



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

Contact: Ernest Ruben
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FOR RELEASE

September 22, 2023

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$28,127,207 for the year ended June 30, 2022, a 4.1% decrease from the prior year. Expenses for County operations for the year ended June 30, 2022 totaled \$24,204,791, a 3.9% 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 drainage district warrants paid.

AUDIT FINDINGS:

Sand reported five findings related to the receipt and expenditure of taxpayer funds. They are found on pages 84 through 90 of this report. The findings address issues such as lack of segregation of duties, lack of a complete County Treasurer bank reconciliation, material amounts of receivables and capital asset additions and deletions not properly recorded in the County's financial statements and disbursements exceeding amounts budgeted in the mental health function and appropriated amounts in certain departments. Sand provided the County with recommendations to address each of these findings.

Four of the five findings discussed above are repeated from the prior year. The County Board of Supervisors and other County 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 website at [Audit Reports – Auditor of State](#).

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BOONE COUNTY

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS**

JUNE 30, 2022

Boone County



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Rob Sand
Auditor of State

August 21, 2023

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, 2022. 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, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Boone County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Duffy	Board of Supervisors	Jan 2023
Erich Kretzinger	Board of Supervisors	Jan 2025
Bill Zinnel	Board of Supervisors	Jan 2025
Diane Patrick	County Auditor	Jan 2025
Lauren Novak	County Treasurer	Jan 2023
Chris Duncan	County Recorder	Jan 2023
Greg Elsberry	County Sheriff	Jan 2025
Matt Speers	County Attorney	Jan 2023
Paul Overton	County Assessor	Jan 2028

Boone County



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Independent Auditor's Report

To the Officials of Boone County:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 17 to the financial statements, Boone County adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. In addition, Boone County's beginning net position for governmental activities, business type activities and the Enterprise, Landfill Operations Fund were restated to correct errors in pension related deferred outflows. Net position of the business type activities and the Enterprise, Landfill Operations Fund were restated to properly report capital asset additions that were not previously reported. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Boone County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Boone County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 60 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

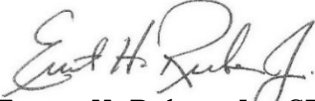
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, 2021 (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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 5 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 August 21, 2023 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.


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

August 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2022. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

FISCAL YEAR 2022 FINANCIAL HIGHLIGHTS

- Boone County implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain asset and liability accounts related to leases, however had no effect on the beginning net position for governmental activities. Also, the governmental and business type activities and the Enterprise, Landfill Operations were restated to properly report pension related deferred outflows. Further, the business type activities and the Enterprise, Landfill Operations Fund were restated to properly report capital asset additions not previously reported.
- Boone County's governmental activities revenues decreased approximately \$956,000, or 3.9%, from fiscal year 2021 to fiscal year 2022. This decrease is primarily related to a decrease of approximately \$1,052,000, in Capital grants, contributions and restricted interest, due to less DOT farm to market contributions in 2022.
- Boone County's governmental activities expenses increased approximately \$1,344,000, or 6.6%, from fiscal year 2021 to fiscal year 2022. This increase is primarily related to an increase of approximately \$628,000 in County environment and education expenses, due to more drainage warrants paid during the year and an increase of approximately \$416,000 in roads and transportation expenses, due to an increase in cover aggregate and sand expenses in FY22 as well as fluctuation in gravel stockpile inventory from year to year.
- Boone County's total net position before restatement increased approximately \$4,185,000 or 6.0%, from fiscal year 2021 to fiscal year 2022.

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 (Custodial Funds).

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

- 1) Governmental Funds account for most of the County's basic services. These focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Mental Health, Rural Services, Secondary Roads and Drainage Districts 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 and Internal Service, Health Insurance Premiums Fund. Boone County’s Enterprise, Landfill Operations and Ground Water Tax Funds account for the financial activity of the Boone County Landfill. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County’s various functions.

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

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

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

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

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 6.0% before restatement, over a year ago, increasing from approximately \$70.1 million to approximately \$74.3 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	
	2022	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)
Current and other assets	\$ 28,424,241	24,869,095	17,783,765	16,633,482	46,208,006	41,502,577
Capital assets	49,303,475	49,565,419	6,964,698	6,061,434	56,268,173	55,626,853
Total assets	77,727,716	74,434,514	24,748,463	22,694,916	102,476,179	97,129,430
Deferred outflows of resources	997,633	1,423,948	91,999	130,514	1,089,632	1,554,462
Long-term liabilities	6,197,011	11,522,650	3,937,721	4,340,969	10,134,732	15,863,619
Other liabilities	5,457,258	3,243,214	146,016	323,956	5,603,274	3,567,170
Total liabilities	11,654,269	14,765,864	4,083,737	4,664,925	15,738,006	19,430,789
Deferred inflows of resources	13,086,721	8,825,618	424,208	33,024	13,510,929	8,858,642
Net position:						
Net investment in capital assets	46,827,225	46,795,095	6,964,698	6,061,434	53,791,923	52,856,529
Restricted	8,437,530	8,034,584	721,639	709,413	9,159,169	8,743,997
Unrestricted	(1,280,396)	(2,562,699)	12,646,180	11,356,633	11,365,784	8,793,934
Total net position	\$ 53,984,359	52,266,980	20,332,517	18,127,480	74,316,876	70,394,460

Net position of Boone County’s governmental activities increased 3.3% (approximately \$54.0 million compared to approximately \$52.3 million).

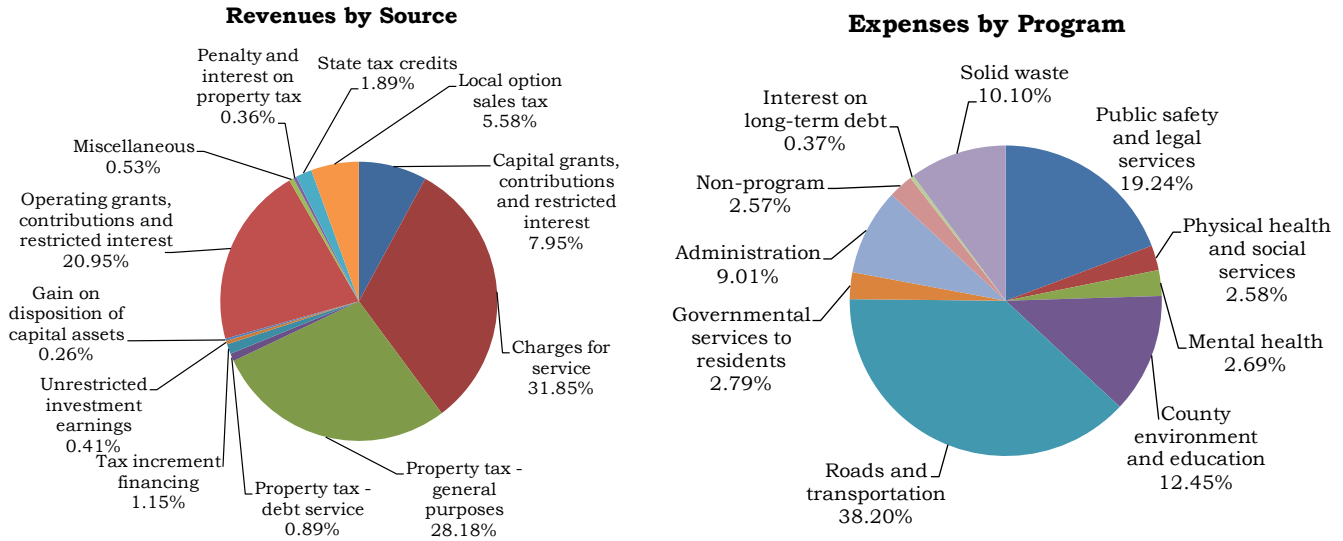
The largest portion of the County’s net position is net investment in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased approximately \$32,000 or less than 1%.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. Restricted net position increased approximately \$403,000, or 5% over prior year.

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 50.0% with a deficit of approximately \$2,562,000 at June 30, 2021 and a deficit of approximately \$1,280,000 at June 30, 2022. The improved net position is due to a decrease in the net pension liability (asset) and changes to pension deferred inflows and outflows.

Net position of Boone County's business type activities increased 12.2% (approximately \$20.3 million compared to approximately \$18.1 million). The largest portion of the business type activities net position is unrestricted, which increased as a result of reduced landfill operations costs.

	Changes in Net Position of Boone County Activities					
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for service	\$ 3,801,253	4,668,848	4,614,499	4,862,454	8,415,752	9,531,302
Operating grants, contributions and restricted interest	5,953,227	5,696,093	-	-	5,953,227	5,696,093
Capital grants, contributions and restricted interest	2,236,019	3,288,258	-	-	2,236,019	3,288,258
General revenues:						
Property tax - general purposes	7,926,256	7,830,085	-	-	7,926,256	7,830,085
Property tax - debt service	251,442	249,641	-	-	251,442	249,641
Tax increment financing	323,960	334,219	-	-	323,960	334,219
Penalty and interest on property tax	101,621	125,776	-	-	101,621	125,776
State tax credits	531,429	539,701	-	-	531,429	539,701
Local option sales tax	1,568,524	1,188,057	-	-	1,568,524	1,188,057
American Rescue Plan Act	483,314	-	-	-	483,314	-
Unrestricted investment earnings	77,622	98,404	36,879	22,832	114,501	121,236
Gain on disposition of capital assets	72,388	121,783	-	12,825	72,388	134,608
Miscellaneous	148,774	287,478	-	-	148,774	287,478
Total revenues	23,475,829	24,428,343	4,651,378	4,898,111	28,127,207	29,326,454
Program expenses:						
Public safety and legal services	4,656,011	4,492,979	-	-	4,656,011	4,492,979
Physical health and social services	624,204	622,314	-	-	624,204	622,314
Mental health	644,720	710,662	-	-	644,720	710,662
County environment and education	3,013,515	2,385,558	-	-	3,013,515	2,385,558
Roads and transportation	9,244,476	8,828,103	-	-	9,244,476	8,828,103
Governmental services to residents	675,429	665,676	-	-	675,429	665,676
Administration	2,188,407	1,997,867	-	-	2,188,407	1,997,867
Non-program	621,211	520,235	-	-	621,211	520,235
Interest on long-term debt	90,477	187,958	-	-	90,477	187,958
Solid waste	-	-	2,446,341	2,890,803	2,446,341	2,890,803
Total expenses	21,758,450	20,411,352	2,446,341	2,890,803	24,204,791	23,302,155
Change in net position	1,717,379	4,016,991	2,205,037	2,007,308	3,922,416	6,024,299
Net position beginning of year, as restated	52,266,980	48,311,120	18,127,480	15,796,668	70,394,460	64,107,788
Net position end of year	\$ 53,984,359	52,328,111	20,332,517	17,803,976	74,316,876	70,132,087



Boone County’s total net position increased approximately \$3,922,000 during the year. Revenues for the County decreased approximately \$1,202,000 from the prior year. The decrease was primarily due to receiving less Iowa Department of Transportation farm to market contributions.

The County-wide taxable valuation increased approximately 4.0% and the County’s rural taxable valuation increased approximately 5.2%. The budgetary requirements of the County for county-wide purposes required a County-wide levy rate of \$3.61005/\$1,000 of taxable valuation, a 4.4% decrease from the fiscal year 2021 levy rate. The total increase in dollars levied County-wide was \$57,325, or less than 1%.

The cost of all governmental activities this year was approximately \$21.8 million compared to approximately 20.4 million last year. The portion of the cost financed by users of Boone County governmental funds programs from charges for service was approximately \$4.3 million, a decrease of approximately \$328,000, or 7%, compared to fiscal year 2021. Federal and State government and private contributors subsidized certain programs with operating and capital grants and contributions totaling approximately \$8.1 million, a decrease of 9.5% compared to fiscal year 2021. The net cost of governmental activities was financed with general revenues, including property tax related revenue of \$8,177,698, tax increment financing revenues of \$323,960, local option sales tax of \$1,568,524, American Rescue Plan Act of \$483,314, unrestricted investment earnings of \$77,622, gain on disposition of capital assets of \$72,388 and other miscellaneous revenue of \$148,774. Total general revenues for fiscal year 2022 were \$11,485,330, up \$710,186, or 6.6%, compared to fiscal year 2021.

INDIVIDUAL MAJOR FUND ANALYSIS

As Boone County completed the year, its governmental funds reported combined fund balance of approximately \$10.3 million, 2.7% more than last year’s total of approximately \$10.1 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- General Fund revenues increased approximately \$351,000 over the prior year due to an increase in property tax and local option sales tax collections. Expenditures increased approximately \$356,000 over the prior year as the county used American Rescue Plan Act funds to purchase an electronic imaging system and a health board vehicle. The ending fund balance decreased approximately \$186,000, or 7.6%, from prior year to approximately \$2,259,000.

- The Special Revenue, Mental Health Fund balance at year end decreased approximately \$167,000 from the prior year end. For the year, expenditures totaled approximately \$677,000, a decrease of 3.5% from the prior year, primarily due to the elimination of the fund at June 30, 2022. The County was required by Senate File 619 to transfer the remaining fund balance to the Central Iowa Community Services (CICS) Mental Health Region prior to June 30, 2022.
- The Special Revenue, Rural Services Fund balance at year end increased \$291,219 or 39.6% over the prior year balance. The increase in fund balance is due a \$66,009 increase in property tax and \$151,290 increase in local option sales tax. Expenditures and transfers remained relatively consistent with the prior year.
- The Special Revenue, Secondary Roads Fund expenditures increased approximately \$469,000, or 5.7% over the prior year, primarily due to more cover aggregate and sand purchased in FY22 and a fluctuation in gravel stockpile inventory.
- The Special Revenue, Drainage Districts Fund revenues and other financing sources decreased approximately \$163,000 from the prior year, primary due to decreased drainage warrants being issued in 2022. Expenditures increased approximately \$960,000 primarily due to the County adding two new drainage districts in fiscal year 2021.
- There were no significant changes in revenues, expenditures, and fund balance of the Debt Service Fund.
- Enterprise, Landfill Operations Fund revenues, including interest and gain on disposition decreased approximately \$254,000, or 5.3%. from prior year. Expenditures decreased approximately \$400,000 primarily due to larger equipment purchases for the recycling center in the prior year and multiple assets becoming fully depreciated in the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Boone County amended its budget two times.

On November 8, 2021, the County Board of Supervisors amended the fiscal year 2022 budget for the following:

- Miscellaneous revenues and nonprogram function expenditures increased \$800,000 from Dakota Access Pipeline (DAPL) for pass-through funding of inspection services.

On June 1, 2022, the County Board of Supervisors amended the fiscal year 2022 budget for the following:

- Intergovernmental revenues increased \$2,547,823: reflects American Rescue Plan (ARP) funding.
- Disbursements in the public safety and legal services function increased \$240,378, physical health and social services function disbursements increased \$108,355, government services to residents function disbursements increased \$112,800, administration function disbursements increased \$83,500, all budgeted expenditure increases were for the use of ARP funds.

Even with the budget amendments, the County exceeded the budgeted amounts in the mental health function for the year ended June 30, 2022. Also, for certain departments disbursements exceeded the appropriated amounts.

CAPITAL ASSETS

Boone County's governmental and business type activities concluded fiscal year 2022 with \$49,303,475 and 6,964,698, respectively 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 5 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 through fiscal year 2027. 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.

On May 6, 2021, the County issued \$2,536,000 of general obligation refunding capital loan notes, Series 2021. The notes were used to refund \$2,492,000 of the outstanding general obligation refunding capital loan notes, Series 2017.

Additional information about the County's long-term debt is presented in Note 7 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 2023 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in Boone County on June 30, 2022 was 2.3% versus 3.9% the year before. This compares with the State's unemployment rate of 2.6% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2023. Amounts available for appropriation (i.e., beginning balance plus revenue) in the operating budget are approximately \$28.5 million, an increase of 2.8% over the final fiscal year 2022 budget. Budgeted disbursements are expected to decrease approximately \$2,761,000 due to decreased budgeted expenses for mental health, nonprogram current and capital projects functions. The elimination of the Special Revenue, Mental Health Fund, lower expected pass-through expenses for Dakota Access Pipeline (DAPL) and decreased capital projects represent the largest decreases. The County has added no new major programs or initiatives to the fiscal year 2023 budget.

If these estimates are realized, the County's budgetary operating balance is expected to modestly decrease by the close of fiscal year 2023.

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, 2022

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 14,676,557	12,990,616	27,667,173
Cash and cash equivalents - restricted	-	4,384,919	4,384,919
Receivables:			
Property tax:			
Delinquent	26,343	-	26,343
Succeeding year	7,867,941	-	7,867,941
Succeeding year tax increment financing	271,359	-	271,359
Interest and penalty on property tax	200,183	-	200,183
Accounts	19,491	292,248	311,739
Accrued interest	94,202	2,221	96,423
Drainage assessments	868,275	-	868,275
Opioid abatement	634,315	-	634,315
Lease	80,910	-	80,910
Internal balances	1,897	(1,897)	-
Due from other governments	499,033	-	499,033
Inventories	1,853,664	-	1,853,664
Capital assets not being depreciated	3,771,704	2,337,016	6,108,720
Capital assets, net of accumulated depreciation	45,531,771	4,627,682	50,159,453
Net pension asset	1,330,071	115,658	1,445,729
Total assets	77,727,716	24,748,463	102,476,179
Deferred Outflows of Resources			
Pension related deferred outflows	928,789	80,764	1,009,553
OPEB related deferred outflows	68,844	11,235	80,079
Total deferred outflows of resources	997,633	91,999	1,089,632
Liabilities			
Accounts payable	306,819	93,671	400,490
Accrued interest payable	14,152	-	14,152
Salaries and benefits payable	445,141	37,302	482,443
Due to other governments	78,813	15,043	93,856
Unearned Revenue	4,612,333	-	4,612,333
Long-term liabilities:			
Portion due or payable within one year:			
General obligation notes	267,000	-	267,000
Installment purchase agreement	300,187	-	300,187
Lease agreements	41,523	-	41,523
Compensated absences	342,571	44,482	387,053
Total OPEB liability	34,771	5,675	40,446
Portion due or payable after one year:			
General obligation notes	1,999,000	-	1,999,000
Installment purchase agreement	1,269,238	-	1,269,238
Lease agreements	97,815	-	97,815
Drainage district warrants	1,509,418	-	1,509,418
Total OPEB liability	335,488	79,037	414,525
Estimated liability for landfill closure and postclosure care	-	3,808,527	3,808,527
Total liabilities	11,654,269	4,083,737	15,738,006
Deferred Inflows of Resources			
Unavailable property tax revenue	7,867,941	-	7,867,941
Unavailable tax increment financing	271,359	-	271,359
Pension related deferred inflows	4,852,960	421,997	5,274,957
OPEB related deferred inflows	13,551	2,211	15,762
Lease related deferred inflows	80,910	-	80,910
Total deferred inflows of resources	13,086,721	424,208	13,510,929
Net Position			
Net investment in capital assets	46,827,225	6,964,698	53,791,923
Restricted for:			
Supplemental levy purposes	130,434	-	130,434
Rural services purposes	1,032,038	-	1,032,038
Secondary roads purposes	4,440,769	-	4,440,769
Debt service purposes	432,677	-	432,677
Law enforcement purposes	333,940	-	333,940
Landfill closure and postclosure care	-	578,613	578,613
Drainage district purposes	905,747	-	905,747
Opioid abatement	634,315	-	634,315
Other purposes	527,610	143,026	670,636
Unrestricted	(1,280,396)	12,646,180	11,365,784
Total net position	\$ 53,984,359	20,332,517	74,316,876

See notes to financial statements.

Boone County
Statement of Activities
Year ended June 30, 2022

	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
Functions/Programs:							
Governmental activities:							
Public safety and legal services	\$ 4,656,011	704,826	140,680	-	(3,810,505)	-	(3,810,505)
Physical health and social services	624,204	85,203	674,228	-	135,227	-	135,227
Mental health	644,720	-	-	-	(644,720)	-	(644,720)
County environment and education	3,013,515	1,356,666	58,463	-	(1,598,386)	-	(1,598,386)
Roads and transportation	9,244,476	236,721	4,526,385	2,236,019	(2,245,351)	-	(2,245,351)
Governmental services to residents	675,429	710,690	-	-	35,261	-	35,261
Administration	2,188,407	112,236	543,151	-	(1,533,020)	-	(1,533,020)
Non-program	621,211	594,911	10,320	-	(15,980)	-	(15,980)
Interest on long-term debt	90,477	-	-	-	(90,477)	-	(90,477)
Total governmental activities	21,758,450	3,801,253	5,953,227	2,236,019	(9,767,951)	-	(9,767,951)
Business type activities:							
Solid waste	2,446,341	4,614,499	-	-	-	2,168,158	2,168,158
Total	\$ 24,204,791	8,415,752	5,953,227	2,236,019	(9,767,951)	2,168,158	(7,599,793)
General Revenues:							
Property and other county tax levied for:							
General purposes					7,926,256	-	7,926,256
Debt service					251,442	-	251,442
Tax increment financing					323,960	-	323,960
Penalty and interest on property tax					101,621	-	101,621
State tax credits and replacements					531,429	-	531,429
Local option sales tax					1,568,524	-	1,568,524
American Rescue Plan Act					483,314	-	483,314
Unrestricted investment earnings					77,622	36,879	114,501
Gain on disposition of capital assets					72,388	-	72,388
Miscellaneous					148,774	-	148,774
Total general revenues					11,485,330	36,879	11,522,209
Change in net position					1,717,379	2,205,037	3,922,416
Net position beginning of year, as restated					52,266,980	18,127,480	70,394,460
Net position end of year					\$ 53,984,359	20,332,517	74,316,876

See notes to financial statements.

Boone County
Balance Sheet
Governmental Funds

June 30, 2022

	Special Revenue			
	General	Rural Services	Secondary Roads	Drainage Districts
Assets				
Cash, cash equivalents and pooled investments	\$ 7,291,257	968,715	2,608,971	1,546,890
Receivables:				
Property tax:				
Delinquent	19,450	6,161	-	-
Succeeding year	5,263,493	2,406,309	-	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	200,183	-	-	-
Accounts	8,692	-	9,932	-
Opioid abatement	-	-	-	-
Accrued interest	93,852	-	-	-
Drainage assessments	-	-	-	868,275
Lease	80,910	-	-	-
Due from other funds	7	-	4,871	-
Due from other governments	43,900	87,093	368,040	-
Inventories	-	-	1,853,664	-
Total assets	\$ 13,001,744	3,468,278	4,845,478	2,415,165
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 189,076	1,252	114,145	-
Salaries and benefits payable	268,708	27,277	149,156	-
Due to other funds	40,493	1,353	-	-
Due to other governments	76,381	49	2,383	-
Unearned revenue	4,612,333	-	-	-
Total liabilities	5,186,991	29,931	265,684	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	5,263,493	2,406,309	-	-
Succeeding year tax increment financing	-	-	-	-
Lease related deferred inflows	80,910	-	-	-
Other	211,611	5,738	-	868,275
Total deferred inflows of resources	5,556,014	2,412,047	-	868,275
Fund balances:				
Nonspendable:				
Inventories	-	-	1,853,664	-
Restricted for:				
Supplemental levy purposes	130,434	-	-	-
Rural services purposes	-	1,026,300	-	-
Secondary roads purposes	-	-	2,726,130	-
Drainage warrants	-	-	-	1,546,890
Conservation land acquisition/ capital improvements	66,981	-	-	-
Debt service	-	-	-	-
Law enforcement purposes	333,940	-	-	-
Resource enhancement and protection	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	-	-	-	-
Unassigned	1,727,384	-	-	-
Total fund balances	2,258,739	1,026,300	4,579,794	1,546,890
Total liabilities, deferred inflows of resources and fund balances	\$ 13,001,744	3,468,278	4,845,478	2,415,165

See notes to financial statements.

Debt Service	Nonmajor	Total
312,069	594,951	13,322,853
732	-	26,343
198,139	-	7,867,941
-	271,359	271,359
-	-	200,183
-	867	19,491
-	634,315	634,315
-	350	94,202
-	-	868,275
-	-	80,910
-	96	4,974
-	-	499,033
-	-	1,853,664
<u>510,940</u>	<u>1,501,938</u>	<u>25,743,543</u>
-	1,607	306,080
-	-	445,141
-	-	41,846
-	-	78,813
-	-	4,612,333
-	1,607	5,484,213
198,139	-	7,867,941
-	271,359	271,359
-	-	80,910
696	612,299	1,698,619
<u>198,835</u>	<u>883,658</u>	<u>9,918,829</u>
-	-	1,853,664
-	-	130,434
-	-	1,026,300
-	-	2,726,130
-	-	1,546,890
-	-	66,981
312,105	134,028	446,133
-	-	333,940
-	46,787	46,787
-	22,016	22,016
-	413,842	413,842
-	-	1,727,384
<u>312,105</u>	<u>616,673</u>	<u>10,340,501</u>
<u>510,940</u>	<u>1,501,938</u>	<u>25,743,543</u>

Boone County

Boone County

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

June 30, 2022

Total governmental fund balances (page 19) \$ 10,340,501

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 \$101,019,252 and the accumulated depreciation is \$51,715,777. 49,303,475

Other long-term assets are not available to pay current year expenditures as follows:

Deferred inflows of resources	\$ 1,698,619	
Net pension asset	<u>1,330,071</u>	3,028,690

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance and prescription benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 1,391,734

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	997,633	
Deferred inflows of resources	<u>(4,866,511)</u>	(3,868,878)

Long-term liabilities, including a installment purchase agreement, capital loan notes payable, lease agreements, compensated absences payable, drainage district warrants payable, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (6,211,163)

Net position of governmental activities (page 16) \$ 53,984,359

See notes to financial statements.

Boone County

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

Year ended June 30, 2022

	General	Special		
		Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 5,091,035	478,081	2,358,028	-
Local option sales tax	392,131	-	1,176,393	-
Interest and penalty on property tax	83,976	-	-	-
Tax increment financing	-	-	-	-
Intergovernmental	1,354,503	32,053	126,581	5,940,686
Licenses and permits	31,008	-	-	36,941
Charges for service	1,369,667	-	67,676	-
Use of money and property	125,244	-	-	8,900
Miscellaneous	707,050	-	2,480	167,955
Total revenues	9,154,614	510,134	3,731,158	6,154,482
Expenditures:				
Operating:				
Public safety and legal services	4,219,043	-	430,541	-
Physical health and social services	688,330	-	-	-
Mental health	-	676,670	-	-
County environment and education	896,524	-	384,809	-
Roads and transportation	-	-	-	7,655,258
Governmental services to residents	729,718	-	3,339	-
Administration	2,178,507	-	4,950	-
Non-program	440,426	-	-	30,214
Debt service	-	-	-	-
Capital projects	66,136	-	-	1,026,952
Total expenditures	9,218,684	676,670	823,639	8,712,424
Excess (deficiency) of revenues over (under) expenditures	(64,070)	(166,536)	2,907,519	(2,557,942)
Other financing sources (uses):				
Transfers in	-	-	-	2,849,999
Transfers out	(233,699)	-	(2,616,300)	-
Drainage warrants issued	-	-	-	-
Lease agreements	111,926	-	-	-
Total other financing sources (uses)	(121,773)	-	(2,616,300)	2,849,999
Change in fund balances	(185,843)	(166,536)	291,219	292,057
Fund balances beginning of year	2,444,582	166,536	735,081	4,287,737
Fund balances end of year	\$ 2,258,739	-	1,026,300	4,579,794

See notes to financial statements.

Revenue			
Drainage Districts	Debt Service	Nonmajor	Total
-	251,616	-	8,178,760
-	-	-	1,568,524
-	-	-	83,976
-	-	323,960	323,960
-	143,338	19,468	7,616,629
-	-	-	67,949
-	-	6,125	1,443,468
-	-	1,419	135,563
1,473,765	-	133,656	2,484,906
1,473,765	394,954	484,628	21,903,735
-	-	73,455	4,723,039
-	-	-	688,330
-	-	-	676,670
1,410,570	-	110,321	2,802,224
-	-	-	7,655,258
-	-	4,347	737,404
-	-	-	2,183,457
-	-	-	470,640
278,357	640,269	-	918,626
-	-	-	1,093,088
1,688,927	640,269	188,123	21,948,736
(215,162)	(245,315)	296,505	(45,001)
-	319,482	-	3,169,481
-	-	(319,482)	(3,169,481)
209,687	-	-	209,687
-	-	-	111,926
209,687	319,482	(319,482)	321,613
(5,475)	74,167	(22,977)	276,612
1,552,365	237,938	639,650	10,063,889
1,546,890	312,105	616,673	10,340,501

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, 2022

Change in fund balances - Total governmental funds (page 23) \$ 276,612

**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	\$ 2,338,990	
Capital assets contributed by the Iowa Department of Transportation	1,154,598	
Depreciation expense	<u>(3,827,920)</u>	(334,332)

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. 72,388

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	(1,062)	
Other	<u>(248,741)</u>	(249,803)

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

Issued	(321,613)	
Repaid	<u>835,762</u>	514,149

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. 637,458

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	42,549	
OPEB expense	(14,770)	
Pension expense	563,285	
Interest on long-term debt	<u>12,952</u>	604,016

The Internal Service Fund is used by management to pay the costs of the remaining partial self-funded health insurance claims incurred under the insurance plan which has been discontinued. The change in net position of the Internal Service Fund is reported with governmental activities. 196,891

Change in net position of governmental activities (page 17) \$ 1,717,379

See notes to financial statements.

Boone County
Statement of Net Position
Proprietary Funds

June 30, 2022

	Business Type Activities - Enterprise Funds			Governmental Activities
	Landfill Operations	Nonmajor		Internal Service - Health Insurance Premiums
		Ground Water Tax	Total	
Assets				
Cash and cash equivalents	\$ 12,829,872	160,744	12,990,616	\$ 1,353,704
Cash and cash equivalents - restricted	4,384,919	-	4,384,919	-
Receivables:				
Accounts	292,248	-	292,248	-
Accrued interest	2,221	-	2,221	-
Due from other funds	36,879	-	36,879	-
Capital assets not being depreciated	2,337,016	-	2,337,016	-
Capital assets, net of accumulated depreciation	4,627,682	-	4,627,682	-
Net pension asset	115,658	-	115,658	-
Total assets	<u>24,626,495</u>	<u>160,744</u>	<u>24,787,239</u>	<u>1,353,704</u>
Deferred Outflows of Resources:				
Pension related deferred outflows	80,764	-	80,764	-
OPEB related deferred outflows	11,235	-	11,235	-
Total deferred outflows of resources	<u>91,999</u>	<u>-</u>	<u>91,999</u>	<u>-</u>
Liabilities				
Accounts payable	83,278	10,393	93,671	739
Salaries and benefits payable	37,302	-	37,302	-
Due to other funds	7	-	7	-
Due to other governments	7,718	7,325	15,043	-
Long-term liabilities:				
Portion due or payable within one year:				
Compensated absences	44,482	-	44,482	-
Total OPEB liability	5,675	-	5,675	-
Portion due or payable after one year:				
Total OPEB liability	79,037	-	79,037	-
Estimated liability for landfill closure and postclosure care	3,808,527	-	3,808,527	-
Total liabilities	<u>4,066,026</u>	<u>17,718</u>	<u>4,083,744</u>	<u>739</u>
Deferred Inflows of Resources:				
Pension related deferred inflows	421,997	-	421,997	-
OPEB related deferred inflows	2,211	-	2,211	-
Total deferred outflows of resources	<u>424,208</u>	<u>-</u>	<u>424,208</u>	<u>-</u>
Net Position				
Net investment in capital assets	6,964,698	-	6,964,698	-
Restricted for:				
Landfill closure and postclosure care	578,613	-	578,613	-
Ground water tax purposes	-	143,026	143,026	-
Unrestricted	12,684,949	-	12,684,949	1,352,965
Total net position	<u>\$ 20,228,260</u>	<u>143,026</u>	<u>20,371,286</u>	<u>\$ 1,352,965</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(38,769)	
Net position of business-type activities			<u>20,332,517</u>	
See notes to financial statements.				

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

Year ended June 30, 2022

	Business Type Activities - Enterprise Funds			Governmental Activities
	Landfill Operations	Nonmajor		Internal Service - Health Insurance Premiums
		Ground Water Tax	Total	
Operating revenues:				
Per capita fees	\$ 175,084	-	175,084	\$ -
Solid waste fees	4,303,034	122,342	4,425,376	-
Miscellaneous	14,039	-	14,039	-
Reimbursements from operating funds	-	-	-	1,652,472
Reimbursements from others	-	-	-	205,897
Reimbursements from employees	-	-	-	261,386
Total operating revenues	<u>4,492,157</u>	<u>122,342</u>	<u>4,614,499</u>	<u>2,119,755</u>
Operating expenses:				
Salaries and wages	466,520	-	466,520	-
Payroll tax	79,003	-	79,003	-
Fringe benefits	22,569	-	22,569	-
Fuel	204,379	-	204,379	-
Travel	6,804	-	6,804	-
Utilities	14,212	-	14,212	-
Insurance	33,626	-	33,626	-
Solid waste fees remitted to the Iowa Department of Natural Resources and Ground Water Tax Fund	301,993	-	301,993	-
Education and training	22,287	-	22,287	-
Engineering	106,490	-	106,490	-
Maintenance and repair	28,951	-	28,951	-
Operations	177,857	-	177,857	-
Depreciation	493,330	-	493,330	-
Dues and membership	4,267	-	4,267	-
Accounting	103,633	-	103,633	-
Recycling center operations	146,061	115,437	261,498	-
Gravel	78,717	-	78,717	-
Leachate hauling and treatment	18,863	-	18,863	-
Adjustment to estimated liability for landfill closure and postclosure care	(5,321)	-	(5,321)	-
Medical claims	-	-	-	1,949,527
Total operating expenses	<u>2,304,241</u>	<u>115,437</u>	<u>2,419,678</u>	<u>1,949,527</u>
Operating income (loss)	2,187,916	6,905	2,194,821	170,228
Non-operating revenues (expenses):				
Interest income	36,879	-	36,879	-
Change in net position	2,224,795	6,905	2,231,700	170,228
Net position beginning of year, as restated	<u>18,003,465</u>	<u>136,121</u>	<u>18,139,586</u>	<u>1,182,737</u>
Net position end of year	<u>\$ 20,228,260</u>	<u>143,026</u>	<u>20,371,286</u>	<u>\$ 1,352,965</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(38,769)</u>	
Net position of business-type activities			<u>20,332,517</u>	

See notes to financial statements.

Boone County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2022

	Business Type			Internal Service
	Activities - Enterprise Funds			
	Landfill Operations	Nonmajor Ground		
Water Tax				
Cash flows from operating activities:				
Cash received from gate fees	\$ 4,361,005	-	4,361,005	\$ -
Cash received from per capita fee assessments	175,084	-	175,084	-
Cash received from other operating receipts	14,039	122,342	136,381	2,120,614
Cash paid to suppliers for goods and services	(1,415,448)	(114,072)	(1,529,520)	(1,951,761)
Cash paid to employees for services	(664,094)	-	(664,094)	-
Net cash provided by operating activities	<u>2,470,586</u>	<u>8,270</u>	<u>2,478,856</u>	<u>168,853</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,396,594)	-	(1,396,594)	-
Cash flows from investing activities:				
Interest received on investments	39,277	-	39,277	-
Net increase in cash and cash equivalents	1,113,269	8,270	1,121,539	168,853
Cash and cash equivalents beginning of year	16,101,522	152,474	16,253,996	1,184,851
Cash and cash equivalents end of year	<u>\$ 17,214,791</u>	<u>160,744</u>	<u>17,375,535</u>	<u>\$ 1,353,704</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	\$ 2,187,916	6,905	2,194,821	\$ 170,228
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	493,330	-	493,330	-
Closure and postclosure care	10,960	-	10,960	-
Changes in assets and liabilities:				
Accounts receivable	49,023	-	49,023	859
Deferred outflows of resources	37,511	-	37,511	-
Due from other funds	8,948	-	8,948	-
Accounts payable	(191,073)	(4,815)	(195,888)	(2,234)
Salaries payable	4,165	-	4,165	-
Deferred inflows of resources	391,184	-	391,184	-
Due to other funds	(119)	-	(119)	-
Due to other governments	7,603	6,180	13,783	-
Net pension obligation	(531,578)	-	(531,578)	-
Total OPEB liability	4,192	-	4,192	-
Compensated absences	(1,476)	-	(1,476)	-
Total adjustments	<u>282,670</u>	<u>1,365</u>	<u>284,035</u>	<u>(1,375)</u>
Net cash provided (used) by operating activities	<u>\$ 2,470,586</u>	<u>8,270</u>	<u>2,478,856</u>	<u>\$ 168,853</u>

See notes to financial statements.

Boone County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2022

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 2,386,550
Other County officials	87,260

Receivables:

Property tax:

Delinquent	5,921
Succeeding year	42,108,000

Accrued interest	1,495
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Special assessments	<u>119,537</u>
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Total assets44,708,763**Liabilities**

Accounts payable	3,122
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Salaries and benefits payable	31,601
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Due to other governments	1,281,141
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Trusts payable	342,976
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Compensated absences	<u>28,137</u>
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Total liabilities1,686,977**Deferred Inflows of Resources**

Unavailable property tax revenue	<u>42,108,000</u>
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Net position

Restricted for individuals, organizations and other governments	<u>\$ 913,786</u>
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See notes to financial statements.

Boone County

Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2022

Additions:	
Property and other county tax	\$ 40,585,586
911 surcharge	264,047
State tax credits	2,967,083
Office fees and collections	832,967
Auto licenses, use tax and postage	10,575,362
Assessments	68,421
Trusts	831,032
Miscellaneous	<u>230,165</u>
Total additions	<u>56,354,663</u>
Deductions:	
Agency remittances:	
To other funds	694,122
To other governments	54,783,176
Trusts paid out	<u>829,718</u>
Total deductions	<u>56,307,016</u>
Changes in net position	47,647
Net position beginning of year	<u>866,139</u>
Net position end of year	<u>\$ 913,786</u>

See notes to financial statements.

Boone County

Notes to Financial Statements

June 30, 2022

(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 Custodial 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 Drainage Districts Fund is used to account for drainage assessments and drainage 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 Funds –

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.

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under 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 and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise and Internal Service 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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2021.

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

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.

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, 2022, 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.

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

Land and construction in progress are not depreciated. 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
Right-to-use leased assets	2 - 20
Equipment	3 - 20
Vehicles	3 - 15

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

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

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

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

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

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

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

County as Lessor: Boone County is a lessor for a noncancellable lease of land. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

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

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

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

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

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, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

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, 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 and the Internal Service, Health Insurance Premiums Fund are designated for operating costs of the Landfill and anticipated future catastrophic losses to the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, disbursements exceeded the amount budgeted in the mental health function and disbursements in certain departments exceed the amounts appropriated.

(2) Cash, Cash Equivalents and Pooled Investments

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

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

At June 30, 2022, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$186,706. 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, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Enterprise: Landfill Operations	<u>\$ 7</u>
Special Revenue: Secondary Roads	General Special Revenue: Rural Services	3,518 <u>1,353</u> <u>4,871</u>
County Recorder's Records Management	General	<u>96</u>
Enterprise: Landfill Operations	General	<u>36,879</u>
Total		<u>\$ 41,853</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) Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	General Basic Special Revenue: Rural Services	\$ 233,699 <u>2,616,300</u> <u>2,849,999</u>
Debt Service	Special Revenue: County TIF Project	<u>319,482</u>
Total		<u>\$ 3,169,481</u>

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

(5) Capital Assets

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

	Balance Beginning of Year, As Restated	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,486,227	-	-	2,486,227
Construction in progress	5,615,385	2,356,171	(6,686,079)	1,285,477
Total capital assets not being depreciated	8,101,612	2,356,171	(6,686,079)	3,771,704
Capital assets being depreciated:				
Buildings	6,397,360	185,198	-	6,582,558
Improvements other than buildings	251,714	-	-	251,714
Equipment and vehicles	12,935,394	3,824,507	(511,984)	16,247,917
Right -to-use equipment and vehicles	47,977	111,927	-	159,904
Infrastructure, other	9,459,016	-	-	9,459,016
Infrastructure, road network	60,772,187	3,774,252	-	64,546,439
Total capital assets being depreciated	89,863,648	7,895,884	(511,984)	97,247,548
Less accumulated depreciation for:				
Buildings	3,123,619	159,775	-	3,283,394
Improvements other than buildings	118,510	6,293	-	124,803
Equipment and vehicles	11,179,328	1,399,148	(511,984)	12,066,492
Right -to-use equipment and vehicles	-	21,592	-	21,592
Infrastructure, other	4,241,645	416,648	-	4,658,293
Infrastructure, road network	29,736,739	1,824,464	-	31,561,203
Total accumulated depreciation	48,399,841	3,827,920	(511,984)	51,715,777
Total capital assets being depreciated, net	41,463,807	4,067,964	-	45,531,771
Governmental activities capital assets, net	\$ 49,565,419	6,424,135	(6,686,079)	49,303,475
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 488,499	-	-	488,499
Construction in progress	667,425	1,181,092	-	1,848,517
Total capital assets, not being depreciated	1,155,924	1,181,092	-	2,337,016
Capital assets being depreciated:				
Buildings	1,234,148	-	-	1,234,148
Improvements other than buildings	28,290	-	-	28,290
Equipment and vehicles	5,415,368	215,502	(32,662)	5,598,208
Infrastructure	4,018,304	-	-	4,018,304
Total capital assets being depreciated	10,696,110	215,502	(32,662)	10,878,950
Less accumulated depreciation for:				
Buildings	359,213	30,854	-	390,067
Improvements other than buildings	9,430	1,886	-	11,316
Equipment and vehicles	3,348,448	292,875	(32,662)	3,608,661
Infrastructure	2,073,509	167,715	-	2,241,224
Total accumulated depreciation	5,790,600	493,330	(32,662)	6,251,268
Total capital assets being depreciated, net	4,905,510	(277,828)	-	4,627,682
Business type activities capital assets, net	\$ 6,061,434	903,264	-	6,964,698

Depreciation expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 664,422
Physical health and social services		10,173
County environment and education		489,338
Roads and transportation		2,464,128
Administration		199,859
Total depreciation expense - governmental activities		<u>\$ 3,827,920</u>
Business type activities:		
Landfill operations		<u>\$ 493,330</u>

(6) Due to Other Governments

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

Fund	Description	Amount
General	Services	\$ 76,381
Special Revenue:		
Rural Service	Services	49
Secondary Roads	Services	2,383
Total for governmental funds		<u>\$ 78,813</u>
Custodial:		
County Offices	Collections	\$ 54,605
Agricultural Extension Education		1,672
County Assessor		51
Schools		165,300
Community Colleges		7,085
Corporations		68,118
Townships		3,536
Auto License and Use Tax		893,821
Special Assessments		25,141
County Hospital		18,661
All other		43,151
Total for custodial funds		<u>\$ 1,281,141</u>

(7) Long-Term Liabilities

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

	Governmental Activities							Total
	General Obligation Capital Loan Notes	Installment Purchase Agreement	Drainage District Warrants	Lease Agreements	Compensated Absences	Net Pension Liability (asset)	Total OPEB Liability	
Balance beginning of year, as restated	\$ 2,536,000	1,863,060	1,551,293	47,977	385,120	4,794,626	344,575	11,522,651
Increases	-	-	209,687	111,926	325,016	-	74,006	720,635
Decreases	270,000	293,635	251,562	20,565	367,565	6,124,696	48,322	7,376,345
Balance end of year	<u>\$ 2,266,000</u>	<u>1,569,425</u>	<u>1,509,418</u>	<u>139,338</u>	<u>342,571</u>	<u>(1,330,070)</u>	<u>370,259</u>	<u>4,866,941</u>
Due within one year	\$ 267,000	300,187	-	41,523	342,571	-	34,771	986,052

	Business Type Activities				
	Compensated Absences	Closure and Postclosure	Net Pension	Total OPEB	Total
		Care	Liability (asset)	Liability	
Balance beginning of year	\$ 45,958	3,797,567	416,924	80,520	4,340,969
Increases	35,890	10,960	-	12,078	58,928
Decreases	37,366	-	532,582	7,886	577,834
Balance end of year	\$ 44,482	3,808,527	(115,658)	84,712	3,822,063
Due within one year	\$ 44,482	-	-	5,675	50,157

Governmental Activities:

General Obligation Refunding Capital Loan Notes

On May 6, 2021 the County issued \$2,536,000 of general obligation refunding capital loan notes, Series 2021. The notes were issued to refund \$2,492,000 of the outstanding general obligation refunding capital loan notes, Series 2017, which was issued to refund the outstanding balance of the general obligation capital loan notes, Series 2009A, dated May 1, 2009 and the urban renewal general obligation capital loan notes, Series 2011, dated September 1, 2011. During the year ended June 30, 2022, the County paid principal of \$270,000 and interest of \$34,465 on the notes.

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

Year Ending June 30,	Refunding Capital Loan Notes Issued May 6, 2021			
	Interest Rates	Principal	Interest	Total
2023	1.05%	\$ 267,000	32,385	299,385
2024	1.15	250,000	29,582	279,582
2025	1.25	250,000	26,707	276,707
2026	1.35	275,000	23,582	298,582
2027	1.45	275,000	19,869	294,869
2028-2031	1.55-1.85	949,000	36,613	985,613
Total		\$ 2,266,000	168,738	2,434,738

Drainage District Warrants – Direct Borrowing

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 Installment Purchase Agreement – Direct Borrowing

On September 15, 2017 the County entered into a general obligation installment-purchase agreement for peace officer communication equipment and other emergency services equipment and systems. The total installment agreement is for \$2,669,492. The following is a schedule of the future minimum purchase payments, including interest of 2.223% per annum, and the present value of net minimum installment payments under the agreement in effect at June 30, 2022.

Year Ending June 30,	Communication and Public Safety Equipment and Systems		
	Principal	Interest	Total
2023	\$ 300,187	35,018	335,205
2024	306,885	28,320	335,205
2025	313,732	21,473	335,205
2026	320,732	14,472	335,204
2027	327,888	7,316	335,204
Totals	<u>\$ 1,569,424</u>	<u>106,599</u>	<u>1,676,023</u>

Payments under the installment purchase agreement totaled \$335,205 for the year ended June 30, 2022. During the year ended June 30, 2022, the County paid principal of \$293,635 and interest of \$41,570 on the agreement.

Lease Agreements

On April 3, 2019, the County entered into a lease agreement for copiers/printers. An initial lease liability was recorded in the amount of \$47,977. The agreement requires monthly payments ranging from \$1,424 to \$1,570, with an implicit interest rate of 2.22% and final payment due March 1, 2024.

On May 1, 2022, the County entered into a lease agreement for sixteen golf carts with an initial lease liability of \$111,926. The agreement requires monthly payments of \$2,176 over 54 months, with an implicit interest rate of 2.22% and final payment due October 1, 2026.

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

Year Ending June 30,	Copiers/Printers			Golf Carts		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 23,959	2,153	26,112	\$ 17,564	525	18,089
2024	24,497	1,615	26,112	13,997	130	14,127
2025	25,047	1,065	26,112	-	-	-
2026	25,610	502	26,112	-	-	-
2027	8,664	40	8,704	-	-	-
Totals	<u>\$ 107,777</u>	<u>5,375</u>	<u>113,152</u>	<u>\$ 31,561</u>	<u>655</u>	<u>32,216</u>

(8) Pension Plan

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

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

The County’s contributions to IPERS for the year ended June 30, 2022 totaled \$692,889.

Net Pension Liability (Asset), Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the County reported a net pension asset of \$1,445,729 for its proportionate share of the overall plan net pension asset. The overall plan net pension asset was measured as of June 30, 2021 and the total plan pension liability used to calculate the overall plan net pension asset was determined by an actuarial valuation as of that date. The County’s proportion of the overall plan net pension asset was based on the County’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the County’s proportion was 0.418776%, which was an increase of 0.344587% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense (reduction) of \$(612,265). At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,525	84,231
Changes of assumptions	81,836	51,005
Net difference between projected and actual earnings on pension plan investments	-	4,962,437
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	50,303	177,284
County contributions subsequent to the measurement date	692,889	-
Total	<u>\$ 1,009,553</u>	<u>5,274,957</u>

\$692,889 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 (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (1,257,282)
2024	(1,227,661)
2025	(1,134,646)
2026	(1,350,759)
2027	<u>12,055</u>
Total	<u>\$ (4,958,293)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement 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)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,122,134	(1,445,729)	(5,272,500)

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2022.

(9) Other Postemployment Benefits (OPEB)

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

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>122</u>
Total	<u>126</u>

Total OPEB Liability – The County’s total OPEB liability of \$454,971 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective June 30, 2022)	3.00% per annum.
Rates of salary increase (effective June 30, 2022)	2.00% per annum, including inflation.
Discount rate (effective June 30, 2022)	2.16% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	6.00% 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 2.16% 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 dataset mortality table fully generational using Scale RP-2014 adjusted to 2006 to MP-2021 total dataset mortality table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 425,095
Changes for the year:	
Service cost	42,573
Interest	10,047
Differences between expected and actual experiences	(17,098)
Change in assumptions	34,800
Benefit payments	<u>(40,446)</u>
Net changes	<u>29,876</u>
Total OPEB liability end of year	<u>\$ 454,971</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 (1.16%) or 1% higher (3.16%) than the current discount rate.

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	\$ 488,210	454,971	424,252

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

	<u>1% Decrease (4.00%)</u>	<u>Healthcare Cost Trend Rate (5.00%)</u>	<u>1% Increase (6.00%)</u>
Total OPEB liability	\$ 409,008	454,971	509,824

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2022, the County recognized OPEB expense of \$60,936. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 15,762	35,191
Changes in assumptions	-	<u>44,888</u>
Total	<u>\$ 15,762</u>	<u>80,079</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
2023	\$ 8,316
2024	8,316
2025	8,316
2026	8,316
2027	8,316
Thereafter	<u>22,737</u>
	<u>\$ 64,317</u>

(10) 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 794 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, employment practices liability, public officials liability and police professional liability. 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, 2022 were \$199,128.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, 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, 2022, no liability has been recorded in the County's financial statements. As of June 30, 2022, 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.

(11) 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 \$3,969,800 for closure and \$1,752,000 for postclosure care, for a total of \$5,721,800 as of June 30, 2022 for the original and expansion areas combined. The portion of the liability that has been recognized is \$3,808,527. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the landfill is 9 years for the expansion area and the capacity used at June 30, 2022 is 58.69%.

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, 2022, assets of \$4,387,140 are restricted for these purposes, of which \$2,713,408 is for closure and \$1,673,732 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.

(12) 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, 2022, net position of \$143,026 has been retained by the County and is restricted for the required purposes.

(13) 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

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

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

Entity	Tax Abatement Program	Amount to Tax Abated
City of Boone	Urban renewal and economic development projects	\$ 39,897
City of Luther	Urban renewal and economic development projects	19,084
City of Madrid	Urban renewal and economic development projects	3,552

(14) 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, 2022, as follows:

Revenues:		
Property and other county tax		\$ 478,081
Intergovernmental:		
State tax credits	\$ 32,013	
MH-DD reimbursement from other governments	40	32,053
Total revenues		510,134
Expenditures:		
Services to persons with:		
Mental illness		157,009
General administration:		
Direct administration	32,583	
Distribution to region fiscal agent	483,998	516,581
Total expenditures		673,590
Deficiency of revenues under expenditures		(163,456)
Other financing sources (uses):		
		(3,080)
Change in fund balance		(166,536)
Fund balance beginning of year		166,536
Fund balance end of year		\$ -

(15) Employee Health Insurance Plan

The Internal Service, Health Insurance Premiums Fund was established to account for the partial self-funding of the County’s health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Midwest Group Benefits, Inc. The agreement is subject to automatic renewal provisions.

Monthly payments of service fees and plan contributions to the Health Insurance Premiums fund are recorded as expenditures from the operating funds. Under the administrative service agreement, monthly payments of service fees and claims processed are paid to Midwest Group Benefits, Inc. from the Health Insurance Premiums Fund. The County’s contribution for the year ended June 30, 2022 was \$1,652,472.

Amounts payable from the Health Insurance Premiums fund at June 30, 2022 total \$739, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$1,352,965 at June 30, 2022 and is reported as a designation of the Internal Service, Health Insurance Premiums Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims to be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$	2,973
Incurred claims (including claims incurred but not reported at June 30, 2022)		1,949,527
Payments:		
Payment on claims during the year		<u>1,951,761</u>
Unpaid claims end of year	\$	<u>739</u>

(16) Opioid Litigation Settlement

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

(17) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 87, Leases was implemented during fiscal year 2022. The new requirements require the reporting of certain lease assets and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

In addition, at June 30, 2021, material amounts of pension related deferred outflows for Governmental and Business-type Activities were not allocated correctly and capital asset additions for the Enterprise, Landfill Operations Fund were not previously recorded, substantiated by County records.

The restatement to retroactively report the change in capital assets, long-term liabilities lease agreements and fund balance, is as follows:

	Governmental Capital Assets	Governmental Long-term Liabilities Lease Agreements	Governmental Net Position	Business-Type Activities Capital Assets	Business-Type Activities Net Position	Landfill Operations Net Position
Balances June 30, 2021, as previously reported	\$ 49,517,442	-	52,328,111	5,799,061	17,803,976	17,679,961
Change to implement GASBS No. 87	47,977	47,977	-	-	-	-
Landfill CIP payable not capitalized in PY	-	-	-	262,373	262,373	262,373
PY error in allocation of pension deferred outflows	-	-	(61,131)	-	61,131	61,131
Balances July 1, 2021, as restated	\$ 49,565,419	47,977	52,266,980	6,061,434	18,127,480	18,003,465

(18) Prospective Accounting Change

Governmental Accounting Standards Board Statement has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting of the right to use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

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, 2022

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 10,057,644	-	10,057,644
Penalty and interest on property tax	84,708	-	84,708
Intergovernmental	9,822,386	-	9,822,386
Licenses and permits	67,950	-	67,950
Charges for service	1,441,062	-	1,441,062
Use of money and property	116,885	56	116,829
Miscellaneous	2,406,446	1,526,659	879,787
Total receipts	23,997,081	1,526,715	22,470,366
Disbursements:			
Public safety and legal services	4,715,984	-	4,715,984
Physical health and social services	660,684	-	660,684
Mental health	681,901	-	681,901
County environment and education	2,800,207	1,418,141	1,382,066
Roads and transportation	7,533,416	-	7,533,416
Governmental services to residents	731,339	-	731,339
Administration	2,091,842	-	2,091,842
Non-program	473,307	-	473,307
Debt service	918,626	278,357	640,269
Capital projects	1,026,952	-	1,026,952
Total disbursements	21,634,258	1,696,498	19,937,760
Excess (deficiency) of receipts over (under) disbursements	2,362,823	(169,783)	2,532,606
Other financing sources, net	307,805	209,687	98,118
Change in balances	2,670,628	39,904	2,630,724
Balance beginning of year	10,652,225	1,712,917	8,939,308
Balance end of year	\$ 13,322,853	1,752,821	11,570,032

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
9,449,893	9,449,893	607,751
67,500	67,500	17,208
6,905,299	9,453,122	369,264
28,600	28,600	39,350
1,145,960	1,145,960	295,102
241,390	241,390	(124,561)
1,517,250	2,317,250	(1,437,463)
19,355,892	22,703,715	(233,349)
4,600,965	4,841,343	125,359
737,908	846,263	185,579
493,369	493,369	(188,532)
2,357,148	2,357,148	975,082
8,103,200	8,103,200	569,784
834,581	947,381	216,042
2,254,360	2,337,860	246,018
100,000	900,000	426,693
710,627	710,627	70,358
1,950,000	1,950,000	923,048
22,142,158	23,487,191	3,549,431
(2,786,266)	(783,476)	3,316,082
40,000	40,000	58,118
(2,746,266)	(743,476)	3,374,200
5,043,729	5,043,729	3,895,579
2,297,463	4,300,253	7,269,779

Boone County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2022

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 23,997,081	(2,093,346)	21,903,735
Expenditures	21,634,258	314,478	21,948,736
Net	2,362,823	(2,407,824)	(45,001)
Other financing sources, net	307,805	13,808	321,613
Beginning fund balances	10,652,225	(588,336)	10,063,889
Ending fund balances	\$ 13,322,853	(2,982,352)	10,340,501

See accompanying independent auditor's report.

Boone County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2022

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

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

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds 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, two budget amendments increased budgeted disbursements by \$1,345,033. The budget amendments are reflected in the final budgeted amounts.

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

During the year ended June 30, 2022, disbursements exceeded the amounts budgeted in the mental health function and disbursements in certain departments exceeded the amounts appropriated.

Boone County

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)

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

Required Supplementary Information

	2022	2021	2020	2019
County's proportion of the net pension liability	0.418776% **	0.074189%	0.073920%	0.074303%
County's proportionate share of the net pension liability (asset)	\$ (1,446)	5,212	4,280	4,702
County's covered payroll	\$ 7,319	7,103	7,196	6,933
County's proportionate share of the net pension liability as a percentage of its covered payroll	-19.76%	73.38%	59.48%	67.82%
Plan fiduciary net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%

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

** Overall plan net pension asset

See accompanying independent auditor's report.

2018	2017	2016
0.079409%	0.077884%	0.080528%
5,290	4,901	3,854
6,885	6,475	6,317
76.83%	75.69%	61.01%
82.21%	81.82%	85.19%

Boone County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 693	690	674	686
Contributions in relation to the statutorily required contribution	<u>(693)</u>	<u>(690)</u>	<u>(674)</u>	<u>(686)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 7,395	7,319	7,103	7,196
Contributions as a percentage of covered payroll	9.37%	9.43%	9.49%	9.54%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
628	625	591	576	586	564
(628)	(625)	(591)	(576)	(586)	(564)
-	-	-	-	-	-
6,933	6,885	6,475	6,317	6,428	6,353
9.06%	9.08%	9.13%	9.11%	9.12%	8.88%

Boone County

Notes to Required Supplementary Information – Pension Liability (Asset)

Year ended June 30, 2022

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Boone County

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

For the Last Five Years
Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	\$ 42,573	27,937	27,389	21,504	21,082
Interest cost	10,047	15,359	15,955	15,488	15,606
Difference between expected and actual experiences	(17,098)	-	32,422	-	20,765
Changes in assumptions	34,800	-	1,419	-	22,417
Benefit payments	(40,446)	(58,193)	(63,625)	(43,399)	(37,413)
Net change in total OPEB liability	29,876	(14,897)	13,560	(6,407)	42,457
Total OPEB liability beginning of year	425,095	439,992	426,432	432,839	390,382
Total OPEB liability end of year	\$ 454,971	425,095	439,992	426,432	432,839
Covered-employee payroll	\$ 6,147,656	6,827,527	6,693,654	6,061,152	5,942,306
Total OPEB liability as a percentage of covered-employee payroll	7.4%	6.2%	6.6%	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

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2022	2.16%
Year ended June 30, 2021	3.50%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.00%

Boone County

Supplementary Information

Boone County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

	County Recorder's Records Management	Resource Enhancement and Protection	Task Force	Special Attorney Drug Prosecution
Assets				
Cash, cash equivalents and pooled investments	\$ 33,282	46,437	630	86,084
Receivables:				
Property tax:				
Succeeding year tax increment financing	-	-	-	-
Accounts	-	-	-	-
Opioid settlement				
Accrued interest	-	350	-	-
Due from other funds	96	-	-	-
Total assets	\$ 33,378	46,787	630	86,084
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	-	1,486
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted for:				
Debt service	-	-	-	-
Resource enhancement and protection	-	46,787	-	-
Opioid abatement	-	-	-	-
Other purposes	33,378	-	630	84,598
Total fund balances	33,378	46,787	630	84,598
Total liabilities, deferred inflows of resources and fund balances	\$ 33,378	46,787	630	86,084

See accompanying independent auditor's report.

Revenue						
Tobacco and Alcohol Enforcement	Jail Commissary	Reserve Deputy	County TIF Project	Opioid Settlement	Conservation Foundation	Total
4,321	75,172	9,066	134,028	-	205,931	594,951
-	-	-	271,359	-	-	271,359
-	267	600	-	-	-	867
-	-	-	-	634,315	-	634,315
-	-	-	-	-	-	350
-	-	-	-	-	-	96
4,321	75,439	9,666	405,387	634,315	205,931	1,501,938
-	121	-	-	-	-	1,607
-	-	-	271,359	-	-	271,359
-	-	-	-	612,299	-	612,299
-	-	-	271,359	612,299	-	883,658
-	-	-	134,028	-	-	134,028
-	-	-	-	-	-	46,787
-	-	-	-	22,016	-	22,016
4,321	75,318	9,666	-	-	205,931	413,842
4,321	75,318	9,666	134,028	22,016	205,931	616,673
4,321	75,439	9,666	405,387	634,315	205,931	1,501,938

Boone County

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

Year ended June 30, 2022

	<u>Special</u>			
	County Recorder's Records Management	Resource Enhancement and Protection	Task Force	Attorney Drug Prosecution
Revenues:				
Tax increment financing	\$ -	-	-	-
Intergovernmental	-	-	-	3,979
Charges for service	6,125	-	-	-
Use of money and property	250	1,113	-	-
Miscellaneous	-	-	700	12,758
Total revenues	<u>6,375</u>	<u>1,113</u>	<u>700</u>	<u>16,737</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	33,835	19,597
County environment and education	-	102,750	-	-
Governmental services to residents	4,347	-	-	-
Total expenditures	<u>4,347</u>	<u>102,750</u>	<u>33,835</u>	<u>19,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,028</u>	<u>(101,637)</u>	<u>(33,135)</u>	<u>(2,860)</u>
Other financing uses:				
Transfers out	-	-	-	-
Changes in fund balance	2,028	(101,637)	(33,135)	(2,860)
Fund balances beginning of year	<u>31,350</u>	<u>148,424</u>	<u>33,765</u>	<u>87,458</u>
Fund balances end of year	<u>\$ 33,378</u>	<u>46,787</u>	<u>630</u>	<u>84,598</u>

See accompanying independent auditor's report.

Revenue						
Tobacco and Alcohol Enforcement	Jail Commissary	Reserve Deputy	County TIF Project	Opioid Settlement	Conservation Foundation	Total
-	-	-	323,960	-	-	323,960
-	-	-	15,489	-	-	19,468
-	-	-	-	-	-	6,125
-	-	-	-	-	56	1,419
-	30,830	14,458	-	22,016	52,894	133,656
-	30,830	14,458	339,449	22,016	52,950	484,628
-	12,846	7,177	-	-	-	73,455
-	-	-	-	-	7,571	110,321
-	-	-	-	-	-	4,347
-	12,846	7,177	-	-	7,571	188,123
-	17,984	7,281	339,449	22,016	45,379	296,505
-	-	-	(319,482)	-	-	(319,482)
-	17,984	7,281	19,967	22,016	45,379	(22,977)
4,321	57,334	2,385	114,061	-	160,552	639,650
4,321	75,318	9,666	134,028	22,016	205,931	616,673

Boone County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2022

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	1,672	495,867	165,300	7,085
Other County Officials	87,260	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	48	141	3,411	220
Succeeding year	-	259,000	759,000	26,133,000	1,203,000
Accrued interest	-	-	-	-	-
Special assessments	-	-	-	-	-
Total assets	\$ 87,260	260,720	1,255,008	26,301,711	1,210,305
Liabilities					
Liabilities:					
Accounts payable	\$ -	-	-	-	-
Salaries and benefits payable	-	-	26,449	-	-
Due to other governments	54,605	1,672	51	165,300	7,085
Trusts payable	32,655	-	-	-	-
Compensated absences	-	-	27,373	-	-
Total liabilities	87,260	1,672	53,873	165,300	7,085
Deferred Inflows of Resources					
Unavailable revenues	-	259,000	759,000	26,133,000	1,203,000
Net Position					
Restricted for individuals, organizations and other governments	\$ -	48	442,135	3,411	220

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Special Assessments	County Hospital	Other	Total
68,118	3,536	893,821	24,871	18,661	707,619	2,386,550
-	-	-	-	-	-	87,260
1,390	119	-	-	591	1	5,921
9,939,000	620,000	-	-	3,191,000	4,000	42,108,000
-	-	-	-	-	1,495	1,495
-	-	-	119,537	-	-	119,537
10,008,508	623,655	893,821	144,408	3,210,252	713,115	44,708,763
-	-	-	-	-	3,122	3,122
-	-	-	-	-	5,152	31,601
68,118	3,536	893,821	25,141	18,661	43,151	1,281,141
-	-	-	-	-	310,321	342,976
-	-	-	-	-	764	28,137
68,118	3,536	893,821	25,141	18,661	362,510	1,686,977
9,939,000	620,000	-	-	3,191,000	4,000	42,108,000
1,390	119	-	119,267	591	346,605	913,786

Boone County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2022

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Additions:					
Property and other county tax	\$ -	259,977	719,495	25,183,159	1,102,976
911 surcharge	-	-	-	-	-
State tax credits	-	17,427	48,228	1,728,804	73,718
Office fees and collections	832,967	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	523,987	-	-	-	-
Miscellaneous	-	-	61	-	-
Total additions	<u>1,356,954</u>	<u>277,404</u>	<u>767,784</u>	<u>26,911,963</u>	<u>1,176,694</u>
Deductions:					
Agency remittances:					
To other funds	321,114	-	-	-	-
To other governments	513,167	277,482	702,962	26,923,307	1,177,001
Trusts paid out	522,673	-	-	-	-
Total deductions	<u>1,356,954</u>	<u>277,482</u>	<u>702,962</u>	<u>26,923,307</u>	<u>1,177,001</u>
Changes in net position	-	(78)	64,822	(11,344)	(307)
Net position, beginning of year, as restated	-	126	377,313	14,755	527
Balances end of year	<u>\$ -</u>	<u>48</u>	<u>442,135</u>	<u>3,411</u>	<u>220</u>

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Special Assessments	County Hospital	Other	Total
9,813,128	597,112	-	-	2,905,557	4,182	40,585,586
-	-	-	-	-	264,047	264,047
872,377	31,489	-	-	194,759	281	2,967,083
-	-	-	-	-	-	832,967
-	-	10,575,362	-	-	-	10,575,362
-	-	-	68,421	-	-	68,421
-	-	-	-	-	307,045	831,032
-	-	-	-	-	230,104	230,165
10,685,505	628,601	10,575,362	68,421	3,100,316	805,659	56,354,663
-	-	373,008	-	-	-	694,122
10,684,789	628,979	10,202,354	(50,733)	3,101,127	622,741	54,783,176
-	-	-	-	-	307,045	829,718
10,684,789	628,979	10,575,362	(50,733)	3,101,127	929,786	56,307,016
716	(378)	-	119,154	(811)	(124,127)	47,647
674	497	-	113	1,402	470,732	866,139
1,390	119	-	119,267	591	346,605	913,786

Boone County

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

For the Last Ten Years

	2022	2021	2020	2019
Revenues:				
Property and other county tax	\$ 8,178,760	8,106,077	7,824,543	7,826,069
Tax increment financing	323,960	334,219	347,631	323,463
Local option sales tax	1,568,524	1,350,225	1,251,379	897,150
Interest and penalty on property tax	83,976	121,428	36,695	72,137
Intergovernmental	7,616,629	7,198,609	6,491,760	5,590,921
Licenses and permits	67,949	43,919	37,427	28,025
Charges for service	1,443,468	1,291,238	1,197,589	1,178,479
Use of money and property	135,563	183,670	426,868	406,354
Miscellaneous	2,484,906	2,402,074	927,506	574,815
Total	<u>\$ 21,903,735</u>	<u>21,031,459</u>	<u>18,541,398</u>	<u>16,897,413</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 4,723,039	4,507,167	4,083,776	4,110,210
Physical health and social services	688,330	619,097	630,233	625,053
Mental health	676,670	701,148	1,099,255	786,790
County environment and education	2,802,224	2,050,866	1,811,648	1,799,393
Roads and transportation	7,655,258	7,129,048	6,781,099	6,439,167
Governmental services to residents	737,404	655,604	672,430	619,471
Administration	2,183,457	2,022,796	2,003,830	1,940,029
Non-program	470,640	344,860	160,923	97,869
Debt service	918,626	784,844	811,573	751,533
Capital projects	1,093,088	1,375,320	949,855	152,369
Total	<u>\$ 21,948,736</u>	<u>20,190,750</u>	<u>19,004,622</u>	<u>17,321,884</u>

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
7,728,966	7,778,880	7,597,492	7,590,858	7,754,045	7,672,000
283,922	234,015	190,059	187,270	160,994	150,090
1,016,923	1,008,431	972,004	974,573	970,619	834,332
67,839	70,752	85,450	66,228	77,429	68,784
5,680,460	5,732,444	5,437,561	5,443,756	5,393,112	6,742,555
37,760	44,290	51,888	22,100	23,380	18,990
1,239,609	1,203,404	1,059,794	1,044,379	938,516	1,044,869
330,945	204,389	138,988	119,902	129,063	140,691
699,763	1,518,841	566,765	270,065	743,661	334,528
<u>17,086,187</u>	<u>17,795,446</u>	<u>16,100,001</u>	<u>15,719,131</u>	<u>16,190,819</u>	<u>17,006,839</u>
6,540,678	3,788,814	3,491,581	3,374,960	3,375,919	3,133,722
617,089	603,739	592,941	606,356	640,190	617,137
566,935	729,156	345,312	1,119,800	1,051,851	1,299,546
1,541,929	1,370,024	1,568,135	1,050,065	1,574,160	1,509,043
6,456,899	5,622,828	6,054,439	5,315,238	5,728,977	4,997,451
606,656	639,653	519,788	727,542	534,462	561,908
1,813,086	1,859,993	1,755,455	1,693,871	1,779,060	1,582,486
250,005	524,937	52,369	-	-	-
617,547	1,116,935	740,166	742,003	736,588	697,402
1,240,449	631,022	811,892	377,113	1,625,251	2,468,315
<u>20,251,273</u>	<u>16,887,101</u>	<u>15,932,078</u>	<u>15,006,948</u>	<u>17,046,458</u>	<u>16,867,010</u>



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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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2022, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 21, 2023.

Report on 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2022-001 through 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Boone County's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Boone 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.

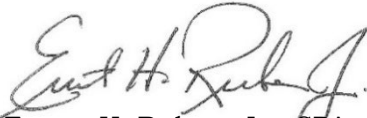
Boone County's Responses to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of 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.


Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

August 21, 2023

Boone County

Schedule of Findings

Year ended June 30, 2022

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2022-001 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:

	<u>Applicable Offices</u>
(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, County Sheriff
(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. These independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Boone County

Schedule of Findings

Year ended June 30, 2022

Responses –

County Recorder – With three people in our office, that’s including the Recorder, we feel the segregation of duties are working to the best of our ability. One person opens the mail and paperclips everything in the envelope together. Then gives to the Recorder for recording. If something does not have payment with it, we will check with the preparer of the document to see if payment was sent along with. We will not put any recording on without payment, except for a couple of businesses that want to receive monthly bill and we let them charge their fillings.

The Recorder will issue any payments that need to be made from our checking account. The Deputy Recorder looks over the reports, confirming the dollar amount from checks to report, and then sign the check.

We do reconcile/balance every day at the end of the day with our cash receipts.

County Treasurer – It is necessary for everyone in the office to assist customers and collect money at the counter, including the Treasurer. Cross-training is a major focus in our office. There is a limited number of employees in the office during lunch hours, especially when we have employees gone for vacation and/or out sick. Everyone balances their own cash drawer separately and then the day’s total business is balances all together, either by the Treasurer or the First Deputy. The Treasurer does the month-end process and apportionment business.

County Sheriff – The Sheriff’s office only has two staff members; we are unable to segregate completely. All deposits are initialed by the other person who did not complete the deposit. All bank reconciliations are checked by both office personnel and the Sheriff.

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.

2022-002 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. In addition, the Recorder’s monthly bank reconciliations were not being performed correctly, as the previous month’s activity was being included in the current month’s reconciliation.

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

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

Boone County

Schedule of Findings

Year ended June 30, 2022

Recommendation – Monthly bank reconciliations, including all bank account balances and investments, should be performed and reconciled to the County records.

Responses –

County Treasurer – The Treasurer’s office reconciles all accounts monthly. Our reconciliation has been to balance our account records to the records that the bank has. We use the bank reconciliation program available through Solutions software. We compare the Treasurer’s bank register as checks clear and deposit totals match exactly every month with all bank accounts when comparing our bank totals to theirs, allowing for outstanding checks, deposits in transit and interest earned on that account. I will continue to work at putting a better procedure in place that compares our bank reconciliations and balance to the Treasurer’s book balance.

County Recorder – The Deputy Recorder balances our checkbook monthly. The Recorder checks the bank statement daily to make sure all electronic funds are collected for the previous day’s work. If funds are not what they should be, we contact the appropriate contacts to find out why. Those are resolved within a day or two. We are now using the correct figures when balancing the checkbook as well.

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

2022-003 Financial Reporting

Criteria – A deficiency in internal controls 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 – Material amounts of receivables, capital asset additions and capital asset deletions were not properly recorded in the County’s financial statements. 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 capital asset additions and deletions 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 establish procedures to ensure all receivables and capital asset additions are identified and properly reported in the County’s financial statements.

Boone County

Schedule of Findings

Year ended June 30, 2022

Responses –

County Auditor – In FY23, the Auditor’s office purchased and began implementation of a new software system to integrate our AP system with our capital asset list. That along with additional staff being trained on the capital asset functions will help us to eliminate future errors in keeping our capital asset list. We are also working to implement strategies that ensure that other departments notify the Auditor’s office of all AR transactions so that they can be included in the financial statements.

County Treasurer – The Treasurer's office will practice better communication throughout all departments. Bettering communication will work at resolving receipting issues of dates services were acquired. The Treasurer's office will be sure to continue to notate the earned dates as each department requests.

Conclusion – Responses accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Boone County

Schedule of Findings

Year ended June 30, 2022

Other Findings Related to Required Statutory Reporting:

2022-A Certified Budget – Disbursements during the year ended June 30, 2022 exceeded the amounts budgeted for the mental health function at year end. In addition, disbursements during the year ended June 30, 2022 exceeded the amounts appropriated in the medical examiner, district court and mental health departments prior to the approval of an amendment by the Board of Supervisors and disbursements in county attorney, medical examiner, district court and mental health departments exceeded the amounts appropriated 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 – Due to the state changing the mental health funding mechanism late in the fiscal year, and the requirement for the county to pay out all holdings too late to amend the budget, the County acknowledges that this finding was true, but unavoidable. The County is working to comply with Chapter 331.435 in the future.

Conclusion – Response acknowledged. The County should also comply with Chapter 331.434(6) before exceeding department appropriations.

2022-B 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.

2022-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2022-D Business Transactions – No business transactions between the County and County officials or employees were noted.

2022-E 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.

2022-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2022-G 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, 2022

2022-H Resource Enhancement and Protection Certification – The County chose not to dedicate property tax revenue to conservation purposes to the extent 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.

2022-I 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.

2022-J 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	\$ 242,800	847,500	3,727,000	904,500	5,721,800
Amounts required to be held in the local dedicated fund at June 30, 2021	\$ 234,700	829,500	2,280,565	820,706	4,165,471
Reallocation of amounts required to be held based on current estimated costs	8,100	18,000	(8,100)	(18,000)	-
Less: amounts required to be held in the local dedicated fund at June 30, 2021, as reallocated	242,800	847,500	2,272,465	802,706	4,165,471
Remaining amount to fully fund	-	-	1,454,535	101,794	1,556,329
Divided by the number of years remaining in the pay-in period	-	-	9	9	9
Required payment into the local dedicated fund for the year ended June 30, 2022	-	-	161,615	11,310	172,925
Amounts required to be held in the local dedicated fund at June 30, 2021, as reallocated	242,800	847,500	2,272,465	802,706	4,165,471
Amounts required to be held in the local dedicated fund at June 30, 2022	\$ 242,800	847,500	2,434,080	814,016	4,338,396
Amounts restricted for closure and postclosure care at June 30, 2022	\$ 242,800	847,500	2,470,608	826,232	4,387,140

2022-K 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 as required by Chapter 331.403(3)(a) of the Code of Iowa. However, the following reporting exception was noted:

The County understated the amount reported as TIF debt outstanding on the Levy Authority Summary by \$292,414.

Recommendation – The County should ensure the TIF debt outstanding reported on the Levy Authority Summary includes all TIF obligations.

Boone County

Schedule of Findings

Year ended June 30, 2022

Response – This finding is acknowledged, and the Auditor will work to make sure to file correct reports in the future.

Conclusion – Response accepted.

2022-L Restricted Donor Activity – No transactions were noted between the County, County officials, County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-M Tax Increment Financing – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, the County properly completed the Tax Increment Debt Forms 1, 2, or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.

Boone County

Staff

This audit was performed by:

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