596</u>
County Recorder's Records Management	General	<u>1,314</u>
Enterprise: Landfill Operations	General	<u>166,364</u>
Total		<u>\$ 183,240</u>

These balances result from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

**(4) Advances To and From Other Funds**

Receivable Fund	Payable Fund	Amount
Landfill	General	<u>\$ 33,333</u>

During fiscal year 2018, the County approved an advance from the Enterprise, Landfill Operations Fund to the General Fund. The advance was made to finance the purchase of a John Deere Utility Tractor for Conservation purposes. During the year ended June 30, 2019 the General Fund paid the Enterprise, Landfill Operations Fund \$16,667.

**(5) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

Transfer to	Transfer from	Amount
Special Revenue: Secondary Roads	General	\$ 200,000
	Special Revenue: Rural Services	2,289,996
Debt Service	Special Revenue: County TIF Project	<u>302,000</u>
Total		<u>\$ 2,791,996</u>

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

**(6) Capital Assets**

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,031,227	-	-	2,031,227
Construction in progress	5,092,552	934,985	(2,415,304)	3,612,233
Total capital assets not being depreciated	7,123,779	934,985	(2,415,304)	5,643,460
Capital assets being depreciated:				
Buildings	6,195,289	-	-	6,195,289
Improvements other than buildings	251,714	-	-	251,714
Equipment and vehicles	11,548,960	580,721	(178,267)	11,951,414
Infrastructure, other	9,459,016	-	-	9,459,016
Infrastructure, road network	53,941,231	2,415,305	-	56,356,536
Total capital assets being depreciated	81,396,210	2,996,026	(178,267)	84,213,969
Less accumulated depreciation for:				
Buildings	2,670,262	149,106	-	2,819,368
Improvements other than buildings	99,631	6,293	-	105,924
Equipment and vehicles	10,196,624	624,947	(175,385)	10,646,186
Infrastructure, other	2,991,700	416,649	-	3,408,349
Infrastructure, road network	25,132,320	1,462,050	-	26,594,370
Total accumulated depreciation	41,090,537	2,659,045	(175,385)	43,574,197
Total capital assets being depreciated, net	40,305,673	336,981	(2,882)	40,639,772
Governmental activities capital assets, net	\$ 47,429,452	1,271,966	(2,418,186)	46,283,232
<b>Business type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 488,499	-	-	488,499
Construction in progress	-	337,727	-	337,727
Total capital assets, not being depreciated	488,499	337,727	-	826,226
Capital assets being depreciated:				
Buildings	1,234,148	-	-	1,234,148
Improvements other than buildings	28,290	-	-	28,290
Equipment and vehicles	4,523,093	205,291	(454,799)	4,273,585
Infrastructure	4,018,304	-	-	4,018,304
Total capital assets being depreciated	9,803,836	205,291	(454,799)	9,554,327
Less accumulated depreciation for:				
Buildings	266,652	30,854	-	297,506
Improvements other than buildings	3,772	1,886	-	5,658
Equipment and vehicles	3,544,402	295,713	(454,799)	3,385,316
Infrastructure	1,478,543	198,322	-	1,676,865
Total accumulated depreciation	5,293,369	526,775	(454,799)	5,365,345
Total capital assets being depreciated, net	4,510,467	(321,484)	-	4,188,982
Business type activities capital assets, net	\$ 4,998,966	16,243	-	5,015,208

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 64,836
County environment and education	470,827
Roads and transportation	1,925,126
Administration	198,256
Total depreciation expense - governmental activities	\$ 2,659,045
Business type activities:	
Landfill operations	\$ 526,775

**(7) Due to Other Governments**

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2019 is as follows:

Fund	Description	Amount
General	Services	\$ 33,998
Special Revenue:		
Mental Health	Services	1,437
Secondary Roads	Services	1,831
Total for governmental funds		<u>\$ 37,266</u>
Agency:		
County Offices	Collections	\$ 32,809
Agricultural Extension Education		241,936
County Assessor		989,946
Schools		23,348,583
Community Colleges		944,441
Corporations		9,237,080
Townships		529,882
Auto License and Use Tax		791,153
Special Assessments		123,706
County Hospital		2,585,458
E911		234,104
All other		4,394
Total for agency funds		<u>\$ 39,063,492</u>

**(8) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	Governmental Activities						Total
	General	Capital	Drainage	Compensated	Net	Total	
	Obligation	Lease					
Loan Notes	Purchase Agreement	Warrants	Absences	Liability	Liability		
Balance beginning of year	\$ 3,111,000	2,669,492	307,191	485,271	4,965,867	354,513	11,893,334
Increases	-	-	563,965	358,723	-	26,050	948,738
Decreases	200,000	237,426	103,704	406,709	639,958	35,153	1,622,950
Balance end of year	\$ 2,911,000	2,432,066	767,452	437,285	4,325,909	345,410	11,219,122
Due within one year	\$ 204,000	281,131	-	437,285	-	-	922,416

	Compensated	Closure and	Net	Total	Total
	Absences	Postclosure	Pension	OPEB	
		Care	Liability	Liability	
Balance beginning of year	\$ 37,069	3,605,351	323,780	78,326	4,044,526
Increases	40,908	-	52,386	10,942	104,236
Decreases	32,714	134,406	-	8,246	175,366
Balance end of year	\$ 45,263	3,470,945	376,166	81,022	3,973,396
Due within one year	\$ 45,263	-	-	-	45,263

Governmental activities:

General Obligation Refunding Capital Loan Notes

On November 8, 2017 the County issued \$3,296,000 of general obligation refunding capital loan notes, Series 2017, with an interest rate of 3.35% per annum. The notes were issued to refund the \$1,130,000 outstanding balance of the general obligation capital loan notes, Series 2009A, dated May 1, 2009 and the \$2,080,000 outstanding balance of the urban renewal general obligation capital loan notes, Series 2011, dated September 1, 2011.

A summary of the County’s June 30, 2019 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Refunding Capital Loan Notes Issued November 8, 2017			
	Interest Rates	Principal	Interest	Total
2020	3.35%	\$ 204,000	97,519	301,519
2021	3.35	215,000	90,685	305,685
2022	3.35	235,000	83,482	318,482
2023	3.35	235,000	75,610	310,610
2024	3.35	250,000	67,737	310,610
2025-2029	3.35	1,417,000	205,690	1,284,191
2030-2031	3.35	355,000	17,755	1,028,992
Total		\$ 2,911,000	638,477	3,549,477

During the year ended June 30, 2019, the County retired \$200,000 of general obligation capital loan notes.

Drainage District Warrants Payable

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented. Warrants will be paid as funds are available.

Drainage warrants are paid from the Special Revenue, Drainage Districts Fund solely from drainage assessments against benefited properties.

General Obligation Lease Purchase Agreement

On September 15, 2017 the County entered into a general obligation lease-purchase agreement for peace officer communication equipment and other emergency services equipment and systems. The total lease agreement is for \$2,669,492. The following is a schedule of the future minimum lease payments, including interest of 2.223% per annum, and the present value of net minimum lease payments under the agreement in effect at June 30, 2019.

Year Ending June 30,	Communication and Public Safety Equipment and Systems
2020	\$ 335,205
2021	335,205
2022	335,205
2023	335,205
2024	335,205
2025-2027	1,005,612
Total minimum lease payments	2,681,637
Less amount representing interest	249,571
Present value of minimum lease payment	\$ 2,432,066

Payments under the capital lease purchase agreement totaled \$237,426 for the year ended June 30, 2019.

**(9) Pension Plan**

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.76% of covered payroll, for a total rate of 19.52%. Protection occupation members contributed 6.81% of covered payroll and the County contributed 10.21% of covered payroll, for a total rate of 17.02%.

The County's contributions to IPERS for the year ended June 30, 2019 totaled \$686,171.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the County reported a liability of \$4,702,075 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the County's proportion was 0.074303%, which was a decrease of 0.005106% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$642,835. At June 30, 2019, 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	\$ 42,840	142,441
Changes of assumptions	849,334	173,153
Net difference between projected and actual earnings on pension plan investments	-	176,623
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	60,476	170,075
County contributions subsequent to the measurement date	686,171	-
Total	<u>\$ 1,638,821</u>	<u>662,292</u>

\$686,171 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2019	\$ 311,720
2020	140,112
2021	(95,147)
2022	(47,934)
2023	(18,393)
Total	<u>\$ 290,358</u>

There were no non-employer contributing entities to IPERS.



Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement as follows:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.50% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

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

Mortality rates used in the 2018 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	6.01%
International equity	15.0	6.48
Global smart beta equity	3.0	6.23
Core plus fixed income	27.0	1.97
Public credit	3.5	3.93
Public real assets	7.0	2.91
Cash	1.0	(0.25)
Private equity	11.0	10.81
Private real assets	7.5	4.14
Private credit	3.0	3.11
Total	<u>100.0%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 8,946,783	4,702,075	1,142,159

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2019.

**(10) Other Postemployment Benefits (OPEB)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Active employees	<u>117</u>
Total	<u>124</u>

Total OPEB Liability – The County's total OPEB liability of \$426,432 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017. The total OPEB liability was rolled forward from the July 1, 2017 valuation date to the June 30, 2019 measurement date.

Actuarial Assumptions – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective July 1, 2017)	3.00% per annum.
Rates of salary increase (effective July 1, 2017)	2.00% per annum, including inflation.
Discount rate (effective July 1, 2017)	3.58% compounded annually, including inflation.
Healthcare cost trend rate (effective July 1, 2017)	8.00% initial rate decreasing by .5% annually to an ultimate rate of 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.58% 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 total annuitant distinct mortality table adjusted to 2006 with MP-2017 generational projection of future mortality improvement.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 432,839
Changes for the year:	
Service cost	21,504
Interest	15,488
Benefit payments	<u>(43,399)</u>
Net changes	<u>(6,407)</u>
Total OPEB liability end of year	<u>\$ 426,432</u>

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 (2.58%) or 1% higher (4.58%) than the current discount rate.

	<u>1% Decrease (2.58%)</u>	<u>Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total OPEB liability	\$ 449,612	426,432	404,842

Sensitivity of the County's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.0%) or 1% higher (9.0%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 397,638	426,432	459,495

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2019, the County recognized OPEB expense of \$41,105. At June 30, 2019, the County reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 16,809
Changes in assumptions	18,147
Total	<u>\$ 34,956</u>

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

Year ending June 30,	Amount
2020	\$ 4,113
2021	4,113
2022	4,113
2023	4,113
2024	4,113
Thereafter	14,391
	<u>\$ 34,956</u>

**(11) Risk Management**

The 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 778 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 property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2019 were \$122,074.

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, 2019, no liability has been recorded in the County's financial statements. As of June 30, 2019, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation in the amount of \$5,000,000 and employee blanket bond in the amount of \$20,000 for each employee, except for the County Treasurer which is at \$230,000. 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.

**(12) Closure and Postclosure Care**

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

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

These costs for the Landfill have been estimated at \$3,110,400 for closure and \$1,671,000 for postclosure care, for a total of \$4,781,400 as of June 30, 2019 for the original and expansion areas combined. The portion of the liability that has been recognized is \$3,470,945. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2019. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the landfill is 7 years for the expansion area and the capacity used at June 30, 2019 is 65%.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The County has begun accumulating resources to fund these costs and, at June 30, 2019, assets of \$4,052,474 are restricted for these purposes, of which \$2,545,944 is for closure and \$1,506,530 is for postclosure care.

Also, pursuant to Chapter 567-111.3(3) of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded for the expansion area, the County is required to demonstrate financial assurance for the unfunded costs. The County has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the County must certify the following to the Iowa Department of Natural Resources:

- The fund is dedicated by local government statute as a reserve fund.
- Payments into the fund are made annually over a pay-in period of ten years or the permitted life of the landfill, whichever is shorter.
- Annual deposits to the fund are determined by the following formula:

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

NP = next payment

CE = total required financial assurance

CB = current balance of the fund

Y = number years remaining in the pay-in period

Chapter 567-113.14(8) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the landfill is not required to establish closure and postclosure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

**(13) Solid Waste Tonnage Fees Retained**

The County has established an account for restricting and using solid waste tonnage fees retained by the County in accordance with Chapter 455B.310 of the Code of Iowa.

As of June 30, 2019, net position of \$275,490 has been retained by the County and is restricted for the required purposes.

**(14) Tax Abatements**

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

**Tax Abatements of Other Entities**

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2019 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount to Tax Abated
City of Boone	Urban renewal and economic development projects	\$ 22,762
City of Luther	Urban renewal and economic development projects	1,776
City of Madrid	Urban renewal and economic development projects	1,443

**(15) County Financial Information Included in the Central Iowa Community Services Mental Health Region**

Central Iowa Community Services Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Franklin County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County, Warren County and Boone County. The financial activity of the County’s Special Revenue, Mental Health Fund is included in the Central Iowa Community Services Mental Health Region for the year ended June 30, 2019, as follows:

Revenues:		
Property and other county tax		\$ 557,238
Intergovernmental:		
State tax credits	\$ 41,133	
MH-DD reimbursement from other governments	6,447	47,580
Total revenues		<u>604,818</u>
Expenditures:		
Services to persons with:		
Mental illness		215,072
General administration:		
Direct administration	245,181	
Distribution to region fiscal agent	326,537	571,718
Total expenditures		<u>786,790</u>
Deficiency of revenues under expenditures		(181,972)
Fund balance beginning of year		<u>922,014</u>
Fund balance end of year		<u>\$ 740,042</u>

**(16) 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, 2020. 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.



**Boone County**

**Required Supplementary Information**

Boone County

Budgetary Comparison Schedule of  
Receipts, Disbursements and Changes in Balances –  
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2019

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 9,104,631	-	9,104,631
Penalty and interest on property tax	73,157	-	73,157
Intergovernmental	5,562,255	-	5,562,255
Licenses and permits	28,375	-	28,375
Charges for service	1,166,354	-	1,166,354
Use of money and property	468,116	75	468,041
Miscellaneous	594,865	182,334	412,531
Total receipts	<u>16,997,753</u>	<u>182,409</u>	<u>16,815,344</u>
Disbursements:			
Public safety and legal services	3,996,472	-	3,996,472
Physical health and social services	618,385	-	618,385
Mental health	788,310	-	788,310
County environment and education	1,801,074	651,223	1,149,851
Roads and transportation	6,515,822	-	6,515,822
Governmental services to residents	623,317	-	623,317
Administration	1,928,029	-	1,928,029
Non-program	102,994	-	102,994
Debt service	768,203	109,611	658,592
Capital projects	78,473	-	78,473
Total disbursements	<u>17,221,079</u>	<u>760,834</u>	<u>16,460,245</u>
Excess (deficiency) of receipts over (under) disbursements	(223,326)	(578,425)	355,099
Other financing sources, net	585,515	563,965	21,550
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	362,189	(14,460)	376,649
Balance beginning of year	<u>6,946,025</u>	<u>501,986</u>	<u>6,444,039</u>
Balance end of year	<u>\$ 7,308,214</u>	<u>487,526</u>	<u>6,820,688</u>

See accompanying independent auditor's report.

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Budgeted Amounts		Final to
Original	Final	Net
		Variance
9,116,287	9,116,287	(11,656)
65,200	65,200	7,957
5,813,674	5,824,674	(262,419)
30,800	30,800	(2,425)
1,035,168	1,073,168	93,186
162,500	267,500	200,541
575,200	678,825	(266,294)
<u>16,798,829</u>	<u>17,056,454</u>	<u>(241,110)</u>
4,079,551	4,167,051	170,579
723,885	723,885	105,500
796,350	796,350	8,040
1,251,298	1,251,298	101,447
6,621,570	6,921,570	405,748
713,822	713,822	90,505
2,048,695	2,048,695	120,666
-	100,000	(2,994)
658,091	658,593	1
<u>1,272,000</u>	<u>972,000</u>	<u>893,527</u>
<u>18,165,262</u>	<u>18,353,264</u>	<u>1,893,019</u>
(1,366,433)	(1,296,810)	1,651,909
<u>10,000</u>	<u>10,000</u>	<u>11,550</u>
(1,356,433)	(1,286,810)	1,663,459
<u>5,801,376</u>	<u>6,318,925</u>	<u>125,114</u>
<u>4,444,943</u>	<u>5,032,115</u>	<u>1,788,573</u>

**Boone County**

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Boone County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation  
Required Supplementary Information

Year ended June 30, 2019

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 16,997,753	(100,340)	16,897,413
Expenditures	17,221,079	100,805	17,321,884
Net	(223,326)	(201,145)	(424,471)
Other financing sources, net	585,515	(5,450)	580,065
Beginning fund balances	6,946,025	1,566,528	8,512,553
Ending fund balances	<u>\$ 7,308,214</u>	<u>1,359,933</u>	<u>8,668,147</u>

See accompanying independent auditor's report.

Boone County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2019

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

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except blended component units, Enterprise 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 ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$188,002. The budget amendment is reflected in the final budgeted amounts.

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

Disbursements during the year ended June 30, 2019 exceeded the amount budgeted in the non-program function and disbursements in the communications and non-departmental departments exceeded the amounts appropriated.

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Boone County

Schedule of the County's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System  
For the Last Five Years\*  
(In Thousands)

Required Supplementary Information

	2019	2018	2017	2016	2015
County's proportion of the net pension liability	0.074303%	0.079409%	0.077884%	0.080528%	0.077477%
County's proportionate share of the net pension liability	\$ 4,702	5,290	4,901	3,854	3,073
County's covered payroll	6,933	6,885	6,475	6,317	6,428
County's proportionate share of the net pension liability as a percentage of its covered payroll	67.82%	76.83%	75.69%	61.01%	47.80%
Plan fiduciary net position as a percentage of the total pension liability	83.62%	82.21%	81.82%	85.19%	87.61%

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

See accompanying independent auditor's report.



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Boone County

Schedule of County Contributions

Iowa Public Employees' Retirement System  
For the Last Ten Years  
(In Thousands)

Required Supplementary Information

	2019	2018	2017	2016
Statutorily required contribution	\$ 686,171	627,640	624,918	590,994
Contributions in relation to the statutorily required contribution	<u>(686,171)</u>	<u>(627,640)</u>	<u>(624,918)</u>	<u>(590,994)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 7,196,028	6,932,954	6,884,926	6,475,132
Contributions as a percentage of covered payroll	9.54%	9.06%	9.08%	9.13%

See accompanying independent auditor's report.

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2015	2014	2013	2012	2011	2010
575,654	585,616	563,952	523,958	468,576	433,546
(575,654)	(585,616)	(563,952)	(523,958)	(468,576)	(433,546)
-	-	-	-	-	-
6,317,268	6,427,599	6,353,373	6,276,919	6,365,794	6,259,994
9.11%	9.12%	8.88%	8.35%	7.37%	6.93%

Boone County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2019

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Changes of assumptions:

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

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

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

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

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

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

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

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Boone County

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

For the Last Two Years  
Required Supplementary Information

	2019	2018
Service cost	\$ 21,504	21,082
Interest cost	15,488	15,606
Difference between expected and actual experiences	-	20,765
Changes in assumptions	-	22,417
Benefit payments	(43,399)	(37,413)
Net change in total OPEB liability	(6,407)	42,457
Total OPEB liability beginning of year	432,839	390,382
Total OPEB liability end of year	\$ 426,432	432,839
Covered-employee payroll	\$ 6,061,152	5,942,306
Total OPEB liability as a percentage of covered-employee payroll	7.0%	7.3%

See accompanying independent auditor's report.

**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, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.00%

**Boone County**

## **Supplementary Information**

Boone County  
 Combining Balance Sheet  
 Nonmajor Governmental Funds

June 30, 2019

	County Recorder's Records Management	Drainage Districts	Resource Enhancement and Protection	Special Task Force
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 46,575	412,854	161,215	17,907
Receivables:				
Property tax:				
Succeeding year tax increment financing	-	-	-	-
Accounts	-	-	-	-
Accrued interest	-	-	1,304	-
Drainage assessments	-	842,574	-	-
Due from other funds	1,314	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>\$ 47,889</b>	<b>1,255,428</b>	<b>162,519</b>	<b>17,907</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	-	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other	-	842,574	-	-
Total deferred inflows of resources	-	842,574	-	-
Fund balances:				
Restricted for:				
Debt service	-	412,854	-	-
Resource enhancement and protection	-	-	162,519	-
Other purposes	47,889	0.00	-	17,907
Total fund balances	47,889	412,854	162,519	17,907
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 47,889</b>	<b>1,255,428</b>	<b>162,519</b>	<b>17,907</b>

See accompanying independent auditor's report.

Revenue							
Attorney Drug Prosecution	Tobacco and Alcohol Enforcement	Jail Commissary	Reserve Deputy	County TIF Project	Conservation Foundation		Total
56,026	4,321	34,414	10,651	26,115	74,672		844,750
-	-	-	-	337,000	-		337,000
-	-	4,183	-	-	-		4,183
-	-	-	-	-	-		1,304
-	-	-	-	-	-		842,574
-	-	-	-	-	-		1,314
952	-	-	-	-	-		952
56,978	4,321	38,597	10,651	363,115	74,672		2,032,077
-	-	1,019	-	-	-		1,019
-	-	-	-	337,000	-		337,000
-	-	-	-	-	-		842,574
-	-	-	-	337,000	-		1,179,574
-	-	-	-	26,115	-		438,969
-	-	-	-	-	-		162,519
56,978	4,321	37,578	10,651	-	74,672		249,996
56,978	4,321	37,578	10,651	26,115	74,672		851,484
56,978	4,321	38,597	10,651	363,115	74,672		2,032,077



Boone County

Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds

Year ended June 30, 2019

	County Recorder's Records Management	Drainage Districts	Resource Enhancement and Protection	Special Task Force
<b>Revenues:</b>				
Tax increment financing	\$ -	-	-	-
Intergovernmental	-	-	25,901	-
Charges for service	4,850	-	-	-
Use of money and property	1,314	-	1,551	-
Miscellaneous	-	177,815	-	1,274
<b>Total revenues</b>	<b>6,164</b>	<b>177,815</b>	<b>27,452</b>	<b>1,274</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	-	-	-	3,589
County environment and education	-	645,656	10,328	-
Governmental services to residents	24,207	-	-	-
Debt service	-	109,610	-	-
<b>Total expenditures</b>	<b>24,207</b>	<b>755,266</b>	<b>10,328</b>	<b>3,589</b>
Excess (deficiency) of revenues over (under) expenditures	(18,043)	(577,451)	17,124	(2,315)
<b>Other financing uses:</b>				
Transfers out	-	-	-	-
Drainage warrants issued	-	563,965	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>563,965</b>	<b>-</b>	<b>-</b>
Changes in fund balance	(18,043)	(13,486)	17,124	(2,315)
Fund balances beginning of year	65,932	426,340	145,395	20,222
Fund balances end of year	\$ 47,889	412,854	162,519	17,907

See accompanying independent auditor's report.

Revenue							
Attorney Drug Prosecution	Tobacco and Alcohol Enforcement	Jail Commissary	Reserve Deputy	County TIF Project	Conservation Foundation		Total
-	-	-	-	323,463	-		323,463
-	-	-	-	-	-		25,901
-	-	-	-	-	-		4,850
-	-	-	-	-	74		2,939
7,087	-	46,701	7,625	-	4,519		245,021
7,087	-	46,701	7,625	323,463	4,593		602,174
730	-	25,632	4,095	-	-		34,046
-	-	-	-	-	5,567		661,551
-	-	-	-	-	-		24,207
-	-	-	-	-	-		109,610
730	-	25,632	4,095	-	5,567		829,414
6,357	-	21,069	3,530	323,463	(974)		(227,240)
-	-	-	-	(302,000)	-		(302,000)
-	-	-	-	-	-		563,965
-	-	-	-	(302,000)	-		261,965
6,357	-	21,069	3,530	21,463	(974)		34,725
50,621	4,321	16,509	7,121	4,652	75,646		816,759
56,978	4,321	37,578	10,651	26,115	74,672		851,484

Boone County  
Combining Schedule of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2019

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
<b>Assets</b>					
Cash and pooled investments:					
County Treasurer	\$ -	1,903	407,385	174,699	7,461
Other County Officials	57,017	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	1,033	2,744	95,884	3,980
Succeeding year	-	239,000	637,000	23,078,000	933,000
Accounts	446	-	9	-	-
Due from other governments	-	-	-	-	-
Special assessments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 57,463</b>	<b>241,936</b>	<b>1,047,138</b>	<b>23,348,583</b>	<b>944,441</b>
<b>Liabilities</b>					
Liabilities:					
Accounts payable	\$ -	-	373	-	-
Salaries and benefits payable	-	-	15,723	-	-
Due to other governments	32,809	241,936	989,946	23,348,583	944,441
Trusts payable	24,654	-	-	-	-
Compensated absences	-	-	41,096	-	-
<b>Total liabilities</b>	<b>\$ 57,463</b>	<b>241,936</b>	<b>1,047,138</b>	<b>23,348,583</b>	<b>944,441</b>

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Special Assessments	County Hospital	911	Other	Total
91,655	3,031	791,153	25,322	18,453	283,428	1,029,174	2,833,664
-	-	-	-	-	-	-	57,017
59,425	1,851	-	-	11,005	-	17	175,939
9,086,000	525,000	-	-	2,556,000	-	3,000	37,057,000
-	-	-	-	-	1,492	-	1,947
-	-	-	-	-	82,172	4,252	86,424
-	-	-	98,384	-	-	-	98,384
<u>9,237,080</u>	<u>529,882</u>	<u>791,153</u>	<u>123,706</u>	<u>2,585,458</u>	<u>367,092</u>	<u>1,036,443</u>	<u>40,310,375</u>
-	-	-	-	-	842	66,573	67,788
-	-	-	-	-	-	2,102	17,825
9,237,080	529,882	791,153	123,706	2,585,458	234,104	4,394	39,063,492
-	-	-	-	-	132,146	963,165	1,119,965
-	-	-	-	-	-	209	41,305
<u>9,237,080</u>	<u>529,882</u>	<u>791,153</u>	<u>123,706</u>	<u>2,585,458</u>	<u>367,092</u>	<u>1,036,443</u>	<u>40,310,375</u>

Boone County

Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2019

<b>Assets and Liabilities</b>	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Balances beginning of year	\$ 51,361	240,156	1,058,053	21,330,505	939,200
Additions:					
Property and other county tax	-	244,418	652,828	23,448,575	953,134
911 surcharge	-	-	-	-	-
State tax credits	-	13,668	42,409	1,257,652	53,351
Office fees and collections	686,907	-	97	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	359,157	-	-	-	-
Miscellaneous	-	-	-	-	-
Total additions	1,046,064	258,086	695,334	24,706,227	1,006,485
Deductions:					
Agency remittances:					
To other funds	319,065	-	-	-	-
To other governments	367,807	256,306	706,249	22,688,149	1,001,244
Trusts paid out	353,090	-	-	-	-
Total deductions	1,039,962	256,306	706,249	22,688,149	1,001,244
Balances end of year	\$ 57,463	241,936	1,047,138	23,348,583	944,441

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Special Assessments	County Hospital	911	Other	Total
8,820,809	480,963	716,597	164,783	2,330,388	513,426	959,740	37,605,981
9,100,381	542,321	-	-	2,605,993	-	3,907	37,551,557
-	-	-	-	-	318,852	-	318,852
670,783	21,576	-	-	132,518	-	220	2,192,177
-	-	-	-	-	-	-	687,004
-	-	9,177,984	-	-	-	-	9,177,984
-	-	-	49,867	-	-	-	49,867
-	-	-	-	-	-	-	359,157
-	-	-	-	-	63,844	2,878,635	2,942,479
9,771,164	563,897	9,177,984	49,867	2,738,511	382,696	2,882,762	53,279,077
-	-	360,210	-	-	-	-	679,275
9,354,893	514,978	8,743,218	90,944	2,483,441	-	113,021	46,320,250
-	-	-	-	-	529,030	2,693,038	3,575,158
9,354,893	514,978	9,103,428	90,944	2,483,441	529,030	2,806,059	50,574,683
9,237,080	529,882	791,153	123,706	2,585,458	367,092	1,036,443	40,310,375

Boone County

Schedule of Revenues By Source and Expenditures By Function –  
All Governmental Funds

For the Last Ten Years

	2019	2018	2017	2016
<b>Revenues:</b>				
Property and other county tax, including tax increment financing	\$ 8,149,532	8,012,888	8,012,895	7,787,551
Local option sales tax	897,150	1,016,923	1,008,431	972,004
Interest and penalty on property tax	72,137	67,839	70,752	85,450
Intergovernmental	5,590,921	5,680,460	5,732,444	5,437,561
Licenses and permits	28,025	37,760	44,290	51,888
Charges for service	1,178,479	1,239,609	1,203,404	1,059,794
Use of money and property	406,354	330,945	204,389	138,988
Miscellaneous	574,815	699,763	1,518,841	566,765
<b>Total</b>	<b>\$ 16,897,413</b>	<b>17,086,187</b>	<b>17,795,446</b>	<b>16,100,001</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 4,110,210	6,540,678	3,788,814	3,491,581
Physical health and social services	625,053	617,089	603,739	592,941
Mental health	786,790	566,935	729,156	345,312
County environment and education	1,799,393	1,541,929	1,370,024	1,568,135
Roads and transportation	6,439,167	6,456,899	5,622,828	6,054,439
Governmental services to residents	619,471	606,656	639,653	519,788
Administration	1,940,029	1,813,086	1,859,993	1,755,455
Non-program	97,869	250,005	524,937	52,369
Debt service	751,533	617,547	1,116,935	740,166
Capital projects	152,369	1,240,449	631,022	811,892
<b>Total</b>	<b>\$ 17,321,884</b>	<b>20,251,273</b>	<b>16,887,101</b>	<b>15,932,078</b>

See accompanying independent auditor's report.

2015	2014	2013	2012	2011	2010
7,778,128	7,915,039	7,822,090	7,624,140	7,362,020	6,833,940
974,573	970,619	834,332	870,967	813,991	770,944
66,228	77,429	68,784	68,321	78,801	97,131
5,443,756	5,393,112	6,742,555	7,383,576	6,752,826	6,721,779
22,100	23,380	18,990	19,645	17,730	15,170
1,044,379	938,516	1,044,869	914,070	947,402	946,631
119,902	129,063	140,691	208,399	148,592	180,428
270,065	743,661	334,528	400,336	387,811	348,081
<b>15,719,131</b>	<b>16,190,819</b>	<b>17,006,839</b>	<b>17,489,454</b>	<b>16,509,173</b>	<b>15,914,104</b>
3,374,960	3,375,919	3,133,722	2,991,532	3,050,832	2,818,638
606,356	640,190	617,137	630,996	740,042	790,647
1,119,800	1,051,851	1,299,546	3,238,850	2,455,192	2,200,563
1,050,065	1,574,160	1,509,043	2,068,863	2,278,691	1,551,519
5,315,238	5,728,977	4,997,451	5,298,333	5,254,482	5,514,468
727,542	534,462	561,908	541,174	554,193	549,998
1,693,871	1,779,060	1,582,486	1,560,273	1,663,071	1,713,577
-	-	-	-	-	-
742,003	736,588	697,402	1,716,334	642,994	3,816,125
377,113	1,625,251	2,468,315	700,074	311,292	1,294,297
<b>15,006,948</b>	<b>17,046,458</b>	<b>16,867,010</b>	<b>18,746,429</b>	<b>16,950,789</b>	<b>20,249,832</b>





**OFFICE OF AUDITOR OF STATE  
STATE OF IOWA**

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

To the Officials of Boone County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of Boone County, Iowa, as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Boone County's internal control over financial reporting to determine the audit procedures 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 Boone County's internal control. Accordingly, we do not express an opinion on the effectiveness of Boone County's internal control.

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

### Compliance and Other Matters

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

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2019 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.

### Boone County's Responses to the Findings

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

### Purpose of this Report

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

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

  
Marlys K. Gaston, CPA  
Deputy Auditor of State

March 18, 2020

Boone County  
 Schedule of Findings  
 Year ended June 30, 2019

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

(A) Segregation of Duties

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

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

	Applicable Offices
(1) Investments – detailed record keeping and custody.	County Treasurer
(2) Receipts – opening and listing mail receipts, collecting, depositing, posting and daily reconciling.	County Treasurer, County Recorder
(3) Disbursements – approval of disbursements and signing of the checks.	County Recorder

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

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

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Responses –

County Recorder – We continue to work toward segregation of duties to the extent possible with the limited number of staff members in the office.

Boone County

Schedule of Findings

Year ended June 30, 2019

County Treasurer – This year there has been some staff turnover and new assignments of positions. We focus on cross-training staff in all departments run under the Treasurer’s office. During lunch hours and while staff are sick or on vacation, we all have to help by assisting customers and collecting money at the counter. Each employee has their own cash drawer and balances their individual drawer each day. Each day the separate drawers are balanced together by the Treasurer or first deputy to the day’s total business. Each month the Treasurer does the month-end balancing process and apportionment of business.

Conclusions – Responses acknowledged. The offices should continue to review operating procedures to obtain the maximum internal control possible, including using current personnel and other officials and employees to provide additional control through review of financial transactions, reconciliations and reports for their accounts.

(B) County Treasurer Monthly Bank Reconciliations

Criteria – An effective internal control system provides for internal controls related to reconciling bank statements to County records.

Condition – Although monthly bank reconciliations were performed for each bank account, a monthly reconciliation of all bank account balances, including investments, to the Treasurer’s book balance is not performed.

Cause – Policies have not been established and procedures have not been implemented to reconcile all bank account balances, including investments, to the Treasurer’s book balance.

Effect – Since reconciliations of all bank account balances, including investments, to the Treasurer’s book balance were not performed, misstatements may not have been prevented or detected and corrected on a timely basis in the normal course of operations.

Recommendation – Monthly bank reconciliations, including all bank account balances and investments, should be performed and reconciled to the Treasurer’s book balance.

Response – Each month the Treasurer’s office reconciles all accounts. We reconcile our account records monthly to the bank records. We balance with the monthly bank statements provided from the bank to our banking system through our Solutions software program. We compare our bank register daily as checks, debits, credits and deposits clear the bank accounts. Going forward I will include all accounts and investments into our daily balancing procedures.

Conclusion – Response acknowledged. All bank and investment accounts should also be included in the monthly balancing procedures.

Boone County  
Schedule of Findings  
Year ended June 30, 2019

(C) Financial Reporting

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

Condition – During the audit, we identified material amounts of receivables which were not recorded in the County’s financial statements or were recorded in the wrong fiscal year. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

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

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

Recommendation – The County should implement procedures to ensure all receivables are identified and properly included in the County’s financial statements.

Response – Boone County has a policy and procedures documents which need to be reviewed, updated and communicated to current employees. In the past two years the Auditor’s and Treasurer’s office employees with over 90 years of County experience have retired. We will comply with the above recommendation.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

Boone County  
Schedule of Findings  
Year ended June 30, 2019

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

- (1) Certified Budget – Disbursements during the year ended June 30, 2019 exceeded the amount appropriated in the non-department department prior to the approval of an amendment by the Board of Supervisors and disbursements in the communications and non-department departments exceeded the amount appropriated at year end. Disbursements exceeded the amount budgeted in the non-program function at year end.

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.

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

Response – The County will endeavor to comply with 331.435 and 331.434 of the Code of Iowa.

Conclusion – Response accepted.

- (2) Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in the Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- (4) Business Transactions – No business transactions between the County and County officials or employees.
- (5) Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of surety bond coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

Boone County

Schedule of Findings

Year ended June 30, 2019

- (8) 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).

The County produces a significant amount of revenue in its Conservation Department through camping and golf fees. This revenue is used to offset conservation expenses in lieu of property tax revenue.

- (9) Solid Waste Fees Retainage – No instances of non-compliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

- (10) 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 county operations and, consequently, is not included in Exhibits A or B.

Disbursements for the year ended June 30, 2019 for the County Extension Office did not exceed the amount budgeted.

- (11) Financial Assurance – The Landfill has demonstrated financial assurance for closure and postclosure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The calculation is made as follows:

	Original Area		Expansion Area		Total
	Closure	Postclosure	Closure	Postclosure	
Total estimated costs for closure and postclosure care	\$ 229,100	822,000	2,881,300	849,000	4,781,400
Amounts required to be held in the local dedicated fund at June 30, 2018	\$ 225,700	820,500	2,855,300	844,500	4,746,000
Reallocation of amounts required to be held based on current estimated costs	3,400	1,500	(3,400)	(1,500)	-
Less: amounts required to be held in the local dedicated fund at June 30, 2018, as reallocated	229,100	822,000	2,851,900	843,000	4,746,000
	-	-	29,400	6,000	35,400
Divided by the number of years remaining in the pay-in period	-	-	7	7	
Required payment into the local dedicated fund for the year ended June 30, 2019	-	-	4,200	857	5,057
Amounts required to be held in the local dedicated fund at June 30, 2018, as reallocated	229,100	822,000	2,851,900	843,000	4,746,000
Amounts required to be held in the local dedicated fund at June 30, 2019	\$ 229,100	822,000	2,856,100	843,857	4,751,057
Amounts restricted for closure and postclosure care at June 30, 2019	\$ 229,100	822,000	2,316,844	684,530	4,052,474

- (12) Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1.

Boone County

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Deputy  
Michelle B. Meyer, CPA, Manager  
Jenny R. Lawrence, Senior Auditor II  
Luke M. Borman, CPA, Senior Auditor  
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Noelle M. Johnson, Staff Auditor  
Malika Moutiq, Staff Auditor  
Taran E. McCusker, Staff Auditor  
Corey D. Hauptmann, Assistant Auditor  
Jacob Bump, Audit Intern