

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004
Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

June 27, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$29,436,484 for the year ended June 30, 2023, a 4.7% increase over the prior year. Expenses for County operations for the year ended June 30, 2023 totaled \$23,947,974, a 1.1% decrease from the prior year. The increase in the revenues is due primarily to revenue recognition of American Rescue Plan Act receipts and the decrease in expenses is due primarily to the completion of the pass-through agreement with Dakota Access in the prior year.

AUDIT FINDINGS:

Sand reported six findings related to the receipt and expenditure of taxpayer funds. They are found on pages 86 through 92 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, payables and capital asset additions not properly recorded in the County's financial statements, disbursements exceeding amounts budgeted in the nonprogram current function before the first amendment as well as disbursements exceeding the amounts appropriated in certain departments and an elected official using their position for self-promotion. Sand provided the County with recommendations to address each of these findings.

Four of the six 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.](#)

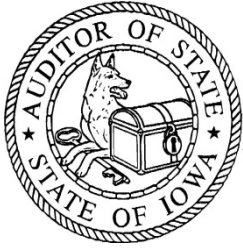
###

BOONE COUNTY

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

JUNE 30, 2023

Boone County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004
Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

May 17, 2024

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, 2023. 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

Table of Contents

		<u>Page</u>
Officials		4
Independent Auditor's Report		5-7
Management's Discussion and Analysis		8-14
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	23
Statement of Revenues, Expenditures and Changes in Fund Balances	E	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	26
Proprietary Fund Financial Statements:		
Statement of Net Position	G	27
Statement of Revenues, Expenses and Changes in Fund Net Position	H	28
Statement of Cash Flows	I	29
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position – Custodial Funds	J	30
Statement of Changes in Fiduciary Net Position – Custodial Funds	K	31
Notes to Financial Statements		32-58
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		60-61
Budget to GAAP Reconciliation		62
Notes to Required Supplementary Information – Budgetary Reporting		63
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)		64-65
Schedule of County Contributions		66-67
Notes to Required Supplementary Information – Pension Liability		69
Schedule of Changes in the County's Total OPEB Liability and Related Ratios		70-71
Notes to Required Supplementary Information – OPEB Liability		72
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	74-75
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	76-77
Custodial Funds:		
Combining Schedule of Fiduciary Net Position	3	78-79
Combining Schedule of Changes in Fiduciary Net Position	4	80-81
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	82-83

Table of Contents
(continued)

	<u>Page</u>
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 <u>Government Auditing Standards</u>	84-85
Schedule of Findings	86-92
Staff	93

Boone County

Officials

(Before January 2023)

<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	(Resigned Nov 2022)
Andrew Godzicki (Appointed Dec 2022)	County Sheriff	Nov 2024
Matt Speers	County Attorney	Jan 2023
Paul Overton	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Erich Kretzinger	Board of Supervisors	Jan 2025
Bill Zinnel	Board of Supervisors	Jan 2025
Shawn Bryant	Board of Supervisors	Jan 2027
Diane Patrick	County Auditor	Jan 2025
Lauren Novak	County Treasurer	Jan 2027
Erin Canfield	County Recorder	Jan 2027
Andrew Godzicki	County Sheriff	Nov 2024
Matt Speers	County Attorney	Jan 2027
Paul Overton	County Assessor	Jan 2028



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

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, 2023, 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, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 judgment, 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 14 and 60 through 72 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 GAAS, 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, 2022 (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 GAAS. 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 May 17, 2024 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.



Brian R. Brustkern, CPA
Deputy Auditor of State

May 17, 2024

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 ended June 30, 2023. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

FISCAL YEAR 2023 FINANCIAL HIGHLIGHTS

- The Governor signed Senate File 619 on June 16, 2021 which significantly changed mental health funding. The County was required to transfer the remaining fund balance of the Special Revenue, Mental Health Fund to the Central Iowa Community Services prior to June 30, 2022.
- Boone County's governmental activities revenues decreased approximately \$25,000, or less than 1%, from fiscal year 2022 to fiscal year 2023.
- Boone County's governmental activities expenses decreased approximately \$517,000, or 2.4%, from fiscal year 2022 to fiscal year 2023. This decrease is primarily related to a decrease of approximately \$503,000 in non-program current expenses, due to a pass-through agreement with Dakota Access ending in the prior year.
- Boone County's net position increased 7.4%, or approximately \$5,489,000, during fiscal year 2023.
- Boone County's business type activities revenues increased approximately \$1,300,000, or 28.7%, over fiscal year 2022. This increase is primarily due to more waste received due to more storm/extreme weather clean up and interest income increased due to rates increasing.
- Boone County's business type activities expenses increased approximately \$260,000, or 10.6%, over fiscal year 2022. This increase is primarily due to an increase in adjustments to the closure/post closure liability.

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 and report two kinds of activities:

- Governmental activities include public safety and legal services, physical health and social services, 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.
- Business type activities include the Boone County Solid Waste Landfill. This activity is financed primarily by user charges.

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 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. The enterprise funds report services for which the County charges customers for the service it provides. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and the Statement of Activities. The major difference between the proprietary funds and the business type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. 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 7.4%, over a year ago, increasing from approximately \$74.3 million to approximately \$79.8 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 26,424,316	28,424,241	16,740,293	13,396,625	43,164,609	41,820,866
Restricted assets	-	-	4,630,026	4,387,140	4,630,026	4,387,140
Capital assets	50,149,038	49,303,475	6,592,016	6,964,698	56,741,054	56,268,173
Total assets	76,573,354	77,727,716	27,962,335	24,748,463	104,535,689	102,476,179
Deferred outflows of resources	993,947	997,633	91,544	91,999	1,085,491	1,089,632
Long-term liabilities	7,789,856	6,197,011	4,292,854	3,937,721	12,082,710	10,134,732
Other liabilities	3,979,228	5,457,258	88,293	146,016	4,067,521	5,603,274
Total liabilities	11,769,084	11,654,269	4,381,147	4,083,737	16,150,231	15,738,006
Deferred inflows of resources	9,604,594	13,086,721	60,968	424,208	9,665,562	13,510,929
Net position:						
Net investment in capital assets	48,127,948	46,827,225	6,592,016	6,964,698	54,719,964	53,791,923
Restricted	8,052,865	8,437,530	801,441	721,639	8,854,306	9,159,169
Unrestricted	12,810	(1,280,396)	16,218,307	12,646,180	16,231,117	11,365,784
Total net position	\$ 56,193,623	53,984,359	23,611,764	20,332,517	79,805,387	74,316,876

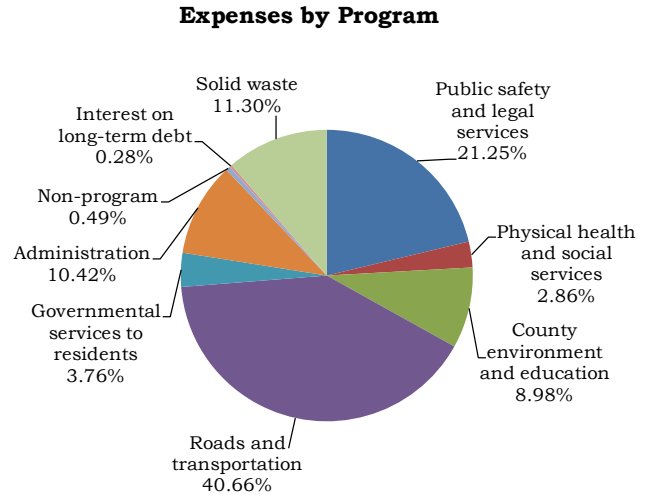
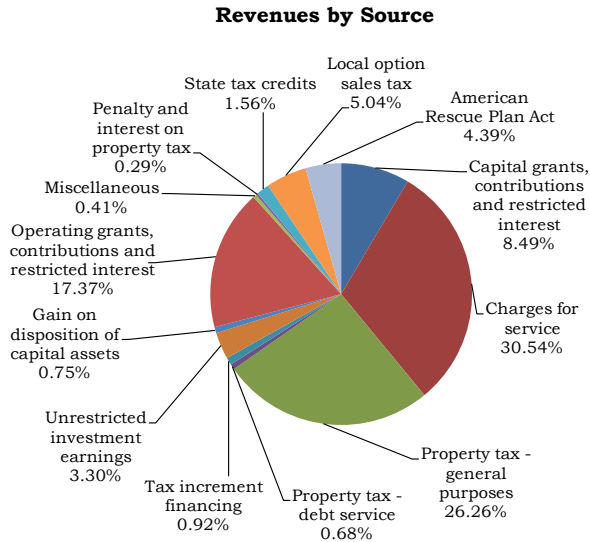
Net position of Boone County’s governmental activities increased 4.1% (approximately \$56.2 million compared to approximately \$54.0 million). Net position of business type activities increased 16.1% (approximately \$23.6 million compared to approximately \$20.3 million).

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 \$1,673,000, or 3.1%.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they may be used. Restricted net position decreased approximately \$305,000, or 3.3% from prior year.

Unrestricted net position, the part of net position that can be used to finance day to day operations without constraints established by debt covenants, legislation or other legal requirements, increased 36.2% from a balance of approximately \$11,370,000 at June 30, 2022 and to balance of approximately \$15,490,000 at June 30, 2023. The improved net position is due to an increase in revenue recognition of American Rescue Plan Act (ARPA) funds as well as increased landfill activity and services provided.

	Changes in Net Position of Boone County Activities					
	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for service	\$ 3,413,222	3,801,253	5,574,345	4,614,499	8,987,567	8,415,752
Operating grants, contributions and restricted interest	5,113,536	5,953,227	-	-	5,113,536	5,953,227
Capital grants, contributions and restricted interest	2,498,926	2,236,019	-	-	2,498,926	2,236,019
General revenues:						
Property tax - general purposes	7,729,583	7,926,256	-	-	7,729,583	7,926,256
Property tax - debt service	198,949	251,442	-	-	198,949	251,442
Tax increment financing	270,437	323,960	-	-	270,437	323,960
Penalty and interest on property tax	85,063	101,621	-	-	85,063	101,621
State tax credits	460,485	531,429	-	-	460,485	531,429
Local option sales tax	1,483,806	1,568,524	-	-	1,483,806	1,568,524
American Rescue Plan Act	1,292,880	483,314	-	-	1,292,880	483,314
Unrestricted investment earnings	561,561	77,622	410,659	36,879	972,220	114,501
Gain on disposition of capital assets	220,538	72,388	1,000	-	221,538	72,388
Miscellaneous	121,494	148,774	-	-	121,494	148,774
Total revenues	23,450,480	23,475,829	5,986,004	4,651,378	29,436,484	28,127,207
Program expenses:						
Public safety and legal services	5,088,344	4,656,011	-	-	5,088,344	4,656,011
Physical health and social services	684,195	624,204	-	-	684,195	624,204
Mental health	-	644,720	-	-	-	644,720
County environment and education	2,149,372	3,013,515	-	-	2,149,372	3,013,515
Roads and transportation	9,740,832	9,244,476	-	-	9,740,832	9,244,476
Governmental services to residents	900,335	675,429	-	-	900,335	675,429
Administration	2,494,266	2,188,407	-	-	2,494,266	2,188,407
Non-program	118,011	621,211	-	-	118,011	621,211
Interest on long-term debt	65,861	90,477	-	-	65,861	90,477
Solid waste	-	-	2,706,757	2,446,341	2,706,757	2,446,341
Total expenses	21,241,216	21,758,450	2,706,757	2,446,341	23,947,973	24,204,791
Change in net position	2,209,264	1,717,379	3,279,247	2,205,037	5,488,511	3,922,416
Net position beginning of year	53,984,359	52,266,980	20,332,517	18,127,480	74,316,876	70,394,460
Net position end of year	\$ 56,193,623	53,984,359	23,611,764	20,332,517	79,805,387	74,316,876



Boone County's total net position increased approximately \$5,489,000 during the year. Revenues for the County increased approximately \$1,309,000 from the prior year. The increase was primarily due to an increase in interest earnings and revenue recognition of American Rescue Plan Act funds.

The County-wide taxable valuation increased approximately 7.2% and the County's rural taxable valuation increased approximately 6.5%. The budgetary requirements of the County for county-wide purposes required a County-wide levy rate of \$3.19445/\$1,000 of taxable valuation, an 11.5% decrease from the fiscal year 2022 levy rate. The total decrease in dollars levied County-wide was \$234,709, or 2.8%.

The cost of all governmental activities this year was approximately \$21.2 million compared to approximately \$21.8 million last year. The portion of the cost financed by users of Boone County governmental funds programs from charges for service was approximately \$3.4 million, a decrease of approximately \$388,000, or 10.2%, compared to fiscal year 2022. Federal and State government and private contributors subsidized certain programs with operating and capital grants and contributions totaling approximately \$7.6 million, a decrease of 7.0% compared to fiscal year 2022. The net cost of governmental activities was financed with general revenues, including property tax related revenue of \$7,928,532, tax increment financing revenues of \$270,437, local option sales tax of \$1,483,806, American Rescue Plan Act of \$1,292,880, unrestricted investment earnings of \$561,211, gain on disposition of capital assets of \$220,538 and other miscellaneous revenue of \$667,042. Total general revenues for fiscal year 2023 were \$12,424,446, up \$939,116, or 8.2%, compared to fiscal year 2022.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

As Boone County completed the year, its governmental funds reported combined fund balance of approximately \$11.0 million, 6.1% more than last year's total of approximately \$10.3 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 \$1,603,000 over the prior year due to an increase in revenue recognition of American Rescue Plan Act funds. Expenditures increased approximately \$1,307,000 over the prior year as the county used American Rescue Plan Act funds to purchase multiple new pieces of equipment and build a new maintenance building and completed LEC project. The ending fund balance increased approximately \$247,000, or 11.0%, from prior year to approximately \$2,506,000.

- The Special Revenue, Rural Services Fund balance at year end decreased \$204,000 or 19.8% from prior year balance. The decrease in fund balance is due a \$427,700 increase in transfers out. Expenditures and revenues remained relatively consistent with the prior year.
- The Special Revenue, Secondary Roads Fund expenditures decreased approximately \$325,000, or 3.7% from the prior year, primarily due to less project costs in FY23.
- The Special Revenue, Drainage Districts Fund revenues decreased approximately \$1,219,000 from the prior year, primary due to decreased drainage warrants being issued in 2023. Expenditures decreased approximately \$1,420,000 primarily due to decreased drainage warrants being issued and decreased payments on outstanding warrants in 2023.
- There were no significant changes in revenues, expenditures, and fund balance of the Debt Service Fund.

Proprietary Fund Highlights

- Enterprise, Landfill Operations Fund revenues, including interest and gain on disposition of capital assets increased approximately \$1,317,000, or 29.1%. from prior year primarily due to more tonnage of waste received in FY23 and interest rates increasing from below 1% in FY22 to almost 5% in FY23. Expenditures increased approximately \$228,000 primarily due to older equipment needing more maintenance and repairs in FY23.

BUDGETARY HIGHLIGHTS

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

On May 31, 2023, the County Board of Supervisors amended the fiscal year 2023 budget for the following:

- Expenditures for ARPA funds; Grant pass through for Conservation – trail construction; repairs made with insurance proceeds; transfers to eliminate funds that are no longer used.

On June 21, 2023, the County Board of Supervisors amended the fiscal year 2023 budget for the following:

- Additional ARPA fund expenditures.

The County exceeded the budgeted amounts in the nonprogram function before the first amendment was made. Also, for certain departments disbursements exceeded the appropriated amounts.

CAPITAL ASSETS

Boone County’s governmental and business type activities concluded fiscal year 2023 with \$50,149,038 and \$6,592,015, 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 fiscal year 2018 the County entered into a ten-year installment 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 9 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 2024 budget, tax rates and fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.8% versus 2.3% a year ago. This compares with the State's unemployment rate of 2.7% and the national rate of 3.6%.

These indicators were taken into account when adopting the budget for fiscal year 2024. Amounts available for appropriation (i.e., beginning balance plus revenue) in the operating budget are approximately \$29.9 million, an increase of 4.3% over the final fiscal year 2023 budget. Budgeted disbursements are expected to increase approximately \$737,000 due to increased budgeted expenses for public safety and legal services and roads and transportation functions. Secondary roads and change in funding for county communications (911) are the major increases. The County has added no new major programs or initiatives to the fiscal year 2024 budget.

If these estimates are realized, the County's budgetary operating balance is expected to modestly decrease by the close of fiscal year 2024.

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.

Basic Financial Statements

Exhibit A

Boone County
Statement of Net Position
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 14,268,401	15,837,358	30,105,759
Receivables:			
Property tax:			
Delinquent	17,685	-	17,685
Succeeding year	8,563,000	-	8,563,000
Succeeding year tax increment financing	279,000	-	279,000
Interest and penalty on property tax	108,662	-	108,662
Accounts	14,097	432,865	446,962
Accrued interest	157,909	-	157,909
Accrued interest - restricted	-	102,598	102,598
Opioid settlement	500,649	-	500,649
Drainage assessments	363,003	-	363,003
Lease	73,507	-	73,507
Loan	98,000	-	98,000
Internal balances	(457,525)	457,525	-
Due from other governments	669,693	12,545	682,238
Inventories	1,768,235	-	1,768,235
Cash and cash equivalents - restricted	-	4,527,428	4,527,428
Capital assets not being depreciated	5,436,996	2,426,323	7,863,319
Capital assets, net of accumulated depreciation	44,712,042	4,165,693	48,877,735
Total assets	76,573,354	27,962,335	104,535,689
Deferred Outflows of Resources			
Pension related deferred outflows	933,859	81,205	1,015,064
OPEB related deferred outflows	60,088	10,339	70,427
Total deferred outflows of resources	993,947	91,544	1,085,491

Boone County
Statement of Net Position
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Liabilities			
Accounts payable	350,519	13,603	364,122
Accrued interest payable	12,010	-	12,010
Salaries and benefits payable	137,160	10,971	148,131
Due to other governments	110,086	63,719	173,805
Unearned Revenue	3,369,453	-	3,369,453
Long-term liabilities:			
Portion due or payable within one year:			
General obligation notes	250,000	-	250,000
Installment purchase agreement	306,885	-	306,885
Lease agreements	25,696	-	25,696
Compensated absences	348,080	42,144	390,224
Total OPEB liability	16,532	2,845	19,377
Portion due or payable after one year:			
General obligation notes	1,749,000	-	1,749,000
Installment purchase agreement	962,353	-	962,353
Lease agreements	49,449	-	49,449
Drainage district warrants	1,711,465	-	1,711,465
Total OPEB liability	383,250	86,947	470,197
Net pension liability	1,987,146	172,796	2,159,942
Estimated liability for landfill closure and postclosure care	-	3,988,122	3,988,122
Total liabilities	11,769,084	4,381,147	16,150,231
Deferred Inflows of Resources			
Unavailable property tax revenue	8,563,000	-	8,563,000
Unavailable tax increment financing	279,000	-	279,000
Pension related deferred inflows	676,779	58,850	735,629
OPEB related deferred inflows	12,308	2,118	14,426
Lease related deferred inflows	73,507	-	73,507
Total deferred inflows of resources	9,604,594	60,968	9,665,562
Net Position			
Net investment in capital assets	48,127,948	6,592,016	54,719,964
Restricted for:			
Supplemental levy purposes	282,940	-	282,940
Rural services purposes	794,274	-	794,274
Secondary roads purposes	4,828,308	-	4,828,308
Debt service purposes	418,007	-	418,007
Law enforcement purposes	316,598	-	316,598
Landfill closure and postclosure care	-	641,904	641,904
Drainage district purposes	419,727	-	419,727
Opioid abatement	639,165	-	639,165
Other purposes	353,846	159,537	513,383
Unrestricted	12,810	16,218,307	16,231,117
Total net position	\$ 56,193,623	23,611,764	79,805,387

See notes to financial statements.

Boone County

Boone County
Statement of Activities
Year ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	
Functions/Programs:						
Governmental activities:						
Public safety and legal services	\$ 5,088,344	841,480	15,677	-	(4,231,187)	- (4,231,187)
Physical health and social services	684,195	94,534	123,632	-	(466,029)	- (466,029)
County environment and education	2,149,372	315,005	108,737	-	(1,725,630)	- (1,725,630)
Roads and transportation	9,740,832	498,428	4,697,870	2,498,926	(2,045,608)	- (2,045,608)
Governmental services to residents	900,335	896,254	-	-	(4,081)	- (4,081)
Administration	2,494,266	212,769	28,684	-	(2,252,813)	- (2,252,813)
Non-program	118,011	554,752	12,436	-	449,177	- 449,177
Interest on long-term debt	65,861	-	126,500	-	60,639	- 60,639
Total governmental activities	21,241,216	3,413,222	5,113,536	2,498,926	(10,215,532)	- (10,215,532)
Business type activities:						
Solid waste	2,706,757	5,574,345	-	-	-	2,867,588 2,867,588
Total	\$ 23,947,973	8,987,567	5,113,536	2,498,926	(10,215,532)	2,867,588 (7,347,944)
General Revenues:						
Property and other county tax levied for:						
General purposes					7,729,583	- 7,729,583
Debt service					198,949	- 198,949
Tax increment financing					270,437	- 270,437
Penalty and interest on property tax					85,063	- 85,063
State tax credits and replacements					460,485	- 460,485
Local option sales tax					1,483,806	- 1,483,806
American Rescue Plan Act					1,292,880	- 1,292,880
Unrestricted investment earnings					561,561	410,659 972,220
Gain on disposition of capital assets					220,538	1,000 221,538
Miscellaneous					121,494	- 121,494
Total general revenues					12,424,796	411,659 12,836,455
Change in net position					2,209,264	3,279,247 5,488,511
Net position beginning of year					53,984,359	20,332,517 74,316,876
Net position end of year					\$ 56,193,623	23,611,764 79,805,387

See notes to financial statements.

Boone County
Balance Sheet
Governmental Funds

June 30, 2023

	Special Revenue			
	General	Rural Services	Secondary Roads	Drainage Districts
Assets				
Cash, cash equivalents and pooled investments	\$ 6,513,176	762,525	2,836,540	1,768,189
Receivables:				
Property tax:				
Delinquent	13,376	3,838	-	-
Succeeding year	5,720,000	2,641,000	-	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	108,662	-	-	-
Accounts	10,156	-	668	-
Accrued interest	157,909	-	-	-
Opioid settlement	-	-	-	-
Drainage assessments	-	-	-	363,003
Lease	73,507	-	-	-
Loan	-	-	98,000	-
Due from other funds	50	-	16,440	-
Due from other governments	151,446	84,224	434,023	-
Inventories	-	-	1,768,235	-
Total assets	\$ 12,748,282	3,491,587	5,153,906	2,131,192
Total Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 214,840	1,870	132,355	-
Salaries and benefits payable	85,911	9,448	41,801	-
Due to other funds	551,441	12,988	32	-
Due to other governments	107,978	-	944	-
Unearned revenue	3,369,453	-	-	-
Total liabilities	4,329,623	24,306	175,132	-
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	5,720,000	2,641,000	-	-
Succeeding year tax increment financing	-	-	-	-
Lease related deferred inflows	73,507	-	-	-
Other	119,131	3,543	-	363,003
Total deferred inflows of resources	5,912,638	2,644,543	-	363,003
Fund balances:				
Nonspendable:				
Inventories	-	-	1,768,235	-
Loan receivable	-	-	98,000	-
Restricted for:				
Supplemental levy purposes	282,940	-	-	-
Rural services purposes	-	822,738	-	-
Secondary roads purposes	-	-	3,112,539	-
Drainage warrants	-	-	-	1,768,189
Conservation land acquisition/ capital improvements	22,635	-	-	-
Debt service	-	-	-	-
Law enforcement purposes	316,598	-	-	-
Resource enhancement and protection	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	-	-	-	-
Unassigned	1,883,848	-	-	-
Total fund balances	2,506,021	822,738	4,978,774	1,768,189
Total liabilities, deferred inflows of resources and fund balances	\$ 12,748,282	3,491,587	5,153,906	2,131,192

See notes to financial statements.

Debt Service	Nonmajor	Total
314,601	581,375	12,776,406
471	-	17,685
202,000	-	8,563,000
-	279,000	279,000
-	-	108,662
-	3,273	14,097
-	-	157,909
-	500,649	500,649
-	-	363,003
-	-	73,507
-	-	98,000
-	1,270	17,760
-	-	669,693
-	-	1,768,235
<u>517,072</u>	<u>1,365,567</u>	<u>25,407,606</u>
-	946	350,011
-	-	137,160
-	-	564,461
-	300	109,222
-	-	3,369,453
-	1,246	4,530,307
202,000	-	8,563,000
-	279,000	279,000
-	-	73,507
453	500,649	986,779
<u>202,453</u>	<u>779,649</u>	<u>9,902,286</u>
-	-	1,768,235
-	-	98,000
-	-	282,940
-	-	822,738
-	-	3,112,539
-	-	1,768,189
-	-	22,635
314,619	114,945	429,564
-	-	316,598
-	13,605	13,605
-	138,516	138,516
-	317,606	317,606
-	-	1,883,848
<u>314,619</u>	<u>584,672</u>	<u>10,975,013</u>
<u>517,072</u>	<u>1,365,567</u>	<u>25,407,606</u>

Boone County

Boone County

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

June 30, 2023

Total governmental fund balances (page 21) \$ 10,975,013

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 \$104,492,839 and the accumulated depreciation/amortization is \$54,343,801. 50,149,038

Other long-term assets are not available to pay current year expenditures, and therefore, are recognized as deferred inflows of resources in the governmental funds. 986,779

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. 1,579,799

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	\$ 993,947	
Deferred inflows of resources	<u>(689,087)</u>	304,860

Long-term liabilities, including a installment purchase agreement, capital loan notes payable, lease agreements, compensated absences payable, drainage district warrants payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (7,801,866)

Net position of governmental activities (page 17) \$ 56,193,623

See notes to financial statements.

Boone County

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

Year ended June 30, 2023

	Special		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 5,294,991	2,442,396	-
Local option sales tax	370,952	1,112,854	-
Interest and penalty on property tax	171,934	-	-
Tax increment financing	-	-	-
Intergovernmental	2,785,575	120,798	5,576,599
Licenses and permits	18,450	-	13,160
Charges for service	1,272,060	65,095	-
Use of money and property	617,492	-	8,400
Miscellaneous	241,944	2,392	143,856
Total revenues	10,773,398	3,743,535	5,742,015
Expenditures:			
Operating:			
Public safety and legal services	4,490,753	479,798	-
Physical health and social services	710,245	-	-
County environment and education	1,300,623	418,103	-
Roads and transportation	405,663	-	7,828,710
Governmental services to residents	913,638	5,196	-
Administration	2,705,194	-	487
Non-program	-	-	10,391
Debt service	-	-	-
Capital projects	-	-	547,447
Total expenditures	10,526,116	903,097	8,387,035
Excess (deficiency) of revenues over (under) expenditures	247,282	2,840,438	(2,645,020)
Other financing sources (uses):			
Transfers in	-	-	3,044,000
Transfers out	-	(3,044,000)	-
Drainage warrants issued	-	-	-
Total other financing sources (uses)	-	(3,044,000)	3,044,000
Change in fund balances	247,282	(203,562)	398,980
Fund balances beginning of year	2,258,739	1,026,300	4,579,794
Fund balances end of year	\$ 2,506,021	822,738	4,978,774

See notes to financial statements.

Revenue			
Drainage Districts	Debt Service	Nonmajor	Total
-	199,192	-	7,936,579
-	-	-	1,483,806
-	-	-	171,934
-	-	270,437	270,437
-	138,512	17,298	8,638,782
-	-	-	31,610
-	-	4,040	1,341,195
-	-	3,049	628,941
254,724	-	267,184	910,100
254,724	337,704	562,008	21,413,384
-	-	20,419	4,990,970
-	-	-	710,245
235,472	-	268,782	2,222,980
-	-	-	8,234,373
-	-	4,808	923,642
-	-	-	2,705,681
-	-	-	10,391
33,425	635,190	-	668,615
-	-	-	547,447
268,897	635,190	294,009	21,014,344
(14,173)	(297,486)	267,999	399,040
-	300,000	-	3,344,000
-	-	(300,000)	(3,344,000)
235,472	-	-	235,472
235,472	300,000	(300,000)	235,472
221,299	2,514	(32,001)	634,512
1,546,890	312,105	616,673	10,340,501
1,768,189	314,619	584,672	10,975,013

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, 2023

Change in fund balances - Total governmental funds (page 25) \$ 634,512

**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/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures and contributed capital assets exceeded depreciation/amortization expense in the current year, as follows:

Expenditures for capital assets	\$ 2,817,324	
Capital assets contributed by the Iowa Department of Transportation	1,979,961	
Depreciation/amortization expense	<u>(4,172,260)</u>	625,025

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. 220,538

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	(8,047)	
Other	<u>(703,793)</u>	(711,840)

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	(202,047)	
Repaid	<u>631,380</u>	429,333

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. 674,598

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	(5,509)	
OPEB expense	(37,036)	
Pension expense	189,436	
Interest on long-term debt	<u>2,142</u>	149,033

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. The change in net position of the Internal Service Fund is reported with governmental activities. 188,065

Change in net position of governmental activities (page 19) \$ 2,209,264

See notes to financial statements.

Boone County
Statement of Net Position
Proprietary Funds

June 30, 2023

	Business Type Activities - Enterprise Funds			Governmental Activities
	Landfill Operations	Nonmajor		Internal Service - Health Insurance Premiums
		Ground Water Tax	Total	
Assets				
Cash and cash equivalents	\$ 15,672,900	164,458	15,837,358	\$ 1,491,995
Receivables:				
Accounts	432,865	-	432,865	-
Accrued interest - restricted	102,598	-	102,598	-
Due from other funds	546,701	-	546,701	-
Due from other governments	12,545	-	12,545	-
Cash and cash equivalents - restricted	4,527,428	-	4,527,428	-
Capital assets not being depreciated	2,426,323	-	2,426,323	-
Capital assets, net of accumulated depreciation	4,165,693	-	4,165,693	-
Total assets	<u>27,887,053</u>	<u>164,458</u>	<u>28,051,511</u>	<u>1,491,995</u>
Deferred Outflows of Resources:				
Pension related deferred outflows	81,205	-	81,205	-
OPEB related deferred outflows	10,339	-	10,339	-
Total deferred outflows of resources	<u>91,544</u>	<u>-</u>	<u>91,544</u>	<u>-</u>
Liabilities				
Accounts payable	10,197	3,406	13,603	508
Salaries and benefits payable	10,971	-	10,971	-
Due to other governments	62,204	1,515	63,719	864
Long-term liabilities:				
Portion due or payable within one year:				
Compensated absences	42,144	-	42,144	-
Total OPEB liability	2,845	-	2,845	-
Portion due or payable after one year:				
Total OPEB liability	86,947	-	86,947	-
Net Pension Liability	172,796	-	172,796	-
Estimated liability for landfill closure and postclosure care	3,988,122	-	3,988,122	-
Total liabilities	<u>4,376,226</u>	<u>4,921</u>	<u>4,381,147</u>	<u>1,372</u>
Deferred Inflows of Resources:				
Pension related deferred inflows	58,850	-	58,850	-
OPEB related deferred inflows	2,118	-	2,118	-
Total deferred outflows of resources	<u>60,968</u>	<u>-</u>	<u>60,968</u>	<u>-</u>
Net Position				
Net investment in capital assets	6,592,016	-	6,592,016	-
Restricted for:				
Landfill closure and postclosure care	641,904	-	641,904	-
Ground water tax purposes	-	159,537	159,537	-
Unrestricted	16,307,483	-	16,307,483	1,490,623
Total net position	<u>\$ 23,541,403</u>	<u>159,537</u>	<u>23,700,940</u>	<u>\$ 1,490,623</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(89,176)</u>	
Net position of business-type activities			<u>23,611,764</u>	

See notes to financial statements.

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

Year ended June 30, 2023

	Business Type Activities - Enterprise Funds			Governmental Activities
	Nonmajor			Internal Service - Health Insurance Premiums
	Landfill Operations	Ground Water Tax	Total	
Operating revenues:				
Per capita fees	\$ 177,224	-	177,224	\$ -
Solid waste fees	5,118,284	140,286	5,258,570	-
Miscellaneous	138,551	-	138,551	-
Reimbursements from operating funds	-	-	-	1,637,134
Reimbursements from others	-	-	-	200,822
Reimbursements from employees	-	-	-	264,246
Total operating revenues	<u>5,434,059</u>	<u>140,286</u>	<u>5,574,345</u>	<u>2,102,202</u>
Operating expenses:				
Salaries and wages	426,098	-	426,098	-
Payroll tax	73,002	-	73,002	-
Fringe benefits	70,012	-	70,012	-
Fuel	180,542	-	180,542	-
Travel	1,592	-	1,592	-
Utilities	16,913	-	16,913	-
Insurance	43,105	-	43,105	-
Solid waste fees remitted to the Iowa Department of Natural Resources and Ground Water Tax Fund	393,014	-	393,014	-
Education and training	27,749	-	27,749	-
Engineering	15,374	-	15,374	-
Maintenance and repair Operations	284,469	-	284,469	-
Depreciation	129,457	-	129,457	-
Dues and membership	496,219	-	496,219	-
Dues and membership	4,440	-	4,440	-
Accounting	49,343	-	49,343	-
Recycling center operations	152,625	123,775	276,400	-
Gravel	56,448	-	56,448	-
Leachate hauling and treatment	25,229	-	25,229	-
Adjustment to estimated liability for landfill closure and postclosure care	72,754	-	72,754	-
Medical claims	-	-	-	103,528
Health insurance premiums	-	-	-	1,861,016
Total operating expenses	<u>2,518,385</u>	<u>123,775</u>	<u>2,642,160</u>	<u>1,964,544</u>
Operating income	2,915,674	16,511	2,932,185	137,658
Non-operating revenues (expenses):				
Interest income	410,659	-	410,659	-
Gain on disposition of capital assets	1,000	-	1,000	-
Capital asset purchases	(14,190)	-	(14,190)	-
Total non-operating revenues (expenses)	<u>397,469</u>	<u>-</u>	<u>397,469</u>	<u>-</u>
Change in net position	3,313,143	16,511	3,329,654	137,658
Net position beginning of year	<u>20,228,260</u>	<u>143,026</u>	<u>20,371,286</u>	<u>1,352,965</u>
Net position end of year	<u>\$ 23,541,403</u>	<u>159,537</u>	<u>23,700,940</u>	<u>\$ 1,490,623</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(89,176)</u>	
Net position of business-type activities			<u>23,611,764</u>	

See notes to financial statements.

Boone County
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2023

	Business Type Activities - Enterprise Funds			Internal Service
	Landfill Operations	Nonmajor Ground		
		Water Tax	Total	
Cash flows from operating activities:				
Cash received from gate fees	\$ 4,455,300	-	4,455,300	\$ -
Cash received from per capita fee assessments	177,224	-	177,224	-
Cash received from other operating receipts	138,551	140,286	278,837	2,102,202
Cash paid to suppliers for goods and services	(1,345,037)	(136,572)	(1,481,609)	(1,963,911)
Cash paid to employees for services	(614,056)	-	(614,056)	-
Net cash provided by operating activities	<u>2,811,982</u>	<u>3,714</u>	<u>2,815,696</u>	<u>138,291</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(137,727)	-	(137,727)	-
Proceeds from disposition of capital assets	1,000	-	1,000	-
Net cash used by capital and related financing activities	<u>(136,727)</u>	<u>-</u>	<u>(136,727)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received on investments	310,282	-	310,282	-
Net increase in cash and cash equivalents	2,985,537	3,714	2,989,251	138,291
Cash and cash equivalents beginning of year	<u>17,214,791</u>	<u>160,744</u>	<u>17,375,535</u>	<u>1,353,704</u>
Cash and cash equivalents end of year	<u>\$ 20,200,328</u>	<u>164,458</u>	<u>20,364,786</u>	<u>\$ 1,491,995</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,915,674	16,511	2,932,185	\$ 137,658
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	496,219	-	496,219	-
Closure and postclosure care	179,595	-	179,595	-
Changes in assets and liabilities:				
Accounts receivable	(140,617)	-	(140,617)	-
Deferred outflows of resources	455	-	455	-
Due from other funds	(509,822)	-	(509,822)	-
Due from other governments	(12,545)	-	(12,545)	-
Accounts payable	(73,081)	(6,987)	(80,068)	633
Salaries payable	(26,331)	-	(26,331)	-
Deferred inflows of resources	(363,240)	-	(363,240)	-
Due to other funds	(7)	-	(7)	-
Due to other governments	54,486	(5,810)	48,676	-
Net pension obligation	288,454	-	288,454	-
Total OPEB liability	5,080	-	5,080	-
Compensated absences	(2,338)	-	(2,338)	-
Total adjustments	<u>(103,692)</u>	<u>(12,797)</u>	<u>(116,489)</u>	<u>633</u>
Net cash provided (used) by operating activities	<u>\$ 2,811,982</u>	<u>3,714</u>	<u>2,815,696</u>	<u>\$ 138,291</u>

See notes to financial statements.

Boone County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:

County Treasurer	\$ 2,406,666
Other County officials	85,170

Receivables:

Property tax:	
Delinquent	2,860
Succeeding year	42,817,000
Accrued interest	13,623
Special assessments	<u>84,260</u>

Total assets45,409,579**Liabilities**

Accounts payable	10,445
Salaries and benefits payable	9,213
Due to other governments	1,489,371
Trusts payable	100,674
Compensated absences	<u>33,746</u>

Total liabilities1,643,449**Deferred Inflows of Resources**

Unavailable property tax revenue	<u>42,817,000</u>
----------------------------------	-------------------

Net Position

Restricted for individuals, organizations and other governments	<u>\$ 949,130</u>
--	-------------------

See notes to financial statements.

Boone County
Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 42,106,749
911 surcharge	247,033
State tax credits	2,488,901
Office fees and collections	804,346
Auto licenses, use tax and postage	11,123,996
Assessments	72,702
Trusts	1,006,986
Miscellaneous	<u>226,306</u>
Total additions	<u>58,077,019</u>
Deductions:	
Agency remittances:	
To other funds	657,432
To other governments	56,373,279
Trusts paid out	<u>1,010,964</u>
Total deductions	<u>58,041,675</u>
Changes in net position	35,344
Net position beginning of year	<u>913,786</u>
Net position end of year	<u>\$ 949,130</u>

See notes to financial statements.

Boone County

Notes to Financial Statements

June 30, 2023

(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, which are supported by property tax, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or 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 and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary 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 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.

The County reports the following major propriety fund:

Enterprise:

The 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.

Additionally, the County reports the following funds:

Proprietary Funds – 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 the 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2022.

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.

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. 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 and recovery services.

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, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from and Due to Other Funds have been eliminated from the Statement of Net Position, except for the residual amounts due between governmental and business-type activities which are reported as "internal balances".

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 applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the County as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment and infrastructure are depreciated/amortized 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
Right-to-use IT subscription 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 payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how 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 are recognized as revenue over the life of the lease term.

Key estimates and judgments 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, 2023. 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 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 and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on 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 and tax increment financing receivables that will not be recognized until the year for which they are levied, unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

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

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

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

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, 2023, disbursements in the nonprogram function exceeded the budget prior to the first amendment and disbursements in certain departments exceeded the amounts appropriated.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2023 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, 2023, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$193,236. 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, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Enterprise:	
	Rural Services	\$ 18
	Secondary Roads	32
		<u>50</u>
Special Revenue:		
Secondary Roads	General	3,470
	Special Revenue:	
	Rural Services	12,970
		<u>16,440</u>
County Recorder's		
Records Management	General	1,270
Enterprise:		
Landfill Operations	General	546,701
Total		<u>\$ 564,461</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, 2023 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: Rural Services	\$ 3,044,000
Debt Service	Special Revenue: County TIF Project	<u>300,000</u>
Total		<u>\$ 3,344,000</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, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,486,227	-	-	2,486,227
Construction in progress	1,285,477	2,655,688	(990,396)	2,950,769
Total capital assets not being depreciated/amortized	3,771,704	2,655,688	(990,396)	5,436,996
Capital assets being depreciated/amortized:				
Buildings	6,582,558	182,385	-	6,764,943
Improvements other than buildings	251,714	-	-	251,714
Equipment and vehicles	16,247,917	1,764,580	(1,553,412)	16,459,085
Right -to-use equipment and vehicles	159,904	-	(37,726)	122,178
Infrastructure, other	9,459,016	462,072	-	9,921,088
Infrastructure, road network	64,546,439	990,396	-	65,536,835
Total capital assets being depreciated/amortized	97,247,548	3,399,433	(1,591,138)	99,055,843
Less accumulated depreciation/amortization for:				
Buildings	3,283,394	168,894	-	3,452,288
Improvements other than buildings	124,803	6,292	-	131,095
Equipment and vehicles	12,066,492	1,599,003	(1,544,236)	12,121,259
Right -to-use equipment and vehicles	21,592	29,041	-	50,633
Infrastructure, other	4,658,293	439,753	-	5,098,046
Infrastructure, road network	31,561,203	1,929,277	-	33,490,480
Total accumulated depreciation/amortization	51,715,777	4,172,260	(1,544,236)	54,343,801
Total capital assets being depreciated/amortized, net	45,531,771	(772,827)	(46,902)	44,712,042
Governmental activities capital assets, net	49,303,475	1,882,861	(1,037,298)	50,149,038
Business type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 488,499	-	-	488,499
Construction in progress	1,848,517	89,307	-	1,937,824
Total capital assets, not being depreciated/amortized	2,337,016	89,307	-	2,426,323
Capital assets being depreciated/amortized:				
Buildings	1,234,148	-	-	1,234,148
Improvements other than buildings	28,290	-	-	28,290
Equipment and vehicles	5,598,208	34,230	(7,885)	5,624,553
Infrastructure	4,018,304	-	-	4,018,304
Total capital assets being depreciated/amortized	10,878,950	34,230	(7,885)	10,905,295
Less accumulated depreciation/amortization for:				
Buildings	390,067	30,853	-	420,920
Improvements other than buildings	11,316	1,886	-	13,202
Equipment and vehicles	3,608,661	295,764	(7,885)	3,896,540
Infrastructure	2,241,224	167,716	-	2,408,940
Total accumulated depreciation/amortization	6,251,268	496,219	(7,885)	6,739,602
Total capital assets being depreciated/amortized, net	4,627,682	(461,989)	-	4,165,693
Business type activities capital assets, net	6,964,698	(372,682)	-	6,592,016

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 713,383
Physical health and social services		16,209
County environment and education		508,107
Roads and transportation		2,686,071
Administration		<u>248,490</u>
Total depreciation/amortization expense - governmental activities		<u>\$ 4,172,260</u>
Business type activities:		
Landfill operations		<u>\$ 496,219</u>

(6) Loan Receivable

During the year ended June 30, 2018, the County entered into a 28E agreement with the City of Boone for a cooperative repair, replacement, and construction of 200th Street from Quartz Avenue to IA Hwy 17. The City is required to pay the County's Secondary Road Fund for 40% of actual funds provided to a max of \$600,000 with a 0% interest rate, over a period of three years. The total the City owed to the County was \$280,000 with a first payment due July 1, 2022. During fiscal year, the City paid \$182,000 to the County. The balance of the loan receivable, \$98,000 at June 30, 2023, is reported in the Secondary Roads fund.

Year Ending June 30,	200th St Loan	
	Principal	
2024	\$	49,000
2025		<u>49,000</u>
Totals	\$	<u>98,000</u>

(7) Lease Receivable

The County owns the real property located at 1601 Industrial Park Road in Boone County. Effective August 7, 2006, the County entered into a lease agreement with an initial term of five years and four automatic five year extensions with Iowa RSA 10 General Partnership to lease the land and install and maintain utilities. The County is to receive \$6,000 for the first five year, \$6,900 for the second five years, \$7,935 for the third five years, \$9,126 for the fourth five years and \$10,495 for the fifth five years in annual rent with an implicit rate of 2.22%.

Year Ending June 30,	Cell Tower Lease		
	Principal	Interest	Total
2024	\$ 7,569	1,557	9,126
2025	7,739	1,387	9,126
2026	7,912	1,214	9,126
2027	9,357	1,024	10,381
2028	9,683	812	10,495
2029-2032	<u>31,247</u>	<u>1,112</u>	<u>32,359</u>
Totals	<u>\$ 73,507</u>	<u>7,106</u>	<u>80,613</u>

(8) 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, 2023 is as follows:

Fund	Description	Amount
General	Services	\$ 107,978
Special Revenue:		
Secondary Roads	Services	944
Reserve Deputy	Services	300
Total for governmental funds		<u>\$ 109,222</u>
Custodial:		
County Offices	Collections	\$ 58,647
Agricultural Extension Education		2,010
County Assessor		18
Schools		204,306
Community Colleges		9,270
Corporations		98,864
Townships		3,940
Auto License and Use Tax		1,027,194
Special Assessments		22,846
County Hospital		24,722
All other		37,554
Total for custodial funds		<u>\$ 1,489,371</u>

(9) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Governmental Activities																
	General Obligation Capital Loan Notes	Direct Borrowing - Installment Purchase Agreement	Direct Borrowing - Drainage District Warrants	Lease Agreements	Compensated Absences	Net Pension Liability (asset)	Total OPEB Liability	Total									
									Balance beginning of year	\$ 2,266,000	1,569,425	1,509,418	139,338	342,571	(1,330,071)	370,259	4,866,940
									Increases	-	-	202,047	-	389,407	3,317,217	46,055	3,954,726
Decreases	267,000	300,187	-	64,193	383,898	-	16,532	1,031,810									
Balance end of year	\$ 1,999,000	1,269,238	1,711,465	75,145	348,080	1,987,146	399,782	7,789,856									
Due within one year	\$ 250,000	306,885	-	25,696	348,080	-	16,532	947,193									

	Business Type Activities										
	Compensated Absences	Closure and Postclosure Care	Net Pension Liability (asset)	Total OPEB Liability	Total						
						Balance beginning of year	\$ 44,482	3,808,527	(115,658)	84,712	3,822,063
						Increases	36,027	179,595	288,454	7,925	512,001
Decreases	38,365	-	-	2,845	41,210						
Balance end of year	\$ 42,144	3,988,122	172,796	89,792	4,292,854						
Due within one year	\$ 42,144	-	-	2,845	44,989						

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, 2023, the County paid principal of \$267,000 and interest of \$32,385 on the notes.

A summary of the County’s June 30, 2023 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
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	1.55	300,000	15,881	315,881
2029-2031	1.65-1.85	649,000	20,732	669,732
Total		\$ 1,999,000	136,353	2,135,353

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, 2023.

Year Ending June 30,	Communication and Public Safety Equipment and Systems		
	Principal	Interest	Total
2024	\$ 306,885	28,320	335,205
2025	313,732	21,473	335,205
2026	320,732	14,472	335,204
2027	327,889	7,315	335,204
Totals	\$ 1,269,238	71,580	1,340,818

Payments under the installment purchase agreement totaled \$335,205 for the year ended June 30, 2023. During the year ended June 30, 2023, the County paid principal of \$300,187 and interest of \$35,018 on the agreement.

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.

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 \$74,204. The agreement requires yearly payments of \$13,056 over 6 years, with an implicit interest rate of 2.22% and final payment due July 1, 2027.

Future principal and interest lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Copiers/Printers			Golf Carts		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 13,997	133	14,130	\$ 11,699	1,357	13,056
2025	-	-	-	11,958	1,098	13,056
2026	-	-	-	12,224	832	13,056
2027	-	-	-	12,495	561	13,056
2028	-	-	-	12,772	284	13,056
Totals	<u>\$ 13,997</u>	<u>133</u>	<u>14,130</u>	<u>\$ 61,148</u>	<u>4,132</u>	<u>65,280</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 25,696	1,490	27,186
2025	11,958	1,098	13,056
2026	12,224	832	13,056
2027	12,495	561	13,056
2028	12,772	284	13,056
Totals	<u>\$ 75,145</u>	<u>4,265</u>	<u>79,410</u>

(10) 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 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 2023, 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 8.76% of covered payroll, for a total rate of 17.52%. 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, 2023 totaled \$733,259.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$2,159,942 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the County’s proportion was 0.057169%, which was a decrease of 0.361607% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense (reduction) of \$(205,909). At June 30, 2023, 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	\$ 248,441	39,468
Changes of assumptions	2,328	107,420
Net difference between projected and actual earnings on pension plan investments	-	362,112
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	31,036	226,629
County contributions subsequent to the measurement date	733,259	-
Total	<u>\$ 1,015,064</u>	<u>735,629</u>

\$733,259 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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
2024	\$ (404,515)
2025	(314,525)
2026	(523,534)
2027	796,668
2028	(7,918)
Total	<u>\$ (453,824)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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 geometric 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%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
Total	100.0%	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (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)	\$ 5,307,164	2,159,941	(609,454)

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, 2023.

(11) 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, 2023, 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 \$489,574 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2023.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 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, 2023)	3.00% per annum.
Rates of salary increase (effective June 30, 2023)	2.00% per annum, including inflation.
Discount rate (effective June 30, 2023)	2.16% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2023)	5.5% 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	\$ 454,971
Changes for the year:	
Service cost	43,424
Interest	10,556
Differences between expected and actual experiences	-
Change in assumptions	-
Benefit payments	<u>(19,377)</u>
Net changes	<u>34,603</u>
Total OPEB liability end of year	<u>\$ 489,574</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	\$ 525,341	489,574	456,519

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 (4.50%) or 1% higher (6.50%) than the current healthcare cost trend rates.

	<u>1% Decrease (4.50%)</u>	<u>Healthcare Cost Trend Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Total OPEB liability	\$ 440,115	489,574	548,599

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the County recognized OPEB expense of \$62,296. At June 30, 2023, 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	\$ 14,426	30,511
Changes in assumptions	-	<u>39,916</u>
Total	<u>\$ 14,426</u>	<u>70,427</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
2024	\$ 8,316
2025	8,316
2026	8,316
2027	8,316
2028	6,255
Thereafter	<u>16,482</u>
	<u>\$ 56,001</u>

(12) 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 800 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement 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, 2023 were \$253,408.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber, 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, 2023, no liability has been recorded in the County's financial statements. As of June 30, 2023, 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.

(13) 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 \$4,063,500 for closure and \$1,794,000 for postclosure care, for a total of \$5,857,500 as of June 30, 2023 for the original and expansion areas combined. The portion of the liability that has been recognized is \$3,988,122. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2023. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the landfill is 8 years for the expansion area and the capacity used at June 30, 2023 is 61%.

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, 2023, assets of \$4,630,026 are restricted for these purposes, of which \$2,927,790 is for closure and \$1,702,236 is for postclosure care. They are reported as restricted in the Statement of Net Position.

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.

(14) 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, 2023, net position of \$159,537 has been retained by the County and is restricted for the required purposes.

(15) 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 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, 2023 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	\$ 12,382
	Chapter 404 tax abatement project	18,726
City of Madrid	Urban renewal and economic development projects	287

(16) 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, 2023 was \$1,637,134.

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, 2023

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 9,695,258	-	9,695,258
Penalty and interest on property tax	176,584	-	176,584
Intergovernmental	6,876,116	-	6,876,116
Licenses and permits	31,610	-	31,610
Charges for service	1,334,749	-	1,334,749
Use of money and property	1,087,731	39	1,087,692
Miscellaneous	1,119,444	356,643	762,801
Total receipts	20,321,492	356,682	19,964,810
Disbursements:			
Public safety and legal services	5,053,798	-	5,053,798
Physical health and social services	725,194	-	725,194
County environment and education	2,202,467	464,254	1,738,213
Roads and transportation	8,208,957	-	8,208,957
Governmental services to residents	939,478	-	939,478
Administration	2,728,389	-	2,728,389
Non-program	3,092	-	3,092
Debt service	668,612	33,425	635,187
Capital projects	634,937	-	634,937
Total disbursements	21,164,924	497,679	20,667,245
Excess (deficiency) of receipts over (under) disbursements	(843,432)	(140,997)	(702,435)
Other financing sources, net	296,985	235,472	61,513
Change in balances	(546,447)	94,475	(640,922)
Balance beginning of year	13,322,853	1,752,821	11,570,032
Balance end of year	\$ 12,776,406	1,847,296	10,929,110

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
9,642,812	9,642,812	52,446
67,500	67,500	109,084
6,094,890	6,194,890	681,226
34,350	34,350	(2,740)
1,141,750	1,145,410	189,339
161,390	162,850	924,842
1,517,550	1,517,550	(754,749)
<u>18,660,242</u>	<u>18,765,362</u>	<u>1,199,448</u>
4,867,187	5,128,749	74,951
824,324	882,103	156,909
2,311,969	2,833,848	1,095,635
7,838,500	8,338,500	129,543
972,471	1,157,472	217,994
2,615,935	3,104,395	376,006
-	3,100	8
635,500	635,500	313
660,000	726,150	91,213
<u>20,725,886</u>	<u>22,809,817</u>	<u>2,142,572</u>
(2,065,644)	(4,044,455)	3,342,020
48,000	83,000	(21,487)
(2,017,644)	(3,961,455)	3,320,533
9,852,643	9,852,643	1,717,389
<u>7,834,999</u>	<u>5,891,188</u>	<u>5,037,922</u>

Boone County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 20,321,492	1,091,892	21,413,384
Expenditures	21,164,924	(150,580)	21,014,344
Net	(843,432)	1,242,472	399,040
Other financing sources, net	296,985	(61,513)	235,472
Beginning fund balances	13,322,853	(2,982,352)	10,340,501
Ending fund balances	<u>\$ 12,776,406</u>	<u>(1,801,393)</u>	<u>10,975,013</u>

See accompanying independent auditor's report.

Boone County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2023

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 nine major classes of expenditures known as functions, not by fund. These nine 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 \$2,083,931. 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, 2023, 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 Nine Years*
(In Thousands)

Required Supplementary Information

	2023	2022	2021	2020
County's proportion of the net pension liability (asset)	0.057169%	0.418776% **	0.074189%	0.073920%
County's proportionate share of the net pension liability (asset)	\$ 2,160	(1,446)	5,212	4,280
County's covered payroll	\$ 7,395	7,319	7,103	7,196
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.21%	-19.76%	73.38%	59.48%
Plan fiduciary net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%	85.45%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.074303%	0.079409%	0.077884%	0.080528%	0.77477%
4,702	5,290	4,901	3,854	3,073
6,933	6,885	6,475	6,317	6,428
67.82%	76.83%	75.69%	61.01%	47.80%
83.62%	82.21%	81.82%	85.19%	87.61%

Boone County

Schedule of County Contributions

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

Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 733	693	690	674
Contributions in relation to the statutorily required contribution	(733)	(693)	(690)	(674)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 7,891	7,395	7,319	7,103
Contributions as a percentage of covered payroll	9.29%	9.37%	9.43%	9.49%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
686	628	625	591	576	586
(686)	(628)	(625)	(591)	(576)	(586)
-	-	-	-	-	-
7,196	6,933	6,885	6,475	6,317	6,428
9.54%	9.06%	9.08%	9.13%	9.11%	9.12%

Boone County

Boone County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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 and Related Ratios

For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service cost	\$ 43,424	42,573	27,937	27,389
Interest cost	10,556	10,047	15,359	15,955
Difference between expected and actual experiences	-	(17,098)	-	32,422
Changes in assumptions	-	34,800	-	1,419
Benefit payments	(19,377)	(40,446)	(58,193)	(63,625)
Net change in total OPEB liability	34,603	29,876	(14,897)	13,560
Total OPEB liability beginning of year	454,971	425,095	439,992	426,432
Total OPEB liability end of year	\$ 489,574	454,971	425,095	439,992
Covered-employee payroll	\$ 6,270,609	6,147,656	6,827,527	6,693,654
Total OPEB liability as a percentage of covered-employee payroll	7.8%	7.4%	6.2%	6.6%

See accompanying independent auditor's report.

2019	2018
21,504	21,082
15,488	15,606
-	20,765
-	22,417
(43,399)	(37,413)
(6,407)	42,457
432,839	390,382
426,432	432,839
6,061,152	5,942,306
7.0%	7.3%

Boone County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2023

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, 2023	2.16%
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%

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

Supplementary Information

Boone County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	County Recorder's Records Management	Resource Enhancement and Protection	Task Force	Special Attorney Drug Prosecution
Assets				
Cash, cash equivalents and pooled investments	\$ 34,350	13,605	5,211	91,717
Receivables:				
Property tax:				
Succeeding year tax increment financing	-	-	-	-
Accounts	-	-	-	1,748
Opioid settlement	-	-	-	-
Due from other funds	1,270	-	-	-
Total assets	\$ 35,620	13,605	5,211	93,465
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	-	-	-
Due to other governments	-	-	-	-
Total liabilities	\$ -	-	-	-
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	-	13,605	-	-
Opioid abatement	-	-	-	-
Other purposes	35,620	-	5,211	93,465
Total fund balances	35,620	13,605	5,211	93,465
Total liabilities, deferred inflows of resources and fund balances	35,620	13,605	5,211	93,465

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	89,590	10,013	114,945	138,516	79,107		581,375
-	-	-	279,000	-	-		279,000
-	1,525	-	-	-	-		3,273
-	-	-	-	500,649	-		500,649
-	-	-	-	-	-		1,270
4,321	91,115	10,013	393,945	639,165	79,107		1,365,567
-	71	875	-	-	-		946
-	-	300	-	-	-		300
-	71	1,175	-	-	-		1,246
-	-	-	279,000	-	-		279,000
-	-	-	-	500,649	-		500,649
-	-	-	279,000	500,649	-		779,649
-	-	-	114,945	-	-		114,945
-	-	-	-	-	-		13,605
-	-	-	-	138,516	-		138,516
4,321	91,044	8,838	-	-	79,107		317,606
4,321	91,044	8,838	114,945	138,516	79,107		584,672
4,321	91,115	10,013	393,945	639,165	79,107		1,365,567

Boone County

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

Year ended June 30, 2023

	County Recorder's Records Management	Resource Enhancement and Protection	Task Force	Special Attorney Drug Prosecution
Revenues:				
Tax increment financing	\$ -	-	-	-
Intergovernmental	-	6,818	-	-
Charges for service	4,040	-	-	-
Use of money and property	3,010	-	-	-
Miscellaneous	-	-	7,242	10,575
Total revenues	7,050	6,818	7,242	10,575
Expenditures:				
Operating:				
Public safety and legal services	-	-	2,661	1,708
County environment and education	-	40,000	-	-
Governmental services to residents	4,808	-	-	-
Total expenditures	4,808	40,000	2,661	1,708
Excess (deficiency) of revenues over (under) expenditures	2,242	(33,182)	4,581	8,867
Other financing uses:				
Transfers out	-	-	-	-
Changes in fund balance	2,242	(33,182)	4,581	8,867
Fund balances beginning of year	33,378	46,787	630	84,598
Fund balances end of year	\$ 35,620	13,605	5,211	93,465

See accompanying independent auditor's report.

Revenue							
Tobacco and Alcohol Enforcement	Jail Commissary	Reserve Deputy	County TIF Project	Opioid Settlement	Conservation Foundation	Total	
-	-	-	270,437	-	-	270,437	
-	-	-	10,480	-	-	17,298	
-	-	-	-	-	-	4,040	
-	-	-	-	-	39	3,049	
-	23,980	6,968	-	116,500	101,919	267,184	
-	23,980	6,968	280,917	116,500	101,958	562,008	
-	8,254	7,796	-	-	-	20,419	
-	-	-	-	-	228,782	268,782	
-	-	-	-	-	-	4,808	
-	8,254	7,796	-	-	228,782	294,009	
-	15,726	(828)	280,917	116,500	(126,824)	267,999	
-	-	-	(300,000)	-	-	(300,000)	
-	15,726	(828)	(19,083)	116,500	(126,824)	(32,001)	
4,321	75,318	9,666	134,028	22,016	205,931	616,673	
4,321	91,044	8,838	114,945	138,516	79,107	584,672	

Boone County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Assets					
Cash and pooled investments:					
County Treasurer	\$ -	2,010	593,049	204,306	9,270
Other County Officials	85,170	-	-	-	-
Receivables:					
Property tax:					
Delinquent	-	24	69	1,754	119
Succeeding year	-	270,000	775,000	25,918,000	1,352,000
Accrued interest	-	-	-	-	-
Special assessments	-	-	-	-	-
Total assets	\$ 85,170	272,034	1,368,118	26,124,060	1,361,389
Liabilities					
Liabilities:					
Accounts payable	\$ -	-	-	-	-
Salaries and benefits payable	-	-	7,544	-	-
Due to other governments	58,647	2,010	18	204,306	9,270
Trusts payable	26,523	-	-	-	-
Compensated absences	-	-	32,565	-	-
Total liabilities	85,170	2,010	40,127	204,306	9,270
Deferred Inflows of Resources					
Unavailable revenues	-	270,000	775,000	25,918,000	1,352,000
Net Position					
Restricted for individuals, organizations and other governments	\$ -	24	552,991	1,754	119

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Special Assessments	County Hospital	Other	Total
98,864	3,940	1,027,194	22,576	24,722	420,735	2,406,666
-	-	-	-	-	-	85,170
496	88	-	-	310	-	2,860
10,319,000	704,000	-	-	3,476,000	3,000	42,817,000
-	-	-	-	-	13,623	13,623
-	-	-	84,260	-	-	84,260
<u>10,418,360</u>	<u>708,028</u>	<u>1,027,194</u>	<u>106,836</u>	<u>3,501,032</u>	<u>437,358</u>	<u>45,409,579</u>
-	-	-	-	-	10,445	10,445
-	-	-	-	-	1,669	9,213
98,864	3,940	1,027,194	22,846	24,722	37,554	1,489,371
-	-	-	-	-	74,151	100,674
-	-	-	-	-	1,181	33,746
<u>98,864</u>	<u>3,940</u>	<u>1,027,194</u>	<u>22,846</u>	<u>24,722</u>	<u>125,000</u>	<u>1,643,449</u>
<u>10,319,000</u>	<u>704,000</u>	<u>-</u>	<u>-</u>	<u>3,476,000</u>	<u>3,000</u>	<u>42,817,000</u>
<u>496</u>	<u>88</u>	<u>-</u>	<u>83,990</u>	<u>310</u>	<u>309,358</u>	<u>949,130</u>

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

Year ended June 30, 2023

Assets and Liabilities	County Offices	Agricultural Extension Education	County Assessor	Schools	Community Colleges
Additions:					
Property and other county tax	\$ -	260,638	763,827	26,205,466	1,209,607
911 surcharge	-	-	-	-	-
State tax credits	-	16,019	46,384	1,330,862	58,317
Office fees and collections	804,346	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-
Assessments	-	-	-	-	-
Trusts	707,555	-	-	-	-
Miscellaneous	-	-	612	-	-
Total additions	<u>1,511,901</u>	<u>276,657</u>	<u>810,823</u>	<u>27,536,328</u>	<u>1,267,924</u>
Deductions:					
Agency remittances:					
To other funds	287,545	-	-	-	-
To other governments	512,823	276,681	699,967	27,537,985	1,268,025
Trusts paid out	711,533	-	-	-	-
Total deductions	<u>1,511,901</u>	<u>276,681</u>	<u>699,967</u>	<u>27,537,985</u>	<u>1,268,025</u>
Changes in net position	-	(24)	110,856	(1,657)	(101)
Net position, beginning of year	-	48	442,135	3,411	220
Balances end of year	<u>\$ -</u>	<u>24</u>	<u>552,991</u>	<u>1,754</u>	<u>119</u>

See accompanying independent auditor's report.

Corporations	Townships	Auto License and Use Tax	Special Assessments	County Hospital	Other	Total
9,822,522	630,831	-	-	3,209,740	4,118	42,106,749
-	-	-	-	-	247,033	247,033
814,642	29,070	-	-	193,353	254	2,488,901
-	-	-	-	-	-	804,346
-	-	11,123,996	-	-	-	11,123,996
-	-	-	72,702	-	-	72,702
-	-	-	-	-	299,431	1,006,986
-	-	-	-	-	225,694	226,306
10,637,164	659,901	11,123,996	72,702	3,403,093	776,530	58,077,019
-	-	369,887	-	-	-	657,432
10,638,058	659,932	10,754,109	107,979	3,403,374	514,346	56,373,279
-	-	-	-	-	299,431	1,010,964
10,638,058	659,932	11,123,996	107,979	3,403,374	813,777	58,041,675
(894)	(31)	-	(35,277)	(281)	(37,247)	35,344
1,390	119	-	119,267	591	346,605	913,786
496	88	-	83,990	310	309,358	949,130

Boone County

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

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 7,936,579	8,178,760	8,106,077	7,824,543
Tax increment financing	270,437	323,960	334,219	347,631
Local option sales tax	1,483,806	1,568,524	1,350,225	1,251,379
Interest and penalty on property tax	171,934	83,976	121,428	36,695
Intergovernmental	8,638,782	7,616,629	7,198,609	6,491,760
Licenses and permits	31,610	67,949	43,919	37,427
Charges for service	1,341,195	1,443,468	1,291,238	1,197,589
Use of money and property	628,941	135,563	183,670	426,868
Miscellaneous	910,100	2,484,906	2,402,074	927,506
Total	<u>\$ 21,413,384</u>	<u>21,903,735</u>	<u>21,031,459</u>	<u>18,541,398</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 4,990,970	4,723,039	4,507,167	4,083,776
Physical health and social services	710,245	688,330	619,097	630,233
Mental health	-	676,670	701,148	1,099,255
County environment and education	2,222,980	2,802,224	2,050,866	1,811,648
Roads and transportation	8,234,373	7,655,258	7,129,048	6,781,099
Governmental services to residents	923,642	737,404	655,604	672,430
Administration	2,705,681	2,183,457	2,022,796	2,003,830
Non-program	10,391	470,640	344,860	160,923
Debt service	668,615	918,626	784,844	811,573
Capital projects	547,447	1,093,088	1,375,320	949,855
Total	<u>\$ 21,014,344</u>	<u>21,948,736</u>	<u>20,190,750</u>	<u>19,004,622</u>

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
7,826,069	7,728,966	7,778,880	7,597,492	7,590,858	7,754,045
323,463	283,922	234,015	190,059	187,270	160,994
897,150	1,016,923	1,008,431	972,004	974,573	970,619
72,137	67,839	70,752	85,450	66,228	77,429
5,590,921	5,680,460	5,732,444	5,437,561	5,443,756	5,393,112
28,025	37,760	44,290	51,888	22,100	23,380
1,178,479	1,239,609	1,203,404	1,059,794	1,044,379	938,516
406,354	330,945	204,389	138,988	119,902	129,063
574,815	699,763	1,518,841	566,765	270,065	743,661
16,897,413	17,086,187	17,795,446	16,100,001	15,719,131	16,190,819
4,110,210	6,540,678	3,788,814	3,491,581	3,374,960	3,375,919
625,053	617,089	603,739	592,941	606,356	640,190
786,790	566,935	729,156	345,312	1,119,800	1,051,851
1,799,393	1,541,929	1,370,024	1,568,135	1,050,065	1,574,160
6,439,167	6,456,899	5,622,828	6,054,439	5,315,238	5,728,977
619,471	606,656	639,653	519,788	727,542	534,462
1,940,029	1,813,086	1,859,993	1,755,455	1,693,871	1,779,060
97,869	250,005	524,937	52,369	-	-
751,533	617,547	1,116,935	740,166	742,003	736,588
152,369	1,240,449	631,022	811,892	377,113	1,625,251
17,321,884	20,251,273	16,887,101	15,932,078	15,006,948	17,046,458



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

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

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, 2023, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 17, 2024.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as item 2023-004 to be a significant deficiency.

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 noncompliance 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, 2023 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.



Brian R. Brustkern, CPA
Deputy Auditor of State

May 17, 2024

Boone County

Schedule of Findings

Year ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 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, 2023

Responses –

County Recorder – In July 2023 we began listing all items received by mail including that date, sender, check number and dollar amount as well as who processed the transaction. This is done by the Recorder or the Deputy Recorder if the Recorder is absent. With only three people in the office, it is not possible to segregate who does the collecting, depositing, posting and daily reconciling. All three people in the office must be able to service customers. The Recorder does the daily reconciling, and the Deputy Recorder performs this task in the absence of the Recorder. The Recorder prepares the checks for signing by the Deputy Recorder.

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 balanced 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. Additionally, a daily audit will take place at the end of the workday between the two office staff members to verify all transactions that occurred are accounted for. Should there ever be a question, all transactions are monitored by audio and video recordings at the transaction counter.

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.

2023-002 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.

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.

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

Boone County

Schedule of Findings

Year ended June 30, 2023

Response – 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.

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

2023-003 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, payables, and construction in progress capital asset additions 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 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, payables and capital asset additions are identified and properly reported in the County’s financial statements.

Responses –

County Auditor – (1) We have sought guidance from outside advisors and thought we were following the guidance we were given. In the future we will make sure that we clarify our understanding of the information we are given in order to mitigate mistakes. (2) Our office has purchased new software to catalog our assets. This will be integrated with our accounting software and once implemented, should help to alleviate these issues. (3) We are working to cross-train employees so there are more people with the knowledge base to check the work and reports. (4) We are developing a policy to solicit input from other department heads regarding capital assets in an effort to minimize mistakes and increase accuracy. (5) As always, the Auditor's office is seeking every opportunity to train staff in order to build our skills and to learn all we need to know to do the best job we can.

Boone County

Schedule of Findings

Year ended June 30, 2023

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.

County Engineer – The County was not the Contracting Authority on Project No. STP-017-2(24)-2C-08 and therefore did not include it within the GASB 34 report. The County did not know this was incorrect and should still be included even though the County was not in responsible charge if the project. Future projects where the County is not in responsible charge, or the Contracting Authority will be included within the GASB 34 report.

Conclusion – Responses accepted.

2023-004 Self-Promotion

Criteria – An effective internal control system provides for internal controls related to ensuring actions taken by elected officials or employees of Boone County are free of any perceived or actual conflict of interest or self-promotion.

Condition – In 2015, Sheriff Gregg Elsberry and Deputy Andrew Godzicki officially started a business called “Life Light”. Gregg Elsberry appeared in a promotional video for “Life Light”, released in June 13, 2022, wearing a collared shirt with Boone County Sheriff displayed and Andrew Godzicki appeared in the same video wearing a Boone County Sheriff Deputy’s uniform.

Cause – Although internal policies and procedures are in place to ensure actual conflict of interest for county employees, the actions of elected officials are not under the control of the Board of Supervisors.

Effect – By wearing apparel with the Boone County Sheriff’s Department logo and a Boone County Sheriff Deputy uniform during a promotional video for a private business, it appears Life Light was supported and promoted by Boone County.

Recommendation – The County should establish policies and procedures regarding the use of clothing containing a county logo and uniform in promotional videos of a privately owned business unrelated to the County for all employees including elected officials.

Response – Boone County will develop, implement and enforce a policy that prohibits employees, including elected officials, from promoting their personal interests using County-owned logos and uniforms.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Boone County

Schedule of Findings

Year ended June 30, 2023

Other Findings Related to Required Statutory Reporting:

2023-A Certified Budget – Disbursements during the year ended June 30, 2023 exceeded the amount budgeted in the nonprogram function prior to approval of the first amendment, disbursements exceeded the amounts appropriated in seven departments prior to the approval of the first amendment by the Board of Supervisors, disbursements in one department exceeded the amount appropriated before the approval of the second amendment by the Board of Supervisors and disbursements in four 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 – In an effort to disburse ARPA funds, purchases were made before the amendments were complete. Expenditures for departments were in excess of appropriations because of the unanticipated ARPA expenditures. Since the ARPA monies are nearing depletion, this should not be an issue in coming years.

Conclusion – Response accepted.

2023-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.

2023-C Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2023-D Business Transactions – No business transactions between the County and County officials or employees were noted.

2023-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.

2023-F Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

2023-G Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.

Boone County

Schedule of Findings

Year ended June 30, 2023

2023-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.

2023-I Solid Waste Fees Retainage – No instances of noncompliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

2023-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	\$ 250,400	868,500	3,813,100	925,500	5,857,500
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
Reallocation of amounts required to be held based on current estimated costs	7,600	21,000	(7,600)	(21,000)	-
Less: amounts required to be held in the local dedicated fund at June 30, 2022, as reallocated	250,400	868,500	2,426,480	793,016	4,338,396
Remaining amount to fully fund	-	-	1,386,620	132,484	1,519,104
Divided by the number of years remaining in the pay-in period	-	-	8	8	-
Required payment into the local dedicated fund for the year ended June 30, 2023	-	-	173,328	16,561	189,889
Amounts required to be held in the local dedicated fund at June 30, 2022, as reallocated	250,400	868,500	2,426,480	793,016	4,338,396
Amounts required to be held in the local dedicated fund at June 30, 2023	\$ 250,400	868,500	2,599,808	809,577	4,528,285
Amounts restricted for closure and postclosure care at June 30, 2023	\$ 250,400	868,500	2,677,390	833,736	4,630,026

Boone County

Schedule of Findings

Year ended June 30, 2023

- 2023-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.
- 2023-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.
- 2023-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.
- 2023-N E-911 Service Board Budget – Disbursements for the E-911 Service Board Fund exceeded the amount budgeted by \$67,727 during the year.

Recommendation – The budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – E-911 has its own governing board who vote for the budget and to whom the director reports. The director during this time is no longer an employee of the County. Going forward with the new director, we anticipate this will no longer be an issue.

Conclusion – Response accepted.

Boone County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Deborah J. Moser, CPA, Manager
Luke M. Borman, CPA, Senior II Auditor
Jon D. Hedgecock, Staff Auditor
Anthony G. Puetsch, Assistant Auditor
Ariel N. Dennler, Assistant Auditor