



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

Rob Sand  
Auditor of State

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

**NEWS RELEASE**

Contact: Brian Brustkern  
515/281-5834

FOR RELEASE

February 19, 2025

---

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

**FINANCIAL HIGHLIGHTS:**

The County's revenues totaled \$58,170,429 for the year ended June 30, 2024, an 8.0% increase. Expenses for County operations for the year ended June 30, 2024 totaled \$48,177,409, a 9.2% increase. The increase in revenues is due primarily to an increase in American Rescue Plan Act revenues, opioid settlement revenues, and an increase in unrestricted investment earnings. The increase in expenses is due to an increase in American Rescue Plan Act expenditures in the county environment and education, administration, and non-program functions.

**AUDIT FINDINGS:**

Sand reported four findings related to the receipt and expenditure of taxpayer funds. They are found on pages 99 through 104 of this report. The findings address a lack of segregation of duties, material amounts of capital asset additions and receivables not properly recorded in the County's financial statements, disbursements exceeding the amount appropriated to a department before an approved budget amendment, and the County Attorney's salary exceeding allowed amounts per Code of Iowa. Sand provided the County with recommendations to address the findings.

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

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

###

**STORY COUNTY**  
**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2024**

**Story 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

January 21, 2025

Officials of Story County  
Nevada, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Story County for the year ended June 30, 2024. 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 Story 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". The signature is stylized and written in a cursive-like font.

Rob Sand  
Auditor of State

## Table of Contents

		<u>Page</u>
Officials		4
Independent Auditor’s Report		5-7
Management’s Discussion and Analysis		8-14
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20-21
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	23
Statement of Revenues, Expenditures and Changes in Fund Balances	E	24-25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	26
Proprietary Fund Financial Statements:		
Statement of Net Position	G	27
Statement of Revenues, Expenses and Changes in Fund Net Position	H	28
Statement of Cash Flows	I	29
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position – Custodial Funds	J	30
Statement of Changes in Fiduciary Net Position – Custodial Funds	K	31
Notes to Financial Statements		32-60
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		62-63
Budget to GAAP Reconciliation		64
Notes to Required Supplementary Information – Budgetary Reporting		65
Schedule of the County’s Proportionate Share of the Net Pension Liability (Asset)		66-67
Schedule of County Contributions		68-69
Notes to Required Supplementary Information – Pension Liability (Asset)		71
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios		72-73
Notes to Required Supplementary Information – OPEB Liability		74
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	76-77
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	78-79
Internal Service Funds:		
Combining Schedule of Net Position	3	80
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	4	81
Combining Schedule of Cash Flows	5	83
Custodial Funds:		
Combining Statement of Fiduciary Net Position	6	84-85
Combining Schedule of Changes in Fiduciary Net Position	7	86-87

Table of Contents  
(Continued)

		<u>Page</u>
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	8	88-89
Schedule of Expenditures of Federal Awards	9	90-91
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		92-93
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over compliance Required by the Uniform Guidance		95-97
Schedule of Findings and Questioned Costs		98-104
Staff		105

## Story County

### Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Latifah Faisal	Board of Supervisors	Jan 2025
Lisa Heddens	Board of Supervisors	Jan 2027
Linda Murken	Board of Supervisors	Jan 2027
Lucy Martin	County Auditor	Jan 2025
Ted Rasmusson	County Treasurer	Jan 2027
Stacie Herridge	County Recorder	Jan 2027
Paul H. Fitzgerald	County Sheriff	Jan 2025
Timothy C. Meals	County Attorney	Jan 2027
Wayne Schwickerath	County Assessor	Jan 2028
Shari Plagge	Ames City Assessor	Jan 2027



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

Rob Sand  
Auditor of State

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

Independent Auditor's Report

To the Officials of Story 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 Story County, Iowa, as of and for the year ended June 30, 2024, 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 accompanying 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 Story County as of June 30, 2024 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 the Financial Statements section of our report. We are required to be independent of Story County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Story 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 Story 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 Story 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 that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 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 Story 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, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), 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 9 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 January 21, 2025 on our consideration of Story 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 Story County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA  
Deputy Auditor of State

January 21, 2025

---

---

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

---

---

Story 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, 2024, along with comparative data for the year ended June 30, 2023. Readers are encouraged to consider this information in conjunction with the County's financial statements, which follow.

### **2024 FINANCIAL HIGHLIGHTS**

- Story County's governmental activities revenue increased approximately \$4,314,000 over fiscal year 2024. The increase is primarily due to an increase in American Rescue Plan Act revenues of about \$2,327,000 and an increase in unrestricted investment earnings of about \$1,499,000 over fiscal year 2023.
- Expenses in fiscal year 2024 increased approximately \$4,051,000, or 9.2%, over fiscal year 2023. The primary areas of expenditure increase were in county environment and education of about \$1,155,000, an increase in administration of about \$1,125,000, and an increase in non-program expenditures of about \$1,012,000.
- The County's net position at June 30, 2024 increased approximately \$9,993,000 over the June 30, 2023 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 Story 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 Story 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 Story 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, the individual Internal Service and Custodial Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

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

### *Government-wide Financial Statements*

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

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

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

The County's governmental activities are presented in the Statement of Net Position and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program activities, and interest on long-term debt. 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 the 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 Insurance and Dental Self-Insurance Funds. 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 statement for fiduciary funds includes 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. Story County’s net position at the end of fiscal year 2024 totaled approximately \$122.6 million. This compares to the fiscal year 2023 balance of approximately \$112.6 million. The analysis that follows focuses on the changes in net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2024	2023
Current and other assets	\$ 82,540	87,245
Capital assets	90,969	84,071
Total assets	173,509	171,316
Deferred outflows of resources	4,819	2,940
Long-term liabilities	11,646	12,208
Other liabilities	12,850	17,585
Total liabilities	24,496	29,793
Deferred inflows of resources	31,244	31,868
Net position:		
Net investment in capital assets	89,529	77,765
Restricted	17,829	18,936
Unrestricted	15,230	15,894
Total net position	\$ 122,588	112,595

Net position of Story County’s governmental activities increased approximately \$9,993,000 over the previous year.

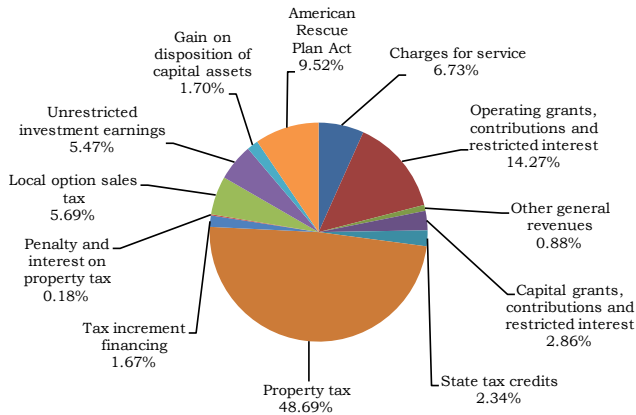
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position increased 15.1%, or approximately \$11,764,000 over the prior year. This increase is primarily due to an increase in capital assets net of accumulated depreciation of about \$6,898,000.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position decreased 5.8%, or approximately \$1,107,000 from the prior year.

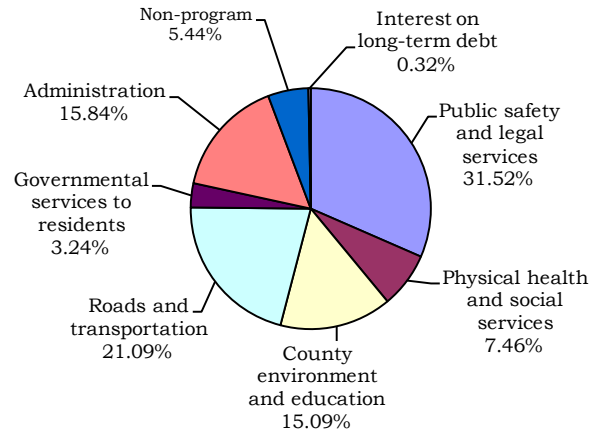
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$15,894,000 at June 30, 2023 to approximately \$15,230,000 at the end of this year, a decrease of 4.2%. This decrease is primarily due to an increase in net pension liability of approximately \$2,011,000 which is offset by a decrease in deferred inflows related to pension of approximately \$1,121,000.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2024	2023
Revenues:		
Program revenues:		
Charges for service	\$ 3,913	4,661
Operating grants, contributions and restricted interest	8,302	6,369
Capital grants, contributions and restricted interest	1,665	4,322
General revenues:		
Property tax	28,334	27,278
Tax increment financing	970	879
Penalty and interest on property tax	104	155
State tax credits	1,360	1,527
Local option sales tax	3,311	3,168
American Rescue Plan Act	5,535	3,208
Unrestricted investment earnings	3,180	1,681
Gain on disposition of capital assets	989	61
Other general revenues	509	547
Total revenues	58,170	53,856
Program expenses:		
Public safety and legal services	15,184	14,719
Physical health and social services	3,594	3,290
County environment and education	7,270	6,115
Roads and transportation	10,161	9,770
Governmental services to residents	1,562	1,900
Administration	7,632	6,507
Non-program	2,621	1,609
Interest on long-term debt	153	216
Total expenses	48,177	44,126
Change in net position	9,993	9,730
Net position beginning of year	112,595	102,865
Net position end of year	\$ 122,588	112,595

**Revenues by Source**



**Expenses by Program**



Story County’s governmental activities net position increased approximately \$9,993,000 during the year. Revenues for governmental activities increased approximately \$4,314,000 over fiscal year 2023. The increase is primarily due to an increase in American Rescue Plan Act revenues of about \$2,327,000 and an increase in unrestricted investment earnings of about \$1,499,000 over fiscal year 2023.

Property taxes increased approximately \$1,056,000, or 3.9%, from fiscal year 2023 due to an increase in the rural property levy rates. Countywide taxable property valuation increased 1.2%, from \$5,517,719,135 in fiscal year 2023 to \$5,581,337,786 in fiscal year 2024. The levy rate for countywide property decreased from \$4.50207 per \$1,000 of taxable valuation in fiscal year 2023 to \$4.50196 per \$1,000 of taxable valuation in fiscal year 2024. The levy rate for rural property increased from \$2.83033 per \$1,000 of taxable valuation in fiscal year 2023 to \$2.96563 per \$1,000 of taxable valuation in fiscal year 2024.

Expenses in fiscal year 2024 increased approximately \$4,051,000, or 9.2%, over fiscal year 2023. The primary areas of expenditure increases were in county environment and education of about \$1,155,000, an increase in administration of about \$1,125,000, and an increase in non-program expenditures of about \$1,012,000.

**INDIVIDUAL MAJOR FUND ANALYSIS**

As Story County completed the year, its governmental funds reported a combined fund balance of approximately \$32.2 million, a decrease of approximately \$2,042,000 compared to the combined fund balance of approximately \$34.3 million at the end of fiscal year 2023. The difference is explained by individual funds.

The General Fund, the operating fund for Story County, ended fiscal year 2024 with a fund balance totaling \$19,279,727. This is an increase of approximately \$291,000 over the prior year. Revenues in the general fund increased by about \$4,410,000, or 13.3% over fiscal year 2023 including an increase in use of money and property of about \$1,375,000 due to an increase in interest rates and an increase in intergovernmental revenues of about \$2,304,000 due to ARPA funds. Expenditures increased by approximately \$3,547,000, or 11.0%, due primarily to an increase in expenditures for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) federal program. The CSLFRF program expenditures were used for HVAC repairs on County facilities, allocation of funds for new admin building generator, emergency food distribution, childcare retention program, and improvements to wastewater treatment facility to name a few programs.

The Special Revenue, Rural Services Fund ended fiscal year 2024 with a \$2,207,751 fund balance compared to the prior year balance of \$2,221,054. Revenues increased by about \$398,000 from fiscal year 2023. This is primarily due to an increase in property tax revenue due to an increase in the levy rate and an increase in property valuations. Expenditures decreased by approximately \$42,000, or 0.8%, over fiscal year 2023.

The Special Revenue, Secondary Roads Fund ended fiscal year 2024 with a \$5,903,530 fund balance compared to the prior year balance of \$9,238,590. Revenues increased about \$46,000 from fiscal year 2023. Expenditures in the fund increased approximately \$4,750,000, or 61.8%, due to increased capital projects expenses for ongoing projects and increased roads and transportation expenses for equipment.

The Debt Service Fund ended fiscal year 2024 with a \$134,647 fund balance compared to the prior year balance of \$84,569. Revenues increased approximately \$16,000 over fiscal year 2023. Expenditures decreased by about \$21,000 over fiscal year 2023. Payments on general obligation bonds are paid from the County's debt service fund.

The Capital Projects Fund June 30, 2024 fund balance was \$1,475,103 compared to the prior year balance of \$1,062,076. Expenditures in the fund decreased approximately \$405,000, or 61.5%, from the prior year. This decrease is due to projects being moved from the capital projects fund to the secondary roads fund during fiscal year 2024.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Story County amended its budget two times. The first amendment was made in September 2023 and resulted in an increase in budgeted receipts of \$1,417,898 and an increase in disbursements of \$9,168,881, related primarily to the capital projects function.

The second budget amendment was made in May 2024. This amendment increased budgeted receipts \$749,627 and decreased budgeted disbursements \$8,660,055 related primarily to a decrease in the capital projects function.

The County's receipts were \$728,341 more than the amended budget. Total disbursements were \$9,628,617 less than the amended budget, due to projects not progressing as expected.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year 2024, Story County had approximately \$91.0 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges and intangible assets. This is a net increase (including additions and deletions) of approximately \$6,898,000, or 8.2%, over last year.

Story County had depreciation/amortization expense in fiscal year 2024 of \$4,984,846 and total accumulated depreciation/amortization of \$71,021,810 at June 30, 2024. Story County takes a full year's depreciation in the year of acquisition of a capital asset and in the year of disposal. More detailed information about the County's capital assets is presented in Note 4 to the financial statements.



## **Long-Term Debt**

At June 30, 2024, Story County had \$3,274,700 of outstanding general obligation bonds and urban renewal revenue bonds compared to \$4,683,535 of outstanding general obligation bonds and urban renewal revenue bonds at the end of fiscal year 2023. The County issued \$6,000,000 general obligation bonds in fiscal year 2020 for road improvements and for peace officer and emergency services communication equipment and systems. The balance on the bonds at June 30, 2024 is \$2,958,943. The County entered into an installment purchase agreement for \$2,188,960 during fiscal year 2019 to purchase ten motor graders for the Secondary Roads Department. The final payment on this agreement was made in fiscal year 2024. In addition, the County entered into two installment purchase agreements for \$262,001 during fiscal year 2020 to purchase land for conservation purposes. The balance on the installment purchase agreements at June 30, 2024 is \$34,250.

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. Story County's outstanding general obligation debt, including the capital lease purchase agreement, is significantly below its constitutional debt limit of approximately \$458 million. Additional information about the County's long-term debt is presented in Note 6 to the financial statements.

## **ECONOMIC FACTS AND NEXT YEAR'S BUDGET AND RATES**

Story County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2025 budget, tax rates and fees for County services. One of those factors is the economy. According to information from Iowa Workforce Development, unemployment in Story County at the end of fiscal year 2024 stood at 2.3% versus 2.5% a year ago. This compares with the State's unemployment rate of 2.8% and the national rate of 4.1% for the same period ended June 30, 2024.

These indicators were taken into account when adopting the budget for fiscal year 2025. The County's fiscal year 2025 countywide taxable valuation increased \$369,280,843 and the rural taxable valuation increased \$97,779,910 over the respective fiscal year 2024 valuations. The fiscal year 2025 budget includes a 7.77% increase in receipts from the fiscal year 2024 budget, along with a decrease in disbursements of 3.60%. The increase in receipts is due to increases in property valuations for property taxes. The decrease in disbursements is primarily due to roads and transportation expenditures. Re-estimated ending fund balances were anticipated to be 55.54% of disbursements at the end of fiscal year 2024 and approximately 34.89% of disbursements by the close of fiscal year 2025.

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

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Story 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 Story County Auditor's Office, 900 6th Street, Nevada, Iowa 50201.

## **Basic Financial Statements**

**Exhibit A**

Story County  
Statement of Net Position  
June 30, 2024

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash, cash equivalents and pooled investments	\$ 47,362,817
Cash held by health plan trustee	718,863
Receivables:	
Property tax:	
Delinquent	16,742
Succeeding year	29,552,000
Succeeding year tax increment financing	277,000
Interest and penalty on property tax	64,046
Accounts	61,265
Accrued interest	395,564
Drainage assessments	214,834
Opioid settlement	2,283,283
Due from other governments	939,513
Inventories	440,900
Prepaid expenses	213,067
Capital assets not being depreciated	18,288,538
Capital assets, net of accumulated depreciation/amortization	<u>72,680,261</u>
<b>Total assets</b>	<u>173,508,693</u>
<b>Deferred Outflows of Resources</b>	
Pension related deferred outflows	4,460,507
OPEB related deferred outflows	<u>358,631</u>
<b>Total deferred outflows of resources</b>	<u>4,819,138</u>

Story County  
Statement of Net Position  
June 30, 2024

	Governmental Activities
<b>Liabilities</b>	
Accounts payable	2,131,911
Accrued interest payable	11,099
Salaries and benefits payable	869,093
Due to other governments	643,200
Unearned revenues	9,195,027
Long-term liabilities:	
Portion due or payable within one year:	
Lease agreements	28,147
IT subscription liability	63,383
General obligation bonds	554,656
Urban renewal revenue bonds	104,158
Installment purchase agreements	17,125
Compensated absences	934,352
OPEB liability	14,267
Portion due or payable after one year:	
Lease agreements	31,230
IT Subscription Liability	2,022
General obligation bonds	2,404,287
Urban renewal revenue bonds	211,599
Installment purchase agreements	17,125
Drainage warrants	125,104
Net pension liability	6,080,336
OPEB liability	1,057,967
<b>Total liabilities</b>	24,496,088
<b>Deferred Inflows of Resources</b>	
Unavailable property tax revenue	29,552,000
Unavailable tax increment financing revenue	277,000
Pension related deferred inflows	452,144
OPEB related deferred inflows	962,429
<b>Total deferred inflows of resources</b>	31,243,573
<b>Net Position</b>	
Net investment in capital assets	89,529,269
Restricted for:	
Supplemental levy purposes	2,145,452
Community betterment	487,378
Rural services purposes	1,595,995
Secondary roads purposes	5,730,820
Conservation purposes	2,635,460
Debt service	275,119
Drainage warrants	424,343
Opioid abatement	3,081,886
Other purposes	1,452,155
Unrestricted	15,230,293
<b>Total net position</b>	\$ 122,588,170

See notes to financial statements.

**Story County**

Story County

Statement of Activities

Year ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
<b>Functions/Programs:</b>					
Governmental activities:					
Public safety and legal services	\$ 15,184,232	1,078,678	224,860	-	(13,880,694)
Physical health and social services	3,593,996	46,869	1,900,066	-	(1,647,061)
County environment and education	7,269,909	483,839	953,585	-	(5,832,485)
Roads and transportation	10,161,053	127,104	5,202,504	1,664,766	(3,166,679)
Governmental services to residents	1,561,959	1,399,179	2,005	-	(160,775)
Administration	7,632,398	48,501	8,304	-	(7,575,593)
Non-program	2,620,824	728,637	-	-	(1,892,187)
Interest on long-term debt	153,038	-	10,259	-	(142,779)
<b>Total</b>	<b>\$ 48,177,409</b>	<b>3,912,807</b>	<b>8,301,583</b>	<b>1,664,766</b>	<b>(34,298,253)</b>
<b>General Revenues:</b>					
Property and other county tax levied for:					
General purposes					27,682,498
Debt service					651,738
Tax increment financing					970,472
Penalty and interest on property tax					103,888
State tax credits and replacements					1,359,513
Local option sales tax					3,310,797
American Rescue Plan Act					5,535,104
Unrestricted investment earnings					3,179,504
Rent					214,584
Gain on disposition of capital assets					988,644
Miscellaneous					294,531
<b>Total general revenues</b>					<b>44,291,273</b>
Change in net position					9,993,020
Net position beginning of year					112,595,150
Net position end of year					<b>\$ 122,588,170</b>

See notes to financial statements.

Story County  
Balance Sheet  
Governmental Funds

June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
<b>Assets</b>			
Cash, cash equivalents and pooled investments:			
County treasurer	\$ 30,023,179	2,020,848	5,467,601
Cash held by health plan trustee	80,521	-	-
Receivables:			
Property tax:			
Delinquent	12,649	3,765	-
Succeeding year	25,148,000	3,815,000	-
Succeeding year tax increment financing	-	-	-
Interest and penalty on property tax	64,046	-	-
Accounts	44,372	8,093	6,289
Accrued interest	389,962	-	-
Opioid settlement	-	-	-
Drainage assessments	-	-	-
Due from other governments	182,183	308,685	448,537
Inventories	-	-	440,900
Prepaid expenditures	212,207	-	860
<b>Total assets</b>	<b>\$ 56,157,119</b>	<b>6,156,391</b>	<b>6,364,187</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,051,068	15,570	345,873
Salaries and benefits payable	643,811	113,725	111,557
Due to other governments	631,048	580	3,227
Unearned revenues	9,195,027	-	-
Total liabilities	11,520,954	129,875	460,657
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	25,148,000	3,815,000	-
Succeeding year tax increment financing	-	-	-
Other purposes	208,438	3,765	-
Total deferred inflows of resources	25,356,438	3,818,765	-
Fund balances:			
Nonspendable:			
Inventories	-	-	440,900
Prepaid expenditures	212,207	-	860
Restricted for:			
Supplemental levy purposes	2,233,270	-	-
Community betterment	-	487,378	-
Rural services purposes	-	1,720,373	-
Secondary roads purposes	-	-	5,461,770
Conservation purposes	1,047,068	-	-
Debt service	-	-	-
Capital projects	-	-	-
Drainage purposes	-	-	-
Friends of animals	-	-	-
Opioid abatement	-	-	-
LATCF Grant	100,000	-	-
Other purposes	4,490	-	-
Committed for:			
Conservation projects	619,900	-	-
Assigned for:			
Capital improvement projects	2,556,552	-	-
Sheriff vehicles	91,000	-	-
County attorney fine collection	93,164	-	-
Jail commissary	123,013	-	-
Analysis of Social Services Evaluation Team	49,330	-	-
Small community funding	330,824	-	-
Unassigned	11,818,909	-	-
Total fund balances	19,279,727	2,207,751	5,903,530
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 56,157,119</b>	<b>6,156,391</b>	<b>6,364,187</b>

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
134,970	1,516,308	3,255,354	42,418,260
-	-	-	80,521
328	-	-	16,742
589,000	-	-	29,552,000
-	-	277,000	277,000
-	-	-	64,046
-	-	2,511	61,265
277	-	5,325	395,564
-	-	2,283,283	2,283,283
-	-	214,834	214,834
-	-	108	939,513
-	-	-	440,900
-	-	-	213,067
724,575	1,516,308	6,038,415	76,956,995
600	41,205	10,906	1,465,222
-	-	-	869,093
-	-	8,345	643,200
-	-	-	9,195,027
600	41,205	19,251	12,172,542
589,000	-	-	29,552,000
-	-	277,000	277,000
328	-	2,498,117	2,710,648
589,328	-	2,775,117	32,539,648
-	-	-	440,900
-	-	-	213,067
-	-	-	2,233,270
-	-	-	487,378
-	-	-	1,720,373
-	-	-	5,461,770
-	-	1,588,392	2,635,460
134,647	-	140,144	274,791
-	1,475,103	-	1,475,103
-	-	334,613	334,613
-	-	132,660	132,660
-	-	798,603	798,603
-	-	-	100,000
-	-	249,635	254,125
-	-	-	619,900
-	-	-	2,556,552
-	-	-	91,000
-	-	-	93,164
-	-	-	123,013
-	-	-	49,330
-	-	-	330,824
-	-	-	11,818,909
134,647	1,475,103	3,244,047	32,244,805
724,575	1,516,308	6,038,415	76,956,995



**Story County**

Story County

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

June 30, 2024

**Total governmental fund balances (page 21)** \$ 32,244,805

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$161,990,609 and the accumulated depreciation/amortization is \$71,021,810. 90,968,799

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. 2,710,648

The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position. 4,916,210

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	\$ 4,819,138	
Deferred inflows of resources	<u>(1,414,573)</u>	3,404,565

Long-term liabilities, including lease agreements payable, general obligation bonds payable, urban renewal revenue bonds payable, installment purchase agreements payable, drainage warrants payable, compensated absences payable, net pension liability, total OPEB liability, IT subscription liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (11,656,857)

**Net position of governmental activities (page 17)** \$ 122,588,170

See notes to financial statements.

Story County

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

Year ended June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
<b>Revenues:</b>			
Property and other county tax	\$ 24,037,433	3,646,685	-
Tax increment financing	-	-	-
Local option sales tax	-	3,310,797	-
Interest and penalty on property tax	128,051	-	-
Intergovernmental	7,950,217	764,813	5,261,053
Licenses and permits	20,980	24,655	56,426
Charges for service	1,794,815	35,734	8,580
Use of money and property	3,309,193	-	-
Miscellaneous	311,759	7,320	3,549
<b>Total revenues</b>	<b>37,552,448</b>	<b>7,790,004</b>	<b>5,329,608</b>
<b>Expenditures:</b>			
<b>Operating:</b>			
Public safety and legal services	13,075,766	2,741,584	-
Physical health and social services	3,619,566	19,696	-
County environment and education	4,756,761	2,199,588	-
Roads and transportation	-	70,255	11,204,537
Governmental services to residents	1,770,668	2,789	-
Administration	8,485,402	-	-
Non-program	1,958,355	-	-
Debt service	-	-	-
Capital projects	2,270,230	-	1,230,785
<b>Total expenditures</b>	<b>35,936,748</b>	<b>5,033,912</b>	<b>12,435,322</b>
Excess (deficiency) of revenues over (under) expenditures	1,615,700	2,756,092	(7,105,714)
<b>Other financing sources (uses):</b>			
Sale of capital assets	136,808	30,605	47,654
Subscription-based information technology issued	128,278	-	-
Drainage warrants issued	-	-	-
Transfers in	-	-	3,723,000
Transfers out	(1,590,000)	(2,800,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,324,914)</b>	<b>(2,769,395)</b>	<b>3,770,654</b>
Change in fund balances	290,786	(13,303)	(3,335,060)
Fund balances beginning of year	18,988,941	2,221,054	9,238,590
Fund balances end of year	<b>\$ 19,279,727</b>	<b>2,207,751</b>	<b>5,903,530</b>

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
651,749	-	-	28,335,867
-	-	970,472	970,472
-	-	-	3,310,797
-	-	-	128,051
30,596	-	232,107	14,238,786
-	-	-	102,061
-	-	9,309	1,848,438
10,259	-	60,196	3,379,648
-	-	950,772	1,273,400
692,604	-	2,222,856	53,587,520
-	-	14,737	15,832,087
-	-	-	3,639,262
-	-	391,469	7,347,818
-	-	-	11,274,792
-	-	10,800	1,784,257
-	-	-	8,485,402
-	-	-	1,958,355
642,526	-	1,009,169	1,651,695
-	253,973	250,710	4,005,698
642,526	253,973	1,676,885	55,979,366
50,078	(253,973)	545,971	(2,391,846)
-	-	-	215,067
-	-	-	128,278
-	-	6,402	6,402
-	667,000	-	4,390,000
-	-	-	(4,390,000)
-	667,000	6,402	349,747
50,078	413,027	552,373	(2,042,099)
84,569	1,062,076	2,691,674	34,286,904
134,647	1,475,103	3,244,047	32,244,805

Story County

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

Year ended June 30, 2024

**Change in fund balances - Total governmental funds (page 25)** \$ (2,042,099)

**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	\$ 9,316,143	
Capital assets contributed by the Iowa Department of Transportation	1,664,766	
Right-to-use subscription assets	128,278	
Depreciation/amortization expense	<u>(4,984,846)</u>	6,124,341

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. 773,577

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 and tax increment financing	(1,631)	
Other	<u>974,501</u>	972,870

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

Issued	(134,680)	
Repaid	<u>2,831,668</u>	2,696,988

The current year County share of IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 1,809,222

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	41,637	
Pension expense	(821,060)	
OPEB expense	(50,159)	
Interest on long-term debt	<u>2,378</u>	(827,204)

The Internal Service Funds are used by management to charge the costs of various services to individual departments and funds. The decrease in net position of the Internal Service Funds is included in governmental activities in the Statement of Net Position. 485,325

**Change in net position of governmental activities (page 19)** \$ 9,993,020

See notes to financial statements.

Story County  
Statement of Net Position  
Proprietary Fund  
June 30, 2024

	Internal Service - Employee Issuance and Dental Self-Insurance
<b>Assets</b>	
Current assets:	
Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 4,944,557
Cash held by health plan trustee	638,342
<b>Total assets</b>	<b>5,582,899</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	666,689
<b>Net Position</b>	
Restricted for employee health	4,413,560
Unrestricted	502,650
<b>Total net position</b>	<b>\$ 4,916,210</b>

See notes to financial statements.

Story County  
Statement of Revenue, Expenses  
and Changes in Net Position  
Proprietary Fund

June 30, 2024

		<u>Internal Service - Employee Issuance and Dental Self-Insurance</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 3,618,883
Reimbursements from employees and others		<u>585,706</u>
Total operating revenues		4,204,589
Operating expenses:		
Medical claims	\$ 3,571,157	
Insurance premiums	146,589	
Administrative costs	<u>1,518</u>	<u>3,719,264</u>
Operating income and change in net position		485,325
Net position beginning of year		<u>4,430,885</u>
Net position end of year		<u>\$ 4,916,210</u>

See notes to financial statements.

Story County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2024

	Internal Service - Employee Issuance and Dental Self-Insurance
Cash flows from operating activities:	
Cash received from operating funds and other governmental units	\$ 3,618,883
Cash received from employees and others	585,706
Cash paid to suppliers for services	(3,702,897)
Net cash provided by operating activities and increase in cash and cash equivalents	501,692
Cash and cash equivalents beginning of year	5,081,207
Cash and cash equivalents end of year	\$ 5,582,899
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 485,325
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in liabilities:	
Accounts payable	16,367
Net cash provided by operating activities	\$ 501,692

See notes to financial statements.



Story County  
Statement of Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2024

**Assets**

Cash and pooled investments:

County Treasurer	\$ 13,189,131
Other County officials	211,879

Receivables:

Property tax:

Delinquent	72,257
Succeeding year	155,611,000

Accounts	23,126
----------	--------

Accrued interest	26,782
------------------	--------

Assessments	901,770
-------------	---------

Due from other governments	89,085
----------------------------	--------

Prepaid expenses	<u>50,913</u>
------------------	---------------

**Total assets**170,175,943**Liabilities**

Accounts payable	2,432,257
------------------	-----------

Salaries and benefits payable	47,821
-------------------------------	--------

Due to other governments	4,099,147
--------------------------	-----------

Trusts payable	750,590
----------------	---------

Stamped warrants payable	22,905
--------------------------	--------

Compensated absences	<u>82,371</u>
----------------------	---------------

**Total liabilities**7,435,091**Deferred Inflows of Resources**

Unavailable property tax revenue	<u>155,611,000</u>
----------------------------------	--------------------

**Net position**Restricted for individuals, organizations  
and other governments\$ 7,129,852

See notes to financial statements.

Story County  
Statement of Changes in Fiduciary Net Position  
Custodial Funds

Year ended June 30, 2024

Additions:	
Property and other county tax	\$ 146,845,209
911 surcharge	215,975
State tax credits	5,831,911
Office fees and collections	1,617,898
Auto licenses, use tax and postage	29,299,983
Assessments	56,619
Trusts	3,117,495
Miscellaneous	<u>19,952,107</u>
Total additions	<u>206,937,197</u>
Deductions:	
Agency remittances:	
To other funds	1,441,426
To other governments	203,226,054
Trusts paid out	<u>3,738,295</u>
Total deductions	<u>208,405,775</u>
Changes in net position	(1,468,578)
Net position beginning of year	<u>8,598,430</u>
Net position end of year	<u>\$ 7,129,852</u>

See notes to financial statements.

Story County

Notes to Financial Statements

June 30, 2024

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

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

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

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

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: Story County and City Assessor’s Conference Boards, Story County Emergency Management Commission, Story County Joint 911 Service Board and Central Iowa Drug Task Force. 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.

The County also participates in StoryComm and the Central Iowa Juvenile Detention Center, jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa.

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 fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

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

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

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

The 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 Funds – Internal Service Funds are 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 Funds are 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 the investment in the Iowa Public Agency Investment Trust and non-negotiable certificates of deposit 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 April 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2023.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amounts 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 – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in no more than 15 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represent assessments which have been made but have not been collected.

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Drainage assessments receivable represent assessments which are due and payable but have not been collected and remaining assessments which are payable but not yet due.

Due from 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 are tangible and intangible assets, which include property, furniture and equipment and infrastructure assets 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 an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$ 50,000
Intangibles - easements and right-of-ways	50,000
Intangibles - other	100,000
Right-to-use leased assets	5,000
Right-to-use subscription assets	100,000
Land, buildings and improvements	5,000
Equipment and vehicles	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Infrastructure	10 - 65
Intangibles	5 - 20
Right-to-use leased assets	2 - 20
Right-to-use subscription assets	2 - 20
Equipment	3 - 20
Vehicles	5 - 15



Leases – Story County is the lessee for noncancellable leases 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 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 Story County determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Story 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 leases 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.

Subscription-Based Information Technology Arrangements (SBITA) – Story County has entered into a contract that conveys control of the right to use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$100,000, or more.

At the commencement of the IT subscription term, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Story County determines the discount rate it uses to discount the expected payments to present value, term and payments.

Story County uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

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 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 and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. 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 financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

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

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

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the 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 60 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 receivable that will not be recognized until the year for which they are levied, and unrecognized items not yet charged to pension 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.

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

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

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Insurance Fund and the Dental Self-Insurance 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, 2024, disbursements did not exceed the amount budgeted. However, disbursements exceeded the amount appropriated in the Group Homes department prior to approval of the appropriation amendment.

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

The County's deposits in banks at June 30, 2024 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 evidence of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2024, the County had the following investments:

Investment	Fair Value	Maturity
Federal Agricultural Mortgage Corporation (FAMC)	\$ 471,563	10/14/2025
Federal Farm Credit Bank Bond (FFCBB)	474,702	8/25/2025
Federal Farm Credit Bank Bond (FFCBB)	473,137	9/16/2025
Federal Farm Credit Bank (FFCB)	498,738	4/2/2029
Federal Home Loan Bank (FHLB)	466,455	3/10/2026
Federal Home Loan Bank (FHLB)	465,348	5/20/2026
Federal Home Loan Bank (FHLB)	459,995	9/30/2026
Federal Home Loan Bank Bond Step CPN (FHLB)	491,022	5/19/2027
Federal Home Loan Bank (FHLB)	99,625	3/12/2029
Federal Home Loan Mortgage Corporation (FHLMC)	496,864	10/20/2027
	<u>\$ 4,397,449</u>	

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

The recurring fair value measurement for the FAMC, FFCB, FHLB, and FHLMC securities was determined using the last reported sales price at current exchange rates. (Level 1 inputs)

In addition, the County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at an amortized cost of \$29,703,530. There were no limitations or restrictions on withdrawals for the IPAIT investments. The County's investment in IPAIT is unrated.

Interest rate risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

Credit risk – The County's FAMC, FFCB, FHLB, and FHLMC investments at June 30, 2024 are rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's. The investment in the Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk and custodial credit risk – The County places no limit on the amount that may be invested in any one issuer. The County did not have 5% or more of the County's investments in any one issuer.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

Transfer to	Transfer from	Amount
Special Revenue:		
Secondary Roads	General	\$ 923,000
	Special Revenue:	
	Rural Services	<u>2,800,000</u>
		<u>3,723,000</u>
Capital Projects	General	<u>667,000</u>
Total		<u>\$ 4,390,000</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, 2024 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 6,822,033	676,300	-	7,498,333
Intangibles, road network	117,327	-	-	117,327
Construction in progress, road network	820,639	2,921,399	(2,178,045)	1,563,993
Construction in progress, other	9,410,559	2,080,192	(2,381,866)	9,108,885
Total capital assets not being depreciated/amortized	<u>17,170,558</u>	<u>5,677,891</u>	<u>(4,559,911)</u>	<u>18,288,538</u>
Capital assets being depreciated/amortized:				
Buildings	28,123,117	-	-	28,123,117
Improvements other than buildings	7,946,632	3,333,893	-	11,280,525
Equipment and vehicles	19,006,267	6,180,052	(3,755,507)	21,430,812
Right-to-use leased equipment	155,613	-	-	155,613
Right-to-use subscription asset	-	128,278	-	128,278
Intangibles, other	159,652	-	-	159,652
Infrastructure, road network	76,332,537	2,178,045	-	78,510,582
Infrastructure, other	3,913,492	-	-	3,913,492
Total capital assets being depreciated/amortized	<u>135,637,310</u>	<u>11,820,268</u>	<u>(3,755,507)</u>	<u>143,702,071</u>
Less accumulated depreciation/amortization for:				
Buildings	12,333,695	556,552	-	12,890,247
Improvements other than buildings	1,261,666	312,988	-	1,574,654
Equipment and vehicles	12,182,246	1,961,471	(2,700,023)	11,443,694
Right-to-use leased equipment	72,324	36,163	-	108,487
Right-to-use subscription asset	-	28,506	-	28,506
Intangibles, other	159,652	-	-	159,652
Infrastructure, road network	41,258,846	2,017,367	-	43,276,213
Infrastructure, other	1,468,558	71,799	-	1,540,357
Total accumulated depreciation/amortization	<u>68,736,987</u>	<u>4,984,846</u>	<u>(2,700,023)</u>	<u>71,021,810</u>
Total capital assets being depreciated/amortized, net	<u>66,900,323</u>	<u>6,835,422</u>	<u>(1,055,484)</u>	<u>72,680,261</u>
Governmental activities capital assets, net	<u>\$ 84,070,881</u>	<u>12,513,313</u>	<u>(5,615,395)</u>	<u>90,968,799</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:		
Public safety and legal services		\$ 650,083
Physical health and social services		4,386
County environment and education		530,583
Roads and transportation		3,225,135
Governmental services to residents		29,878
Administration		544,781
		<u>544,781</u>
Total depreciation/amortization expense - governmental activities		<u>\$ 4,984,846</u>

**(5) 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, 2024 is as follows:

Fund	Description	Amount
General	Services	<u>\$ 631,048</u>
Special Revenue:		
Rural Services	Services	580
Secondary Roads	Services	3,227
Tax Increment Financing	Services	8,240
Friends of Conservation	Services	105
		<u>12,152</u>
Total for governmental funds		<u>\$ 643,200</u>
Custodial:		
County Offices	Collections	\$ 136,728
Central Iowa Community Services		321,461
Agricultural Extension Education		2,115
City Assessor		49,392
Schools		268,321
Community Colleges		13,432
Corporations		142,739
Townships		3,982
City Special Assessments		855,445
Auto License and Use Tax		2,280,391
All other		25,141
		<u>25,141</u>
Total for custodial funds		<u>\$ 4,099,147</u>

**(6) Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Lease Agreements	Subscription Liability	General Obligation Bonds	Urban Renewal Revenue Bonds	Direct Borrowing - Installment Purchase Agreements	Direct Borrowing - Drainage Warrants	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 95,543	-	3,502,354	1,181,181	1,270,600	206,146	975,989	4,069,474	906,299	12,207,586
Increases	-	128,278	-	-	-	6,402	1,163,378	2,010,862	181,046	3,489,966
Decreases	36,166	62,873	543,411	865,424	1,236,350	87,444	1,205,015	-	15,111	4,051,794
Balances end of year	\$ 59,377	65,405	2,958,943	315,757	34,250	125,104	934,352	6,080,336	1,072,234	11,645,758
Due within one year	\$ 28,147	63,383	554,656	104,158	17,125	-	934,352	-	14,267	1,716,088

Lease Agreements

On August 20, 2019, the County entered into a lease agreement for a copier system. An initial lease liability was recorded in the amount of \$21,160. The agreement requires monthly payments of \$388 with an implicit interest rate of 4.00% and final payment due August 2024. During the year ended June 30, 2024, principal and interest paid were \$4,531 and \$130, respectively.

On December 30, 2019, the County entered into a lease agreement for a postage machine. An initial lease liability was recorded in the amount of \$59,019. The agreement requires monthly payments of \$1,077 with an implicit interest rate of 3.75% and final payment due January 2025. During the year ended June 30, 2024, principal and interest paid were \$12,391 and \$532, respectively.

On December 14, 2021, the County entered into a lease agreement for a printer system. An initial lease liability was recorded in the amount of \$98,323. The agreement requires monthly payments of \$1,783 over five years, with an implicit interest rate of 3.50% and final payment due December 2026. During the year ended June 30, 2024, principal and interest paid were \$19,244 and \$2,157, respectively.

Future principal and interest lease payments as of June 30, 2024 are as follows:

Year	Copier System				Postage Machine			
	Issued Aug 20, 2019				Issued Dec 30, 2019			
Ending June 30,	Interest Rates	Principal	Interest	Total	Interest Rates	Principal	Interest	Total
2025	4.00%	\$ 773	3	776	3.75%	\$ 7,445	94	7,539
2026		-	-	-		-	-	-
2027		-	-	-		-	-	-
Total		\$ 773	3	776		\$ 7,445	94	7,539

Year	Printer System				Total		
	Issued Dec 14, 2021						
Ending June 30,	Interest Rates	Principal	Interest	Total	Principal	Interest	Total
2025	3.50%	\$ 19,929	1,467	21,396	\$ 28,147	1,564	29,711
2026	3.50	20,638	758	21,396	20,638	758	21,396
2027	3.50	10,592	106	10,698	10,592	106	10,698
Total		\$ 51,159	2,331	53,490	\$ 59,377	2,428	61,805



IT Subscription Liability

On November 1, 2023, the County entered into an IT subscription license and services information technology agreement with Cott Systems for online index books. An initial IT subscription liability was recorded in the amount of \$128,278. The agreement requires one payment at the signing of the agreement of \$61,940, one payment of \$61,935 upon installation of the software, and monthly payments of \$130, with an implicit interest rate of 4.00% for the monthly payments and final payment due October 2026. During the year ended June 30, 2024, principal and interest paid were \$62,873 and \$107, respectively. Future principal and interest lease payments as of June 30, 2024 are as follows:

Year	Online Index Book			
	Issued Nov 1, 2023			
Ending June 30,	Interest Rates	Principal	Interest	Total
2025	4.00%	\$ 63,383	112	63,495
2026	4.00	1,506	54	1,560
2027	4.00	516	4	520
Total		\$ 65,405	170	65,575

General Obligation Bonds

On August 23, 2019, the County issued \$3,000,000 of General Obligation Peace Officer and Emergency Services Communication Equipment and Systems Bonds, Series 2019, with an interest rate of 3.95% per annum. The bonds were issued to provide funds for the purpose of paying the costs, to that extent, of peace officer communication equipment and other emergency services communications and systems. During the year ended June 30, 2024, the County paid principal of \$178,411 and interest of \$69,155 on the bonds.

On May 20, 2020, the County issued \$3,000,000 of General Obligation Road Improvement Bonds, Series 2020, with an interest rate of 1.60% per annum. The bonds were issued for the purpose of paying the costs, to that extent, of improvements to County bridges, roads and culverts. During the year ended June 30, 2024, the County paid principal of \$365,000 and interest of \$29,360 on the bonds.

A summary of the County's June 30, 2024 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Peace Officer and Emergency Services Communication Equipment and Systems			Road Improvements		
	Issued Aug 23, 2019			Issued May 5, 2020		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2025	3.95%	\$ 184,656	58,558	1.60%	\$ 370,000	23,520
2026	3.95	191,119	51,293	1.60	375,000	17,600
2027	3.95	197,808	43,743	1.60	175,000	11,600
2028	3.95	204,731	35,930	1.60	180,000	8,800
2029	3.95	211,897	27,843	1.60	185,000	5,920
2030-2032	3.95	498,732	32,128	1.60	185,000	2,960
Total		\$ 1,488,943	249,495		\$ 1,470,000	70,400

Year Ending June 30,	Total		
	Principal	Interest	Total
2025	\$ 554,656	82,078	636,734
2026	566,119	68,893	635,012
2027	372,808	55,343	428,151
2028	384,731	44,730	429,461
2029	396,897	33,763	430,660
2030-2032	683,732	35,088	718,820
Total	\$ 2,958,943	319,895	3,278,838

#### Urban Renewal Revenue Bonds

On October 10, 2017, the County issued \$1,500,000 of urban renewal tax increment (TIF) revenue bonds to pay the costs of projects located within the urban renewal area. The bonds bear interest at 2.65% per annum and are payable solely from the TIF receipts generated by increased property values in the County's TIF district and credited to the Special Revenue, Tax Increment Financing Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the urban renewal tax increment revenue bonds shall be expended only for obligations associated with purposes which are consistent with the plans of the County's urban renewal area. The bonds are not a general obligation of the County. However, the debt is subject to the constitutional debt limitation of the County. During the year ended June 30, 2024, the County paid principal of \$644,300 and interest of \$17,074 on the bonds. These payments were the final payments on the bonds.

On November 27, 2018, the County issued \$1,000,000 of urban renewal tax increment (TIF) revenue bonds to pay the costs of projects located within the urban renewal area. The bonds bear interest at 3.94% per annum and are payable solely from the TIF receipts generated by increased property values in the County's TIF district and credited to the Special Revenue, Tax Increment Financing Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the urban renewal tax increment revenue bonds shall be expended only for obligations associated with purposes which are consistent with the plans of the County's urban renewal area. The bonds are not a general obligation of the County. However, the debt is subject to the constitutional debt limitation of the County. During the year ended June 30, 2024, the County paid principal of \$221,124 and interest of \$21,277 on the bonds. Total principal and interest remaining on the bonds is \$315,757, payable through June 2027.

A summary of the County's June 30, 2024 urban renewal revenue bonded indebtedness is as follows:

Year Ending June 30,	Urban Renewal Area Projects			
	Issued Nov 27, 2018			
	Interest Rates	Principal	Interest	Total
2025	3.94%	\$ 104,158	17,169	121,327
2026	3.94	107,283	13,065	120,348
2027	3.94	104,316	8,838	113,154
Total		\$ 315,757	39,072	354,829

Installment Purchase Agreements – Direct Borrowing

On April 2, 2019, the County entered into an installment purchase agreement for ten motor graders with a total cost of \$3,128,860. The County received \$289,900 of trade-in allowance for ten used motor graders and applied \$650,000 as a down payment. The agreement bears interest at 3.90% per annum and is payable in annual installments of \$250,987 over five years, with a final payment of \$1,240,800, including interest of \$46,575 having been paid in fiscal year 2024. Payment was made from the Special Revenue, Secondary Roads Fund.

On October 29, 2019, the County entered into an interest free installment purchase agreement for \$137,001 to purchase land for conservation purposes. The agreement is payable over 9 years, with a \$1 down payment and annual installments of \$17,125 due by November 1, 2027. During the year ended June 30, 2024, the County paid \$17,125 in principal under the installment agreement. At June 30, 2024, the remaining balance is \$34,250

On March 2, 2020, the County entered into an interest free installment purchase agreement for \$125,000 to purchase land for conservation purposes. The agreement is payable over 5 years, with annual installments of \$25,000 due by March 20, 2024. Payments under the installment agreement totaled \$25,000, and the agreement is now paid in full.

According to the installment purchase agreements, in the event the County fails to meet the terms of the contracts, at option of the lender the entire remaining balance may become due and payable.

A summary of the County's June 30, 2024 installment purchase agreements is as follows:

Year Ending June 30,	Installment Purchase
	Conservation Land Purchase Oct 29, 2019
2025	\$ 17,125
2026	17,125
Total minimum payments	\$ 34,250

### Drainage Warrants Payable – Direct Borrowing

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

Drainage improvement certificates payable represent amounts due to purchasers of drainage improvement certificates. Drainage improvement certificates are waivers that provide for a landowner to pay an improvement assessment in installment payments over a designated number of years with interest at a designated interest rate. The improvement certificates representing the assessments or installments due from the landowner, are sold for cash as interest bearing certificates. Funds received from the sale of certificates are used to pay outstanding registered warrants issued to contractors who perform work on drainage district improvements and registered warrants issued for other related costs. Drainage improvement certificates are redeemed, and interest is paid to the bearer of the certificate upon receipt of the installment payment plus interest, from the landowner.

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

## **(7) Pension Plan**

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

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

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

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

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

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

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for more than 22 years of services 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 2024, 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 8.51% of covered payroll, for a total rate of 17.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% of covered payroll, for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2024 were \$1,809,222.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a liability of \$6,080,336 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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, 2023, the County's proportion was 0.134710%, which was an increase of 0.026999% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$821,060. At June 30, 2024, 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	\$ 1,454,112	29,263
Changes of assumptions	-	239,630
Net difference between projected and actual earnings on IPERS' investments	1,068,602	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	128,571	183,251
County contributions subsequent to the measurement date	<u>1,809,222</u>	-
Total	<u>\$ 4,460,507</u>	<u>452,144</u>

\$1,809,222 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, 2025. 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
2025	\$ (141,153)
2026	(702,326)
2027	2,462,013
2028	486,174
2029	<u>94,433</u>
Total	<u>\$ 2,199,141</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 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, 2023 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 2023 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	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
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)	\$ 17,698,126	6,080,336	(3,658,935)

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2024.

**(8) Other Postemployment Benefits (OPEB)**

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

OPEB Benefits – Individuals who are employed by Story County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement, which results in an implicit rate subsidy and an OPEB liability. In addition, retirees under age 65 receive single coverage at no cost for a number of months based on their years of service at retirement with a maximum of 36 months for 30 years of service, which results in an explicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement; with the exception of special service participants who must be age 50 with 22 years of service. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>259</u>
Total	<u><u>261</u></u>

Total OPEB Liability – The County's total OPEB liability of \$1,072,234 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.



Actuarial Assumptions – The total OPEB liability in the June 30, 2024 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, 2024)	2.60% per annum.
Rates of salary increase (effective June 30, 2024)	3.25% to 16.25 % average, including inflation plus merit/productivity increases.
Discount rate (effective June 30, 2024)	4.21% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2024)	8.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.21% 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 SOA Public Plan 2010 Mortality tables. 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	\$ 906,299
Changes for the year:	
Service cost	78,915
Interest	40,381
Differences between expected and actual experiences	12,717
Changes in assumptions	49,033
Benefit payments	<u>(15,111)</u>
Net changes	<u>165,935</u>
Total OPEB liability end of year	<u>\$ 1,072,234</u>

Changes of assumptions reflect a change in the discount rate from 4.13% in fiscal year 2023 to 4.21% in fiscal year 2024.

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 (3.21%) or 1% higher (5.21%) than the current discount rate.

	<u>1% Decrease (3.21%)</u>	<u>Discount Rate (4.21%)</u>	<u>1% Increase (5.21%)</u>
Total OPEB liability	\$ 1,152,355	1,072,234	996,471

Sensitivity of the County’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates  
 – The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.00%) or 1% higher (9.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 942,125	1,072,234	1,226,972

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2024, the County recognized OPEB expense (reduction) of \$50,159. At June 30, 2024, 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	\$ 138,695	783,830
Changes in assumptions	219,936	178,599
Total	\$ 358,631	962,429

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

Year Ending June 30,	Amount
2025	\$ (54,026)
2026	(54,026)
2027	(54,030)
2028	(50,139)
2029	(58,741)
Thereafter	(332,836)
	\$ (603,798)

**(9) 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 803 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.

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

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

The County's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County's contributions to the Pool for the year ended June 30, 2024 were \$448,841.

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 \$500,000 each occurrence, each location. Property risks 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.

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, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation in the amount of \$5,000,000, crime in the amount of \$100,000 and bond and employee dishonesty in amounts ranging from \$20,000 to \$50,000. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(10) Employee Health Insurance Plan**

The Internal Service, Employee Insurance Fund was established to account for the collection of premiums from individuals and departments which are then paid to Wellmark. The County has a fully-insured health insurance plan with Wellmark. Monthly payments of service fees and plan contributions are recorded as expenditures in the operating funds at the time of payment to the Internal Service, Employee Insurance Fund maintained by the County Treasurer. The plan is administered through a service agreement with Wellmark. The County's contribution for the year ended June 30, 2024 was \$3,618,883.

Amounts payable from the Employee Insurance Fund at June 30, 2024 total \$633,165, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve for catastrophic losses. That reserve was \$4,777,951 at June 30, 2024 and is reported as a designation of the Internal Service, Employee Insurance Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage of \$75,000 in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$ 618,633
Incurred claims (including claims incurred but not reported at June 30, 2024)	3,549,865
Payments:	
Payment on claims during the year	<u>3,535,333</u>
Unpaid claims end of year	<u>\$ 633,165</u>

**(11) Dental Insurance Plan**

The Internal Service, Dental Self-Insurance Fund was established to account for the collection of premiums from individuals which are then paid to Delta Dental. The County has a fully-insured dental insurance plan with Delta Dental. Monthly payments of service fees and plan contributions are recorded as payroll deductions in the operating funds at the time of payment to the Internal Service, Dental Self-Insurance Fund maintained by the County Treasurer. The plan is administered through a service agreement with Delta Dental. The County employee payroll contribution for the year ended June 30, 2024 was \$167,955.

Amounts payable from the Dental Self-Insurance Fund at June 30, 2024 total \$33,524, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior year and current year claims and to establish a reserve. That reserve was \$138,259 at June 30, 2024 and is reported as a designation of the Internal Service, Dental Self-Insurance Fund net position. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The maximum annual benefit is limited to \$1,500 per person. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$	31,689
Incurred claims (including claims incurred but not reported at June 30, 2023)		169,399
Payments:		
Payment on claims during the year		<u>167,564</u>
Unpaid claims end of year	\$	<u>33,524</u>

**(12) Employee Flex Benefit Plan**

Eligible County employees receive \$145.30 as a flexible benefit each month as “Other Earnings” in their paychecks that can be used towards dental insurance premiums, vision insurance premiums, FSA medical spending plan, dependent care assistance plan or can be taken in cash. Total premium costs are taken as a pre-tax deduction from the employee’s paycheck. The \$145.30 monthly “Other Earnings” is subject to IPERS and considered taxable wages if not used for dental insurance premiums, vision insurance premiums, FSA medical spending plan or the dependent care assistance plan.

**(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 Iowa Retirement Investors’ Club 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 also provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the cities of Nevada and Story City offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Ames	Urban renewal and economic development projects	\$ 77,561
City of Colo	Urban renewal and economic development projects	21,616
City of Huxley	Urban renewal and economic development projects	109,409
City of Nevada	Urban renewal and economic development projects	48,587
	Chapter 404 tax abatement program	98,549
City of Roland	Urban renewal and economic development projects	8,570
City of Slater	Urban renewal and economic development projects	8,965
City of Story City	Chapter 404 tax abatement program	16,531

**(15) Early Childhood Iowa Area Board**

Story County was the fiscal agent for BooST Together for Children (Early Childhood Iowa Area Board consisting of Story County and Boone County) until December 31, 2023, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization. The Area Board’s financial data for the year ended June 30, 2024 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 70,494	-	70,494
School ready general use	-	268,807	268,807
Total state grants	70,494	268,807	339,301
Interest on investments	406	1,796	2,202
Local funds	-	4,500	4,500
Total revenues	70,900	275,103	341,503
Expenditures:			
Program services:			
Early childhood	34,172	-	34,172
Quality improvement	-	25,180	25,180
School ready general use	-	36,225	36,225
Total program services	34,172	61,405	95,577
Administration	3,861	40,441	44,302
Local funds	1,231	-	1,231
Total expenditures	39,264	101,846	141,110
Excess of receipts over disbursements	31,636	173,257	204,893
Transfer funds to fiscal agent	(58,174)	(264,654)	(322,828)
Change in fund balance	(26,538)	(91,397)	(117,935)
Fund balance beginning of year	26,538	91,397	117,935
Fund balance end of year	\$ -	-	-

**(16) Urban Renewal Economic Development Project Obligations**

The County has established an Urban Renewal Area Plan to use incremental property tax revenues to finance public improvements intended to promote the quality of life for residents and promote economic growth. The County has approved economic development projects with other governmental entities within the County and certified obligations through amendments to its Urban Renewal Area Plan. During fiscal year 2024, the County paid \$49,885 to other governments for economic development projects. At June 30, 2024, the outstanding balance of economic development project obligations was \$59,609. These obligations have not been reflected in the County’s financial statements because the underlying public improvement projects have not been substantially completed to fulfill requirements for reimbursement.

**(17) Subsequent Event**

On November 5, 2024, the voters of Story County approved the issuance of general obligation bonds not to exceed \$25,000,000 for conservation and recreational projects to enhance water quality and habitat, enhance river and stream buffers and improving parks and trails.

**Required Supplementary Information**



Story 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, 2024

	Actual	Less Funds not Required to be Budgeted	Net
<b>Receipts:</b>			
Property and other county tax	\$ 32,568,793	-	32,568,793
Interest and penalty on property tax	128,051	-	128,051
Intergovernmental	8,795,070	-	8,795,070
Licenses and permits	99,553	-	99,553
Charges for service	1,835,931	-	1,835,931
Use of money and property	3,243,936	-	3,243,936
Miscellaneous	1,330,751	275,675	1,055,076
<b>Total receipts</b>	<b>48,002,085</b>	<b>275,675</b>	<b>47,726,410</b>
<b>Disbursements:</b>			
Public safety and legal services	15,825,221	-	15,825,221
Physical health and social services	3,797,723	-	3,797,723
County environment and education	7,152,121	253,519	6,898,602
Roads and transportation	11,343,602	-	11,343,602
Governmental services to residents	1,668,017	-	1,668,017
Administration	8,484,994	-	8,484,994
Nonprogram	1,457,710	-	1,457,710
Debt service	1,651,695	105,394	1,546,301
Capital projects	3,727,055	-	3,727,055
<b>Total disbursements</b>	<b>55,108,138</b>	<b>358,913</b>	<b>54,749,225</b>
Deficiency of receipts under disbursements	(7,106,053)	(83,238)	(7,022,815)
Other financing sources, net	200,866	6,402	194,464
Change in balances	(6,905,187)	(76,836)	(6,828,351)
Balance beginning of year	49,403,968	411,449	48,992,519
Balance end of year	\$ 42,498,781	334,613	42,164,168

See accompanying independent auditor's report.

---

Budgeted Amounts		Final to
Original	Final	Net
		Variance
32,401,294	32,401,294	167,499
75,000	75,000	53,051
8,885,391	8,564,871	230,199
68,500	80,300	19,253
1,994,240	1,952,610	(116,679)
684,866	2,830,541	413,395
721,250	1,093,450	(38,374)
44,830,541	46,998,066	728,344
16,893,973	16,623,107	797,886
5,025,079	5,817,127	2,019,404
7,068,210	8,369,306	1,470,704
12,340,890	12,597,830	1,254,228
1,746,213	1,801,918	133,901
8,930,670	9,431,989	946,995
2,020,000	1,683,473	225,763
1,579,524	1,579,524	33,223
8,264,457	6,473,568	2,746,513
63,869,016	64,377,842	9,628,617
(19,038,475)	(17,379,776)	10,356,961
33,000	169,600	(24,864)
(19,005,475)	(17,210,176)	(10,381,825)
38,311,307	48,779,419	(213,100)
19,305,832	31,569,243	(10,594,925)

---

---

Story County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation  
Required Supplementary Information

Year ended June 30, 2024

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 48,002,085	5,585,435	53,587,520
Expenditures	55,108,138	871,228	55,979,366
Net	(7,106,053)	4,714,207	(2,391,846)
Other financing sources, net	200,866	148,881	349,747
Beginning fund balances	49,403,968	(15,117,064)	34,286,904
Ending fund balances	<u>\$ 42,498,781</u>	<u>(10,253,976)</u>	<u>32,244,805</u>

See accompanying independent auditor's report.

Story County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2024

This 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 \$508,826. 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, for the 911 System by the Joint 911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2024, disbursements did not exceed the amount budgeted by function. However, disbursements in one department exceeded the amount appropriated prior to the first budget amendment.

Story County

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

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

Required Supplementary Information

	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.134710%	0.107711%	1.361042% **	0.161938%
County's proportionate share of the net pension liability (asset)	\$ 6,080	4,069	(4,699)	11,376
County's covered payroll	\$ 19,024	17,913	17,546	16,962
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	31.96%	22.72%	(26.78)%	67.07%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%

\* 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.

---

2020	2019	2018	2017	2016	2015
0.150443%	0.151779%	0.164576%	0.160859%	0.191537%	0.190907%
8,712	9,605	10,963	10,123	9,463	7,571
16,582	15,798	15,605	14,622	17,396	17,542
52.54%	60.80%	70.25%	69.23%	54.40%	43.16%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

---

Story County

Schedule of County Contributions

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

Required Supplementary Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 1,809	1,774	1,675	1,656
Contributions in relation to the statutorily required contribution	<u>(1,809)</u>	<u>(1,774)</u>	<u>(1,675)</u>	<u>(1,656)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 19,485	19,024	17,913	17,546
Contributions as a percentage of covered payroll	9.28%	9.33%	9.35%	9.44%

See accompanying independent auditor's report.

---

2020	2019	2018	2017	2016	2015
1,614	1,591	1,442	1,427	1,343	1,600
(1,614)	(1,591)	(1,442)	(1,427)	(1,343)	(1,600)
-	-	-	-	-	-
16,962	16,582	15,798	15,605	14,622	17,396
9.52%	9.59%	9.13%	9.14%	9.18%	9.20%



**Story County**

Story County

Notes to Required Supplementary Information – Pension Liability (Asset)

Year ended June 30, 2024

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%.

---

Story County

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

For the Last Eight Years

Required Supplementary Information

	2024	2023	2022	2021
Service cost	\$ 78,915	124,009	170,170	140,456
Interest cost	40,381	63,881	39,558	42,465
Difference between expected and actual experiences	12,717	(717,647)	(140,880)	(40,502)
Changes in assumptions	49,033	24,078	(211,221)	120,777
Benefit payments	(15,111)	(51,273)	(60,702)	(105,053)
Net change in total OPEB liability	165,935	(556,952)	(203,075)	158,143
Total OPEB liability beginning of year	906,299	1,463,251	1,666,326	1,508,183
Total OPEB liability end of year	1,072,234	906,299	1,463,251	1,666,326
Covered-employee payroll	\$ 19,859,009	17,772,433	17,778,134	16,745,067
Total OPEB liability as a percentage of covered-employee payroll	5.40%	5.10%	8.23%	9.95%

See accompanying independent auditor's report.

---

2020	2019	2018	2017
127,366	81,028	75,302	80,859
54,635	48,807	41,218	32,737
(119,591)	185,483	118,091	-
91,432	64,627	(23,346)	(43,293)
(148,407)	(113,604)	(113,733)	(104,342)
5,435	266,341	97,532	(34,039)
1,502,748	1,236,407	1,138,875	1,172,914
1,508,183	1,502,748	1,236,407	1,138,875
15,881,003	15,602,603	14,593,861	14,032,559
9.50%	9.63%	8.47%	8.12%

Story County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2024

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

The 2023 valuation implemented the following refinements as a result of a new actuarial opinion dated June 30, 2023:

- Changed mortality assumptions to the SOA Public Plan 2010 Mortality tables.

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, 2024	4.21%
Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.56%
Year ended June 30, 2016	2.92%

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

**Supplementary Information**

Story County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2024

				Special
	County Recorder's Records Management	Drainage Districts	Resource Enhancement and Protection	Special Law Enforcement
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 77,785	334,613	133,519	140,858
Receivables:				
Property tax:				
Succeeding year tax increment financing	-	-	-	-
Accounts	931	-	-	-
Accrued interest	159	-	274	-
Drainage assessments	-	214,834	-	-
Due from other governments	-	-	-	108
Opioid settlement	-	-	-	-
<b>Total assets</b>	<b>\$ 78,875</b>	<b>549,447</b>	<b>133,793</b>	<b>140,966</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	-	1,876	26
Due to other governments	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,876</b>	<b>26</b>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year tax increment financing	-	-	-	-
Other purposes	-	214,834	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>214,834</b>	<b>-</b>	<b>-</b>
Fund balances:				
Restricted for:				
Conservation purposes	-	-	131,917	-
Debt service	-	-	-	-
Drainage purposes	-	334,613	-	-
Friends of animals	-	-	-	-
Opioid abatement	-	-	-	-
Other purposes	78,875	-	-	140,940
<b>Total fund balances</b>	<b>78,875</b>	<b>334,613</b>	<b>131,917</b>	<b>140,940</b>
<b>Total liabilities, deferred inflows of resources     and fund balances</b>	<b>\$ 78,875</b>	<b>549,447</b>	<b>133,793</b>	<b>140,966</b>

See accompanying independent auditor's report.

Revenue					
Tax Increment Financing	Friends of Animals	Friends of Conservation	Sheriff Reserve Officers	Local Government Opioid Abatement	Total
151,551	133,662	1,456,690	29,706	796,970	3,255,354
277,000	-	-	-	-	277,000
-	216	1,250	114	-	2,511
-	274	2,985	-	1,633	5,325
-	-	-	-	-	214,834
-	-	-	-	-	108
-	-	-	-	2,283,283	2,283,283
428,551	134,152	1,460,925	29,820	3,081,886	6,038,415
3,167	1,492	4,345	-	-	10,906
8,240	-	105	-	-	8,345
11,407	1,492	4,450	-	-	19,251
277,000	-	-	-	-	277,000
-	-	-	-	2,283,283	2,498,117
277,000	-	-	-	2,283,283	2,775,117
-	-	1,456,475	-	-	1,588,392
140,144	-	-	-	-	140,144
-	-	-	-	-	334,613
-	132,660	-	-	-	132,660
-	-	-	-	798,603	798,603
-	-	-	29,820	-	249,635
140,144	132,660	1,456,475	29,820	798,603	3,244,047
428,551	134,152	1,460,925	29,820	3,081,886	6,038,415



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

Year ended June 30, 2024

	County Recorder's Records Management	Drainage Districts	Resource Enhancement and Protection	Special Law Enforcement
				Special
Revenues:				
Tax increment financing	\$ -	-	-	-
Intergovernmental	-	-	32,107	-
Charges for service	9,189	-	-	-
Use of money and property	2,005	-	3,293	-
Miscellaneous	-	275,675	-	34,224
Total revenues	11,194	275,675	35,400	34,224
Expenditures:				
Operating:				
Public safety and legal services	-	-	-	9,750
County environment and education	-	253,519	16,250	-
Government Services to Residents	10,800	-	-	-
Debt service	-	105,394	-	-
Capital projects	-	-	-	-
Total expenditures	10,800	358,913	16,250	9,750
Excess (deficiency) of revenues over (under) expenditures	394	(83,238)	19,150	24,474
Other financing sources:				
Drainage warrants issued	-	6,402	-	-
Change in fund balances	394	(76,836)	19,150	24,474
Fund balances beginning of year	78,481	411,449	112,767	116,466
Fund balances end of year	\$ 78,875	334,613	131,917	140,940

See accompanying independent auditor's report.

Revenue						
Tax Increment Financing	Friends of Animals	Friends of Conservation	Sheriff Reserve Officers	Local Government Opioid Abatement		Total
970,472	-	-	-	-		970,472
-	-	200,000	-	-		232,107
-	-	-	120	-		9,309
-	3,539	33,291	-	18,068		60,196
-	37,257	187,747	-	415,869		950,772
970,472	40,796	421,038	120	433,937		2,222,856
-	-	-	4,987	-		14,737
61,292	37,709	22,699	-	-		391,469
-	-	-	-	-		10,800
903,775	-	-	-	-		1,009,169
-	-	250,710	-	-		250,710
965,067	37,709	273,409	4,987	-		1,676,885
5,405	3,087	147,629	(4,867)	433,937		545,971
-	-	-	-	-		6,402
5,405	3,087	147,629	(4,867)	433,937		552,373
134,739	129,573	1,308,846	34,687	364,666		2,691,674
140,144	132,660	1,456,475	29,820	798,603		3,244,047

**Schedule 3**

---

Story County  
Combining Schedule of Net Position  
June 30, 2024

	Employee Insurance	Dental Self-Insurance	Total
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 4,817,206	127,351	4,944,557
Cash held by health plan trustee	593,910	44,432	638,342
<b>Total assets</b>	<u>5,411,116</u>	<u>171,783</u>	<u>5,582,899</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	633,165	33,524	666,689
<b>Net Position</b>			
Restricted for employee health	4,308,294	105,266	4,413,560
Unrestricted	469,657	32,993	502,650
<b>Total net position</b>	<u>\$ 4,777,951</u>	<u>138,259</u>	<u>4,916,210</u>

See accompanying independent auditor's report.

## Story County

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

June 30, 2024

	Employee Insurance	Dental Self-Insurance	Total
Operating revenues:			
Reimbursements from operating funds and other governmental units	\$ 3,618,883	-	3,618,883
Reimbursements from employees and others	417,751	167,955	585,706
Total operating revenues	4,036,634	167,955	4,204,589
Operating expenses:			
Medical claims	3,422,088	149,069	3,571,157
Insurance premiums	126,259	20,330	146,589
Administrative costs	1,518	-	1,518
Total operating expenses	3,549,865	169,399	3,719,264
Operating income (loss)	486,769	(1,444)	485,325
Net position beginning of year	4,291,182	139,703	4,430,885
Net position end of year	\$ 4,777,951	138,259	4,916,210

See accompanying independent auditor's report.

**Story County**

Story County  
Combining Statement of Cash Flows  
Year ended June 30, 2024

	Employee Insurance	Dental Self-Insurance	Total
Cash flows from operating activities:			
Cash received from operating funds and other governmental units	\$ 3,618,883	-	3,618,883
Cash received from employees and others	417,751	167,955	585,706
Cash paid to suppliers for services	(3,535,333)	(167,564)	(3,702,897)
Net cash provided by operating activities and net increase in cash and cash equivalents	501,301	391	501,692
Cash and cash equivalents beginning of year	4,909,815	171,392	5,081,207
Cash and cash equivalents end of year	<u>\$ 5,411,116</u>	<u>171,783</u>	<u>5,582,899</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 486,769	(1,444)	485,325
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in liabilities:			
Accounts payable	14,532	1,835	16,367
Net cash provided by operating activities	<u>\$ 501,301</u>	<u>391</u>	<u>501,692</u>

See accompanying independent auditor's report.

Story County  
Combining Schedule of Fiduciary Net Position  
Custodial Funds  
Year ended June 30, 2024

	County Offices	Central Iowa Community Services	Agricultural Extension Education	County Assessor	City Assessor	Schools
<b>Assets</b>						
Cash and pooled investments:						
County Treasurer	\$ -	6,671,597	2,115	233,530	1,048,166	268,321
Other County officials	211,879	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	-	338	1,026	92	43,138
Succeeding year	-	-	656,000	1,201,000	1,130,000	87,287,000
Accounts	44	500	-	-	1,170	-
Accrued interest	-	23,860	-	-	-	-
Assessments	-	-	-	-	-	-
Due from other governments	150	-	-	-	-	-
Prepaid expense	-	-	-	15,476	14,664	-
<b>Total assets</b>	<b>212,073</b>	<b>6,695,957</b>	<b>658,453</b>	<b>1,451,032</b>	<b>2,194,092</b>	<b>87,598,459</b>
<b>Liabilities:</b>						
Accounts payable	-	2,419,958	-	1,425	4,931	-
Salaries and benefits payable	-	-	-	34,826	-	-
Due to other governments	136,728	321,461	2,115	-	49,392	268,321
Trusts payable	75,345	-	-	-	-	-
Stamped warrants payable	-	-	-	-	-	-
Compensated absences	-	-	-	66,680	-	-
<b>Total liabilities</b>	<b>212,073</b>	<b>2,741,419</b>	<b>2,115</b>	<b>102,931</b>	<b>54,323</b>	<b>268,321</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	-	-	656,000	1,201,000	1,130,000	87,287,000
<b>Net Position</b>						
Restricted for individuals, organizations and other governments	\$ -	3,954,538	338	147,101	1,009,769	43,138

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
13,432	142,739	3,982	4,148	2,280,391	2,520,710	13,189,131
-	-	-	-	-	-	211,879
2,145	21,972	857	-	-	2,689	72,257
4,427,000	54,596,000	882,000	-	-	5,432,000	155,611,000
-	-	-	-	-	21,412	23,126
-	-	-	-	-	2,922	26,782
-	-	-	851,297	-	50,473	901,770
-	-	-	-	-	88,935	89,085
-	-	-	-	-	20,773	50,913
4,442,577	54,760,711	886,839	855,445	2,280,391	8,139,914	170,175,943
-	-	-	-	-	5,943	2,432,257
-	-	-	-	-	12,995	47,821
13,432	142,739	3,982	855,445	2,280,391	25,141	4,099,147
-	-	-	-	-	675,245	750,590
-	-	-	-	-	22,905	22,905
-	-	-	-	-	15,691	82,371
13,432	142,739	3,982	855,445	2,280,391	757,920	7,435,091
4,427,000	54,596,000	882,000	-	-	5,432,000	155,611,000
2,145	21,972	857	-	-	1,949,994	7,129,852



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

Year ended June 30, 2024

	County Offices	Central Iowa Community Services	Agricultural Extension Education	County Assessor	City Assessor	Schools
<b>Additions:</b>						
Property and other county tax	\$ -	-	642,077	827,216	1,181,694	82,502,631
911 surcharge	-	-	-	-	-	-
State tax credits	-	-	28,678	51,656	56,137	2,789,218
Office fees and collections	1,617,898	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Trusts	1,485,036	-	-	-	-	-
Miscellaneous	-	18,273,857	-	475	1,170	6,379
Total additions	3,102,934	18,273,857	670,755	879,347	1,239,001	85,298,228
<b>Deductions:</b>						
Agency remittances:						
To other funds	613,390	-	-	-	-	-
To other governments	1,003,700	19,767,151	670,760	1,019,053	1,109,994	85,302,424
Trusts paid out	1,485,844	-	-	-	-	-
Total deductions	3,102,934	19,767,151	670,760	1,019,053	1,109,994	85,302,424
Changes in net position	-	(1,493,294)	(5)	(139,706)	129,007	(4,196)
Net position beginning of year	-	5,447,832	343	286,807	880,762	47,334
Balances end of year	\$ -	3,954,538	338	147,101	1,009,769	43,138

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
4,076,622	51,683,145	828,634	-	-	5,103,190	146,845,209
-	-	-	-	-	215,975	215,975
137,154	2,475,183	40,513	-	-	253,372	5,831,911
-	-	-	-	-	-	1,617,898
-	-	-	-	29,299,983	-	29,299,983
-	-	-	26,487	-	30,132	56,619
-	-	-	-	-	1,632,459	3,117,495
-	-	981	-	-	1,669,245	19,952,107
4,213,776	54,158,328	870,128	26,487	29,299,983	8,904,373	206,937,197
-	-	-	-	828,036	-	1,441,426
4,213,697	54,148,050	870,246	26,487	28,471,947	6,622,545	203,226,054
-	-	-	-	-	2,252,451	3,738,295
4,213,697	54,148,050	870,246	26,487	29,299,983	8,874,996	208,405,775
79	10,278	(118)	-	-	29,377	(1,468,578)
2,066	11,694	975	-	-	1,920,617	8,598,430
2,145	21,972	857	-	-	1,949,994	7,129,852

Story County

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

For the Last Ten Years

	2024	2023	2022	2021
<b>Revenues:</b>				
Property and other county tax	\$ 28,335,867	27,277,546	28,862,206	28,343,859
Tax increment financing	970,472	879,216	840,254	873,292
Local option sales tax	3,310,797	3,167,689	3,105,279	2,962,504
Interest and penalty on property tax	128,051	151,310	130,213	197,240
Intergovernmental	14,238,786	11,664,384	10,010,008	12,149,669
Licenses and permits	102,061	104,630	69,366	80,899
Charges for service	1,848,438	1,863,739	1,989,768	2,018,158
Use of money and property	3,379,648	1,987,034	202,529	433,275
Miscellaneous	1,273,400	2,116,164	762,370	1,353,790
<b>Total</b>	<b>\$ 53,587,520</b>	<b>49,211,712</b>	<b>45,971,993</b>	<b>48,412,686</b>
<b>Expenditures:</b>				
<b>Operating:</b>				
Public safety and legal services	\$ 15,832,087	15,692,619	14,596,096	14,501,196
Physical health and social services	3,639,262	3,352,889	2,710,127	2,565,132
Mental health	-	-	2,289,447	2,425,747
County environment and education	7,347,818	6,436,695	5,063,834	4,771,785
Roads and transportation	11,274,792	7,931,752	6,583,635	7,054,891
Governmental services to residents	1,784,257	1,947,123	1,459,819	1,525,285
Administration	8,485,402	7,947,666	7,397,216	6,942,787
Nonprogram	1,958,355	1,000,242	-	-
Debt service	1,651,695	2,681,855	1,601,767	2,000,595
Capital projects	4,005,698	1,714,789	1,972,850	4,380,327
<b>Total</b>	<b>\$ 55,979,366</b>	<b>48,705,630</b>	<b>43,674,791</b>	<b>46,167,745</b>

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
27,377,104	25,122,663	23,694,457	22,804,363	24,001,196	22,069,411
875,628	860,702	921,259	982,361	802,605	612,399
2,424,139	2,287,087	2,198,341	2,206,814	2,241,205	2,288,611
62,001	125,230	115,792	105,109	123,483	102,467
9,103,626	9,476,410	8,075,981	8,600,246	9,520,715	9,890,941
245,840	65,332	81,188	85,488	55,514	53,983
1,790,441	1,725,272	1,839,909	1,824,028	1,761,351	1,866,733
784,206	879,170	510,252	2,080,054	755,325	281,396
868,517	843,148	1,910,329	1,034,738	758,491	837,706
43,531,502	41,385,014	39,347,508	39,723,201	40,019,885	38,003,647
14,240,542	13,043,941	12,099,746	11,348,017	11,031,889	10,469,437
2,260,831	2,397,772	2,334,249	2,448,548	2,315,177	2,320,342
2,940,578	2,092,934	2,031,539	2,034,835	4,054,405	8,675,130
4,819,713	4,418,670	4,801,702	4,302,414	3,580,630	3,574,712
6,722,666	9,148,189	6,889,882	5,822,801	5,282,732	5,962,458
1,553,327	1,249,746	1,172,742	1,215,079	1,626,578	1,097,132
6,393,209	6,410,936	5,684,129	5,389,514	5,408,901	4,731,940
23,697	55,282	84,132	293,385	34,318	-
1,139,678	1,744,176	2,225,906	1,381,687	3,660,672	1,217,786
4,175,215	4,546,146	4,357,481	2,132,895	1,490,987	2,340,217
44,269,456	45,107,792	41,681,508	36,369,175	38,486,289	40,389,154

**Schedule 9**

Story County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Grantor/Program	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2129924	\$ 71,813
Total U.S. Department of Agriculture			<u>71,813</u>
U.S. Department of Defense:			
Passed through Iowa Office of Treasurer of State:			
Payments to States in Lieu of Real Estate Taxes	12.112	FY24	2,453
Total U.S. Department of Defense			<u>2,453</u>
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226	FY24	596
Passed through Iowa Department of Natural Resources:			
Outdoor Recreation Acquisition, Development and Planning	15.916	19-01362	200,000
Total U.S. Department of the Interior			<u>200,596</u>
U.S. Department of Justice:			
Passed through Iowa Office of Attorney General:			
Crime Victim Assistance	16.575	15POVC-23-GG-00396-ASSI	37,500
Violence Against Women Formula Grants	16.588	PR-2024-Story CA-00003	21,996
Bulletproof Vest Partnership Program	16.607	FY24	4,842
Passed through Iowa Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	21-JAG-499291	33,300
Edward Byrne Memorial Justice Assistance Grant Program	16.738	21-JAG/CJE-529269	9,000
			<u>42,300</u>
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	19-COAP-05	95,698
Equitable Sharing Program	16.922	IA0850000	31,755
Total U.S. Department of Justice			<u>234,091</u>
U.S. Department of Transportation:			
Passed through Iowa Department of Public Safety:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	PAP 23-402-MOPT 79-00-00	5,308
State and Community Highway Safety	20.600	402-PT-2024 05-40-82	15,022
Total U.S. Department of Transportation			<u>20,330</u>
U.S. Department of the Treasury:			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA	5,535,104
Passed through Iowa Department of Corrections			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	250-9999-HFI	420
Passed through Iowa Department of Agriculture and Land Stewardship			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027	009-CIP1-CON	96,233
Total U.S. Department of Treasury			<u>5,631,757</u>
U.S. Department of Health and Human Services:			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Guardianship Assistance	93.090	00002129924	19
Passed through Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5884I485	17,923
Immunization Cooperative Agreements	93.268	5885BT485	10,109
			<u>28,032</u>

Story County  
 Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2024

Grantor/Program	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
U.S. Department of Health and Human Services: (continued)			
Passed through Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention Program	93.472	00002129924	2,526
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	00002129924	453
Foster Care - Title IV-E	93.658	00002129924	13,739
Adoption Assistance	93.659	00002129924	9,505
Social Services Block Grant	93.667	00002129924	19,537
Children's Health Insurance Program	93.767	00002129924	2,182
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	00002129924	12,498
Medicaid Cluster:			
Medical Assistance Program	93.778	00002129924	111,705
Total U.S. Department of Health and Human Services			200,196
Total			\$ 6,361,236

**Basis of Presentation** – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Story County under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Story County, it is not intended to and does not present the financial position, changes in financial position or cash flows of Story County.

**Summary of Significant Accounting Policies** – Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rate** – Story County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.



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

Rob Sand  
Auditor of State

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

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 Story 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 Story County, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Story 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 Story County's internal control. Accordingly, we do not express an opinion on the effectiveness of Story County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Story 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 Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## Story County's Responses to Findings

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

January 21, 2025



**Story County**



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

Rob Sand  
Auditor of State

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

Independent Auditor's Report on Compliance  
for Each Major Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance

To the Officials of Story County:

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

We have audited Story County, Iowa's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on Story County's major federal program for the year ended June 30, 2024. Story County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Story County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Story County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Story County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Story County's federal programs.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Story County's compliance based on our audit. 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, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgment made by a reasonable user of the report on compliance about Story County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Story County's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Story County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Story County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

## Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Brian R. Brustkern, CPA  
Deputy Auditor of State

January 21, 2025

Story County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

**Part I: Summary of the Independent Auditor's Results:**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was Assistance Listing Number 21.027 – COVID-19, Coronavirus State and Local Fiscal Recovery Funds.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Story County did not qualify as a low-risk auditee.

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

2024-001 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 Treasurer’s Office may have control over the following area for which no compensating controls exist:

- Incoming mail is opened by an employee who is authorized to make entries to the accounting records.

Cause – The Treasurer’s Office has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions, processes and reports.

Effect – Inadequate segregation of duties could adversely affect the County’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 – The Treasurer should review the operating procedures of the office to obtain the maximum internal control possible under the circumstances. The Treasurer should utilize current personnel, including elected officials, to provide additional control through review of financial transactions, reconciliations and reports.

Response –

County Treasurer – This is a difficult control to satisfy due to the structure of independent county offices and the budgetary constraints on staffing to satisfy Story County’s core value of efficiency. Therefore, we will rotate mail-opening duties between supervisory staff within the department to mitigate the risk and limit exposure. We will also ask our Recorder’s Office to do random mail checks with our staff to have some outside assistance. We will be vigilant to monitor the process and create an environment of shared oversight. We will also regularly examine our internal control processes to ensure we are providing accurate and honest financial information.

Conclusion – Response accepted.

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

2024-002 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 capital asset additions and receivables were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly record these amounts in the financial statements.

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

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

Recommendation – The County should implement procedures to ensure capital asset additions and receivables are identified and reported in the County's financial statements.

Response – The County will make every effort to convey to ALL departments the importance of following the procedures in place for the recording of information into capital assets and accounts receivable and require additional reviews across departments and offices.

Conclusion – Response accepted.

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No material weaknesses in internal control over the major program were noted.



Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

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

2024-A Certified Budget – Disbursements during the year ended June 30, 2024 did not exceed the amounts budgeted. However, disbursements in one department exceeded the amount appropriated before the first budget amendment.

Recommendation – 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 appropriation for the department should have been approved prior to final payment for the roofing but was overlooked. The timing of Board meetings was such that it was not possible to have the Board act on the needed appropriation before the end of the month. Closer scrutiny to payments at the beginning of the fiscal year will be a priority going forward.

Conclusion – Response accepted.

2024-B Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

2024-C Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

2024-D Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Marianne Harrelson, Conservation Office, Husband owns R&M Automotive	Vehicle repairs	\$ 1,382

In accordance with Chapter 331.342(2)(j) of the Code of Iowa, the transactions with R&M Automotive do not appear to represent conflicts of interest since the total transactions were less than \$6,000 during the fiscal year.

2024-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.

2024-F Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

- 2024-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- 2024-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.
- 2024-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).
- 2024-J Early Childhood Iowa Area Board – The County is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the County’s financial statements as part of the Other Custodial Funds because of the County’s fiduciary relationship with the organization.
- 2024-K Annual Urban Renewal Report – The Annual Urban Renewal Report was approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.
- 2024-L Tax Increment Financing (TIF) – Payments from the Special Revenue, Tax Increment Financing (TIF) Fund properly included only payments for TIF loans and rebates. Also, Story County properly completed the Tax Increment Debt Forms 1, 2 or 3, as appropriate, to certify TIF obligations (debt), to decertify TIF debt or to request a reduced distribution of TIF.
- 2024-M County Attorney’s Salary – The County Attorney’s salary was over the statutorily allowed maximum for fiscal year 2024. Chapter 331.752(5) of the Code of Iowa states, “Except in counties having a population of more than two hundred thousand, the annual salary of a full-time County Attorney shall be an amount which is between forty-five percent and one hundred percent of the annual salary received by a District Court Judge.” The annual salary of a District Court Judge in fiscal year 2024 was \$158,056 while the Story County Attorney’s salary was \$167,474.

Also, one Assistant County Attorney’s salary was over the statutorily allowed maximum for fiscal year 2024. Chapter 331.757(2) of the Code of Iowa states, “Except in counties having a population of more than two hundred thousand, the annual salary of an assistant county attorney shall not exceed eighty-five percent of the maximum annual salary of a full-time county attorney.” In fiscal year 2024, the maximum annual salary for an assistant county attorney in a county with a population less than two hundred thousand was \$134,348 while one assistant county attorney had a salary of \$142,353.

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

Recommendation – The County should change the salaries of the County Attorney and Assistant County Attorney to be in line with the Code of Iowa.

Response – The above assertions concerning limitations of the salaries of the County Attorney and Assistant County Attorney are based on incorrect statutory interpretation of *Code of Iowa* §331.752(5) which is not cited in its full text above and taken out of context in light of other statutory provisions. The full text reads as follows:

“5. The resolution **changing the status** of a county attorney shall state the **initial annual salary** to be paid to the county attorney when the full-time or part-time status is effective. The annual salary specified in the resolution shall remain effective until changed as provided in §331.907. Except in counties having a population of more than two hundred thousand, the annual salary of a full-time county attorney shall be an amount which is between forty-five percent and one hundred percent of

The annual salary received by a district court judge.” (emphasis added).

When read in its full context, this section only applies when a resolution by the Board of Supervisors is approved in which the full-time or part-time status of the County is changed and sets an initial salary. If the Board of Supervisors is not changing the full or part time status of the County Attorney position, the salary threshold cap in *Code of Iowa* §331.752 does not apply. Beyond the plain language of this subsection of the *Code of Iowa*, this interpretation is further supported by the fact that similar language limiting a County Attorney’s salary is not present anywhere in *Code of Iowa* §331.907 that governs the ongoing compensation of all elected county officials. That section requires a county compensation board meet annually and “review the compensation paid to comparable officers in other counties of this state, other states, private enterprise, and the federal government” and then recommends a compensation schedule to the Board of Supervisors. §331.907 does not limit subsequent compensation of part-time or full-time county attorneys and only subjects the compensation to an annual review process by the compensation commission.

This analysis of *Code of Iowa* §331.752(5) is supported by the Iowa County Attorney’s Association and the Iowa State Association of Counties.

Conclusion – Response acknowledged. While the County has obtained a legal opinion from the Iowa County Attorney Association to support the salary of the county attorney, the Association’s interpretation of Iowa Code 331.752 is not supported by the Legislative Services Agency, previous opinions of the Attorney General’s Office or a plain text reading of the statute. A 2003 Attorney General Opinion states that salary of a district court judge is used as the basis for county attorney salaries and notes “the annual salary of a full-time county attorney shall be an amount which is between forty-five and one hundred percent of the annual salary received by a district court judge.” 2003 WL 22149395, at \*1 (Iowa A.G. Sept. 17, 2003). The law has not been changed since this opinion was issued. A bill currently pending before the 2025 Iowa legislature (HF 37) would remove the district judge comparison from the county attorney salary statute. It is worth noting that in the description of HF37, the Legislative Services Agencies states “Current law requires counties to set a county attorney’s salary between 45 and 100 percent of a district court judge’s salary.” As a result, the Association’s interpretation that results in its own members having no salary cap at all is not likely to persuade a district court. The County should monitor the progress of HF37 and accordingly conform salary payments to current law.

Story County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy  
Katherine L. Rupp, CPA, Manager  
Brett S. Gillen, CPA, Senior II Auditor  
Noelle M. Johnson, Senior II Auditor  
Adam J. Sverak, Senior Auditor  
Benjamin L. Albrecht, Staff Auditor  
Nathan A. DeWit, Staff Auditor  
Benjamin I. Manchester, Staff Auditor  
Hunter W. Penton, Staff Auditor  
Christopher L. Poague, Staff Auditor  
Katherine A. Koele, Assistant Auditor  
Stella F. Tsai, Assistant Auditor