



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Brian Brustkern
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FOR RELEASE

November 15, 2024

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$26,212,205 for the year ended June 30, 2023, a 29.4% increase over the prior year. Expenses for County operations for the year ended June 30, 2023 totaled \$21,702,687, a 50.2% increase over the prior year. The significant increase in the revenues and expenses is due primarily to an increase in capital grants for roads projects and American Rescue Plan revenue earned for expenditures to replace lost revenue from the COVID-19 pandemic.

AUDIT FINDINGS:

Sand reported fifteen findings related to the receipt and expenditure of taxpayer funds. They are found on pages 92 through 101 of this report. The findings address issues such as a lack of segregation of duties, material amounts of accounts receivable, accounts payable, infrastructure and capital asset additions, prepaid expenses and disbursements not properly recorded in the County's financial statements. Sand provided the County with recommendations to address each of these findings.

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

A copy of the audit report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

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

JUNE 30, 2023

Guthrie County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

Rob Sand
Auditor of State

September 18, 2024

Officials of Guthrie County
Guthrie Center, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Guthrie 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 Guthrie County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Guthrie County

Officials

(Before January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Clifford Carney	Board of Supervisors	Jan 2023
Everett Grasty	Board of Supervisors	Jan 2023
Jerome Kuster	Board of Supervisors	Jan 2023
Mike Dickson	Board of Supervisors	Jan 2025
Jack Lloyd	Board of Supervisors	Jan 2025
Danielle Fink	County Auditor	Jan 2025
Marci Schreck	County Treasurer	Jan 2023
Tristen Richard	County Recorder	Jan 2023
Marty Arganbright	County Sheriff	Jan 2025
Brenna Bird	County Attorney	Jan 2023
Nikki Carrick	County Assessor	Jan 2028

(After January 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mike Dickson	Board of Supervisors	Jan 2025
Brian Johnson	Board of Supervisors	Jan 2025
Maggie Armstrong	Board of Supervisors	Jan 2027
Jerome Kuster	Board of Supervisors	Jan 2027
Steve Smith	Board of Supervisors	Jan 2027
Danielle Fink	County Auditor	Jan 2025
Brenda Campbell	County Treasurer	Jan 2027
Tristen Richard	County Recorder	Jan 2027
Marty Arganbright	County Sheriff	Jan 2025
Dana Minter	County Attorney	Jan 2027
Nikki Carrick	County Assessor	Jan 2028



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Independent Auditor's Report

To the Officials of Guthrie County:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Guthrie 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, each major fund and the aggregate remaining fund information of Guthrie 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 Guthrie County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Guthrie County's beginning net position for governmental activities was restated to correct capital assets. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Guthrie 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 Guthrie 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 Guthrie County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 62 through 74 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 Guthrie 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 8 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 8 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 September 18, 2024 on our consideration of Guthrie 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 Guthrie County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

September 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Guthrie 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.

2023 FINANCIAL HIGHLIGHTS

- The County restated beginning net position for governmental activities to correctly report construction in progress, infrastructure, and infrastructure depreciation.
- 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 Heart of Iowa Community Services prior to June 30, 2022.
- Revenues of the County's governmental activities increased 29.4%, or approximately \$5,954,000, from fiscal year 2022 to fiscal year 2023. The County received approximately \$861,000 more of federal grants for the American Rescue Plan Act (ARPA) from the prior year. Capital grants, contributions and restricted interest increased approximately \$4,314,000. Other significant increases in revenue included tax increment financing and unrestricted investment revenue which increased approximately \$361,000 and \$355,000, respectively.
- Program expenses of the County's governmental activities increase 50.2%, or approximately \$7,257,000, from fiscal year 2022 to fiscal year 2023. Public safety, county environment and education, and roads and transportation increased approximately \$1,263,000, \$331,000 and \$4,874,000, respectively.
- The County's net position at June 30, 2023, increased 12.0%, or approximately \$4,509,000, over the June 30, 2022 balance.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Guthrie 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 Guthrie 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 Guthrie County acts solely as an agent or custodian for the benefit of those outside of County government (Custodial Funds).

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

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

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

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

The required financial 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2023	2022 (As Restated) *
Current and other assets	\$ 31,584	36,002
Capital assets	49,327	43,469
Total assets	80,911	79,471
Deferred outflows of resources	1,002	1,006
Long-term liabilities	27,589	27,245
Other liabilities	1,383	1,870
Total liabilities	28,972	29,115
Deferred inflows of resources	10,675	13,606
Net position:		
Net investment in capital assets	32,858	26,677
Restricted	8,536	10,566
Unrestricted	871	513
Total net position	\$ 42,266	37,756

* Beginning capital assets and net investment in capital assets were restated to correct PY errors.

Net position of Guthrie County’s governmental activities increased 12.0% (approximately \$42.3 million compared to approximately \$37.8 million, as restated).

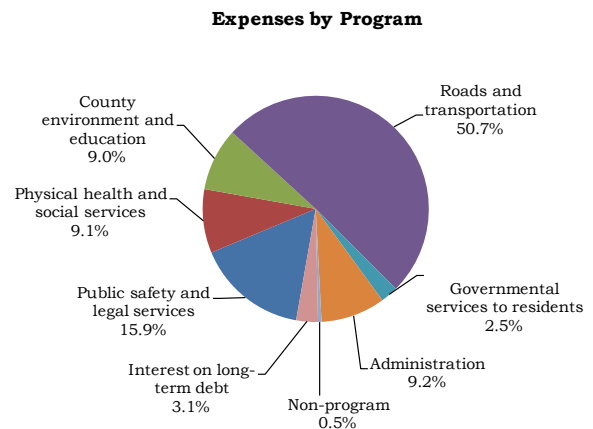
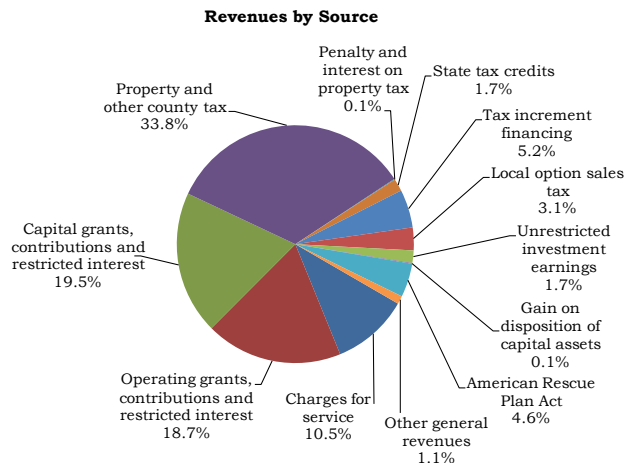
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category increased 23.2%, or approximately \$6,181,000.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category decreased approximately \$2,030,000, or 19.2%. This decrease is primarily due to a decrease in the amounts held at year end in the Special Revenue, Secondary Roads Fund.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$513,000 at June 30, 2022, to approximately \$871,000 at the end of this year, an increase of 69.8%. The increase is due to an increase in the net pension liability.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2023	2022 (As Restated)
Revenues:		
Program revenues:		
Charges for service	\$ 2,742	2,778
Operating grants, contributions and restricted interest	4,907	4,916
Capital grants, contributions and restricted interest	5,112	798
General revenues:		
Property and other county tax	8,814	8,780
Tax increment financing	1,369	1,008
Penalty and interest on property tax	31	37
State tax credits	458	485
Local option sales tax	812	869
American Rescue Plan Act	1,205	344
Unrestricted investment earnings	449	94
Gain on disposition of capital assets	25	83
Other general revenues	293	66
Total revenues	<u>26,217</u>	<u>20,258</u>
Program expenses:		
Public safety and legal services	3,447	2,184
Physical health and social services	1,980	1,870
Mental health	-	318
County environment and education	1,955	1,624
Roads and transportation	10,980	6,106
Governmental services to residents	549	237
Administration	2,006	1,713
Non-program	112	35
Interest on long-term debt	678	359
Total expenses	<u>21,708</u>	<u>14,446</u>
Change in net position	4,509	5,812
Net position beginning of year, as restated	<u>37,756</u>	<u>31,944</u>
Net position end of year	<u>\$ 42,266</u>	<u>37,756</u>

* Beginning net position, capital grants, contributions and restricted interest, and roads and transportation were restated due to prior year unrecorded construction in progress additions from the Iowa Department of Transportation and unrecorded depreciation on infrastructure, road network and other capital assets that should have been placed in service in prior years.



Guthrie County’s governmental activities net position increased approximately \$4,510,000 during the year. Revenues for governmental activities increased approximately \$5,954,000 over the prior year. \$861,000 of this increase was the result of federal grants for the American Rescue Plan Act (ARPA). Capital grants, contributions and restricted interest increased 540.6% due to an increase of \$4,314,000 in infrastructure assets contributed by the Iowa Department of Transportation.

The County decreased property tax rates for fiscal year 2023 an average of 2.1%. The County’s property tax revenue increased approximately \$35,000 in fiscal year 2023 as a result of an increase in valuations. Based on increases in the total assessed valuation, property tax revenue is budgeted to increase an additional \$168,000 next year.

The cost of all governmental activities this year was approximately \$21.7 million compared to approximately \$14.4 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$8.9 million because some of the cost was paid by those directly benefited from the programs (approximately \$2,737,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$10,019,000). Overall, the County’s governmental program revenues, including intergovernmental aid and charges for service, increased in fiscal year 2023 from approximately \$8,492,000 to approximately \$12,756,000. As discussed above, the County received contributions of roads and bridges paid for by the Iowa Department of Transportation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Guthrie County completed the year, its governmental funds reported a combined fund balance of approximately \$19.7 million, a decrease of approximately \$3.4 million from last year’s total of approximately \$23.1 million. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased 5.7%, or approximately \$422,000, compared to the prior year, primarily due to an increase in investment revenue. Use of money and property increased approximately \$354,000 due to an increase in interest rates earned on investments. Expenditures increased 16.7%, or approximately \$1,111,000, compared to the prior year, primarily due to an increase in public safety and legal services of approximately \$632,000 and an increase of \$148,000 in physical health and social services. The increases were due to increases in vehicle costs and payroll in the current year. The ending fund balance did not significantly change from the prior year.

- Special Revenue, Rural Services Fund revenues had no significant changes, when compared to the prior year. Expenditures increased 18.2%, or approximately \$227,000, when compared to the prior year, primarily due to capital projects completed for the transfer station and county parks during the year. The Rural Services Fund ending fund balance increased approximately \$292,000 over the prior year to approximately \$1,948,000.
- Special Revenue, Secondary Roads Fund revenues increased 4.2%, or approximately \$199,000, compared to the prior year, primarily due to an increase in receipts from MidAmerican Energy for permits and materials associated with the Eclipse Wind Farm project. Expenditures increased 70.9%, or approximately \$4,335,000, over the prior year. The increase in expenditures was due to a decrease in inventory and an increase in equipment purchases and various road maintenance projects during the year. The Secondary Roads Fund ending balance decreased approximately \$2,600,000 from the prior year to approximately \$4,090,000.
- Special Revenue, Tax Increment Financing Fund (TIF) revenues increased 36.0%, or approximately \$377,000, compared to the prior year. Expenditures increased 60.0%, or approximately \$574,000 over the prior year. The Tax Increment Financing Fund ending balance decreased approximately \$60,000 from the prior year to approximately \$65,000. The increase in revenues was due to an increase in certified debt, which led to an increase in tax increment financing revenue in the urban renewal area. The increase in expenditures was due to an increase in principal and interest payments on debt.
- Debt Service Fund revenues increased 4.2%, or approximately \$29,000, compared to the prior year. The expenditures increased 2.6%, or approximately \$18,000. The approximately \$551,000 Debt Service Fund balance at the end of the year is restricted to pay the law enforcement center, sewer improvement and building improvement general obligation bonds.
- Capital projects fund revenues decreased 96.9 %, or approximately \$8,278,000, compared with the prior year. The expenditures decreased 76.8%, or approximately \$4,308,000. The significant decrease in revenues was due to the County issuing \$8,500,000 of general obligation urban renewal bonds during fiscal year 2022. The significant decrease in expenditures was due to the Law Enforcement Center project being mostly completed during fiscal year 2022.

BUDGETARY HIGHLIGHTS

Over the course of the year, Guthrie County amended its budget two times. The first amendment was made in March 2023 and resulted in an increase in budgeted receipts and disbursements related to the additional expenses incurred for the law enforcement center. The second amendment was made in June 2023 and resulted in an increase in miscellaneous revenues for IT grants received. The amendment also increased disbursements in most functions, with the most significant increases in capital projects and secondary roads for the law enforcement center and roads projects.

The County's receipts were \$1,744,038 more than budgeted, a variance of 9.03%. The most significant variance resulted from the County receiving more in investment revenue due to rising interest rates over the year.

Total disbursements were \$2,860,379 less than the amended budget. Actual disbursements for the roads and transportation and capital projects functions were \$978,926 and \$1,206,536, respectively, less than budgeted. This was primarily due to budgetary expenses being increased for law enforcement center change orders, American Rescue Plan funded projects, and increasing costs of road projects.

Even with the budget amendments, the County exceeded the budgeted amounts in the physical health and social services and non-program functions for the year ended June 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, Guthrie County had approximately \$49.3 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities and roads and bridges. This is a net increase (including additions and deletions) of approximately \$5,858,000, or 13.5%, over last year.

Capital Assets of Governmental Activities at Year End		
(Expressed in Thousands)		
	June 30,	
	2023	2022 (As Restated) *
Land	\$ 1,407	1,406
Works of art	128	128
Construction in progress	302	9,360
Buildings and improvements	12,088	1,800
Equipment and vehicles	6,644	6,048
Right-to-use leased equipment	15	13
Infrastructure	28,743	24,714
Total	\$ 49,327	43,469

* Beginning capital assets were restated to correct prior year errors.

The County had depreciation expense of \$2,813,667 in fiscal year 2023 and total accumulated depreciation of \$22,729,329 at June 30, 2023.

More detailed information about the County's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2023, Guthrie County had approximately \$24,804,000 of general obligation bonds and other debt outstanding, compared to approximately \$26,373,000 at June 30, 2022, as shown below:

Outstanding Debt of Governmental Activities at Year-end		
(Expressed in Thousands)		
	June 30,	
	2023	2022
General obligation bonds	\$ 24,425	25,949
General obligation notes	364	410
Lease agreements	15	14
Totals	\$ 24,804	26,373

Debt decreased as a result of the County making scheduled principal payments on bond and notes outstanding. During the year, principal payments totaled \$1,506,000.

The County continues to carry a general obligation bond rating of A1 assigned by national rating agencies to the County's debt since 1998. The Constitution of the State of Iowa limits the amount of general obligation debt counties can issue to 5% of the assessed value of all taxable property within the County's corporate limits. Guthrie County's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$58 million. Additional information about the County's long-term debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Guthrie County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2024 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 3.0% versus 2.5% 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. The County's fiscal year 2024 countywide taxable valuation increased \$22,031,833 and the rural taxable valuation increased \$24,771,889 over the respective fiscal year 2023 valuations. The fiscal year 2024 budget includes a 5.02% decrease in receipts from the fiscal year 2023 budget, along with a decrease in disbursements of 17.79%. The decrease in receipts is due to federal funds received related to COVID-19 in FY23 with no similar receipts expected in FY24. The decrease in disbursements is primarily due to completion of the law enforcement center and roads projects in FY23.

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Guthrie County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Guthrie County Auditor's Office, 200 North 5th Street, Guthrie Center, Iowa 50115.

Guthrie County

Basic Financial Statements

Guthrie County
Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 18,430,151
Held by component units	380,129
Receivables:	
Property tax:	
Delinquent	4,524
Succeeding year	8,821,000
Succeeding year tax increment financing	1,343,000
Interest and penalty on property tax	92,905
Accounts	30,821
Loans	485,000
Accrued interest	19,642
Opioid settlement	139,080
Lease	28,373
Due from other governments	547,632
Inventories	1,077,601
Prepaid insurance	184,120
Capital assets, not being depreciated	1,836,697
Capital assets, net of accumulated depreciation/amortization	<u>47,490,006</u>
Total assets	<u>80,910,681</u>
Deferred Outflows of Resources	
Pension related deferred outflows	974,597
OPEB related deferred outflows	<u>27,306</u>
Total deferred outflows of resources	<u>1,001,903</u>

Guthrie County
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	405,050
Accrued interest payable	36,537
Salaries payable	351,364
Due to other governments	12,820
Unearned revenue	577,279
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds and notes	1,493,825
Compensated absences	422,298
OPEB liability	6,366
Lease agreements	11,801
Portion due or payable after one year:	
General obligation bonds and notes	23,295,205
Compensated absences	43,056
OPEB liability	341,833
Lease agreements	3,206
Net pension liability	1,793,275
Estimated liability for landfill postclosure care	164,556
Estimated liability for transfer station closure care	13,486
Total liabilities	28,971,957
Deferred Inflows of Resources	
Unavailable property tax revenue	8,821,000
Unavailable tax increment financing revenue	1,343,000
Pension related deferred inflows	394,688
OPEB related deferred inflows	87,899
Lease receivable deferred inflows	28,373
Total deferred inflows of resources	10,674,960
Net Position	
Net investment in capital assets	32,857,831
Restricted for:	
Supplemental levy purposes	911,819
Rural services purposes	1,747,831
Secondary roads purposes	3,911,088
Debt service purposes	95,414
Capital projects	1,027,659
Conservation purposes	567,513
Opioid Abatement	177,936
Other purposes	97,168
Unrestricted	871,408
Total net position	\$ 42,265,667

See notes to financial statements.

Guthrie County

Guthrie County

Statement of Activities

Year ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 3,447,103	418,616	6,425	-	(3,022,062)
Physical health and social services	1,980,194	646,255	430,379	-	(903,560)
County environment and education	1,955,005	834,273	19,863	-	(1,100,869)
Roads and transportation	10,980,015	492,007	4,430,853	5,112,569	(944,586)
Governmental services to residents	549,022	299,684	10	-	(249,328)
Administration	2,005,714	21,394	-	-	(1,984,320)
Non-program	112,323	29,449	-	-	(82,874)
Interest on long-term debt	678,311	-	19,751	-	(658,560)
Total	\$ 21,707,687	2,741,678	4,907,281	5,112,569	(8,946,159)
General Revenues:					
Property and other county tax levied for:					
General purposes					8,148,357
Debt service					666,155
Tax increment financing					1,368,790
Penalty and interest on property tax					31,293
State tax credits and replacements					458,271
Local option sales tax					811,744
American Rescue Plan Act					1,204,602
Unrestricted investment earnings					448,979
Gain on disposition of capital assets					24,633
Rent					8,053
Miscellaneous					284,800
Total general revenues					13,455,677
Change in net position					4,509,518
Net position beginning of year, as restated					37,756,149
Net position end of year					\$ 42,265,667

See notes to financial statements.

Guthrie County
Balance Sheet
Governmental Funds

June 30, 2023

	General	Rural Services	Secondary Roads	Special
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 3,673,463	1,895,087	2,847,849	
Held by component units	-	-	-	
Receivables:				
Property tax:				
Delinquent	2,851	1,286	-	
Succeeding year	5,222,000	2,927,000	-	
Succeeding year tax increment financing	-	-	-	
Interest and penalty on property tax	92,905	-	-	
Accounts	11,389	6,202	6,182	
Loans	-	-	-	
Accrued interest	19,642	-	-	
Opioid Settlement	-	-	-	
Lease receivable	28,373	-	-	
Due from other governments	109,267	70,735	367,630	
Inventories	-	-	1,077,601	
Prepaid insurance	107,738	6,918	69,464	
Total assets	\$ 9,267,628	4,907,228	4,368,726	
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 127,055	6,305	117,362	
Salaries and benefits payable	167,167	24,444	159,753	
Due to other governments	10,352	670	1,798	
Unearned revenue	-	-	-	
Total liabilities	304,574	31,419	278,913	
Deferred inflows of resources:				
Unavailable resources:				
Succeeding year property tax	5,222,000	2,927,000	-	
Succeeding year tax increment financing	-	-	-	
Lease related	28,373	-	-	
Other	95,756	1,286	-	
Total deferred inflows of resources	5,346,129	2,928,286	-	
Fund balances:				
Nonspendable:				
Inventories	-	-	1,077,601	
Prepaid insurance	107,738	7,918	340,120	
Restricted for:				
Supplemental levy purposes	918,938	-	-	
Rural services purposes	-	1,929,605	-	
Secondary roads purposes	-	-	2,672,092	
Drainage warrants	-	-	-	
Conservation purposes	68,591	-	-	
Capital projects	-	-	-	
Debt service	-	-	-	
Transfer station closure care	-	10,000	-	
Opioid Abatement	-	-	-	
Other purposes	45,373	-	-	
Unassigned	2,476,285	-	-	
Total fund balances	3,616,925	1,947,523	4,089,813	
Total liabilities, deferred inflows of resources and fund balances	\$ 9,267,628	4,907,228	4,368,726	

See notes to financial statements.

Revenue				
Tax Increment Financing	Debt Service	Capital Projects	Nonmajor	Total
65,211	66,353	9,032,152	779,675	18,359,790
-	-	-	380,129	380,129
-	387	-	-	4,524
-	672,000	-	-	8,821,000
1,343,000	-	-	-	1,343,000
-	-	-	-	92,905
-	-	-	7,048	30,821
-	485,000	-	-	485,000
-	-	-	-	19,642
-	-	-	139,080	139,080
-	-	-	-	28,373
-	-	-	-	547,632
-	-	-	-	1,077,601
-	-	-	-	184,120
<u>1,408,211</u>	<u>1,223,740</u>	<u>9,032,152</u>	<u>1,305,932</u>	<u>31,513,617</u>
-	-	154,328	-	405,050
-	-	-	-	351,364
-	-	-	-	12,820
-	-	-	577,279	577,279
-	-	154,328	577,279	1,346,513
-	672,000	-	-	8,821,000
1,343,000	-	-	-	1,343,000
-	-	-	-	28,373
-	387	-	132,570	229,999
<u>1,343,000</u>	<u>672,387</u>	<u>-</u>	<u>132,570</u>	<u>10,422,372</u>
-	-	-	-	1,077,601
-	-	-	-	455,776
-	-	-	-	918,938
-	-	-	-	1,929,605
-	-	-	-	2,672,092
-	-	-	12,833	12,833
-	-	-	498,922	567,513
-	-	8,877,824	-	8,877,824
65,211	551,353	-	-	616,564
-	-	-	-	10,000
-	-	-	45,366	45,366
-	-	-	38,962	84,335
-	-	-	-	2,476,285
<u>65,211</u>	<u>551,353</u>	<u>8,877,824</u>	<u>596,083</u>	<u>19,744,732</u>
<u>1,408,211</u>	<u>1,223,740</u>	<u>9,032,152</u>	<u>1,305,932</u>	<u>31,513,617</u>

Guthrie County

Guthrie County

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

June 30, 2023

Total governmental fund balances (page 23) \$ 19,744,732

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 assets is \$72,056,032 and the accumulated depreciation/amortization is \$22,729,329. 49,326,703

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. 229,999

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. 70,361

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

Deferred outflows of resources	\$ 1,001,903	
Deferred inflows of resources	<u>(482,587)</u>	519,316

Long-term liabilities, including bonds and notes payable, the estimated liability for landfill closure and transfer station closure and postclosure care, compensated absences payable, lease agreements 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. (27,625,444)

Net position of governmental activities (page 19) \$ 42,265,667

See notes to financial statements.

Guthrie County

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

Year ended June 30, 2023

	Special Revenue			
	General	Rural Services	Secondary Roads	Tax Increment Financing
Revenues:				
Property and other county tax	\$ 5,218,872	2,929,686	-	-
Tax increment financing	-	-	-	1,368,790
Local option sales tax	-	811,744	-	-
Interest and penalty on property tax	46,471	-	-	-
Intergovernmental	1,215,608	187,017	4,454,671	55,388
Licenses and permits	55,012	-	44,325	-
Charges for service	840,833	56,650	419,688	-
Use of money and property	449,810	-	996	-
Miscellaneous	55,501	621,153	4,280	-
Total revenues	7,882,107	4,606,250	4,923,960	1,424,178
Expenditures:				
Operating:				
Public safety and legal services	3,052,877	-	-	-
Physical health and social services	1,775,687	-	-	-
County environment and education	549,267	1,413,834	-	-
Roads and transportation	-	55,700	9,533,625	-
Governmental services to residents	569,909	3,870	-	-
Administration	1,813,066	-	117,790	-
Nonprogram current	14,301	-	-	-
Debt service	-	-	-	1,531,701
Capital projects	-	-	798,140	-
Total expenditures	7,775,107	1,473,404	10,449,555	1,531,701
Excess (deficiency) of revenues over (under) expenditures	107,000	3,132,846	(5,525,595)	(107,523)
Other financing sources (uses):				
Transfers in	-	-	2,925,767	48,000
Transfers out	(120,000)	(2,840,767)	-	-
Lease agreements	12,695	-	-	-
Total other financing sources (uses)	(107,305)	(2,840,767)	2,925,767	48,000
Change in fund balances	(305)	292,079	(2,599,828)	(59,523)
Fund balances beginning of year	3,617,230	1,655,444	6,689,641	124,734
Fund balances end of year	\$ 3,616,925	1,947,523	4,089,813	65,211

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
666,163	-	-	8,814,721
-	-	-	1,368,790
-	-	-	811,744
-	-	-	46,471
52,559	-	1,215,865	7,181,108
-	-	-	99,337
-	-	3,287	1,320,458
-	268,189	5,915	724,910
-	-	62,597	743,531
<u>718,722</u>	<u>268,189</u>	<u>1,287,664</u>	<u>21,111,070</u>
-	-	278,463	3,331,340
-	-	431,655	2,207,342
-	-	352,825	2,315,926
-	-	-	9,589,325
-	-	396	574,175
-	-	145,990	2,076,846
-	-	-	14,301
718,538	-	-	2,250,239
-	1,301,799	-	2,099,939
<u>718,538</u>	<u>1,301,799</u>	<u>1,209,329</u>	<u>24,459,433</u>
<u>184</u>	<u>(1,033,610)</u>	<u>78,335</u>	<u>(3,348,363)</u>
-	35,000	-	3,008,767
(48,000)	-	-	(3,008,767)
-	-	-	12,695
<u>(48,000)</u>	<u>35,000</u>	<u>-</u>	<u>12,695</u>
(47,816)	(998,610)	78,335	(3,335,668)
599,169	9,876,434	517,748	23,080,400
<u>551,353</u>	<u>8,877,824</u>	<u>596,083</u>	<u>19,744,732</u>

Guthrie 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 27) \$ (3,335,668)

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	\$ 3,534,975	
Capital assets contributed by the Iowa Department of Transportation	5,112,569	
Depreciation/amortization expense	<u>(2,813,667)</u>	5,833,877

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. 23,533

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	(209)	
Other	<u>(60,544)</u>	(60,753)

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. 1,569,825

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. 619,244

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	(81,492)	
Estimated liability for landfill postclosure care	7,444	
Estimated liability for transfer station closure and postclosure care	(13,486)	
Lease liability	(1,356)	
OPEB expense	(20,256)	
Pension expense	21,217	
Interest on long-term debt	<u>2,103</u>	(85,826)

The Internal Service Fund is used by management to pay the costs of the remaining partial self-funded health insurance claims incurred under the insurance plan which has been discontinued. The change in net position of the Internal Service Fund is reported with governmental activities. (54,714)

Change in net position of governmental activities (page 21) **\$ 4,509,518**

See notes to financial statements.

Guthrie County
Statement of Net Position
Proprietary Fund
June 30, 2023

	<u>Internal Service</u>
Assets	
Cash and cash equivalents	\$ 70,361
Liabilities	
None	<u>-</u>
Net Position	
Unrestricted	<u>\$ 70,361</u>

See notes to financial statements.

Guthrie County

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

Year ended June 30, 2023

	<u>Internal Service</u>
Operating revenues:	
Reimbursements from employees and others	<u>\$ 29,449</u>
Operating expenses:	
Medical claims	84,022
Administrative fees	<u>1,478</u>
Total operating expenses	<u>85,500</u>
Operating loss	(56,051)
Non-operating revenues:	
Interest income	<u>1,337</u>
Net loss	(54,714)
Net position beginning of year	<u>125,075</u>
Net position end of year	<u><u>\$ 70,361</u></u>

See notes to financial statements.

Guthrie County

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2023

	<u>Internal Service</u>
Cash flows from operating activities:	
Cash from other governments	\$ 29,449
Cash paid to suppliers for services	<u>(85,500)</u>
Net cash used by operating activities	(56,051)
Cash flows from investing activities:	
Interest on investments	<u>1,337</u>
Net decrease in cash and cash equivalents	(54,714)
Cash and cash equivalents beginning of year	<u>125,075</u>
Cash and cash equivalents end of year	<u>\$ 70,361</u>
Reconciliation of operating income to net cash used by operating activities:	
Operating loss and net cash used by operating activities	<u>\$ (56,051)</u>

See notes to financial statements.

Guthrie County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2023

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 2,037,286
Other County officials	38,899
Receivables:	
Property tax:	
Delinquent	13,401
Succeeding year	21,763,000
Accounts	215
Special assessments	86,583
Prepaid insurance	452
	<hr/>
Total assets	23,939,836

Liabilities

Accounts payable	678
Salaries and benefits payable	16,218
Due to other governments	652,444
Trusts payable	121,888
Compensated absences	12,311
	<hr/>
Total liabilities	803,539

Deferred Inflows of Resources

21,763,000

Net Position

\$ 1,373,297

See notes to financial statements.

Guthrie County

Statement of Changes in Fiduciary Net Position
Custodial Funds

June 30, 2023

Additions:	
Property and other county tax	\$ 21,218,487
State tax credits	1,091,556
Office fees and collections	509,543
Auto licenses, use tax and postage	5,521,935
Assessments	23,828
Trusts	397,721
Miscellaneous	<u>191,756</u>
Total additions	<u>28,954,826</u>
Deductions:	
Agency remittances:	
To other funds	345,356
To other governments	28,096,195
Trusts paid out	<u>448,481</u>
Total deductions	<u>28,890,032</u>
Changes in net position	64,794
Net position beginning of year	<u>1,308,503</u>
Net position end of year	<u>\$ 1,373,297</u>

See notes to financial statements.

Guthrie County

Notes to Financial Statements

June 30, 2023

(1) Summary of Significant Accounting Policies

Guthrie 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, Guthrie 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 Guthrie 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.

Eleven 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 Guthrie County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has another drainage district which is managed and supervised by elected trustees. The financial statements for this district are reported as a Custodial Fund. Financial information of the individual drainage districts can be obtained from the Guthrie County Auditor's Office.

The Prairie Woodland Conservation Foundation (formerly the Guthrie 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 has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Guthrie 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.

The Guthrie County Historical Village Foundation (formerly the Turn of the Century Museum 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 has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Guthrie County Conservation Board. These donations are to be used for development and enhancement of museum projects and activities 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: Guthrie County Assessor's Conference Board, Guthrie County Emergency Management Commission and South Central Iowa Regional 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation/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 funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other funds 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 road construction and maintenance.

The Tax Increment Financing Fund is used to account for the property tax revenue levied for the payment of general obligation urban renewal bond principal and interest.

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

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.

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not more than 15 annual installments. Each annual installment with interest on the unpaid balance is due September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which have been made but have not been collected.

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, equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. 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 initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

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

Land, works of art 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	40 - 50
Improvements other than buildings	20 - 50
Infrastructure	30 - 65
Intangibles	2 - 15
Right-to-use leased assets	2 - 20
Equipment	2 - 20
Vehicles	3 - 10

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

At the commencement of a lease, the County initially measures the lease liability at the present value of the 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 Guthrie County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

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

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

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

Guthrie County use sits 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 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 represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation 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 the 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, deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Guthrie 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 and OPEB expense, 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 Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the physical health and social services and nonprogram functions. Also, 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.

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

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

Transfer to	Transfer from	Amount
Special Revenue: Secondary Roads	General	\$ 85,000
	Special Revenue: Rural Services	<u>2,840,767</u>
		2,925,767
Tax Increment Financing	Debt Service	<u>48,000</u>
Capital Projects	General	<u>35,000</u>
Total		<u>\$ 3,008,767</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2023, was as follows:

	Restated, Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,406,341	557	-	1,406,898
Works of art	127,765	-	-	127,765
Construction in progress	9,359,950	6,657,005	(15,714,921)	302,034
Total capital assets not being depreciated/amortized	<u>10,894,056</u>	<u>6,657,562</u>	<u>(15,714,921)</u>	<u>1,836,697</u>
Capital assets being depreciated/amortized:				
Buildings	2,372,177	10,605,608	-	12,977,785
Improvements other than buildings	1,431,525	-	-	1,431,525
Equipment and vehicles	13,538,742	1,535,909	(101,731)	14,972,920
Right-to-use leased equipment	18,754	12,695	-	31,449
Infrastructure, road network and other	35,201,970	5,603,686	-	40,805,656
Total capital assets being depreciated/amortized	<u>52,563,168</u>	<u>17,757,898</u>	<u>(101,731)</u>	<u>70,219,335</u>
Less accumulated depreciation/amortization for:				
Buildings	1,400,515	271,820	-	1,672,335
Improvements other than buildings	603,027	45,924	-	648,951
Equipment and vehicles	7,491,190	909,822	(72,269)	8,328,743
Right-to-use leased assets	5,339	11,539	-	16,878
Infrastructure, road network and other	10,487,860	1,574,562	-	12,062,422
Total accumulated depreciation/amortization	<u>19,987,931</u>	<u>2,813,667</u>	<u>(72,269)</u>	<u>22,729,329</u>
Total capital assets being depreciated/amortized, net	<u>32,575,237</u>	<u>14,944,231</u>	<u>(29,462)</u>	<u>47,490,006</u>
Governmental activities capital assets, net	<u>\$ 43,469,293</u>	<u>21,601,793</u>	<u>(15,744,383)</u>	<u>49,326,703</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 272,995
Physical health and social services	31,219
County environment and education	183,035
Roads and transportation	2,284,721
Administration	<u>41,697</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 2,813,667</u>

(5) County Lease Receivable

The County owns ground known as the Anderson Farm. Effective March 1, 2021 with an initial payment on March 1, 2021, the County entered into a three-year lease with a local farmer whereby the farmer operates the Farm. The County is to receive \$44,399 in land rent annually with an implicit rate of 4.0%. The land rent is payable 50% on March 1st of each year and the remaining 50% on November 1st of each year.

The County owns ground known as the Smith Farm. Effective March 1, 2021 with an initial payment on March 1, 2021, the County entered into a three-year lease with a local farmer whereby the farmer operates the Farm. The County is to receive \$4,000 in land rent annually with an implicit rate of 4.0%. The final payment was received in March 2023.

The County owns the SE Robinson Wildlife Area. Effective January 1, 2021 with an initial payment on March 1, 2021, the County entered into a six-year hay lease with a local farmer whereby the farmer uses the Wildlife Area for agricultural cropping purposes. The County is to receive \$1,032 in land rent annually with an implicit rate of 4.0%. The land rent is payable \$516 on March 31st of each year and \$516 on December 1st of each year.

The County owns the Bennie Hall Wildlife Area. Effective January 1, 2021 with an initial payment on March 1, 2021, the County entered into a five-year hay lease with a local farmer whereby the farmer uses the Wildlife Area for agricultural cropping purposes. The County is to receive \$1,388 in land rent annually with an implicit rate of 4.0%. The land rent is payable \$694 on March 31st of each year and \$694 on December 1st of each year.

Year			
Ending	Wildlife		
June 30,	Farms	Areas	Total
2024	\$ 22,199	2,420	24,619
2025	-	2,420	2,420
2026	-	1,726	1,726
2027	-	516	516
Total	22,199	7,082	29,281
Less interest	<u>(435)</u>	<u>(473)</u>	<u>(908)</u>
Present value	<u>\$ 21,764</u>	<u>6,609</u>	<u>28,373</u>

(6) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2023, is as follows:

Fund	Description	Amount
General	Services	\$ 10,352
Special Revenue:		
Rural Services	Services	670
Secondary Roads	Services	1,798
Total for governmental funds		<u>\$ 12,820</u>
Agency:		
County Officials	Collections	\$ 26,484
Agricultural Extension Education		1,491
Schools		30,924
Community Colleges		32,974
Corporations		34,266
Townships		325
Auto License and Use Tax		509,229
All other		16,751
Total for agency funds		<u>\$ 652,444</u>

(7) Long-Term Liabilities

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

	General Obligation Sewer Improvement Bonds	General Obligation Law Enforcement Center Bonds	General Obligation Refunding Bonds	General Obligation Urban Renewal Bonds	General Obligation Building Improvements Note	Estimated Liability for Landfill Postclosure Care
Balance beginning of year	\$ 520,000	9,228,855	7,700,000	8,500,000	410,000	172,000
Increases	-	-	-	-	-	-
Decreases	35,000	373,825	845,000	270,000	46,000	7,444
Balance end of year	<u>\$ 485,000</u>	<u>8,855,030</u>	<u>6,855,000</u>	<u>8,230,000</u>	<u>364,000</u>	<u>164,556</u>
Due within one year	<u>\$ 35,000</u>	<u>388,825</u>	<u>850,000</u>	<u>160,000</u>	<u>60,000</u>	<u>-</u>

	Estimated Liability for Transfer Station Closure and Postclosure Care	Lease Agreements	Compensated Absences	Net Pension Liability (asset)	Total OPEB Liability	Total
Balance beginning of year	-	13,651	383,862	(872,368)	316,489	26,372,489
Increases	13,486	12,695	304,241	2,665,643	31,710	3,027,775
Decreases	-	11,339	222,749	-	-	1,811,357
Balance end of year	<u>13,486</u>	<u>15,007</u>	<u>465,354</u>	<u>1,793,275</u>	<u>348,199</u>	<u>27,588,907</u>
Due within one year	<u>-</u>	<u>11,801</u>	<u>422,298</u>	<u>-</u>	<u>6,366</u>	<u>1,934,290</u>

General Obligation Sewer Improvement Bonds

In June 2015, the County issued general obligation sewer improvement bonds on behalf of the Diamondhead Sanitary District for constructing a lift station at Diamondhead Lake. Details of the County's June 30, 2023 general obligation sewer improvement bond indebtedness are as follows:

Year Ending June 30,	Diamondhead Sanitary District Issued Jun 2015			
	Interest Rates	Principal	Interest	Total
2024	2.55%	\$ 35,000	16,960	51,960
2025	2.55	35,000	16,068	51,068
2026	2.55	35,000	15,175	50,175
2027	3.25	35,000	14,038	49,038
2028	3.25	40,000	12,900	52,900
2029-2033	3.25-4.00	210,000	43,900	253,900
2034-2035	4.00	95,000	5,800	100,800
Total		\$ 485,000	124,841	609,841

During the year ended June 30, 2023, the County paid principal of \$35,000 and interest of \$17,852 on the bonds.

The Diamondhead Sanitary District has agreed to pay the County the principal and interest on the general obligation bonds as they come due. The County reports a loan receivable equal to the principal outstanding on the general obligation sewer improvement bonds in the Debt Service Fund.

General Obligation Law Enforcement Center Bonds

On June 30, 2020, the County issued \$8,700,000 of general obligation bonds, Series 2020A, with an interest rate of 5% per annum. The notes were issued to pay for the cost of constructing and equipping the Law Enforcement Center.

A summary of the future principal and interest payments is as follows:

Year Ending June 30,	Law Enforcement Center Issued Jun 30, 2020			
	Interest Rates	Principal	Interest	Total
2024	5.00%	\$ 325,000	289,600	614,600
2025	5.00	340,000	273,350	613,350
2026	5.00	360,000	256,350	616,350
2027	5.00	380,000	238,350	618,350
2028	5.00	395,000	219,350	614,350
2029-2033	2.00-5.00	2,255,000	821,950	3,076,950
2034-2038	2.00-4.00	2,555,000	515,100	3,070,100
2039-2040	2.00-4.00	1,160,000	70,000	1,230,000
Total		\$ 7,770,000	2,684,050	10,454,050
Unamortized premium		1,085,030		
Total payable		\$ 8,855,030		

During the year ended June 30, 2023, the County paid principal of \$310,000 and interest of \$305,100 on the bonds.

General Obligation Refunding Bonds

On June 28, 2021, the County issued \$8,505,000 of general obligation refunding bonds, Series 2021B. The bonds were issued to refund the general obligation urban renewal bonds, Series 2016 and Series 2019.

A summary of the future principal and interest payments is as follows:

Year Ending June 30,	Refunding Issued Jun 28, 2021			
	Interest Rates	Principal	Interest	Total
2024	2.00%	\$ 850,000	128,787	978,787
2025	2.00	870,000	111,788	981,788
2026	2.00	885,000	94,387	979,387
2027	2.00	900,000	76,688	976,688
2028	1.05	875,000	58,687	933,687
2029-2031	2.00	2,475,000	97,900	2,572,900
Total		\$ 6,855,000	568,237	7,423,237

During the year ended June 30, 2023, the County paid principal of \$845,000 and interest of \$137,238 on the bonds.

General Obligation Urban Renewal Bonds

On May 25, 2022, the County issued \$8,500,000 of general obligation urban renewal bonds, Series 2022A. The bonds were issued to provide funding for projects in the urban renewal area.

A summary of the future principal and interest payments is as follows:

Year Ending June 30,	Urban Renewal Issued May 25, 2022			
	Interest Rates	Principal	Interest	Total
2024	4.00%	\$ 160,000	275,518	435,518
2025	4.00	170,000	269,117	439,117
2026	4.00	195,000	262,318	457,318
2027	5.00	225,000	254,517	479,517
2028	5.00	315,000	243,268	558,268
2029-2033	3.05-5.00	4,265,000	946,665	5,211,665
2034-2035	3.10-3.15	2,900,000	135,020	3,035,020
Total		\$ 8,230,000	2,386,423	10,616,423

During the year ended June 30, 2023, the County paid principal of \$270,000 and interest of \$291,089 on the bonds.

General Obligation County Building Improvements Note

On April 28, 2021, the County issued \$525,000 of general obligation notes, Series 2021A, with an interest rate of 0.85% per annum. The notes were issued to provide funding for the courthouse roof replacement, courthouse brick tuckpointing, and the County maintenance building at the landfill transfer station.

A summary of the future principal and interest payments is as follows:

Year Ending June 30,	Building Improvements Issued Apr 28, 2021			
	Interest Rates	Principal	Interest	Total
2024	0.85%	\$ 60,000	3,094	63,094
2025	0.85	75,000	2,584	77,584
2026	0.85	84,000	1,947	85,947
2027	0.85	86,000	1,232	87,232
2028	0.85	59,000	502	59,502
Total		<u>\$ 364,000</u>	<u>9,359</u>	<u>373,359</u>

During the year ended June 30, 2023, the County paid principal of \$46,000 and interest of \$3,485 on the notes.

Lease Agreements

On May 10, 2019, the County entered into a lease agreement for a printer system. An initial lease liability was recorded in the amount of \$8,866. The agreement requires monthly payments of \$385 over 5 years, with an implicit interest rate of 4.0% and final payment due in May 2024.

On July 15, 2019, the County entered into a lease agreement for a printer system. An initial lease liability was recorded in the amount of \$6,083. The agreement requires monthly payments of \$179 over 5 years, with an implicit interest rate of 4.0% and final payment due on June 15, 2024.

On September 10, 2019, the County entered into a lease agreement for a printer system. An initial lease liability was recorded in the amount of \$3,829. The agreement requires monthly payments of \$154 over 5 years, with an implicit interest rate of 4.0% and final payment due on August 10, 2024.

On February 5, 2020, the County entered into a lease agreement for a printer system. An initial lease liability was recorded in the amount of \$6,293. The agreement requires monthly payments of \$154 over 5 years, with an implicit interest rate of 4.0% and final payment due on February 5, 2025.

On July 1, 2020, the County entered into a lease agreement for a postage machine. An initial lease liability was recorded in the amount of \$6,378. The agreement requires monthly payments of \$144 over 5 years, with an implicit interest rate of 4.0% and final payment due on June 1, 2025.

Year Ending June 30,	Printer System			Postage Machine		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 10,181	283	10,464	\$ 1,620	108	1,728
2025	1,520	20	1,540	1,686	42	1,728
Totals	\$ 11,701	303	12,004	\$ 3,306	150	3,456

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 11,801	391	12,192
2025	3,206	62	3,268
Totals	\$ 15,007	453	15,460

(8) Pension Plan

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

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

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

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

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

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

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

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

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

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

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

In fiscal year 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 \$619,244.

Net Pension Liability, Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the County reported a liability of \$1,793,275 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 0.047464%, which was a decrease of 0.205230% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense (reduction) of \$(21,217). 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	\$ 180,907	31,210
Changes of assumptions	1,852	71,887
Net difference between projected and actual earnings on IPERS' investments	-	278,894
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	172,594	12,697
County contributions subsequent to the measurement date	619,244	-
Total	<u>\$ 974,597</u>	<u>394,688</u>

\$619,244 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	\$ (193,169)
2025	(142,900)
2026	(337,348)
2027	633,132
2028	950
Total	<u>\$ (39,335)</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:

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	<u>100.0%</u>	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (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):	\$ 4,200,991	1,793,275	(325,782)

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.

(9) Other Postemployment Benefits (OPEB)

Plan Description – The County administers a single-employer benefit plan which provides medical and prescription drug 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 Guthrie 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 and prescription drug 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	2
Active employees	<u>104</u>
Total	<u>106</u>

Total OPEB Liability – The County's total OPEB liability of \$348,199 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022. The total OPEB liability was rolled forward from the July 1, 2022 valuation date to the June 30, 2023 measurement date.

Actuarial Assumptions – The total June 30, 2023 OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2022)	3.00% per annum.
Rates of salary increase (effective June 30, 2022)	3.00% per annum, including inflation.
Discount rate (effective June 30, 2022)	2.14% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	5.50% initial rate decreasing by .25% annually to an ultimate rate of 5.00%.

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

Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 316,489
Changes for the year:	
Service cost	30,714
Interest	7,362
Benefit payments	<u>(6,366)</u>
Net changes	<u>31,710</u>
Total OPEB liability end of year	<u>\$ 348,199</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 (1.14%) or 1% higher (3.14%) than the current discount rate.

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ 378,830	348,199	319,710

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 (4.25%) or 1% higher (6.25%) than the current healthcare cost trend rates.

	1% Decrease (4.25%)	Healthcare Cost Trend Rate (5.25%)	1% Increase (6.25%)
Total OPEB liability	\$ 305,681	348,199	399,194

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 \$20,256. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	71,523
Changes in assumptions	27,306	16,376
Total	\$ 27,306	87,899

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

Year Ending June 30,	Amount
2024	\$ (11,454)
2025	(11,454)
2026	(11,454)
2027	(11,454)
2028	(11,454)
Thereafter	(3,323)
Total	\$ (60,593)

(10) Landfill Closure and Postclosure Care

To comply with federal and state regulations, the County is required to complete a monitoring system plan and a landfill closure/postclosure care plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and the 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 requirements is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate a 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, effective for periods beginning after June 15, 1993, 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 deletion, technology, or applicable laws or regulations.

The total costs for the County have been estimated at \$164,556 using the local government financial test and that liability has been recognized. This amount is based on what it would cost to perform all 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 Guthrie County Landfill closed during fiscal year 2001 at 100% capacity.

To comply with state regulations, the County is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the County is required to maintain a closure account as financial assurance for the closure costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station.

The County did not estimate closure costs for fiscal year 2023. As of June 30, 2021, the total closure costs for the transfer station have been estimated at \$13,486 and that liability has been recognized. The County has also restricted \$10,000 in a closure account included in the Special Revenue, Rural Services Fund to cover any possible closure and postclosure care costs for the transfer station.

(11) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 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 expense 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 \$283,981.

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 the 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 and employee blanket bond in the amount of \$1,000,000 and \$20,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(12) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance and prescription benefit plan. This plan was modified on January 1, 2011, to be a partial self-funded plan only. The plan which was funded by both employee and County contributions in prior years is administered through a service agreement with Employee Benefit Systems, Inc. The agreement is subject to automatic renewal provisions. The County assumes a liability for the difference between the employee deductible (\$750 for single and \$1,500 for family) and the County deductible on the policy (\$2,000 for single and \$4,000 for family) for the health plan.

Funds remaining in the Employee Group Health Fund will be used to pay current claims. The County had an unrestricted net position of \$65,934 at June 30, 2023 in the Employee Group Health Fund to cover future claims. The cash balance held by Employee Benefit Systems, Inc. was \$45,373 at June 30, 2023. The Flex Spending Plan had an unrestricted net position of \$4,427 at June 30, 2023.

(13) Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 for employees. The 457 Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights must be held in trust of the exclusive benefit of plan participants and beneficiaries. These funds are invested and held by the Nationwide Investment Services Corporation and do not constitute a liability of the County.

(14) Tax Abatements

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

Tax Abatements of Other Entities

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. For these types of projects, the entities enter into agreements with developers which require the entities, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount.

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 of Tax Abated
City of Panora	Urban renewal and economic development projects	\$ 340
City of Stuart	Urban renewal and economic development projects	16,599

(15) Restatement

Beginning net position for governmental activities was restated to properly report infrastructure depreciation that was previously understated and infrastructure and construction in progress not previously recorded.

The restatements to retroactively report the change in net position, are as follows:

	Governmental Net Position	Capital Assets Construction in Progress	Capital Assets Infrastructure, Road Network and Other	Capital Assets Accumulated Depreciation Infrastructure, Road Network and Other
Balances June 30, 2022, as previously reported	\$ 37,679,967	13,709,453	30,208,156	9,919,731
Construction in progress from the Iowa Department of Transportation not capitalized in prior year	644,311	644,311	-	-
Construction in progress not placed in service in prior year	-	(4,993,814)	4,993,814	-
Unrecorded accumulated depreciation for projects not placed in service in prior year	(568,129)	-	-	568,129
Balances July 1, 2022, as restated	\$ 37,756,149	9,359,950	35,201,970	10,487,860

Required Supplementary Information

Guthrie 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	\$ 10,988,651	-	10,988,651
Interest and penalty on property tax	103,572	-	103,572
Intergovernmental	5,951,530	-	5,951,530
Licenses and permits	1,186,126	-	1,186,126
Charges for service	967,113	-	967,113
Use of money and property	709,029	5,835	703,194
Miscellaneous	1,170,330	8,600	1,161,730
Total receipts	21,076,351	14,435	21,061,916
Disbursements:			
Public safety and legal services	2,941,072	-	2,941,072
Physical health and social services	2,965,763	-	2,965,763
County environment and education	1,945,267	4,331	1,940,936
Roads and transportation	8,001,275	-	8,001,275
Governmental services to residents	565,483	-	565,483
Administration	1,984,061	-	1,984,061
Non-program	35,801	-	35,801
Debt service	2,228,739	-	2,228,739
Capital projects	2,690,253	-	2,690,253
Total disbursements	23,357,714	4,331	23,353,383
Excess (deficiency) of receipts over (under) disbursements	(2,281,363)	10,104	(2,291,467)
Other financing sources, net	88,353	-	88,353
Change in balances	(2,193,010)	10,104	(2,203,114)
Balance beginning of year	20,932,929	370,025	20,562,904
Balance end of year	\$ 18,739,919	380,129	18,359,790

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
10,741,290	10,741,290	247,361
43,000	43,000	60,572
5,571,510	5,571,510	380,020
1,095,706	1,095,706	90,420
867,720	867,720	99,393
54,302	54,302	648,892
644,050	944,350	217,380
19,017,578	19,317,878	1,744,038
3,013,618	3,083,618	142,546
2,928,579	2,963,079	(2,684)
2,002,928	2,059,228	118,292
7,140,201	8,980,201	978,926
595,956	595,956	30,473
2,295,928	2,338,478	354,417
14,500	14,500	(21,301)
1,699,323	2,281,913	53,174
3,311,789	3,896,789	1,206,536
23,002,822	26,213,762	2,860,379
(3,985,244)	(6,895,884)	4,604,417
50,500	50,500	37,853
(3,934,744)	(6,845,384)	4,642,270
10,963,423	10,963,423	9,599,481
7,028,679	4,118,039	14,241,751

Guthrie County

Budgetary Comparison Schedule - Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2023

	Governmental Funds		
	Cash	Accrual	Modified
	Basis	Adjustments	Accrual
			Basis
Revenues	\$ 21,076,351	34,719	21,111,070
Expenditures	23,357,714	(1,101,719)	24,459,433
Net	(2,281,363)	(1,067,000)	(3,348,363)
Other financing sources, net	88,353	(75,658)	12,695
Beginning fund balances	20,932,929	2,147,471	23,080,400
Ending fund balances	\$ 18,739,919	1,004,813	19,744,732

See accompanying independent auditor's report.

Guthrie 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, the Internal Service Funds 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, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$3,210,940. 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 Assessor by the County Conference Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2023, disbursements exceeded the amounts budgeted in the physical health and social services and non program functions and disbursements exceeded the appropriation for two departments.

Guthrie 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)	0.047464%	0.252694% **	0.054453%	0.050850%
County's proportionate share of the net pension liability (asset)	\$ 1,793	(872)	3,825	2,945
County's covered payroll	\$ 5,685	5,387	5,394	4,810
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	31.54%	-16.19%	70.91%	61.23%
IPERS' 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
0.048239%	0.050055%	0.048515%	0.046603%	0.044898%
3,053	3,334	3,053	2,302	1,781
4,431	4,315	4,020	3,742	3,609
68.90%	77.27%	75.95%	61.52%	49.35%
83.62%	82.21%	81.82%	85.19%	87.61%

Guthrie 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	\$ 619	533	507	472
Contributions in relation to the statutorily required contribution	(619)	(533)	(507)	(472)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 6,418	5,685	5,387	5,394
Contributions as a percentage of covered payroll	9.64%	9.38%	9.41%	8.75%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
463	401	392	366	340	328
(463)	(401)	(392)	(366)	(340)	(328)
-	-	-	-	-	-
4,810	4,431	4,315	4,020	3,742	3,609
9.63%	9.05%	9.08%	9.10%	9.09%	9.09%

Guthrie County

Guthrie 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.

Guthrie 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	\$ 30,714	29,820	23,303	22,625
Interest cost	7,362	6,804	10,343	9,353
Difference between expected and actual experiences	-	(41,010)	-	(35,988)
Changes in assumptions	-	34,686	-	(22,462)
Benefit payments	(6,366)	(16,500)	(6,329)	(2,414)
Net change in total OPEB liability	31,710	13,800	27,317	(28,886)
Total OPEB liability beginning of year	316,489	302,689	275,372	304,258
Total OPEB liability end of year	\$ 348,199	316,489	302,689	275,372
Covered-employee payroll	\$ 5,565,461	5,403,360	5,026,796	4,880,384
Total OPEB liability as a percentage of covered-employee payroll	6.3%	5.9%	6.0%	5.6%

See accompanying independent auditor's report.

<u>2019</u>	<u>2018</u>
18,945	18,393
10,723	10,142
-	(41,129)
-	(8,014)
<u>(11,944)</u>	<u>(13,807)</u>
17,724	(34,415)
<u>286,534</u>	<u>320,949</u>
<u>304,258</u>	<u>286,534</u>
4,825,541	4,432,607
6.3%	6.5%

Guthrie 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	2.14%
Year ended June 30, 2022	2.14%
Year ended June 30, 2021	3.50%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.50%

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

Supplementary Information

Guthrie County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	County Recorder's Records Management	Drainage Districts	Resource Enhancement and Protection	Special Attorney Seized Property
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ 22,399	12,833	118,793	1,652
Held by component units	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Opioid settlement	-	-	-	-
Total assets	\$ 22,399	12,833	118,793	1,652
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Unearned revenue	\$ -	-	-	-
Deferred inflows of resources:				
Unavailable revenues:				
Other	-	-	-	-
Fund balances:				
Restricted for:				
Drainage warrants	-	12,833	-	-
Conservation purposes	-	-	118,793	-
Opioid abatement	-	-	-	-
Other purposes	22,399	-	-	1,652
Total fund balances	22,399	12,833	118,793	1,652
Total liabilities, deferred inflows of resources and fund balances	\$ 22,399	12,833	118,793	1,652

See accompanying independent auditor's report.

Revenue						
Sheriff Investigations	Prairie Woodland Conservation Foundation	Guthrie County Historical Village Foundation	American Rescue Plan	Opioid Settlement	Total	
7,863	-	-	577,279	38,856.00	779,675	
-	349,217	30,912	-	-	380,129	
7,048	-	-	-	-	7,048	
-	-	-	-	139,080	139,080	
<u>14,911</u>	<u>349,217</u>	<u>30,912</u>	<u>577,279</u>	<u>177,936</u>	<u>1,305,932</u>	
-	-	-	577,279	-	577,279	
-	-	-	-	132,570	132,570	
-	-	-	-	-	12,833	
-	349,217	30,912	-	-	498,922	
-	-	-	-	45,366	45,366	
<u>14,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,962</u>	
<u>14,911</u>	<u>349,217</u>	<u>30,912</u>	<u>-</u>	<u>45,366</u>	<u>596,083</u>	
<u>14,911</u>	<u>349,217</u>	<u>30,912</u>	<u>577,279</u>	<u>177,936</u>	<u>1,305,932</u>	

Guthrie County

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

Year ended June 30, 2023

	Special			
	County Recorder's Records Management	Drainage Districts	Resource Enhancement and Protection	Attorney Seized Property
Revenues:				
Intergovernmental	\$ -	-	11,263	-
Charges for service	3,287	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	176
Total revenues	<u>3,287</u>	<u>-</u>	<u>11,263</u>	<u>176</u>
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	-
County environment and education	-	-	-	-
Governmental services to residents	396	-	-	-
Administration	-	-	-	-
Total expenditures	<u>396</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	2,891	-	11,263	176
Fund balances beginning of year	<u>19,508</u>	<u>12,833</u>	<u>107,530</u>	<u>1,476</u>
Fund balances end of year	<u>\$ 22,399</u>	<u>12,833</u>	<u>118,793</u>	<u>1,652</u>

See accompanying independent auditor's report.

Revenue						
Sheriff Investigations	Prairie Woodland Conservation Foundation	Guthrie County Historical Village Foundation	American Rescue Plan	Opioid Settlement	Total	
-	-	-	1,204,602	-	1,215,865	
-	-	-	-	-	3,287	
80	5,751	84	-	-	5,915	
8,455	171	8,429	-	45,366	62,597	
8,535	5,922	8,513	1,204,602	45,366	1,287,664	
-	-	-	278,463	-	278,463	
-	-	-	431,655	-	431,655	
-	1,684	2,647	348,494	-	352,825	
-	-	-	-	-	396	
-	-	-	145,990	-	145,990	
-	1,684	2,647	1,204,602	-	1,209,329	
8,535	4,238	5,866	-	45,366	78,335	
6,376	344,979	25,046	-	-	517,748	
14,911	349,217	30,912	-	45,366	596,083	

Guthrie County

Guthrie County

Combining Schedule of Net Position –
Internal Service

Year ended June 30, 2023

	Internal Service		
	Employee Group Health	Flex Spending	Total
Assets			
Cash and cash equivalents	\$ 65,934	4,427	70,361
Liabilities			
None	-	-	-
Net Position			
Unrestricted	\$ 65,934	4,427	70,361

See notes to financial statements.

Schedule 4

Guthrie County

Combining Schedule of Revenues, Expenses
And Changes in Fund Net Position-
Internal Service

Year ended June 30, 2023

	Internal Service		
	Employee Group Health	Flex Spending	Total
Operating revenues:			
Reimbursements from employees and others	\$ -	29,449	29,449
Operating expenses:			
Medical claims	55,000	29,022	84,022
Administrative fees	553	925	1,478
Total operating expenses	55,553	29,947	85,500
Operating loss	(55,553)	(498)	(56,051)
Non-operating revenues:			
Interest income	1,328	9	1,337
Net loss	(54,225)	(489)	(54,714)
Net position beginning of year	120,159	4,916	125,075
Net position end of year	\$ 65,934	4,427	70,361

See notes to financial statements.

Guthrie County

Combining Schedule of Cash Flows –
Internal Service

Year ended June 30, 2023

	Internal Service - Employee Group Health	Flex Spending	Total
Cash flows from operating activities:			
Cash from other governments	\$ -	29,449	29,449
Cash paid to suppliers for services	(55,553)	(29,947)	(85,500)
Net cash used by operating activities	(55,553)	(498)	(56,051)
Cash flows from investing activities:			
Interest on investments	1,328	9	1,337
Net decrease in cash and cash equivalents	(54,225)	(489)	(54,714)
Cash and cash equivalents beginning of year	120,159	4,916	125,075
Cash and cash equivalents end of year	\$ 65,934	4,427	70,361
Reconciliation of operating loss to net cash used by operating activities:			
Net cash used by operating activities	\$ (55,553)	(498)	(56,051)

See notes to financial statements.

Guthrie County

Combining Schedule of Fiduciary Net Position –
Custodial Funds

June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,491	1,123,563	30,924
Other County officials	38,899	-	-	-
Receivables:				
Property tax:				
Delinquent	-	116	296	5,211
Succeeding year	-	212,000	542,000	10,814,000
Accounts	-	-	-	-
Special assessments	-	-	-	-
Prepaid insurance	-	-	452	-
Total assets	38,899	213,607	1,666,311	10,850,135
Liabilities				
Liabilities:				
Accounts payable	-	-	35	-
Salaries and benefits payable	-	-	11,689	-
Due to other governments	26,484	1,491	-	30,924
Trusts payable	12,415	-	-	-
Compensated absences	-	-	6,656	-
Total liabilities	38,899	1,491	18,380	30,924
Deferred Inflows of Resources				
Unavailable revenues	-	212,000	542,000	10,814,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	116	1,105,931	5,211

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
32,974	34,266	325	509,229	304,514	2,037,286
-	-	-	-	-	38,899
360	2,204	4,001	-	1,213	13,401
660,000	3,415,000	3,828,000	-	2,292,000	21,763,000
-	-	-	-	215	215
-	-	-	-	86,583	86,583
-	-	-	-	-	452
693,334	3,451,470	3,832,326	509,229	2,684,525	23,939,836
-	-	-	-	643	678
-	-	-	-	4,529	16,218
32,974	34,266	325	509,229	16,751	652,444
-	-	-	-	109,473	121,888
-	-	-	-	5,655	12,311
32,974	34,266	325	509,229	137,051	803,539
660,000	3,415,000	3,828,000	-	2,292,000	21,763,000
360	2,204	4,001	-	255,474	1,373,297

Guthrie County

Combining Schedule of Changes in Fiduciary Net Position –
Custodial Funds

Year ended June 30, 2023

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	241,429	532,125	10,800,303
State tax credits	-	12,274	27,661	384,046
Office fees and collections	509,543	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Assessments	-	-	-	-
Trusts	292,166	-	-	-
Miscellaneous	-	32	313	1,507
Total additions	801,709	253,735	560,099	11,185,856
Deductions:				
Agency remittances:				
To other funds	203,593	-	-	-
To other governments	305,950	253,753	472,118	11,187,991
Trusts paid out	292,166	-	-	-
Total deductions	801,709	253,753	472,118	11,187,991
Changes in net position	-	(18)	87,981	(2,135)
Net position beginning of year	-	134	1,017,950	7,346
Balances end of year	\$ -	116	1,105,931	5,211

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
615,451	3,067,227	3,590,030	-	2,371,922	21,218,487
22,650	478,246	53,381	-	113,298	1,091,556
-	-	-	-	-	509,543
-	-	-	5,521,935	-	5,521,935
-	-	-	-	23,828	23,828
-	-	-	-	105,555	397,721
80	-	77	-	189,747	191,756
638,181	3,545,473	3,643,488	5,521,935	2,804,350	28,954,826
-	-	-	141,763	-	345,356
638,182	3,547,162	3,642,890	5,380,172	2,667,977	28,096,195
-	-	-	-	156,315	448,481
638,182	3,547,162	3,642,890	5,521,935	2,824,292	28,890,032
(1)	(1,689)	598	-	(19,942)	64,794
361	3,893	3,403	-	275,416	1,308,503
360	2,204	4,001	-	255,474	1,373,297

Guthrie County

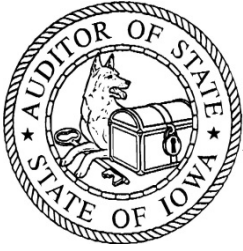
Schedule of Revenues By Source and Expenditures By Function -
All Governmental Funds

For the Last Ten Years

	2023	2022	2021	2020
Revenues:				
Property and other county tax	\$ 8,814,721	8,779,603	7,953,401	6,420,517
Tax increment financing	1,368,790	1,007,617	991,235	807,926
Local option sales tax	811,744	869,178	825,484	615,618
Interest and penalty on property tax	46,471	44,620	69,600	23,919
Intergovernmental	7,181,108	6,209,762	6,131,482	6,719,784
Licenses and permits	99,337	64,087	61,911	50,785
Charges for service	1,320,458	1,084,488	723,285	551,081
Use of money and property	724,910	107,469	155,242	212,687
Miscellaneous	743,531	973,676	894,009	659,255
Total	<u>\$ 21,111,070</u>	<u>19,140,500</u>	<u>17,805,649</u>	<u>16,061,572</u>
Expenditures:				
Operating:				
Public safety and legal services	\$ 3,331,340	2,422,283	2,219,280	2,239,204
Physical health and social services	2,207,342	1,971,499	1,509,550	1,491,010
Mental health	-	318,059	291,436	324,733
County environment and education	2,315,926	1,704,734	1,578,605	1,773,360
Roads and transportation	9,589,325	6,038,140	6,279,675	6,022,708
Governmental services to residents	574,175	452,234	419,782	434,473
Administration	2,076,846	1,788,229	1,575,776	1,576,412
Non-program	14,301	22,602	4,288	3,994
Debt service	2,250,239	1,639,680	1,706,098	1,683,325
Capital projects	2,099,939	5,611,068	4,651,794	770,442
Total	<u>\$ 24,459,433</u>	<u>21,968,528</u>	<u>20,236,284</u>	<u>16,319,661</u>

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
4,818,188	4,623,872	4,488,117	4,418,392	4,586,285	4,429,125
578,610	432,759	287,178	135,304	-	-
610,378	515,094	530,523	530,357	504,511	498,415
52,615	50,140	46,383	50,288	44,699	49,047
5,701,362	6,075,339	5,372,099	6,494,138	4,499,604	4,466,851
46,801	48,843	45,045	36,441	27,277	31,704
1,159,687	672,402	674,518	554,052	435,197	541,214
228,421	112,630	167,846	77,106	108,109	99,321
181,722	636,054	571,191	747,811	657,061	548,971
13,377,784	13,167,133	12,182,900	13,043,889	10,862,743	10,664,648
2,059,554	1,766,642	1,712,293	1,699,775	1,242,327	1,190,718
1,500,815	1,395,954	1,395,545	1,341,910	1,324,009	1,298,228
435,456	307,303	335,089	220,795	193,919	213,092
1,653,176	1,492,944	1,383,553	1,187,191	1,149,952	1,190,396
5,925,603	5,452,035	4,903,720	5,088,141	4,148,555	5,195,687
491,179	392,113	390,094	443,828	406,891	377,838
1,481,474	1,191,828	1,056,412	930,557	925,966	907,134
9,276	-	-	14,941	-	26,705
765,107	624,045	479,548	301,572	97,683	98,070
1,991,588	1,303,559	2,616,331	5,234,322	1,534,683	1,296,524
16,313,228	13,926,423	14,272,585	16,463,032	11,023,985	11,794,392



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

Rob Sand
Auditor of State

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

To the Officials of Guthrie County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Guthrie 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 September 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guthrie 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 Guthrie County's internal control. Accordingly, we do not express an opinion on the effectiveness of Guthrie 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 Guthrie 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 and 2023-002 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 deficiencies described in the accompanying Schedule of Findings as items 2023-003 through 2023-009 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guthrie 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 Guthrie 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 Guthrie 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.

Guthrie County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Guthrie County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Guthrie 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 Guthrie 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

September 18, 2024

Guthrie 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) All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records.	Recorder and Treasurer
(2) An initial list of checks and money received is not prepared by the independent mail opener and then compared with the cash receipts records and the bank deposit by a person not preparing the list or involved in maintaining the accounting records.	Recorder, Treasurer, and Sheriff
(3) Bank accounts are not reconciled promptly at the end of each month by an individual who does not sign checks, handle or record cash. Reconciliations are not reviewed by an independent person, with the review being documented by the signature or initials of the reviewer and the date of the review.	Recorder, Sheriff’s Commissary Account, and Sheriff
(4) Collection and deposit preparation functions were not performed by an individual who does not record and account for cash receipts.	Recorder, Sheriff, and Treasurer
(5) Checks or warrants are not signed by an individual who does not approve disbursements, record cash receipts or prepare checks.	Recorder and Sheriff’s Commissary Account
(6) The responsibility for the change fund is not assigned to only one person.	Recorder and Treasurer
(7) The individual responsible for the detailed record keeping of investments should not be the custodian of the investments.	Treasurer

Guthrie County

Schedule of Findings

Year ended June 30, 2023

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 – We realize segregation of duties is difficult with a limited number of office employees. However, the County officials should review the operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials and personnel from other County offices, to provide additional control through review of financial transactions, reconciliations and reports. Evidence of the review should be documented by the signature or initials of the independent reviewer and the date of the review.

Responses –

Recorder – We are an office with three full time employees. We will try our best to follow the recommendations.

Sheriff and Sheriff Commissary Account – I will have our volunteer compare our incoming mail list of checks with the receipt records and bank deposit slips. I will have a reconciliation prepared by an independent person does not sign the checks or handle or record cash. I will have one of the deputies approve disbursements and Sheriff or chief Deputy will sign the checks.

Treasurer – Segregation of duties is always a challenge in our small office. Although we don’t have someone in our office that can open mail that doesn’t make entries into the accounting records, we do take turns opening the mail. We have a second person recount and sign off on all deposits. The person that counts the money to balance at the end of the day is a different person that recounts the money in the morning to make sure we are starting the day with \$920. We also have another office initial our end of month bank reconciliations.

Conclusion – Responses acknowledged. For those offices with limited staff, County personnel from other offices could be used to provide additional control through review of financial transactions. The reviews performed by an independent person should be documented by the signature or initials of the reviewer and the date of the review.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

2023-002 Financial Reporting

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

Condition – Material amounts of disbursements, payables, receivables, prepaid expenses, capital assets, and infrastructure additions were not properly recorded in the County's financial statements. Also, several balances reported on the cash annual financial report (AFR) did not agree with the County's records.

Cause – County policies do not require, and procedures have not been established to ensure proper recording of disbursements, require independent review of year end cut-off transactions and capital asset and infrastructure additions to ensure the County's financial statements and the cash AFR 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 disbursements, payables, receivables, prepaid expenses, capital asset and infrastructure additions are identified and properly reported in the County's financial statements and accrual classifications are proper. The County should also establish procedures to ensure the cash AFR agrees with the County's records.

Response – The County Auditor will work with Department of Management to correct AFR so that it agrees with the County's records. The AFR was completed incorrectly several years ago, and it's taken time to get it back into balance. In addition, we will review and create a policy to ensure proper recording of disbursements, payables, receivables, prepaids and capital assets.

Conclusion – Response accepted.

2023-003 Buy Money – Sheriff's Office

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and performing cash counts.

Condition – No cash counts are performed on the drug buy and tobacco buy money. The fund logs are not used and the movement of cash to and from the fund is not properly tracked.

Cause – Procedures have not been established and implemented to ensure appropriate accounting records are maintained or to ensure cash counts are performed.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

Effect – Inadequate accounting records and a lack of cash counts can result in unrecorded transactions, undetected errors and opportunity for misappropriation.

Recommendation – Cash counts of drug buy and tobacco buy money should be performed. A log should be used to track the movement of cash to and from the fund.

Response – A cash count will be done by Sheriff and Chief Deputy, and both will initial the log showing the current cash amount for drug buy money as well as the tobacco buy money. The Sheriff and/or the Chief Deputy will record disbursements and receipt to the buy money.

Conclusion – Response accepted.

2023-004 Sheriff's Office

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records, including reconciling the beginning and ending book balances.

Condition – The Sheriff's Office does not prepare a year-to-date spreadsheet of all receipts and disbursements, including reconciling the beginning and ending book balances each month. Also, book balances are not reconciled to the trust account listings.

Cause – Procedures have not been designed and implemented to ensure appropriate accounting records are maintained or to ensure all accounts are reconciled and the amounts recorded in the books are complete and accurate to ensure proper accounting for all funds.

Effect – Inadequate accounting records and a lack of accurately reconciled books can result in unrecorded transactions, undetected errors and the opportunity for misappropriation.

Recommendation – A year-to-date spreadsheet of all receipts and disbursements, including reconciling the beginning and ending book balances should be completed each month. Also, book balances should be reconciled to the trust account listings each month.

Response – The Sheriff's Office will reconcile the list of trust money on hand along with a worksheet summarizing the monthly receipts and disbursements for the year.

Conclusion – Response accepted.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

2023-005 Disbursements

Criteria – Internal Controls over safeguarding assets constitute a process, effected by an entity’s governing body, management and other personnel designated to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from error or misappropriation. Such processes include establishing policies addressing the processing of disbursements and proper supporting documentation.

Condition – For three of thirty disbursements tested, supporting documentation was not maintained. Disbursements paid by electronic funds transfer (EFT) are not included on the claims listing and approved by the board of supervisors. Support for voided checks was not maintained.

Cause – Supporting documentation was not always maintained for disbursements. The claims listing is prepared for all warrants but does not include EFT payments. After a check is voided, they are reviewed by the auditor and shredded.

Effect – Lack of supporting documentation and approval for all disbursements could result in unauthorized transactions and the opportunity for misappropriation.

Recommendation – All disbursements should be supported by invoices or other supporting documentation. All payments should be included on the claims listing and approved by the board. When a check is voided, the voided check should be maintained with support for the void attached.

Response – We will make sure the Board approves all EFT transactions prior to their issue and voided checks will be maintained in the auditor’s office moving forward. In addition, we will be more diligent to make sure all supporting documentation is present.

Conclusion – Response accepted.

2023-006 Travel Policy

Criteria – An effective internal control system provides for internal controls related to payment of allowable expenses and includes establishing policies addressing reimbursement of travel related expenses.

Condition – The County does not have a written policy addressing reimbursement of travel related expenses.

Cause – Management has not required written policies for reimbursement of travel related expenses.

Effect – Lack of written policies for reimbursement of travel expenses could result in unauthorized and unsupported transactions.

Recommendation – The County should establish policies providing guidelines for reimbursement of travel expenses.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

Response – The County will establish a travel policy, including requirement of documentation for reason for travel.

Conclusion – Response accepted.

2023-007 Journal Entries

Criteria – An independent review of journal entries helps prevent losses from employee error or dishonesty and maximizes the accuracy of the financial statements.

Condition – Approval and review for journal entries was not documented.

Cause – Procedures have not been designed to document the review and approval of journal entries.

Effect – Lack of independent approval of transactions could adversely affect the County's ability to prevent or detect and correct misstatements, errors or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Journal entries should be supported, and the support should be provided to an independent person for review and approval.

Response – The Auditor's office will split duties of who enters the journal entry and someone else will review them.

Conclusion – Response accepted.

2023-008 Reconciliation of Public Health Billings, Collections, Delinquent Accounts and Write-offs

Criteria – An effective internal control system provides for internal controls related to maintaining delinquent account listings, reconciling billings, collections, and comparing collections to deposit to ensure proper recording of receipts, the propriety of adjustments and write-offs, and the propriety of delinquent account balances.

Condition – Billings, collections and delinquent accounts were not reconciled throughout the year. Also, collections were not reconciled to deposits.

Cause – Policies have not been established and procedures have not been implemented to maintain delinquent account listings, reconcile billings, collections, and receivables, reconcile collections to deposits and adjust and write off uncollectible balances.

Effect – The condition could result in unrecorded or misstated revenues and receivables.

Recommendation – Procedures should be established to reconcile billings, collections, and delinquent accounts for each billing period and to reconcile collections to deposits. The Department should designate an independent person to review the reconciliations and monitor delinquent accounts. The review of the reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

Response – We have started working on a procedure where the financial coordinator will locate the remittance advice that corresponds with the payments received. The remittance advice will have the EFT working number and the agency's cash receipt listed on the top. In addition, another step being worked out is adding columns to our revenue excel spreadsheet showing the corresponding remittance advice number and that it has been recorded. Also, on a monthly basis, billing software will be used to reconcile all payments and deposits. All delinquent accounts will be tracked. Delinquent accounts will be billed in accordance with aging report and terms of billing.

Conclusion – Response accepted.

2023-009 Disaster Recovery Plan

Criteria – Properly designed policies and procedures pertaining to control activities over the County's computer systems and implementation of the policies and procedures help provide reasonable assurance financial information is safeguarded and reliable and helps ensure the effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Condition – The County has a formal written disaster recovery plan, but it is outdated and has not been approved by the Board.

Cause – County oversight.

Effect – The failure to have a formal disaster recovery plan could result in the County's inability to function in the event of a disaster or continue County business without interruption.

Recommendation – The County should update the written disaster recovery plan and it should be approved by the Board.

Responses –

IT Director – Although basic recovery mechanisms are in place, there is not a defined plan to exercise a recovery. We will begin the documentation and build out as plans mature.

Board of Supervisors – We will amend our old disaster recovery plan to bring it current.

Conclusion – Responses accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Guthrie 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 roads and transportation function prior to the budget amendment. Disbursements exceeded the amounts budgeted at year end in the physical health and social services and non-program functions and disbursements in two departments exceeded the amounts appropriated.

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

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

Response – The Auditor and the Board will work more closely together to ensure budgeted expenses are not exceeding prior to appropriations or amendments.

Conclusion – Response accepted.

2023-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s Opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirement of public purposes as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
MidAmerican Energy	Credit card fees paid on utility billing	\$ 5

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

Recommendation – The County should determine and document the public purpose served by this disbursement before authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including the requirements for the proper public purpose documentation.

Response – The County will work to eliminate any credit card fees.

Conclusion – Response accepted.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

- 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 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-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of all bonds should be reviewed periodically to ensure the coverage remains adequate for current operations.
- 2023-G Board Minutes – Payments totaling \$5,000 from the Health Insurance Fund were not properly approved by the board.
- Recommendation – All payments should be approved by the Board of Supervisors.
- Response – The Auditor will make sure all payments are approved by the Board.
- Conclusion – Response accepted.
- 2023-H 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.
- 2023-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 2023-J Tax Increment Financing (TIF) – Chapter 403.19 of the Code of Iowa provides a municipality shall certify indebtedness to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of taxes to repay the certified indebtedness. Chapter 403.19 of the Code of Iowa does not allow a municipality to set aside taxes divided for tax increment purposes for future urban renewal projects. Indebtedness incurred is to be certified to the County Auditor and the divided taxes are to be used to pay the principal of and interest on the certified indebtedness. In addition, Chapter 403.19(5)(b) of the Code of Iowa requires the County to certify the amount of reductions resulting from reduction in debt or for any other reason to the County Auditor.

The County used TIF receipts to pay bond attorney fees of \$21,500 but has not certified these costs as TIF debt.

Guthrie County

Schedule of Findings

Year ended June 30, 2023

Recommendation – The County should consult TIF legal counsel to determine the disposition of the County’s TIF certifications and the amount of these costs as TIF debt.

Response – The County Auditor will discuss with TIF legal counsel to ensure that only existing debt is paid using the TIF fund in the future.

Conclusion – Response accepted.

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. However, the County understated principal and interest paid by \$805,000 and \$134,391, respectively.

Recommendation – The County should ensure the amounts reported as TIF disbursements on the AURR agree with County records.

Response – The Auditor will ensure correct figures are being used on the report annually.

Conclusion – Response accepted.

2023-L Outstanding Warrants – Chapter 331.554 of the Code of Iowa requires warrants outstanding more than one year be cancelled, removed from the list of outstanding warrants, and credited to the fund upon which the warrant was drawn. At June 30, 2023, the outstanding warrant listing included warrants which had been outstanding for over one year.

Recommendation – Warrants outstanding for more than one year should be canceled, as required.

Response – The Auditor will review annually.

Conclusion – Response accepted.

2023-M Transfer Station Financial Assurance – The County has demonstrated financial assurance for the County transfer station closure care by establishing a local government dedicated fund as provided in Chapter 567-106-.18(5) of the Iowa Administrative Code. The estimated costs for closure care are \$13,468. The balance restricted for transfer station closure care at June 30, 2023 is \$10,000. Therefore, the closure costs are not fully funded by \$3,468.

Recommendation – The County should increase the funds in the local government dedicated fund for transfer station closure costs to meet or exceed the new cost estimate.

Response – The County will work with EVORA to correct the closure costs.

Conclusion – Response accepted.

2023-N Landfill Financial Assurance – The County has demonstrated financial assurance for the County landfill post closure care by satisfying the requirements of the local government financial test as provided in Chapter 567-113-.14(6) of the Iowa Administrative Code.

Guthrie County

Staff

This audit was performed by:

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