

OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

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

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

March 31, 2022

Contact: Ernest Ruben
515/281-5834

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$48,732,049 for the year ended June 30, 2021, a 4.6% increase over the prior year. Expenses for County operations for the year ended June 30, 2021 totaled \$43,782,022, a 5.7% increase over the prior year.

AUDIT FINDINGS:

Sand reported two findings related to the receipt and expenditure of taxpayer funds. They are found on pages 90 through 95 of this report. The findings address a lack of segregation of duties and material amounts of payables, receivables and capital asset additions not properly recorded in the County's financial statements. Sand provided the County with recommendations to address the findings.

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

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

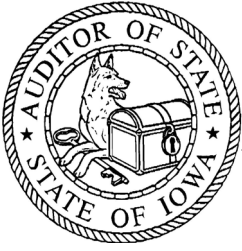
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STORY COUNTY

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

JUNE 30, 2021

Story County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

Rob Sand
Auditor of State

March 9, 2022

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, 2021. 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".

Rob Sand
Auditor of State

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Story County

Story County

Officials

(Before January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Lauris Olson	Board of Supervisors	Jan 2021
Lisa Heddens (Appointed)	Board of Supervisors	Nov 2020
Linda Murken	Board of Supervisors	Jan 2023
Lucy Martin	County Auditor	Jan 2021
Ted Rasmusson	County Treasurer	Jan 2023
Stacie Herridge	County Recorder	Jan 2023
Paul H. Fitzgerald	County Sheriff	Jan 2021
Timothy C. Meals (Appointed)	County Attorney	Nov 2020
Wayne Schwickerath	County Assessor	Jan 2022
Gregory P. Lynch	City Assessor	Jan 2021

(After January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Lisa Heddens	Board of Supervisors	Jan 2023
Linda Murken	Board of Supervisors	Jan 2023
Latifah Faisal	Board of Supervisors	Jan 2025
Lucy Martin	County Auditor	Jan 2025
Ted Rasmusson	County Treasurer	Jan 2023
Stacie Herridge	County Recorder	Jan 2023
Paul H. Fitzgerald	County Sheriff	Jan 2025
Timothy C. Meals	County Attorney	Jan 2023
Wayne Schwickerath	County Assessor	Jan 2022
Vacant	City Assessor	



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Independent Auditor's Report

To the Officials of Story County:

Report on the Financial Statements

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, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Story County as of June 30, 2021, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 14 and 58 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

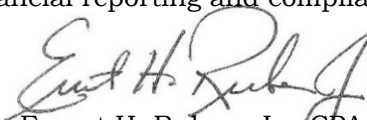
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, 2020 (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.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2022 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 to solely 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.


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

March 9, 2022

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, 2021, along with comparative data for the year ended June 30, 2020. Readers are encouraged to consider this information in conjunction with the County's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

- Story County's governmental activities revenue increased approximately \$2,125,000 over fiscal year 2020. Operating grants, contributions and restricted interest increased approximately \$3,398,000 over fiscal year 2020, property taxes increased approximately \$719,000 over fiscal year 2020, and local option sales tax revenues increased approximately \$539,000 over fiscal year 2020. Capital grants, contributions and restricted interest decreased approximately \$2,395,000 from fiscal year 2020.
- Program expenses increased approximately \$2,353,000 over fiscal year 2020. Roads and transportation expenses increased approximately \$1,725,000, due primarily to the County providing resources to the City of Huxley for a joint City and County shared project. Public safety and legal services expense also increased approximately \$567,000.
- The County's net position at June 30, 2021 increased approximately \$4,950,000 over the June 30, 2020 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 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 Mental Health, Rural Services and Secondary Roads, 3) the Debt Service Fund and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

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

- 2) A Proprietary Fund accounts for the County's Internal Service, Employee Group Health 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 2021 totaled approximately \$93.6 million. This compares to the fiscal year 2020 balance of approximately \$88.7 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,	
	2021	2020
Current and other assets	\$ 66,115	62,654
Capital assets	80,007	79,443
Total assets	146,122	142,097
Deferred outflows of resources	4,098	3,727
Long-term liabilities	23,988	22,964
Other liabilities	2,144	2,158
Total liabilities	26,132	25,122
Deferred inflows of resources	30,481	32,045
Net position:		
Net investment in capital assets	72,468	74,518
Restricted	15,056	13,568
Unrestricted	6,083	571
Total net position	\$ 93,607	88,657

Net position of Story County’s governmental activities increased approximately \$4,950,000 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 decreased 2.8%, or approximately \$2,050,000 from the prior year.

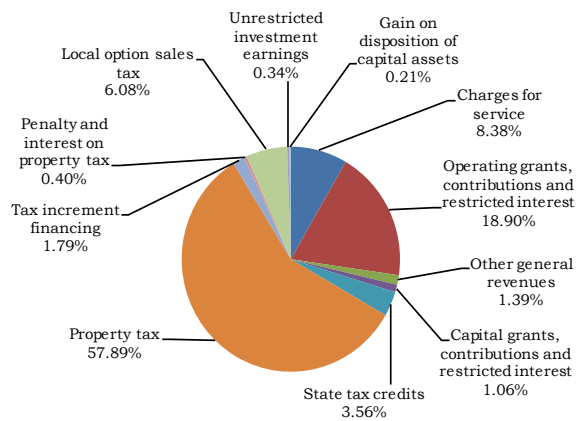
Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position increased 11.0%, or approximately \$1,488,000 over the prior year. This increase is primarily due to an increase in the Rural Services Fund balance of approximately \$1,246,000, resulting primarily from an increase in local option sales tax and intergovernmental revenue.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from approximately \$571,000 at June 30, 2020 to approximately \$6,083,000 at the end of this year, an increase of 965%. This increase is primarily due to a decrease in deferred inflows related to pension of approximately \$2,216,000, decrease of net investment in capital assets of approximately \$2,050,000 and an increase of approximately \$976,000 in the Internal Service Fund.

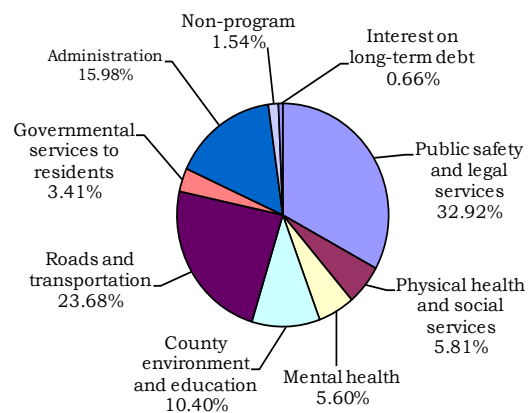
Changes in Net Position of Governmental Activities
(Expressed in Thousands)

	Year ended June 30,	
	2021	2020
Revenues:		
Program revenues:		
Charges for service	\$ 4,083	4,218
Operating grants, contributions and restricted interest	9,208	5,809
Capital grants, contributions and restricted interest	517	2,912
General revenues:		
Property tax	28,215	27,496
Tax increment financing	873	876
Penalty and interest on property tax	197	56
State tax credits	1,736	1,765
Local option sales tax	2,963	2,424
Unrestricted investment earnings	165	578
Gain on disposition of capital assets	100	20
Other general revenues	675	453
Total revenues	48,732	46,607
Program expenses:		
Public safety and legal services	14,413	13,846
Physical health and social services	2,542	2,260
Mental health	2,450	2,972
County environment and education	4,555	4,932
Roads and transportation	10,366	8,641
Governmental services to residents	1,493	1,531
Administration	6,997	6,435
Non-program	676	576
Interest on long-term debt	290	236
Total expenses	43,782	41,429
Change in net position	4,950	5,178
Net position beginning of year	88,657	83,479
Net position end of year	\$ 93,607	88,657

Revenues by Source



Expenses by Program



Revenues for governmental activities increased approximately \$2,125,000 over fiscal year 2020. Property taxes increased approximately \$719,000, or 2.6%, over fiscal year 2020 due to increased taxable property valuations.

Countywide taxable property valuation increased 4.0%, from \$4,888,047,315 in fiscal year 2020 to \$5,081,882,421 in fiscal year 2021. The levy rate for countywide property increased from \$5.12714 per \$1,000 of taxable valuation in fiscal year 2020 to approximately \$5.02778 per \$1,000 of taxable valuation in fiscal year 2021. The levy rate for rural property did not change at \$3.23923 per \$1,000 of taxable valuation in fiscal year 2021. This combination led to the increase in property tax revenue of approximately \$719,000.

Expenses in fiscal year 2021 increased approximately \$2,352,000, or 5.7%, over fiscal year 2020.

INDIVIDUAL MAJOR FUND ANALYSIS

As Story County completed the year, its governmental funds reported a combined fund balance of approximately \$30.8 million, an increase of approximately \$2,511,000 over the combined fund balance of approximately \$28.3 million at the end of fiscal year 2020. The difference is explained by individual fund.

The General Fund, the operating fund for Story County, ended fiscal year 2021 with a fund balance totaling \$17,392,078. This is an increase of approximately \$2,665,000 over the prior year, due primarily to the increase in intergovernmental revenues of approximately \$1,711,000, and to property taxes increasing by approximately \$919,000. The increase in intergovernmental revenues is due to federal funds related to COVID-19, and the increase in property taxes is related to the increase in taxable property valuations.

Other financing sources decreased by approximately \$3,294,000, primarily from proceeds from the \$3,000,000 general obligation peace officer and emergency services communication equipment and systems bonds issued in fiscal year 2020, as well as installment purchases issued in fiscal year 2020 for conservation land acquisition. Expenditures increased approximately \$105,000 or less than 1% over fiscal year 2020.

The Special Revenue, Mental Health Fund ended fiscal year 2021 with a fund balance of \$395,571, a 99.2% increase. For the year, expenditures totaled approximately \$2,426,000, a decrease of 17.5% from the prior year, primarily due to a decrease in the amount distributed to the region fiscal agent during the year. Revenues totaled approximately \$2,623,000, an increase of 18.6% over the prior year, primarily due to an increase in property tax levy rate for mental health purposes from \$0.44282 per \$1,000 of taxable valuation in fiscal year 2020, to approximately \$0.50193 per \$1,000 of taxable valuation in fiscal year 2021.

The Special Revenue, Rural Services Fund ended fiscal year 2021 with a \$2,303,883 fund balance compared to the prior year balance of \$1,057,539. Revenues in the fund increased approximately \$1,225,000, or 18.6%, due to an increase in property tax, local option sales tax, and intergovernmental receipts. Expenditures decreased by approximately \$37,000, or less than 1%, from fiscal year 2020. Transfers to the Special Revenue, Secondary Roads Fund increased \$175,000, or 8.1%, over the prior year.

The Special Revenue, Secondary Roads Fund ended fiscal year 2021 with a \$6,232,938 fund balance compared to the prior year balance of \$5,989,094. Revenues in the fund increased approximately \$668,000, or 12.9%, over the prior year. Transfers in from the General Fund and the Special Revenue, Rural Services Fund increased \$225,000. Expenditures in the fund increased approximately \$1,487,000, or 20.9%, due to increased capital projects expenses for ongoing projects.

The Debt Service Fund ended fiscal year 2021 with a \$2,348 fund balance compared to the prior year balance of \$642,359. Property taxes decreased approximately \$671,000, due to a decrease in property tax levy rate for debt service purposes from \$0.16252 per \$1,000 of taxable valuation in fiscal year 2020, to approximately \$0.02585 per \$1,000 of taxable valuation in fiscal year 2021. Payments on general obligation bonds are paid from the County's debt service fund.

The Capital Projects Fund June 30, 2021 fund balance was \$2,561,037 compared to the prior year balance of \$3,772,603. The majority of expenses in the capital project funds, or approximately \$1,000,000, was for a shared project with the city of Huxley.

BUDGETARY HIGHLIGHTS

Over the course of the year, Story County amended its budget three times. The first amendment was made in August 2020 and resulted in an increase in budgeted receipts of \$352,991 and an increase in expenditures of \$5,782,658, related primarily to the capital projects function.

The second budget amendment was made in January 2021. This amendment increased budgeted receipts \$1,754,699 for revenue to bring the budget closer to actuals: this related primarily to federal grants received in response to COVID-19. The amendment also increased budgeted disbursements \$977,735 related primarily to increased capital project costs.

The third budget amendment was made in May 2021. This amendment increased budgeted receipts \$897,787 for revenue to bring the budget closer to actuals: this related primarily to additional federal grants received in response to COVID-19. The amendment also decreased budgeted disbursements \$714,917 related primarily to a decrease in expected capital project costs.

The County's receipts were \$377,422 less than the amended budget, and other financing sources were \$30,625 more than the amended budget. Total disbursements were \$9,735,687 less than the amended budget. This was due primarily to the timing of various capital projects that were not completed during the year as anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, Story County had approximately \$80.0 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 \$564,000, or less than 1%, over last year.

Story County had depreciation/amortization expense in fiscal year 2021 of \$4,372,772 and total accumulated depreciation/amortization of \$60,965,037 at June 30, 2021. 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, 2021, Story County had \$8,053,388 of outstanding general obligation bonds and urban renewal revenue bonds compared to \$9,404,148 of outstanding urban renewal revenue bonds at the end of fiscal year 2020. 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, 2021 is \$5,223,608. The County entered into a capital lease purchase agreement for \$2,188,960 during fiscal year 2019 to lease-purchase ten motor graders for the Secondary Roads Department. The balance on the lease-purchase agreement at June 30, 2021 is \$1,580,319. 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, 2021 is \$177,750.

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 \$426 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 2022 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 2021 stood at 3.6% versus 6.1% a year ago. This compares with the State's unemployment rate of 4.0% and the national rate of 5.9% for the same period ended June 30, 2021.

These indicators were taken into account when adopting the budget for fiscal year 2022. The County's fiscal year 2022 countywide taxable valuation increased \$213,972,147 and the rural taxable valuation increased \$42,432,979 over the respective fiscal year 2021 valuations. The fiscal year 2022 budget includes a 1.13% decrease in receipts from the fiscal year 2021 budget, along with a decrease in disbursements of 5.6%. The decrease in receipts is due to federal funds received related to COVID-19 in FY21 which is not in FY22. The decrease in disbursements is primarily due to capital projects and debt service expenditures. Re-estimated ending fund balances were anticipated to be 39.27% of disbursements at the end of fiscal year 2021 and approximately 39.27% of disbursements by the close of fiscal year 2022.

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

Story County
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash, cash equivalents and pooled investments	\$ 33,589,816
Cash held by health plan trustee	467,028
Receivables:	
Property tax:	
Delinquent	19,403
Succeeding year	28,765,000
Succeeding year tax increment financing	846,000
Interest and penalty on property tax	89,333
Accounts	135,138
Accrued interest	5,167
Drainage assessments	275,176
Due from other governments	1,342,404
Inventories	312,254
Prepaid expenses	268,176
Capital assets not being depreciated	14,263,360
Capital assets, net of accumulated depreciation/amortization	65,743,651
Total assets	146,121,906
Deferred Outflows of Resources	
Pension related deferred outflows	3,656,317
OPEB related deferred outflows	441,651
Total deferred outflows of resources	4,097,968
Liabilities	
Accounts payable	1,072,731
Accrued interest payable	18,695
Salaries and benefits payable	603,452
Due to other governments	448,841
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	516,549
Urban renewal revenue bonds	754,620
Capital lease purchase agreement	189,355
Installment purchase agreements	42,125
Compensated absences	878,688
OPEB liability	60,702
Portion due or payable after one year:	
General obligation bonds	4,707,059
Urban renewal revenue bonds	2,075,160
Capital lease purchase agreement	1,390,964
Installment purchase agreements	135,625
Drainage warrants	256,057
Net pension liability	11,375,709
OPEB liability	1,605,624
Total liabilities	26,131,956
Deferred Inflows of Resources	
Unavailable property tax revenue	28,765,000
Unavailable tax increment financing revenue	846,000
Pension related deferred inflows	697,337
OPEB related deferred inflows	172,905
Total deferred inflows of resources	30,481,242
Net Position	
Net investment in capital assets	72,468,244
Restricted for:	
Supplemental levy purposes	2,195,078
Mental health purposes	377,579
Community betterment	302,790
Rural services purposes	1,861,813
Secondary roads purposes	6,265,861
Conservation purposes	1,987,902
Debt service	177,259
Drainage warrants	238,851
StoryComm	1,238,028
Other purposes	410,469
Unrestricted	6,082,802
Total net position	\$ 93,606,676

See notes to financial statements.

Story County

Statement of Activities

Year ended June 30, 2021

	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	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 14,412,566	1,085,220	2,044,328	-	(11,283,018)
Physical health and social services	2,542,464	33,327	678,570	-	(1,830,567)
Mental health	2,450,409	-	-	-	(2,450,409)
County environment and education	4,555,031	557,869	368,632	371,209	(3,257,321)
Roads and transportation	10,365,747	122,812	5,957,678	135,037	(4,150,220)
Governmental services to residents	1,492,673	1,499,402	49,860	-	56,589
Administration	6,996,842	54,733	93,376	11,019	(6,837,714)
Non-program	676,577	730,002	12,875	-	66,300
Interest on long-term debt	289,713	-	2,175	-	(287,538)
Total	\$ 43,782,022	4,083,365	9,207,494	517,265	(29,973,898)
General Revenues:					
Property and other county tax levied for:					
General purposes					28,084,345
Debt service					130,494
Tax increment financing					873,292
Penalty and interest on property tax					196,603
State tax credits					1,735,802
Local option sales tax					2,962,504
Unrestricted investment earnings					165,134
Rent					151,499
Gain on disposition of capital assets					100,554
Miscellaneous					523,698
Total general revenues					34,923,925
Change in net position					4,950,027
Net position beginning of year					88,656,649
Net position end of year					\$ 93,606,676

See notes to financial statements.

Story County
Balance Sheet
Governmental Funds

June 30, 2021

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Assets				
Cash, cash equivalents and pooled investments:				
County treasurer	\$ 18,052,546	407,351	2,170,096	5,650,534
Cash held by health plan trustee	51,330	-	-	-
Receivables:				
Property tax:				
Delinquent	12,724	1,395	5,214	-
Succeeding year	22,870,000	1,779,000	3,423,000	-
Succeeding year tax increment financing	-	-	-	-
Interest and penalty on property tax	89,333	-	-	-
Accounts	129,100	-	2,370	1,955
Accrued interest	4,827	-	-	-
Drainage assessments	-	-	-	-
Due from other governments	351,098	-	223,387	767,919
Inventories	-	-	-	312,254
Prepaid expenditures	266,623	-	653	900
Total assets	\$ 41,827,581	2,187,746	5,824,720	6,733,562
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 576,582	192	11,830	201,870
Salaries and benefits payable	428,619	11,588	80,374	82,871
Due to other governments	444,955	-	419	3,467
Total liabilities	1,450,156	11,780	92,623	288,208
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	22,870,000	1,779,000	3,423,000	-
Succeeding year tax increment financing	-	-	-	-
Other	115,347	1,395	5,214	212,416
Total deferred inflows of resources	22,985,347	1,780,395	3,428,214	212,416
Fund balances:				
Nonspendable:				
Inventories	-	-	-	312,254
Prepaid expenditures	266,623	-	653	900
Restricted for:				
Supplemental levy purposes	2,268,783	-	-	-
Mental health purposes	-	395,571	-	-
Community betterment	-	-	302,790	-
Rural services purposes	-	-	2,000,440	-
Secondary roads purposes	-	-	-	5,919,784
Conservation purposes	744,182	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Drainage purposes	-	-	-	-
Friends of Animals	-	-	-	-
StoryComm	1,238,028	-	-	-
Other purposes	-	-	-	-
Committed for:				
Conservation projects	734,899	-	-	-
Assigned for:				
Justice center renovation	350,000	-	-	-
Capital improvement projects	1,589,823	-	-	-
Facilities projects	625,300	-	-	-
County attorney fine collection	331,296	-	-	-
Jail commissary	115,503	-	-	-
Analysis of Social Services Evaluation Team	22,509	-	-	-
Small community funding	198,195	-	-	-
Unassigned	8,906,937	-	-	-
Total fund balances	17,392,078	395,571	2,303,883	6,232,938
Total liabilities, deferred inflows of resources and fund balances	\$ 41,827,581	2,187,746	5,824,720	6,733,562

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
2,348	2,561,558	1,958,476	30,802,909
-	-	-	51,330
70	-	-	19,403
693,000	-	-	28,765,000
-	-	846,000	846,000
-	-	-	89,333
-	-	1,713	135,138
1	-	339	5,167
-	-	275,176	275,176
-	-	-	1,342,404
-	-	-	312,254
-	-	-	268,176
695,419	2,561,558	3,081,704	62,912,290
-	521	20,501	811,496
-	-	-	603,452
-	-	-	448,841
-	521	20,501	1,863,789
693,000	-	-	28,765,000
-	-	846,000	846,000
71	-	275,176	609,619
693,071	-	1,121,176	30,220,619
-	-	-	312,254
-	-	-	268,176
-	-	-	2,268,783
-	-	-	395,571
-	-	-	302,790
-	-	-	2,000,440
-	-	-	5,919,784
-	-	1,243,720	1,987,902
2,348	-	193,535	195,883
-	2,561,037	-	2,561,037
-	-	219,732	219,732
-	-	113,944	113,944
-	-	-	1,238,028
-	-	169,096	169,096
-	-	-	734,899
-	-	-	350,000
-	-	-	1,589,823
-	-	-	625,300
-	-	-	331,296
-	-	-	115,503
-	-	-	22,509
-	-	-	198,195
-	-	-	8,906,937
2,348	2,561,037	1,940,027	30,827,882
695,419	2,561,558	3,081,704	62,912,290

Story County

Story County

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

June 30, 2021

Total governmental fund balances (page 19) \$ 30,827,882

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$140,972,048 and the accumulated depreciation/amortization is \$60,965,037. 80,007,011

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. 609,619

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. 2,941,370

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	\$ 4,097,968	
Deferred inflows of resources	<u>(870,242)</u>	3,227,726

Long-term liabilities, including general obligation bonds payable, urban renewal revenue bonds payable, capital lease purchase agreement payable, installment purchase agreements payable, drainage warrants payable, compensated absences payable, net pension liability, total OPEB liability and accrued interest payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (24,006,932)

Net position of governmental activities (page 16) \$ 93,606,676

See notes to financial statements.

Story County

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

Year ended June 30, 2021

	Special Revenue			
	General	Mental Health	Rural Services	Secondary Roads
Revenues:				
Property and other county tax	\$ 22,158,957	2,470,039	3,580,264	-
Tax increment financing	-	-	-	-
Local option sales tax	-	-	2,962,504	-
Interest and penalty on property tax	197,240	-	-	-
Intergovernmental	4,798,531	152,689	1,210,412	5,798,413
Licenses and permits	19,305	-	29,419	32,175
Charges for service	1,981,228	-	14,018	6,105
Use of money and property	426,247	-	-	-
Miscellaneous	529,436	47	16,605	31,381
Total revenues	30,110,944	2,622,775	7,813,222	5,868,074
Expenditures:				
Operating:				
Public safety and legal services	12,075,494	-	2,398,846	-
Physical health and social services	2,546,763	-	18,369	-
Mental health	-	2,425,747	-	-
County environment and education	2,628,911	-	1,613,722	-
Roads and transportation	-	-	250,987	6,803,904
Governmental services to residents	1,474,886	-	1,359	-
Administration	6,941,016	-	-	-
Debt service	-	-	-	-
Capital projects	1,164,318	-	-	1,797,926
Total expenditures	26,831,388	2,425,747	4,283,283	8,601,830
Excess (deficiency) of revenues over (under) expenditures	3,279,556	197,028	3,529,939	(2,733,756)
Other financing sources (uses):				
Sale of capital assets	25,606	-	41,405	12,600
Drainage warrants issued	-	-	-	-
Transfers in	-	-	-	2,965,000
Transfers out	(640,000)	-	(2,325,000)	-
Total other financing sources (uses)	(614,394)	-	(2,283,595)	2,977,600
Change in fund balances	2,665,162	197,028	1,246,344	243,844
Fund balances beginning of year	14,726,916	198,543	1,057,539	5,989,094
Fund balances end of year	\$ 17,392,078	395,571	2,303,883	6,232,938

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
134,599	-	-	28,343,859
-	-	873,292	873,292
-	-	-	2,962,504
-	-	-	197,240
8,259	46,858	134,507	12,149,669
-	-	-	80,899
-	-	16,807	2,018,158
2,175	-	4,853	433,275
-	33,000	743,321	1,353,790
145,033	79,858	1,772,780	48,412,686
-	-	26,856	14,501,196
-	-	-	2,565,132
-	-	-	2,425,747
-	-	529,152	4,771,785
-	-	-	7,054,891
-	-	49,040	1,525,285
-	-	1,771	6,942,787
785,044	-	1,215,551	2,000,595
-	1,291,424	126,659	4,380,327
785,044	1,291,424	1,949,029	46,167,745
(640,011)	(1,211,566)	(176,249)	2,244,941
-	-	-	79,611
-	-	186,153	186,153
-	-	-	2,965,000
-	-	-	(2,965,000)
-	-	186,153	265,764
(640,011)	(1,211,566)	9,904	2,510,705
642,359	3,772,603	1,930,123	28,317,177
2,348	2,561,037	1,940,027	30,827,882

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, 2021

Change in fund balances - Total governmental funds (page 23) \$ 2,510,705

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	\$ 4,781,240	
Capital assets contributed by the Iowa Department of Transportation	135,037	
Depreciation/amortization expense	<u>(4,372,772)</u>	543,505

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. 20,943

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	(129,020)	
Other	<u>(517,210)</u>	(646,230)

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

Issued	(186,153)	
Repaid	<u>1,949,543</u>	1,763,390

The current year County share of IPERS contributions is reported as expenditures in the governmental funds but is reported as deferred outflows of resources in the Statement of Net Position. 1,656,544

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	34,126	
Pension expense	(1,801,279)	
OPEB expense	(110,061)	
Interest on long-term debt	<u>2,835</u>	(1,874,379)

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 975,549

Change in net position of governmental activities (page 17) \$ 4,950,027

See notes to financial statements.

Story County
Statement of Net Position
Proprietary Fund

June 30, 2021

	Internal Service - Employee Group Health and Dental
Assets	
Current assets:	
Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 2,786,907
Cash held by health plan trustee	415,698
Total assets	3,202,605
Liabilities	
Accounts payable	261,235
Net Position	
Restricted for employee health	2,447,614
Unrestricted	493,756
Total net position	\$ 2,941,370

See notes to financial statements.

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

June 30, 2021

		<u>Internal Service - Employee Group Health and Dental</u>
Operating revenues:		
Reimbursements from operating funds and other governmental units		\$ 3,503,404
Reimbursements from employees and others		<u>606,509</u>
Total operating revenues		4,109,913
Operating expenses:		
Medical claims	\$ 3,004,953	
Insurance premiums	121,768	
Short term disability payments	<u>7,643</u>	<u>3,134,364</u>
Operating income and change in net position		975,549
Net position beginning of year		<u>1,965,821</u>
Net position end of year		<u>\$ 2,941,370</u>

See notes to financial statements.

Story County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2021

	Internal Service - Employee Group Health and Dental
Cash flows from operating activities:	
Cash received from operating funds and other governmental units	\$ 3,503,404
Cash received from employees and others	609,067
Cash paid to suppliers for services	(2,896,138)
Net cash provided by operating activities and increase in cash and cash equivalents	1,216,333
Cash and cash equivalents beginning of year	1,986,272
Cash and cash equivalents end of year	\$ 3,202,605
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 975,549
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	2,558
Accounts payable	238,226
Net cash provided by operating activities	\$ 1,216,333

See notes to financial statements.

Story County
Statement of Fiduciary Net Position
Custodial Funds

Year ended June 30, 2021

Assets

Cash and pooled investments:

County Treasurer	\$ 15,879,195
Other County officials	160,916

Receivables:

Property tax:

Delinquent	68,649
Succeeding year	139,362,000

Accounts	39,373
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Accrued interest	66
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Assessments	1,618,863
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Due from other governments	148,751
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Prepaid expenses	<u>56,071</u>
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Total assets	<u>157,333,884</u>
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Liabilities

Accounts payable	642,885
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Salaries and benefits payable	46,575
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Due to other funds	12,266
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Due to other governments	5,066,425
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Trusts payable	482,469
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Stamped warrants payable	82,412
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Compensated absences	<u>112,095</u>
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Total liabilities	<u>6,445,127</u>
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Deferred Inflows of Resources

Unavailable property tax revenue	<u>139,362,000</u>
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Total net position	<u><u>\$ 11,526,757</u></u>
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See notes to financial statements.

Story County
Statement of Changes in Fiduciary Net Position
Custodial Funds

Year ended June 30, 2021

Additions:	
Property and other county tax	\$ 133,736,014
911 surcharge	204,660
State tax credits	8,371,105
Office fees and collections	1,959,500
Auto licenses, use tax and postage	27,572,680
Assessments	98,349
Trusts	2,055,794
Miscellaneous	<u>11,643,653</u>
Total additions	<u>185,641,755</u>
Deductions:	
Agency remittances:	
To other funds	1,704,792
To other governments	181,667,415
Trusts paid out	<u>2,626,112</u>
Total deductions	<u>185,998,319</u>
Changes in net position	(356,564)
Net position beginning of year	<u>11,883,321</u>
Net position end of year	<u>\$ 11,526,757</u>

See notes to financial statements.

Story County

Notes to Financial Statements

June 30, 2021

(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 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 and contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, transfers from the General Fund and the Special Revenue, Rural Services Fund and other revenues to be used for secondary 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 March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax and tax increment financing receivables have been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which they are levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2020.

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.

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, which include property, furniture and equipment and vehicles, intangibles and infrastructure assets acquired after July 1, 1980 are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. 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
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 of the County 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
Equipment	3 - 20
Vehicles	5 - 15

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

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

Trusts Payable – Trusts payable 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, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide 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, Mental Health, 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, Mental Health, Rural Services and Secondary Roads Funds.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax 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.

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 Group Health Fund and the Dental 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.

(2) Cash, Cash Equivalents and Pooled Investments

The County's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2021, the County had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturity</u>
Federal Farm Credit Bank (FFCBB)	\$ 496,032	8/25/2025
Federal Farm Credit Bank (FFCBB)	494,887	9/16/2025
Federal Agricultural Mortgage Corporation (FAMC)	494,136	10/14/2025
Federal Home Loan Mortgage Corporation (FHLBB)	497,338	3/10/2026
Federal Home Loan Mortgage Corporation (FHLBB)	499,566	3/17/2026
Federal Home Loan Mortgage Corporation (FHLBB)	498,733	5/20/2026
	<u>\$ 2,980,692</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 FFCBB, FHLBB and FAMC 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 \$16,867,150. 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 FFCBB and FHLBB investments at June 30, 2021 are rated AAA by Moody's Investors Service and AA+ by Standard & Poor's. The FAMC investment and the investment in the Iowa Public Agency Investment Trust are 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. More than 5% of the County's investments are in the Federal Home Loan Bank (5.26%).

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:		
Secondary Roads	General	\$ 640,000
	Special Revenue:	
	Rural Services	<u>2,325,000</u>
Total		<u>\$ 2,965,000</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, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 6,822,033	-	-	6,822,033
Intangibles, road network	117,327	-	-	117,327
Construction in progress, road network	995,424	1,945,728	(2,746,518)	194,634
Construction in progress, other	5,573,882	1,555,484	-	7,129,366
Total capital assets not being depreciated/amortized	13,508,666	3,501,212	(2,746,518)	14,263,360
Capital assets being depreciated/amortized:				
Buildings	27,569,909	49,896	-	27,619,805
Improvements other than buildings	7,170,258	302,743	-	7,473,001
Equipment and vehicles	17,008,999	1,084,976	(334,447)	17,759,528
Intangibles, other	159,652	-	-	159,652
Infrastructure, road network	67,036,692	2,746,518	-	69,783,210
Infrastructure, other	3,913,492	-	-	3,913,492
Total capital assets being depreciated/amortized	122,859,002	4,184,133	(334,447)	126,708,688
Less accumulated depreciation/amortization for:				
Buildings	10,684,779	546,182	-	11,230,961
Improvements other than buildings	689,304	178,099	-	867,403
Equipment and vehicles	9,163,726	1,476,254	(332,840)	10,307,140
Intangibles, other	159,652	-	-	159,652
Infrastructure, road network	34,978,308	2,097,149	-	37,075,457
Infrastructure, other	1,249,336	75,088	-	1,324,424
Total accumulated depreciation/amortization	56,925,105	4,372,772	(332,840)	60,965,037
Total capital assets being depreciated/amortized, net	65,933,897	(188,639)	(1,607)	65,743,651
Governmental activities capital assets, net	\$ 79,442,563	3,312,573	(2,748,125)	80,007,011

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 606,874
Physical health and social services	11,400
Mental health	42,451
County environment and education	404,857
Roads and transportation	2,923,721
Governmental services to residents	11,061
Administration	372,408
Total depreciation/amortization expense - governmental activities	<u>\$ 4,372,772</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, 2021 is as follows:

Fund	Description	Amount
General	Services	\$ 444,955
Special Revenue:		
Rural Services	Services	419
Secondary Roads	Services	3,467
		<u>3,886</u>
Total for governmental funds		<u>\$ 448,841</u>
Custodial:		
County Offices	Collections	\$ 110,006
Central Iowa Community Services		42,422
Agricultural Extension Education		2,344
City Assessor		2,870
Schools		441,395
Community Colleges		18,721
Corporations		241,255
Townships		5,506
City Special Assessments		1,532,106
Auto License and Use Tax		2,629,722
All other		<u>40,078</u>
Total for custodial funds		<u>\$ 5,066,425</u>

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	General Obligation Bonds	Urban Renewal Revenue Bonds	Capital Lease Purchase Agreement	Direct Borrowing - Installment Purchase Agreements	Direct Borrowing - Drainage Warrants	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balances beginning of year	\$ 5,844,525	3,559,623	1,762,566	237,000	427,190	912,814	8,711,623	1,508,183	22,963,524
Increases	-	-	-	-	186,153	1,053,686	2,664,086	303,698	4,207,623
Decreases	620,917	729,843	182,247	59,250	357,287	1,087,812	-	145,555	3,182,911
Balances end of year	\$ 5,223,608	2,829,780	1,580,319	177,750	256,056	878,688	11,375,709	1,666,326	23,988,236
Due within one year	\$ 516,549	754,620	189,355	42,125	-	878,688	-	60,702	2,442,039

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, 2021, the County paid principal of \$160,917 and interest of \$114,061 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, 2021, the County paid principal of \$460,000 and interest of \$49,467 on the bonds.

A summary of the County's June 30, 2021 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Peace Officer and Emergency Services Communication Equipment and Systems Issued August 23, 2019			Road Improvements Issued May 5, 2020		
	Interest			Interest		
	Rates	Principal	Interest	Rates	Principal	Interest
2022	3.95%	\$ 166,549	105,712	1.60%	\$ 350,000	40,640
2023	3.95	172,378	99,151	1.60	355,000	35,040
2024	3.95	178,411	92,361	1.60	365,000	29,360
2025	3.95	184,656	85,333	1.60	370,000	23,520
2026	3.95	191,119	78,059	1.60	375,000	17,600
2027-2031	3.95	1,060,738	271,959	1.60	725,000	29,280
2032-2034	3.95	729,757	58,152		-	-
Total		\$ 2,683,608	790,727		\$ 2,540,000	175,440

Year Ending June 30,	Total		
	Principal	Interest	
2022	\$ 516,549	146,352	662,901
2023	527,378	134,191	661,569
2024	543,411	121,721	665,132
2025	554,656	108,853	663,509
2026	566,119	95,659	661,778
2027-2031	1,785,738	301,239	2,086,977
2032-2034	729,757	58,152	787,909
Total	\$ 5,223,608	966,167	6,189,775

Urban Renewal Revenue Bonds

On December 1, 2012, the County issued \$3,185,000 of urban renewal tax increment (TIF) revenue bonds to pay the costs of projects located within the urban renewal area, including improvements to Dakins Lake County Park and road improvements on Country Club Road and 590th Avenue. The bonds bear interest at 1.95% 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, 2021, the County paid principal of \$345,000 and interest of \$13,748 on the bonds. Total principal and interest remaining on the bonds is \$367,020, payable through June 2022.

On July 12, 2016, 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 2.15% 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. During the year ended June 30, 2021, the County paid principal of \$147,800 and interest of \$20,287 on the bonds. However, the debt is subject to the constitutional debt limitation of the County. Total principal and interest remaining on the bonds is \$847,942, payable through June 2026.

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, 2021, the County paid principal of \$144,500 and interest of \$28,835 on the bonds. Total principal and interest remaining on the bonds is \$1,032,873, payable through June 2027.

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, 2021, the County paid principal of \$92,543 and interest of \$32,423 on the bonds. Total principal and interest remaining on the bonds is \$848,958, payable through June 2028.

A summary of the County's June 30, 2021 urban renewal revenue bonded indebtedness is as follows:

Year Ending June 30,	Dakins Lake Park and Country Club and 590th Ave. Road Improvements			Urban Renewal Area Projects		
	Issued Dec 1, 2012			Issued Jul 12, 2016		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2022	1.95%	\$ 360,000	7,020	2.15%	\$ 151,500	17,110
2023		-	-	2.15	155,300	13,852
2024		-	-	2.15	159,300	10,514
2025		-	-	2.15	163,300	7,088
2026		-	-	2.15	166,400	3,578
2027-2028		-	-		-	-
Total		<u>\$ 360,000</u>	<u>7,020</u>		<u>\$ 795,800</u>	<u>52,142</u>

Year Ending June 30,	Urban Renewal Area Projects Issued October 10, 2017			Urban Renewal Area Projects Issued November 27, 2018		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2022	2.65%	\$ 147,800	25,005	3.94%	\$ 95,320	28,777
2023	2.65	151,500	21,089	3.94	98,179	25,021
2024	2.65	155,300	17,074	3.94	101,124	21,212
2025	2.65	159,300	12,958	3.94	104,158	17,169
2026	2.65	163,300	8,737	3.94	107,283	13,065
2027-2028	2.65	166,400	4,410	3.94	224,316	13,334
Total		<u>\$ 943,600</u>	<u>89,273</u>		<u>\$ 730,380</u>	<u>118,578</u>

Year Ending June 30,	Total		
	Principal	Interest	
2022	\$ 754,620	77,912	832,532
2023	404,979	59,962	464,941
2024	415,724	48,800	464,524
2025	426,758	37,215	463,973
2026	436,983	25,380	462,363
2027-2028	390,716	17,744	408,460
Total	<u>\$ 2,829,780</u>	<u>267,013</u>	<u>3,096,793</u>

During the year ended June 30, 2021, principal and interest paid and total TIF revenues were \$825,136 and \$873,292, respectively.

Capital Lease Agreements

On April 2, 2019, the County entered into a capital lease 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 on the lease. 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 due by April 2, 2024. Payments under the capital lease purchase agreement totaled \$250,987, including interest of \$68,740 for the year ended June 30, 2021.

The following is a schedule of the future minimum lease payments and the present value of net minimum payments under the capital lease agreement in effect at June 30, 2021:

Year Ending June 30,	Amount
2022	\$ 250,987
2023	250,987
2024	<u>1,240,800</u>
Total minimum payments	<u>1,742,774</u>
Less amount representing interest	<u>(162,455)</u>
Present value of net minimum lease payments	<u>\$ 1,580,319</u>

Installment Purchase Agreements – Direct Borrowing

On October 29, 2019, the County entered into an interest free installment purchase agreement for \$137,001 to purchase land for the 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, 2021, the county paid \$34,250 in principal under the installment agreement.

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 for the year ended June 30, 2021.

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, 2021 installment purchase agreements is as follows:

Year Ending June 30,	Installment Purchase		Total
	Conservation Land Purchase Oct 29, 2019	Conservation Land Purchase Mar 3, 2020	
2022	\$ 17,125	25,000	42,125
2023	17,125	25,000	42,125
2024	17,125	25,000	42,125
2025	17,125	-	17,125
2026	17,125	-	17,125
2027	17,125	-	17,125
Total minimum payments	<u>\$ 102,750</u>	<u>75,000</u>	<u>177,750</u>

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.

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 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll, for a total rate of 15.73%. The Sheriff, deputies and the County each contributed 9.26% of covered payroll, for a total rate of 18.52%. Protection occupation members contributed 6.41% of covered payroll and the County contributed 9.61% of covered payroll, for a total rate of 16.02%.

The County’s contributions to IPERS for the year ended June 30, 2021 were \$1,656,544.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the County reported a liability of \$11,375,709 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020, the County’s proportion was 0.161938%, which was an increase of 0.011495% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$1,801,279. At June 30, 2021, 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	\$ 55,983	295,663
Changes of assumptions	772,981	232,481
Net difference between projected and actual earnings on IPERS' investments	944,138	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	226,671	169,193
County contributions subsequent to the measurement date	1,656,544	-
Total	\$ 3,656,317	697,337

\$1,656,544 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, 2022. 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
2022	\$ 70,359
2023	296,816
2024	362,927
2025	574,390
2026	<u>(2,056)</u>
Total	<u>\$ 1,302,436</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 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, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100.0%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 21,909,071	11,375,709	2,546,067

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

Payables to IPERS – All legally required County contributions and legally required employee contributions which had been withheld from employee wages were remitted by the County to IPERS by June 30, 2021.

(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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>252</u>
Total	<u>256</u>

Total OPEB Liability – The County’s total OPEB liability of \$1,666,326 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 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, 2021)	2.60% per annum.
Rates of salary increase (effective June 30, 2021)	3.25 to 16.25% average, including inflation plus merit/productivity increases
Discount rate (effective June 30, 2021)	2.19% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2021)	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 2.19% 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 Pub-2010 Headcount-weighted mortality table fully generational using scale MP-2020. 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	<u>\$ 1,508,183</u>
Changes for the year:	
Service cost	140,456
Interest	42,465
Differences between expected and actual experiences	(40,502)
Changes in assumptions	120,777
Benefit payments	<u>(105,053)</u>
Net changes	<u>158,143</u>
Total OPEB liability end of year	<u>\$ 1,666,326</u>

Changes of assumptions reflect a change in the discount rate from 2.66% in fiscal year 2020 to 2.19% in fiscal year 2021.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.19%) or 1% higher (3.19%) than the current discount rate.

	<u>1% Decrease (1.19%)</u>	<u>Discount Rate (2.19%)</u>	<u>1% Increase (3.19%)</u>
Total OPEB liability	\$ 1,784,674	1,666,326	1,552,777

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.

	<u>1% Decrease (7.00%)</u>	<u>Healthcare Cost Trend Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Total OPEB liability	\$ 1,463,417	1,666,326	1,909,272

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the County recognized OPEB expense of \$110,061. At June 30, 2021, 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	\$ 210,044	(134,667)
Changes in assumptions	231,607	(38,238)
Total	<u>\$ 441,651</u>	<u>(172,905)</u>

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
2022	\$ 32,193
2023	32,193
2024	32,193
2025	32,193
2026	32,193
Thereafter	<u>107,781</u>
	<u>\$ 268,746</u>

(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 785 members including various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials’ liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The County’s property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County’s contributions to the Pool for the year ended June 30, 2021 were \$275,416.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the County's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the County's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2021, no liability has been recorded in the County's financial statements. As of June 30, 2021, 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 Group Health Fund was established to account for the collection of premiums from individuals and departments which are then paid to Wellmark. Effective July 1, 2020 the County moved from a partial self-funded to a fully self-funded Employee Health Insurance Plan which provides comprehensive hospital and medical coverage for eligible employees and, if elected, their spouses and dependents. 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, 2021 was \$3,502,453.

Amounts payable from the Employee Health Plan Fund at June 30, 2021 total \$256,735, 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 \$2,447,614 at June 30, 2021 and is reported as a designation of the Internal Service, Employee Health Plan 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 in any of the past three years.

Unpaid claims beginning of year	\$ 18,236
Incurred claims (including claims incurred but not reported at June 30, 2021)	3,001,567
Payments:	
Payment on claims during the year	<u>2,763,068</u>
Unpaid claims end of year	<u>\$ 256,735</u>

(11) 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.

(12) 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.

Property tax revenues of the County were reduced by the following amounts for the year ended June 30, 2021 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Ames	Urban renewal and economic development projects	\$ 407,190
City of Cambridge	Urban renewal and economic development projects	37,839
City of Colo	Urban renewal and economic development projects	32,888
City of Huxley	Urban renewal and economic development projects	41,973
City of Nevada	Urban renewal and economic development projects	67,779
City of Roland	Urban renewal and economic development projects	10,472
City of Slater	Urban renewal and economic development projects	5,750
City of Story City	Urban renewal and economic development projects	68,150

(13) Early Childhood Iowa Area Board

Story County is the fiscal agent for BooST Together for Children (Early Childhood Iowa Area Board consisting of Story County and Boone County), 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, 2021 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 150,441	-	150,441
Quality improvement	-	35,831	35,831
Allocation for administration	4,777	21,734	26,511
School ready general use	-	528,944	528,944
Total state grants	155,218	586,509	741,727
Interest on investments	163	778	941
Total revenues	155,381	587,287	742,668
Expenditures:			
Program services:			
Early childhood	151,143	-	151,143
Quality improvement	-	35,831	35,831
School ready general use	-	411,326	411,326
Total program services	151,143	447,157	598,300
Administration	7,396	29,211	36,607
Total expenditures	158,539	476,368	634,907
Change in fund balance	(3,158)	110,919	107,761
Fund balance beginning of year	12,263	84,415	96,678
Fund balance end of year	\$ 9,105	195,334	204,439

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

Central Iowa Community Services (CICS) Mental Health Region, a jointly governed organization formed pursuant to the provisions of Chapter 28E of the Code of Iowa, includes the following member counties: Boone County, Franklin County, Greene County, Hamilton County, Hardin County, Jasper County, Madison County, Marshall County, Poweshiek County, Story County and Warren County. The financial activity of Story County's Special Revenue, Mental Health Fund is included in the CICS Mental Health Region for the year ended June 30, 2021 as follows:

Revenues:		
Property and other county tax		\$ 2,470,039
Intergovernmental:		
State tax credits		152,689
Miscellaneous		<u>47</u>
Total revenues		<u>2,622,775</u>
Expenditures:		
Services to persons with:		
Mental illness		241,107
General administration:		
Direct administration	\$ 190,997	
Distribution to regional fiscal agent	<u>1,993,643</u>	<u>2,184,640</u>
Total expenditures		<u>2,425,747</u>
Excess of revenues over expenditures		197,028
Fund balance beginning of year		<u>198,543</u>
Fund balance end of year		<u>\$ 395,571</u>

(15) 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 2021, the County paid \$449,047 to other governments for economic development projects. At June 30, 2021, the outstanding balance of economic development project obligations was \$115,233. 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.

(16) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional, and national economies, including that of Story County, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Story County. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Story County.

(17) Prospective Accounting Change

Governmental Accounting Standards Board has issued statement No. 87, Leases. This statement will be implemented during fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

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, 2021

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other county tax	\$ 32,156,394	-	32,156,394
Interest and penalty on property tax	197,240	-	197,240
Intergovernmental	12,220,589	-	12,220,589
Licenses and permits	76,855	-	76,855
Charges for service	2,012,084	-	2,012,084
Use of money and property	459,364	-	459,364
Miscellaneous	1,252,768	515,472	737,296
Total receipts	<u>48,375,294</u>	<u>515,472</u>	<u>47,859,822</u>
Disbursements:			
Public safety and legal services	13,910,176	-	13,910,176
Physical health and social services	2,552,601	-	2,552,601
Mental health	2,424,108	-	2,424,108
County environment and education	5,020,343	259,672	4,760,671
Roads and transportation	6,976,287	-	6,976,287
Governmental services to residents	1,514,141	-	1,514,141
Administration	7,048,840	-	7,048,840
Nonprogram	-	-	-
Debt service	2,015,595	390,415	1,625,180
Capital projects	5,040,577	-	5,040,577
Total disbursements	<u>46,502,668</u>	<u>650,087</u>	<u>45,852,581</u>
Excess (deficiency) of receipts over (under) disbursements	1,872,626	(134,615)	2,007,241
Other financing sources, net	266,283	186,153	80,130
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	2,138,909	51,538	2,087,371
Balance beginning of year	28,715,330	168,194	28,547,136
Balance end of year	<u>\$ 30,854,239</u>	<u>219,732</u>	<u>30,634,507</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net
		Variance
31,534,895	32,282,025	(125,631)
75,000	75,000	122,240
9,689,543	11,843,960	376,629
79,890	79,890	(3,035)
1,913,120	2,043,120	(31,036)
630,840	500,840	(41,476)
593,640	657,565	79,731
44,516,928	47,482,400	377,422
15,348,114	16,346,299	2,436,123
2,787,103	3,333,038	780,437
3,228,316	2,528,316	104,208
4,602,609	5,470,525	709,854
7,658,650	7,818,650	842,363
1,538,115	1,613,726	99,585
7,451,052	8,237,502	1,188,662
20,000	20,000	20,000
1,507,111	1,646,111	20,931
5,401,722	8,574,101	3,533,524
49,542,792	55,588,268	9,735,687
(5,025,864)	(8,105,868)	10,113,109
9,500	49,505	30,625
(5,016,364)	(8,056,363)	10,143,734
24,031,193	28,365,976	181,160
19,014,829	20,309,613	10,324,894

Story County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation
Required Supplementary Information

Year ended June 30, 2021

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 48,375,294	37,392	48,412,686
Expenditures	46,502,668	(334,923)	46,167,745
Net	1,872,626	372,315	2,244,941
Other financing sources, net	266,283	(519)	265,764
Beginning fund balances	28,715,330	(398,153)	28,317,177
Ending fund balances	<u>\$ 30,854,239</u>	<u>(26,357)</u>	<u>30,827,882</u>

See accompanying independent auditor's report.

Story County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2021

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 Fund, and Custodial Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, 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, three budget amendments increased budgeted disbursements by \$6,045,476. 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, 2021, disbursements did not exceed the amounts budgeted.

Story County

Schedule of County Proportionate Share of the Net Pension Liability

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

Required Supplementary Information

	2021	2020	2019	2018
County's proportion of the net pension liability	0.161938%	0.150443%	0.151779%	0.164576%
County's proportionate share of the net pension liability	\$ 11,376	8,712	9,605	10,963
County's covered payroll	\$ 16,962	16,582	15,798	15,605
County's proportionate share of the net pension liability as a percentage of its covered payroll	67.07%	52.54%	60.80%	70.25%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%

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

See accompanying independent auditor's report.

2017	2016	2015
0.160859%	0.191537%	0.190907%
10,123	9,463	7,571
14,622	17,396	17,542
69.23%	54.40%	43.16%
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 1,656	1,614	1,591	1,442
Contributions in relation to the statutorily required contribution	<u>(1,656)</u>	<u>(1,614)</u>	<u>(1,591)</u>	<u>(1,442)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 17,546	16,962	16,582	15,798
Contributions as a percentage of covered payroll	9.44%	9.52%	9.59%	9.13%

See accompanying independent auditor's report.

2017	2016	2015	2014	2013	2012
1,427	1,343	1,600	1,608	1,567	1,479
(1,427)	(1,343)	(1,600)	(1,608)	(1,567)	(1,479)
-	-	-	-	-	-
15,605	14,622	17,396	17,542	17,423	17,439
9.14%	9.18%	9.20%	9.17%	8.99%	8.48%

Story County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Story County

Schedule of Changes in the County's
Total OPEB Liability and Related Ratios
For the Last Five Years

Required Supplementary Information

	2021	2020	2019	2018	2017
Service cost	\$ 140,456	127,366	81,028	75,302	80,859
Interest cost	42,465	54,635	48,807	41,218	32,737
Difference between expected and actual experiences	(40,502)	(119,591)	185,483	118,091	-
Changes in assumptions	120,777	91,432	64,627	(23,346)	(43,293)
Benefit payments	(105,053)	(148,407)	(113,604)	(113,733)	(104,342)
Net change in total OPEB liability	158,143	5,435	266,341	97,532	(34,039)
Total OPEB liability beginning of year	1,508,183	1,502,748	1,236,407	1,138,875	1,172,914
Total OPEB liability end of year	\$ 1,666,326	1,508,183	1,502,748	1,236,407	1,138,875
Covered-employee payroll	\$ 16,745,067	15,881,003	15,602,603	14,593,861	14,032,559
Total OPEB liability as a percentage of covered-employee payroll	9.95%	9.50%	9.63%	8.47%	8.12%

See accompanying independent auditor's report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 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, 2019	2.92%

Story County

Supplementary Information

Story County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

	Special		
	County Recorder's Records Management	Drainage Districts	Employee Wellness
Assets			
Cash, cash equivalents and pooled investments	\$ 67,184	219,732	666
Receivables:			
Property tax:			
Succeeding year tax increment financing	-	-	-
Accounts	1,584	-	-
Accrued interest	16	-	-
Drainage assessments	-	275,176	-
Total assets	\$ 68,784	494,908	666
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 14,945	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year tax increment financing	-	-	-
Drainage assessments	-	275,176	-
Total deferred inflows of resources	-	275,176	-
Fund balances:			
Restricted for:			
Conservation purposes	-	-	-
Debt service	-	-	-
Drainage purposes	-	219,732	-
Friends of Animals	-	-	-
Other purposes	53,839	-	666
Total fund balances	53,839	219,732	666
Total liabilities, deferred inflows of resources and fund balances	\$ 68,784	494,908	666

See accompanying independent auditor's report.

Revenue						
Resource Enhancement and Protection	Special Law Enforcement	Tax Increment Financing	Friends of Animals	Friends of Conservation	Sheriff Reserve Officers	Total
106,521	82,176	193,535	117,718	1,138,591	32,353	1,958,476
-	-	846,000	-	-	-	846,000
-	129	-	-	-	-	1,713
25	-	-	28	270	-	339
-	-	-	-	-	-	275,176
106,546	82,305	1,039,535	117,746	1,138,861	32,353	3,081,704
-	67	-	3,802	1,687	-	20,501
-	-	846,000	-	-	-	846,000
-	-	-	-	-	-	275,176
-	-	846,000	-	-	-	1,121,176
106,546	-	-	-	1,137,174	-	1,243,720
-	-	193,535	-	-	-	193,535
-	-	-	-	-	-	219,732
-	-	-	113,944	-	-	113,944
-	82,238	-	-	-	32,353	169,096
106,546	82,238	193,535	113,944	1,137,174	32,353	1,940,027
106,546	82,305	1,039,535	117,746	1,138,861	32,353	3,081,704

Story County

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

Year ended June 30, 2021

	Special		
	County Recorder's Records Management	Drainage Districts	Employee Wellness
Revenues:			
Tax increment financing	\$ -	-	-
Intergovernmental	-	-	-
Charges for service	16,807	-	-
Use of money and property	260	-	-
Miscellaneous	-	515,472	-
Total revenues	<u>17,067</u>	<u>515,472</u>	<u>-</u>
Expenditures:			
Operating:			
Public safety and legal services	-	-	-
County environment and education	-	259,672	-
Governmental services to residents	49,040	-	-
Administration	-	-	1,771
Debt service	-	390,415	-
Capital projects	-	-	-
Total expenditures	<u>49,040</u>	<u>650,087</u>	<u>1,771</u>
Excess (deficiency) of revenues over (under) expenditures	(31,973)	(134,615)	(1,771)
Other financing sources:			
Drainage warrants issued	-	186,153	-
Change in fund balances	(31,973)	51,538	(1,771)
Fund balances beginning of year	85,812	168,194	2,437
Fund balances end of year	<u>\$ 53,839</u>	<u>219,732</u>	<u>666</u>

See accompanying independent auditor's report.

Revenue							
Resource Enhancement and Protection	Special Law Enforcement	Tax Increment Financing	Friends of Animals	Friends of Conservation	Sheriff Reserve Officers		Total
-	-	873,292	-	-	-	-	873,292
104,869	-	29,638	-	-	-	-	134,507
-	-	-	-	-	-	-	16,807
447	-	-	404	3,742	-	-	4,853
-	55,185	-	19,496	153,168	-	-	743,321
105,316	55,185	902,930	19,900	156,910	-	-	1,772,780
-	14,605	-	-	-	12,251	-	26,856
22,326	-	216,213	18,325	12,616	-	-	529,152
-	-	-	-	-	-	-	49,040
-	-	-	-	-	-	-	1,771
-	-	825,136	-	-	-	-	1,215,551
55,462	-	-	-	71,197	-	-	126,659
77,788	14,605	1,041,349	18,325	83,813	12,251	-	1,949,029
27,528	40,580	(138,419)	1,575	73,097	(12,251)	-	(176,249)
-	-	-	-	-	-	-	186,153
27,528	40,580	(138,419)	1,575	73,097	(12,251)	-	9,904
79,018	41,658	331,954	112,369	1,064,077	44,604	-	1,930,123
106,546	82,238	193,535	113,944	1,137,174	32,353	-	1,940,027

Schedule 3

Story County
Combining Schedule of Net Position
June 30, 2021

	Employee Insurance	Dental Self-Insurance	Total
Assets			
Current assets:			
Cash, cash equivalents and pooled investments:			
County Treasurer	\$ 2,704,350	82,557	2,786,907
Cash held by health plan trustee	369,701	45,997	415,698
Total assets	<u>3,074,051</u>	<u>128,554</u>	<u>3,202,605</u>
Liabilities			
Current liabilities:			
Accounts payable	<u>256,735</u>	<u>4,500</u>	<u>261,235</u>
Net Position			
Restricted	2,447,614	-	2,447,614
Unrestricted	<u>369,702</u>	<u>124,054</u>	<u>493,756</u>
Total net position	<u>\$ 2,817,316</u>	<u>124,054</u>	<u>2,941,370</u>

See accompanying independent auditor's report.

Story County

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

June 30, 2021

	Employee Insurance	Dental Self-Insurance	Total
Operating revenues:			
Reimbursements from operating funds and other governmental units	\$ 3,502,453	951	3,503,404
Reimbursements from employees and others	458,364	148,145	606,509
Total operating revenues	<u>3,960,817</u>	<u>149,096</u>	<u>4,109,913</u>
Operating expenses:			
Medical claims	2,889,618	115,335	3,004,953
Insurance premiums	104,306	17,462	121,768
Short term disability payments	7,643	-	7,643
Total operating expenses	<u>3,001,567</u>	<u>132,797</u>	<u>3,134,364</u>
Operating income	959,250	16,299	975,549
Net position beginning of year	<u>1,858,066</u>	<u>107,755</u>	<u>1,965,821</u>
Net position end of year	<u>\$ 2,817,316</u>	<u>124,054</u>	<u>2,941,370</u>

See accompanying independent auditor's report.

Story County

Story County
Combining Statement of Cash Flows
Year ended June 30, 2021

	Employee Insurance	Dental Self-Insurance	Total
Cash flows from operating activities:			
Cash received from operating funds and other governmental units	\$ 3,502,453	951	3,503,404
Cash received from employees and others	460,922	148,145	609,067
Cash paid to suppliers for services	(2,763,068)	(133,070)	(2,896,138)
Net cash provided by operating activities	1,200,307	16,026	1,216,333
Net increase in cash and cash equivalents	1,200,307	16,026	1,216,333
Cash and cash equivalents beginning of year	1,873,744	112,528	1,986,272
Cash and cash equivalents end of year	\$ 3,074,051	128,554	3,202,605
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 959,250	16,299	975,549
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Accounts receivable	2,558	-	2,558
Accounts payable	238,499	(273)	238,226
Net cash provided by operating activities	\$ 1,200,307	16,026	1,216,333

See accompanying independent auditor's report.

Story County
Combining Schedule of Fiduciary Net Position
Custodial Funds

Year ended June 30, 2021

	County Offices	Central Iowa Community Services	Agricultural Extension Education	County Assessor	City Assessor	Schools
Assets						
Cash and pooled investments:						
County Treasurer	\$ -	9,246,925	2,123	287,680	397,564	396,825
Other County officials	160,916	-	-	-	-	-
Receivables:						
Property tax:						
Delinquent	-	-	221	1,190	41	44,570
Succeeding year	-	-	387,000	977,000	1,217,000	78,681,000
Accounts	1,083	1,847	-	-	-	-
Accrued interest	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Due from other governments	13	872	-	-	-	-
Prepaid expense	-	-	-	33,931	16,514	-
Total assets	162,012	9,249,644	389,344	1,299,801	1,631,119	79,122,395
Liabilities:						
Accounts payable	-	474,274	-	830	13,693	-
Salaries and benefits payable	-	-	-	17,148	21,725	-
Due to other funds	-	-	-	-	-	-
Due to other governments	110,006	42,422	2,344	-	2,870	441,395
Trusts payable	52,006	-	-	-	-	-
Stamped warrants payable	-	-	-	-	-	-
Compensated absences	-	-	-	51,698	44,054	-
Total liabilities	162,012	516,696	2,344	69,676	82,342	441,395
Deferred Inflows of Resources						
Unavailable revenues	-	-	387,000	977,000	1,217,000	78,681,000
Net Position						
Restricted for individuals, organizations and other governments	\$ -	8,732,948	-	253,125	331,777	-

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
16,956	223,843	4,588	4,477	2,629,722	2,668,492	15,879,195
-	-	-	-	-	-	160,916
1,765	17,412	918	-	-	2,532	68,649
3,465,000	49,414,000	754,000	-	-	4,467,000	139,362,000
-	-	-	-	-	36,443	39,373
-	-	-	-	-	66	66
-	-	-	1,527,629	-	91,234	1,618,863
-	-	-	-	-	147,866	148,751
-	-	-	-	-	5,626	56,071
<u>3,483,721</u>	<u>49,655,255</u>	<u>759,506</u>	<u>1,532,106</u>	<u>2,629,722</u>	<u>7,419,259</u>	<u>157,333,884</u>
-	-	-	-	-	154,088	642,885
-	-	-	-	-	7,702	46,575
-	-	-	-	-	12,266	12,266
18,721	241,255	5,506	1,532,106	2,629,722	40,078	5,066,425
-	-	-	-	-	430,463	482,469
-	-	-	-	-	82,412	82,412
-	-	-	-	-	16,343	112,095
<u>18,721</u>	<u>241,255</u>	<u>5,506</u>	<u>1,532,106</u>	<u>2,629,722</u>	<u>743,352</u>	<u>6,445,127</u>
<u>3,465,000</u>	<u>49,414,000</u>	<u>754,000</u>	-	-	<u>4,467,000</u>	<u>139,362,000</u>
-	-	-	-	-	2,208,907	11,526,757

Story County
Combining Schedule of Changes in Fiduciary Net Position
Custodial Funds
Year ended June 30, 2021

	County Offices	Central Iowa Community Services	Agricultural Extension Education	County Assessor	City Assessor	Schools
Additions:						
Property and other county tax	\$ -	-	390,010	842,784	1,040,342	75,786,030
911 surcharge	-	-	-	-	-	-
State tax credits	-	-	24,214	54,778	63,099	4,633,571
Office fees and collections	1,959,500	-	-	-	-	-
Auto licenses, use tax and postage	-	-	-	-	-	-
Assessments	-	-	-	-	-	-
Trusts	805,969	-	-	-	-	-
Miscellaneous	-	9,333,579	-	1,799	466	10,858
Total additions	<u>2,765,469</u>	<u>9,333,579</u>	<u>414,224</u>	<u>899,361</u>	<u>1,103,907</u>	<u>80,430,459</u>
Deductions:						
Agency remittances:						
To other funds	862,274	-	-	-	-	-
To other governments	1,097,229	9,620,725	414,224	873,708	1,161,594	80,430,459
Trusts paid out	805,966	-	-	-	-	-
Total deductions	<u>2,765,469</u>	<u>9,620,725</u>	<u>414,224</u>	<u>873,708</u>	<u>1,161,594</u>	<u>80,430,459</u>
Changes in net position	-	(287,146)	-	25,653	(57,687)	-
Net position beginning of year, as restated	-	9,020,094	-	227,472	389,464	-
Balances end of year	<u>\$ -</u>	<u>8,732,948</u>	<u>-</u>	<u>253,125</u>	<u>331,777</u>	<u>-</u>

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	City Special Assessments	Auto License and Use Tax	Other	Total
3,116,337	47,346,690	748,658	-	-	4,465,163	133,736,014
-	-	-	-	-	204,660	204,660
193,470	3,084,080	40,578	-	-	277,315	8,371,105
-	-	-	-	-	-	1,959,500
-	-	-	-	27,572,680	-	27,572,680
-	-	-	61,247	-	37,102	98,349
-	-	-	-	-	1,249,825	2,055,794
-	-	1,671	-	-	2,295,280	11,643,653
3,309,807	50,430,770	790,907	61,247	27,572,680	8,529,345	185,641,755
-	-	-	-	842,518	-	1,704,792
3,309,807	50,430,770	790,907	61,247	26,730,162	6,746,583	181,667,415
-	-	-	-	-	1,820,146	2,626,112
3,309,807	50,430,770	790,907	61,247	27,572,680	8,566,729	185,998,319
-	-	-	-	-	(37,384)	(356,564)
-	-	-	-	-	2,246,291	11,883,321
-	-	-	-	-	2,208,907	11,526,757

Story County

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

Year ended June 30, 2021

	2021	2020	2019	2018
Revenues:				
Property and other county tax	\$ 28,343,859	27,377,104	25,122,663	23,694,457
Tax increment financing	873,292	875,628	860,702	921,259
Local option sales tax	2,962,504	2,424,139	2,287,087	2,198,341
Interest and penalty on property tax	197,240	62,001	125,230	115,792
Intergovernmental	12,149,669	9,103,626	9,476,410	8,075,981
Licenses and permits	80,899	245,840	65,332	81,188
Charges for service	2,018,158	1,790,441	1,725,272	1,839,909
Use of money and property	433,275	784,206	879,170	510,252
Miscellaneous	1,353,790	868,517	843,148	1,910,329
Total	\$ 48,412,686	43,531,502	41,385,014	39,347,508
Expenditures:				
Operating:				
Public safety and legal services	\$ 14,501,196	14,240,542	13,043,941	12,099,746
Physical health and social services	2,565,132	2,260,831	2,397,772	2,334,249
Mental health	2,425,747	2,940,578	2,092,934	2,031,539
County environment and education	4,771,785	4,819,713	4,418,670	4,801,702
Roads and transportation	7,054,891	6,722,666	9,148,189	6,889,882
Governmental services to residents	1,525,285	1,553,327	1,249,746	1,172,742
Administration	6,942,787	6,393,209	6,410,936	5,684,129
Nonprogram	-	23,697	55,282	84,132
Debt service	2,000,595	1,139,678	1,744,176	2,225,906
Capital projects	4,380,327	4,175,215	4,546,146	4,357,481
Total	\$ 46,167,745	44,269,456	45,107,792	41,681,508

See accompanying independent auditor's report.

2017	2016	2015	2014	2013	2012
22,804,363	24,001,196	22,069,411	22,482,441	21,496,628	20,619,095
982,361	802,605	612,399	365,330	362,423	-
2,206,814	2,241,205	2,288,611	1,902,738	1,904,668	1,999,138
105,109	123,483	102,467	129,030	147,639	147,590
8,600,246	9,520,715	9,890,941	10,336,171	8,914,618	13,631,149
85,488	55,514	53,983	74,279	57,750	61,189
1,824,028	1,761,351	1,866,733	1,842,687	1,922,434	1,789,521
2,080,054	755,325	281,396	196,536	203,785	186,344
1,034,738	758,491	837,706	1,289,612	1,206,655	794,250
39,723,201	40,019,885	38,003,647	38,618,824	36,216,600	39,228,276
11,348,017	11,031,889	10,469,437	10,048,320	9,799,170	9,584,996
2,448,548	2,315,177	2,320,342	2,307,098	2,139,504	2,056,066
2,034,835	4,054,405	8,675,130	5,689,991	5,961,907	11,504,064
4,302,414	3,580,630	3,574,712	3,158,021	2,742,873	2,940,513
5,822,801	5,282,732	5,962,458	7,831,510	5,266,727	5,270,080
1,215,079	1,626,578	1,097,132	1,058,190	1,253,493	1,099,246
5,389,514	5,408,901	4,731,940	4,523,424	4,482,138	4,273,727
293,385	34,318	-	-	-	-
1,381,687	3,660,672	1,217,786	2,285,812	2,548,320	2,034,472
2,132,895	1,490,987	2,340,217	2,405,660	1,124,660	1,916,305
36,369,175	38,486,289	40,389,154	39,308,026	35,318,792	40,679,469

Story County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2021

Grantor/Program	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
Direct:			
U.S. Department of the Interior:			
Payments in Lieu of Taxes	15.226	FY21	\$ 511
U.S. Department of Justice:			
COVID-19, Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1144	29,117 *
U.S Department of the Treasury			
COVID-19, Coronavirus State and Local Fiscal Recovery Funds	21.027		<u>48,243</u>
Total Direct:			<u>77,871</u>
Indirect:			
U.S Department of Agriculture			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY21	<u>75,738</u>
U.S. Department of Justice:			
Iowa Department of Justice:			
COVID-19, Coronavirus Emergency Supplemental Funding Program	16.034	20-CESF-359244	<u>200,000 *</u>
Violence Against Women Formula Grants	16.588	VW-20-56-PR	<u>2,568</u>
Violence Against Women Formula Grants	16.588	VW-21-56-PR	<u>18,127</u>
			<u>20,695</u>
Governor's Office of Drug Control Policy:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18-JAG-343184	<u>35,200</u>
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	19-COAP-05	<u>68,343</u>
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	TAP-R-8612(601)--8T-85	11,250
Highway Planning and Construction	20.205	TAP-R-C085(154)--8T-85	<u>30,779</u>
			<u>42,029</u>
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 20-402-MOPT, Task 38	4,903
State and Community Highway Safety	20.600	PAP 21-402-MOPT, Task 44	<u>15,147</u>
U.S Department of the Treasury			<u>20,050</u>
Iowa Department of Revenue:			
COVID-19, Coronavirus Relief Fund	21.019		<u>1,773,926</u>
U.S. Election Assistance Commission			
Iowa Secretary of State			
HAVA Election Security Grants	90.404	385-6220-HAVACARES	<u>49,600</u>
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Immunization Cooperative Agreements	93.268	5881I480	<u>10,623</u>
COVID 19, Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	5885BT485	<u>134,362</u>
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Title IV-E Prevention Program	93.472	FY21	<u>3,952</u>
Foster Care - Title IV-E	93.658	FY21	<u>19,854</u>
Adoption Assistance	93.659	FY21	<u>9,751</u>
Social Services Block Grant	93.667	FY21	<u>18,081</u>
Children's Health Insurance Program	93.767	FY21	<u>1,603</u>
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	FY21	<u>16,555</u>
Medicaid Cluster:			
Medical Assistance Program	93.778	FY21	<u>65,807</u>

Story County
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2021

Grantor/Program	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Program Expenditures
Indirect: (Continued)			
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and			
Emergency Management:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4557-DR-IA	235,664
Total Indirect:			2,801,833
Total			\$ 2,879,704

* - Total for COVID-19, Coronavirus Emergency Supplemental Funding Program \$229,117

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, 2021. 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

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

To the Officials of Story County:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Story County, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 9, 2022.

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 as a basis for designing audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We consider the deficiencies described in Part II to the accompanying Schedule of findings and Questioned Costs as item II-A-21 and II-B-21 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Story County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2021 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.

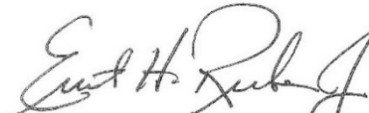
Story County's Responses to the Findings

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

Purpose of this Report

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

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



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

March 9, 2022



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

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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

We have audited Story County, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2021. Story County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Story County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Story County's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Story County's compliance.

Opinion on the Major Federal Program

In our opinion, Story County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.


Report on Internal Control Over Compliance

The management of Story County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Story County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Story County's 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance we consider to be material weaknesses.

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.



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

March 9, 2022

Story County
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

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) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance 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 21.019 – COVID-19, Coronavirus Relief Fund.
- (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, 2021

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-21 Segregation of Duties
(2021-001)

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 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, 2021

II-B-21 Financial Reporting
(2021-002)

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 payables, receivables and capital asset additions 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 all payables, receivables and capital asset additions are identified and reported in the County's financial statements.

Response – Formalization of procedures is currently being drafted for implementation.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

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

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-21 Certified Budget – Disbursements during the year ended June 30, 2021 did not exceed the amount budgeted by function.
- IV-B-21 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.
- IV-C-21 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- IV-D-21 Business Transactions – Business transactions between the County and County officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Marianne Harrelson, Conservation Office, Husband owns R&M Automotive	Vehicle repairs	\$ 773
Kevin Winchell, Facilities Management, Partner in A.C. Landwin	Gutter replacement	3,165

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

- IV-E-21 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.
- IV-F-21 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.
- IV-G-21 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-H-21 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the County’s investment policy were noted.
- IV-I-21 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).

Story County

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

- IV-J-21 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.

No instances of non-compliance were noted as a result of the audit procedures performed.

- IV-K-21 Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.

Story County

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Janet K. Mortvedt, CPA, Manager
Brett S. Gillen, CPA, Senior Auditor
Mason R. Brown, Staff Auditor
Molly N. Kalkwarf, Staff Auditor
Brandon L. Weddell, Staff Auditor
Savannah R. Fitz, Assistant Auditor
Benjamin D. Wong, Audit Intern