

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

July 31, 2025

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

FINANCIAL HIGHLIGHTS:

The County's revenues totaled \$12,328,757 for the year ended June 30, 2024, a 3.6% increase. Expenses for County operations for the year ended June 30, 2024 totaled \$11,821,574, a 16.3% increase. The significant increase in expenses is due primarily to increased road maintenance expenditures as well as an increase in American Rescue Plan Act expenditures.

AUDIT FINDINGS:

Sand reported thirteen findings related to the receipt and expenditure of taxpayer funds. They are found on pages 82 through 91 of this report. The findings address issues such as lack of segregation of duties, capital assets, infrastructure, receivables, payables and prepaid items not properly recorded in the County's financial statements and errors in the cash annual financial report, journal entries not properly approved, disbursements in certain departments exceeded the appropriations and expenditures which may not meet the public purpose criteria since the public benefit was not clearly documented. Sand provided the County with recommendations to address each of these findings.

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

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

###

TAYLOR COUNTY
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2024

Taylor County



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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

Rob Sand
Auditor of State

July 24, 2025

Officials of Taylor County
Bedford, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for Taylor County for the year ended June 30, 2024. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Taylor County throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized and written in a cursive-like font.

Rob Sand
Auditor of State

Table of Contents

		<u>Page</u>
Officials		4
Independent Auditor's Report		5-7
Management's Discussion and Analysis		8-15
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	18-19
Statement of Activities	B	21
Governmental Fund Financial Statements:		
Balance Sheet	C	22-23
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D	25
Statement of Revenues, Expenditures and Changes in Fund Balances	E	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F	28
Proprietary Fund Financial Statements:		
Statement of Net Position	G	29
Statement of Revenues, Expenses and Changes in Fund Net Position	H	30
Statement of Cash Flows	I	31
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position – Custodial Funds	J	32
Statement of Changes in Fiduciary Net Position – Custodial Funds	K	33
Notes to Financial Statements		34-55
Required Supplementary Information:		
Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances – Budget and Actual (Cash Basis) – All Governmental Funds		58
Budget to GAAP Reconciliation		59
Notes to Required Supplementary Information – Budgetary Reporting		61
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)		62-63
Schedule of County Contributions		64-65
Notes to Required Supplementary Information – Pension Liability		67
Schedule of Changes in the County's Total OPEB Liability and Related Ratios		68-69
Notes to Required Supplementary Information – OPEB Liability		70
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	72
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	73
Custodial Funds:		
Combining Schedule of Fiduciary Net Position	3	74-75
Combining Schedule of Changes in Fiduciary Net Position	4	76-77
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	5	78-79

Table of Contents
(continued)

	<u>Page</u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	80-81
Schedule of Findings	82-91
Staff	92

Taylor County

Officials

<u>Name</u>	<u>Title</u>	<u>Expires</u>
Kim Jon Watson	Board of Supervisors	Jan 2025
Jack Beggs	Board of Supervisors	Jan 2027
Ronald Fitzgerald	Board of Supervisors	Jan 2027
Corey Leftwich	County Auditor	(Resigned Aug 2023)
Judy Henry (Appointed Sep 2023)	County Auditor	Nov 2024
Dana Davis	County Treasurer	Jan 2027
Rick Sheley	County Recorder	Jan 2027
Josh Weed	County Sheriff	Jan 2025
Clinton L. Spurrier	County Attorney	Jan 2027
Holly Cavin	County Assessor	Jan 2027



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

Rob Sand
Auditor of State

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

Independent Auditor's Report

To the Officials of Taylor County:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Taylor County, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Taylor County as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the County's Proportionate Share of the Net Pension Liability (Asset), the Schedule of County Contributions and the Schedule of Changes in the County's Total OPEB Liability, Related Ratios and Notes on pages 8 through 15 and 58 through 70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taylor County's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 5 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 24, 2025 on our consideration of Taylor County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Taylor County's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA
Deputy Auditor of State

July 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Taylor County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- Revenues of the County's governmental activities increased approximately \$430,000, or 3.6%, from fiscal year 2023 to fiscal year 2024. Capital grants, contributions and restricted interest decreased approximately \$1,202,000, or 73.2%, charges for services increased approximately \$76,000, or 5.4% and unrestricted investment earnings increased approximately \$75,000, or 92.6%. Operating grants, contributions and restricted interest increased \$216,000, or 5.2%, property and other county tax increased \$584,000, or 14.2%, and American Rescue Plan Act funds increased \$621,000, or 10,350%. The decrease in capital grants is primarily due to bridge and road work construction contributed by the Iowa Department of Transportation during fiscal year 2024.
- Program expenses of the County's governmental activities increased 16.3%, or approximately \$1,657,000 over fiscal year 2023. Roads and transportation, administration and public safety and legal services increased approximately \$841,000, \$674,000 and \$194,000, respectively, while non-program and physical health and social services expenses decreased approximately \$88,000 and \$71,000, respectively. The increase in roads and transportation expenses is primarily due to increased road surface maintenance.
- Net position at June 30, 2024 increased approximately \$508,000, or 1.8%, compared to the June 30, 2023 balance.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

REPORTING THE COUNTY'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The County has three kinds of funds:

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

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

- 2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally amount 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 emergency management services and the County Assessor, to name a few.

The required financial statement for fiduciary funds is a Statement of Fiduciary Net Position and the 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. Taylor County’s combined net position increased from approximately \$28.7 million to approximately \$29.2 million during the year. The analysis that follows focuses on the changes in the net position of governmental activities.

Net Position of Governmental Activities (Expressed in Thousands)		
	June 30,	
	2024	2023
Current and other assets	\$ 15,691	14,535
Capital assets	22,718	23,204
Total assets	38,409	37,739
Deferred outflows of resources	916	538
Long-term liabilities	3,097	3,206
Other liabilities	700	1,226
Total liabilities	3,797	4,432
Deferred inflows of resources	6,018	5,108
Net position:		
Net investment in capital assets	21,311	21,584
Restricted	6,118	5,316
Unrestricted	1,816	1,837
Total net position	\$ 29,245	28,737

The net position of Taylor County’s governmental activities increased approximately \$508,000, or 1.8% over fiscal year 2023.

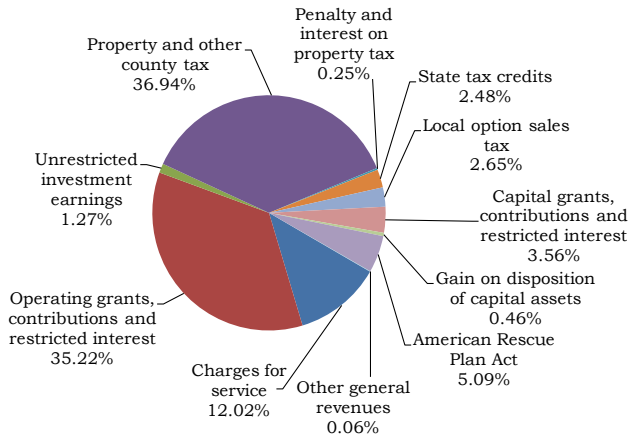
The largest portion of the County’s net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets. This net position category decreased approximately \$273,000, or 1.3% from the prior year, primarily due to accumulated depreciation.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. This net position category increased approximately \$802,000, or 15.1% over the prior year, primarily due to additional available resources at year end in amounts restricted for Supplemental levy purposes and the Special Revenue, Rural Services and Secondary Roads Funds.

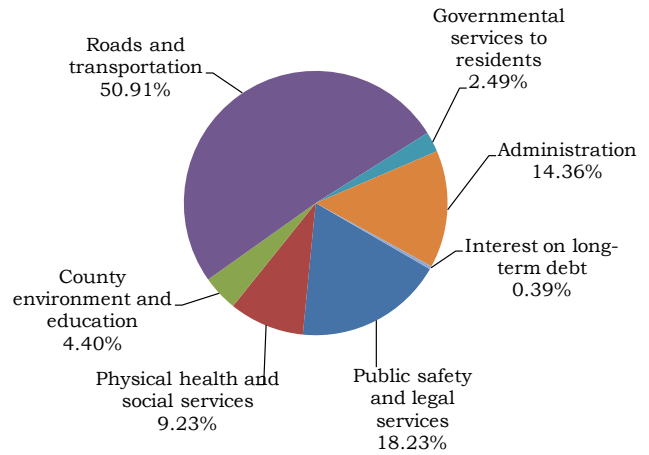
Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$1,837,000 at June 30, 2023 to approximately \$1,816,000 at the end of the year, a decrease of 1.1%.

Changes in Net Position of Governmental Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2024	2023
Revenues:		
Program revenues:		
Charges for service	\$ 1,482	1,406
Operating grants, contributions and restricted interest	4,343	4,127
Capital grants, contributions and restricted interest	439	1,641
General revenues:		
Property and other county tax	4,555	3,971
Penalty and interest on property tax	31	33
State tax credits	306	280
Local option sales tax	327	336
American Rescue Plan Act	627	6
Unrestricted investment earnings	156	81
Gain on disposition of capital assets	57	16
Other general revenues	7	3
Total revenues	<u>12,330</u>	<u>11,900</u>
Program expenses:		
Public safety and legal services	2,155	1,961
Physical health and social services	1,091	1,162
County environment and education	520	460
Roads and transportation	6,018	5,177
Governmental services to residents	294	244
Administration	1,698	1,024
Non-program	-	88
Interest on long-term debt	46	49
Total expenses	<u>11,822</u>	<u>10,165</u>
Change in net position	508	1,735
Net position beginning of year	<u>28,737</u>	<u>27,002</u>
Net position end of year	<u>\$ 29,245</u>	<u>28,737</u>

Revenues by Source



Expenses by Program



The County's property tax rates for fiscal year 2024 increased over the prior year from \$10.86162 per \$1,000 of taxable valuation for fiscal year 2023 to \$11.88498 per \$1,000 of taxable valuation in fiscal year 2024, while an increase of approximately 3.9% in the total assessed valuation resulted in an increase in property tax revenue of approximately \$584,000. The total Taylor County taxable valuation for property tax payable in fiscal year 2025 increased approximately \$136,785,000. The tax levy rate is set to increase \$0.44037 per \$1,000 of taxable valuation. Property tax revenue is budgeted to increase approximately \$1,323,000.

The cost of all governmental activities this year was approximately \$11.82 million compared to approximately \$10.2 million last year. However, as shown in the Statement of Activities on page 21, the amount taxpayers ultimately financed for these activities was approximately \$5.6 million because some of the cost was paid by those directly benefited from the programs (approximately \$1,482,000) or by other governments and organizations which subsidized certain programs with grants and contributions (approximately \$4,781,000). Overall, the County's governmental program revenues, including intergovernmental aid and fees for service, decreased in fiscal year 2024 from approximately \$7,174,000 to approximately \$6,263,000, due primarily to the County receiving less contributions of roads and bridges paid for by the Iowa Department of Transportation than in fiscal year 2023.

INDIVIDUAL MAJOR FUND ANALYSIS

As Taylor County completed the year, its governmental funds reported a combined fund balance of approximately \$8,179,000, an increase of approximately \$469,000 over last year's total fund balance of approximately \$7,710,000. The increase in the combined fund balance is primarily attributable to an increase in the Special Revenue, Rural Services and Secondary Roads balances. The following are the major reasons for the changes in fund balances of the major funds from the prior year:

- General Fund revenues increased approximately \$1,256,000 over the prior year, primarily due to an increase in property tax revenues and American Rescue Plan Act recognition. General Fund expenditures increased approximately \$1,108,000, due, in part, to an increase in administration costs related to the American Rescue Plan Act and public safety and legal services as a result of increased vehicle purchases and contributions to the Taylor County Emergency Management Agency. The ending fund balance increased approximately \$29,000, or less than 1.0%, to approximately \$3,303,000.
- The Special Revenue, Rural Services Fund revenues increased approximately \$166,000, or 14.8%, primarily due to increased property tax revenues. The ending fund balance increased approximately \$153,000, or 35.7%, to approximately \$582,000.

- The Special Revenue, Secondary Roads Fund expenditures increased approximately \$707,000, or 17.6%, primarily due to purchase of equipment and salaries and benefits. Total revenues increased approximately \$51,000, or 1.4%. The ending fund balance in the Secondary Roads Fund increased approximately \$194,000, or 6.0%.
- There were no significant changes in revenues, expenditures and fund balance of the Debt Service Fund.

BUDGETARY HIGHLIGHTS

Over the course of the year, Taylor County amended its budget one time. The amendment was made on May 24, 2024, primarily due increases in anticipated costs in public safety and legal services, county environment and education and roads and transportation.

The County’s receipts were \$2,283,151 less than budgeted, a variance of 17.1%. The most significant variance resulted from the County not receiving anticipated intergovernmental revenues from the federal government.

Total disbursements were \$4,369,083 less than the amended budget. Actual disbursements for the capital projects and administration were \$2,991,309 and \$672,231, respectively, less than budgeted. This was primarily due to planned projects for roadway construction and other expenditures for general county administration and risk management not occurring as quickly as anticipated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, Taylor County had approximately \$22.7 million invested in a broad range of capital assets, including secondary roads and ambulance equipment, buildings, park facilities, roads and bridges. This is a net decrease (including additions and deletions) of approximately \$486,000, or 2.1%, from last year.

Capital Assets of Governmental Activities at Year End (Expressed in Thousands)		
	June 30,	
	2024	2023
Land	892	892
Construction in progress	29	1,653
Buildings and improvements	3,466	3,390
Equipment and vehicles	2,827	2,683
Right-to-use leased equipment	5	6
Right-to-use subscription asset	50	3
Intangibles, other	36	41
Infrastructure, other	857	898
Infrastructure, road network	14,556	13,638
Total	<u>\$ 22,718</u>	<u>23,204</u>
This year's major additions included (in thousands)		
Secondary Roads equipment	\$	393
Ambulance		236
Public Health Building		172
Total	<u>\$</u>	<u>801</u>

The County had depreciation/amortization expense of \$1,911,737 in fiscal year 2024 and total accumulated depreciation/amortization of \$26,369,749 at June 30, 2024. More detailed information about the County’s capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At June 30, 2024, Taylor County had approximately \$1,407,000 of general obligation bonds and other debt outstanding, compared to approximately \$1,619,000 at June 30, 2023, as shown below:

Outstanding Debt of Governmental Activities at Year-End (Expressed in Thousands)		
	June 30,	
	2024	2023
General obligation bonds	\$ 1,350	1,610
Lease agreements	5	6
IT subscription liability	52	3
	\$ 1,407	1,619

Debt decreased as a result of scheduled debt payments during fiscal year 2024.

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. Taylor County’s outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$29.9 million. Additional information about the County’s long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Taylor County’s elected and appointed officials and citizens considered many factors when setting the fiscal year 2025 budget, tax rates and the fees charged for various County activities. One of those factors is the economy. Unemployment in the County now stands at 2.1% versus 2.4% a year ago. This compares with the State’s unemployment rate of 2.8% and the national rate of 4.1%.

Many factors were taken into account when adopting the budget for fiscal year 2025. The County had a countywide valuation increase of \$77,619,755 and the rural valuation increased \$59,165,685 for fiscal year 2025.

Amounts levied for property tax are \$5,583,977, an increase of \$1,092,920 over fiscal year 2024. Total budgeted receipts and other financing sources for fiscal year 2025 increased \$1,394,396 over the fiscal year 2024 amended budget.

Budgeted disbursements decreased \$245,039 from the amended fiscal year 2024 budget. The decrease is primarily due to a decrease in administration disbursements, offset by increases in roads and transportation disbursements expected in fiscal year 2025.

The County has added no major new programs or initiatives to the fiscal year 2025 budget.

If these estimates are realized, the County’s budgetary operating balance is expected to decrease by the close of fiscal year 2025.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of Taylor 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 Taylor County Auditor's Office, 405 Jefferson Street, Bedford, Iowa 50833.

Taylor County

Basic Financial Statements

Exhibit A

Taylor County
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 8,184,465
Receivables:	
Property tax:	
Delinquent	1,265
Succeeding year	5,877,000
Penalty and interest on property tax	3,996
Accounts	84,490
Opioid settlement	191,099
Accrued interest	5,380
Due from other governments	595,653
Inventories	671,659
Prepaid items	76,590
Capital assets not being depreciated/amortized	920,780
Capital assets, net of accumulated depreciation/amortization	<u>21,796,824</u>
Total assets	<u>38,409,201</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>916,061</u>

Taylor County
Statement of Net Position
June 30, 2024

	Governmental Activities
Liabilities	
Accounts payable	268,095
Salaries and benefits payable	38,448
Due to other governments	1,600
Unearned revenue	392,698
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	265,000
Lease agreements	1,524
IT subscription liability	27,012
Compensated absences	205,197
Total OPEB liability	23,495
Portion due or payable after one year:	
General obligation bonds	1,085,000
Lease agreements	3,212
IT subscription liability	25,142
Compensated absences	105,350
Net pension liability	1,303,895
Total OPEB liability	316,789
Total liabilities	4,062,457
Deferred Inflows of Resources	
Unavailable property tax revenue	5,877,000
Pension related deferred inflows	141,133
Total deferred inflows of resources	6,018,133
Net Position	
Net investment in capital assets	21,310,714
Restricted for:	
Supplemental levy purposes	1,117,066
Rural services purposes	582,447
Secondary roads purposes	3,251,546
Debt services	177,130
Conservation purposes	128,381
Opioid abatement	222,112
Other purposes	639,689
Unrestricted	1,815,587
Total net position	\$ 29,244,672

See notes to financial statements.

Taylor County

Taylor County

Statement of Activities

Year ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	
Functions/Programs:					
Governmental activities:					
Public safety and legal services	\$ 2,154,717	870,242	-	-	(1,284,475)
Physical health and social services	1,090,647	346,067	605,279	-	(139,301)
County environment and education	519,496	14,257	35,320	-	(469,919)
Roads and transportation	6,018,348	114,504	3,676,439	438,735	(1,788,670)
Governmental services to residents	294,165	119,155	25,717	-	(149,293)
Administration	1,697,901	17,316	-	-	(1,680,585)
Interest on long-term debt	46,300	-	-	-	(46,300)
Total	\$ 11,821,574	1,481,541	4,342,755	438,735	(5,558,543)
General Revenues:					
Property and other county tax levied for:					
General purposes					4,264,543
Debt service					290,684
Penalty and interest on property tax					31,212
State tax credits and replacements					305,908
Local option sales tax					326,537
American Rescue Plan Act					626,859
Unrestricted investment earnings					155,911
Gain on disposition of capital assets					57,425
Miscellaneous					6,647
Total general revenues					6,065,726
Change in net position					507,183
Net position beginning of year					28,737,489
Net position end of year					\$ 29,244,672

See notes to financial statements.

Taylor County
Balance Sheet
Governmental Funds

June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
Assets			
Cash, cash equivalents and pooled investments	\$ 3,624,871	572,978	2,617,520
Receivables:			
Property tax:			
Delinquent	1,137	47	-
Succeeding year	4,258,000	1,316,000	-
Penalty and interest on property tax	3,996	-	-
Accounts, net of allowance for doubtful ambulance accounts of \$100,510	72,957	-	11,224
Opioid settlement	-	-	-
Accrued interest	5,369	-	-
Due from other governments	262,480	9,422	306,253
Inventories	-	-	671,659
Prepaid items	76,590	-	-
Total assets	\$ 8,305,400	1,898,447	3,606,656
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 144,421	-	123,674
Salaries and benefits payable	2,283	-	36,165
Due to other governments	614	-	986
Unearned revenue	392,698	-	-
Total liabilities	540,016	-	160,825
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	4,258,000	1,316,000	-
Other	204,170	47	-
Total deferred inflows of resources	4,462,170	1,316,047	-
Fund balances:			
Nonspendable:			
Inventories	-	-	671,659
Prepaid items	76,590	-	-
Restricted for:			
Supplemental levy purposes	1,108,737	-	-
Rural services purposes	-	582,400	-
Secondary roads purposes	-	-	2,774,172
Conservation purposes	128,381	-	-
Debt service	-	-	-
Opioid abatement	-	-	-
Other purposes	-	-	-
Committed for ambulance purposes	140,582	-	-
Unassigned	1,848,924	-	-
Total fund balances	3,303,214	582,400	3,445,831
Total liabilities, deferred inflows of resources and fund balances	\$ 8,305,400	1,898,447	3,606,656

See notes to financial statements.

Debt Service	Nonmajor	Total
177,049	652,884	7,645,302
81	-	1,265
303,000	-	5,877,000
-	-	3,996
-	309	84,490
-	191,099	191,099
-	11	5,380
-	17,498	595,653
-	-	671,659
-	-	76,590
480,130	861,801	15,152,434
-	-	268,095
-	-	38,448
-	-	1,600
-	-	392,698
-	-	700,841
303,000	-	5,877,000
81	191,099	395,397
303,081	191,099	6,272,397
-	-	671,659
-	-	76,590
-	-	1,108,737
-	-	582,400
-	-	2,774,172
-	-	128,381
177,049	-	177,049
-	31,013	31,013
-	639,689	639,689
-	-	140,582
-	-	1,848,924
177,049	670,702	8,179,196
480,130	861,801	15,152,434

Taylor County

Taylor County

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

June 30, 2024

Total governmental fund balances (page 23) \$ 8,179,196

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$49,087,353 and the accumulated depreciation/amortization is \$26,369,749. 22,717,604

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. 395,397

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the Statement of Net Position. 539,163

Pension 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	\$ 916,061	
Deferred inflows of resources	<u>(141,133)</u>	774,928

Long-term liabilities, including lease agreements payable, the general obligation bonds payable, compensated absences payable, net pension liability, total OPEB liability and IT subscription liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (3,361,616)

Net position of governmental activities (page 19) \$ 29,244,672

See notes to financial statements.

Taylor County

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

Year ended June 30, 2024

	Special Revenue		
	General	Rural Services	Secondary Roads
Revenues:			
Property and other county tax	\$ 3,159,336	1,105,001	-
Local option sales tax	-	114,288	-
Penalty and interest on property tax	30,529	-	-
Intergovernmental	2,347,398	61,486	3,666,588
Licenses and permits	50	4,675	18,917
Charges for service	355,690	-	-
Use of money and property	160,240	-	-
Miscellaneous	13,073	1,826	105,437
Total revenues	<u>6,066,316</u>	<u>1,287,276</u>	<u>3,790,942</u>
Expenditures:			
Operating:			
Public safety and legal services	2,333,001	-	-
Physical health and social services	1,223,650	44,289	-
County environment and education	353,316	44,579	-
Roads and transportation	-	29,994	4,706,527
Governmental services to residents	364,231	3,062	-
Administration	1,748,556	-	-
Debt service	-	-	-
Capital projects	-	-	28,691
Total expenditures	<u>6,022,754</u>	<u>121,924</u>	<u>4,735,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,562</u>	<u>1,165,352</u>	<u>(944,276)</u>
Other financing sources (uses):			
Sale of capital assets	-	-	53,425
Transfers in	-	-	1,084,837
Transfers out	(72,534)	(1,012,303)	-
IT subscription agreement	58,238	-	-
Total other financing sources (uses)	<u>(14,296)</u>	<u>(1,012,303)</u>	<u>1,138,262</u>
Change in fund balances	29,266	153,049	193,986
Fund balances beginning of year	<u>3,273,948</u>	<u>429,351</u>	<u>3,251,845</u>
Fund balances end of year	<u>\$ 3,303,214</u>	<u>582,400</u>	<u>3,445,831</u>

See notes to financial statements.

Debt		
Service	Nonmajor	Total
290,686	-	4,555,023
-	212,249	326,537
-	-	30,529
20,756	-	6,096,228
-	-	23,642
-	1,279	356,969
-	121	160,361
-	29,664	150,000
<u>311,442</u>	<u>243,313</u>	<u>11,699,289</u>
-	5,000	2,338,001
-	8,141	1,276,080
-	142,724	540,619
-	-	4,736,521
-	-	367,293
-	-	1,748,556
306,300	-	306,300
-	-	28,691
<u>306,300</u>	<u>155,865</u>	<u>11,342,061</u>
<u>5,142</u>	<u>87,448</u>	<u>357,228</u>
-	-	53,425
-	-	1,084,837
-	-	(1,084,837)
-	-	58,238
-	-	111,663
5,142	87,448	468,891
<u>171,907</u>	<u>583,254</u>	<u>7,710,305</u>
<u>177,049</u>	<u>670,702</u>	<u>8,179,196</u>

Taylor County

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

Year ended June 30, 2024

Change in fund balances - Total governmental funds (page 27) \$ 468,891

**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. Depreciation/amortization expense exceeded capital outlay expenditures and contributed capital assets in the current year, as follows:

Expenditures for capital assets	\$ 924,718	
Capital assets contributed by the Iowa Department of Transportation	438,735	
Right-to-use subscription asset	58,238	
Depreciation/amortization expense	<u>(1,911,737)</u>	(490,046)

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. 4,000

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	204	
Other	<u>133,104</u>	133,308

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

Issued	58,238	
Repaid	<u>(270,885)</u>	212,647

The current year County IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position. 388,618

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	(19,137)	
OPEB expense	(16,074)	
Pension expense	<u>(159,290)</u>	(194,501)

The Internal Service Fund is used by management to charge the costs of the partial self-funding of the County's health insurance benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. (15,734)

Change in net position of governmental activities (page 21) \$ 507,183

See notes to financial statements.

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

	Internal Service - Employee Group Health
Assets	
Cash, cash equivalents and pooled investments	\$ 539,163
Liabilities	
None	-
Net position	
Restricted for employee health	\$ 539,163

See notes to financial statements.

Taylor County

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

Year ended June 30, 2024

		<u>Internal Service - Employee Group Health</u>
Operating revenues:		
Reimbursements from operating funds		\$ 86,028
Reimbursements from employees and others		<u>1,293</u>
Total operating revenues:		87,321
Operating expenses:		
Medical claims	\$ 92,394	
Insurance premiums	<u>10,661</u>	<u>103,055</u>
Operating loss		(15,734)
Net position beginning of year		<u>554,897</u>
Net position end of year		<u><u>\$ 539,163</u></u>

See notes to financial statements.

Taylor County
Statement of Cash Flows
Proprietary Fund

June 30, 2024

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 86,028
Cash received from employees and others	1,293
Cash paid to suppliers for services	(103,055)
Net cash used by operating activities	(15,734)
Cash and cash equivalents beginning of year	554,897
Cash and cash equivalents end of year	\$ 539,163
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (15,734)

See notes to financial statements.

Taylor County
Statement of Fiduciary Net Position
Custodial Funds

June 30, 2024

Assets

Cash, cash equivalents and pooled investments:	
County Treasurer	\$ 954,506
Other County officials	22,310
Property tax receivable:	
Delinquent	3,968
Succeeding year	<u>9,339,000</u>
Total assets	<u>10,319,784</u>

Liabilities

Accounts payable	65,791
Due to other governments	336,085
Trusts payable	<u>43,512</u>
Total liabilities	<u>445,388</u>

Deferred Inflows of Resources

Unavailable property tax revenue	<u>9,339,000</u>
----------------------------------	------------------

Net position

Restricted for individuals, organizations and other governments	<u>\$ 535,396</u>
--------------------------------------------------------------------	-------------------

See notes to financial statements.

Taylor County
 Statement of Changes in Fiduciary Net Position
 Custodial Funds

June 30, 2024

Additions:	
Property and other county tax	\$ 7,793,151
State tax credits	640,989
Office fees and collections	187,356
Auto licenses, use tax and postage	2,511,121
Drivers license fees	29,116
Assessments	13,111
Trusts	147,814
Miscellaneous	<u>83,506</u>
Total additions	<u>11,406,164</u>
Deductions:	
Agency remittances:	
To other funds	135,909
To other governments	11,232,194
Trusts paid out	<u>31,552</u>
Total deductions	<u>11,399,655</u>
Change in net position	6,509
Net position beginning of year	<u>528,887</u>
Net position end of year	<u>\$ 535,396</u>

See notes to financial statements.

Taylor County

Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies

Taylor 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, Taylor 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. Taylor County has no component units which meet the Governmental Accounting Standards Board criteria.

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: Taylor County Assessor's Conference Board, Taylor County Emergency Management Commission and South Central Iowa Regional 911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Custodial Funds of the County.

The County also participates in the following jointly governed organizations: Prairie Solid Waste Agency (formerly Adams and Taylor Counties Regional Service Agency), Madison County Adair County Taylor County Union County Ringgold Adams County (MATURA) Action Corporation Policy Board, Matura, and Southern Iowa Council of Governments.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The County reports the following major governmental funds:

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

Special Revenue:

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

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

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

Additionally, the County reports the following funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit 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 receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has 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 it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in April 2023.

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

Opioid Settlement Receivable – The County will receive payments from certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failure to monitor for, detect and prevent diversion of the drugs. The County is required to use these funds for activities to remediate the opioid crisis and treat or mitigate opioid use disorder and related disorders through prevention, harm reduction and recovery services.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

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

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

Asset Class	Estimated Useful lives (In Years)
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	2 - 20
Right-to-use subscription assets	2 - 20
Right-to-use leased assets	2 - 20
Equipment	2 - 20
Vehicles	3 - 10

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

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

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

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

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

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITA) – Taylor County has entered into a contract that conveys control of the right to use information technology software. The County has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The County recognized IT subscription liabilities with an initial, individual value of \$5,000, or more.

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

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

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

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

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

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

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

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

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

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

Long-Term Liabilities – In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

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

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

Total OPEB Liability – For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the County's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Revenue, Rural Services and Secondary Roads Funds.

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

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets.

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

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

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

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 purposes unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned – All amounts not included in the preceding classifications.

Net Position – The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024, disbursements did not exceed the amounts budgeted. However, disbursements in one department exceeded the amount appropriated prior to approval of an amendment and at year end.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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

(3) Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue: Secondary Roads	Special Revenue: General Basic Rural Services	\$ 72,534 <u>1,012,303</u> <u>\$ 1,084,837</u>

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 891,709	-	-	891,709
Construction in progress	1,653,011	448,043	(2,071,983)	29,071
Total capital assets not being depreciated/amortized	2,544,720	448,043	(2,071,983)	920,780
Capital assets being depreciated/amortized:				
Buildings	4,229,560	172,329	-	4,401,889
Improvements other than buildings	243,721	-	-	243,721
Equipment and vehicles	7,968,642	747,081	(462,247)	8,253,476
Right-to-use leased equipment	7,976	-	-	7,976
Right-to-use subscription asset	8,774	58,238	(8,774)	58,238
Intangibles, other	77,750	-	-	77,750
Infrastructure, other	1,020,324	-	-	1,020,324
Infrastructure, road network	32,031,216	2,071,983	-	34,103,199
Total capital assets being depreciated/amortized	45,587,963	3,049,631	(471,021)	48,166,573
Less accumulated depreciation/amortization for:				
Buildings	1,001,671	91,482	-	1,093,153
Improvements other than buildings	81,250	5,042	-	86,292
Equipment and vehicles	5,286,208	602,166	(462,247)	5,426,127
Right-to-use leased equipment	2,021	1,519	-	3,540
Right-to-use subscription asset	5,849	10,944	(8,774)	8,019
Intangibles, other	36,283	5,184	-	41,467
Infrastructure, other	122,439	40,813	-	163,252
Infrastructure, road network	18,393,312	1,154,587	-	19,547,899
Total accumulated depreciation/amortization	24,929,033	1,911,737	(471,021)	26,369,749
Total capital assets being depreciated/amortized, net	20,658,930	1,137,894	-	21,796,824
Governmental activities capital assets, net	\$ 23,203,650	1,585,937	(2,071,983)	22,717,604

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 194,343
Physical health and social services	24,928
County environment and education	35,856
Roads and transportation	1,648,900
Administration	7,710
Total depreciation/amortization expense - governmental activities	<u>\$ 1,911,737</u>

(5) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments at June 30, 2024 is as follows:

Fund	Description	Amount
General	Services	\$ 614
Special Revenue:		
Secondary Roads	Services	986
Total for governmental funds		<u>\$ 1,600</u>
Custodial:		
County Offices	Collections	\$ 2,609
Schools		70,732
Corporations		27,223
Auto License and Use Tax		214,512
All other		21,009
Total for custodial funds		<u>\$ 336,085</u>

(6) Long-Term Liabilities

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

	General Obligation Bonds	Lease Agreements	IT Subscription Liability	Compensated Absences	Net Pension Liability	Total OPEB Liability	Total
Balance beginning of year	\$ 1,610,000	6,208	3,329	291,410	970,887	324,210	3,206,044
Increases	-	-	58,238	406,711	333,008	16,074	814,031
Decreases	260,000	1,472	9,413	387,574	-	-	658,459
Balance end of year	<u>\$ 1,350,000</u>	<u>4,736</u>	<u>52,154</u>	<u>310,547</u>	<u>1,303,895</u>	<u>340,284</u>	<u>3,361,616</u>
Due within one year	\$ 265,000	1,524	27,012	205,197	-	23,495	522,228

General Obligation Bonds

On October 29, 2019, the County issued \$2,570,000 of general obligation refunding bonds, Series 2019A, with an interest rate ranging from 2.00-4.00% per annum. The notes were issued to refund the \$2,645,000 outstanding balance of the general obligation capital loan notes, Series 2014, dated March 28, 2014. The Series 2014, general obligation capital loan notes, were issued to construct, furnish and equip the County law enforcement facility. During the year ended June 30, 2024, the County paid principal of \$260,000 and interest of \$45,700 on the bonds. A summary of the County’s June 30, 2024 general obligation bond indebtedness is as follows:

		Series 2019A		
		County Law Enforcement Facility Refunding		
		Issued Oct 29, 2019		
Year	Interest			
Ending	Rates	Principal	Interest	Total
June 30,				
2025	4.00%	\$ 265,000	37,900	302,900
2026	3.00	275,000	27,300	302,300
2027	3.00	285,000	19,050	304,050
2028	2.00	290,000	10,500	300,500
2029	2.00	235,000	4,700	239,700
Total		\$ 1,350,000	99,450	1,449,450

Lease Agreements

On March 2, 2022, the County entered into a noncancelable lease agreement for a multifunction printer. The agreement requires monthly payments of \$139 over five years with an estimated implicit interest rate of 3.5% and final payment due June 2, 2027. During the year ended June 30, 2024, the County paid principal of \$1,472 and interest of \$196 on the agreement.

Details of the County’s June 30, 2024 lease indebtedness paid from the General Fund are as follows:

Year	Multifunction Printer		
Ending	Principal	Interest	Total
June 30,			
2025	\$ 1,524	144	1,668
2026	1,578	90	1,668
2027	1,634	34	1,668
Totals	\$ 4,736	268	5,004

IT Subscription Liability

On January 21, 2021, the County entered into an IT subscription license and services information technology agreement with Thomson Reuters for Attorney’s Office litigation software. An initial subscription liability in the amount of \$15,929 was recorded. The agreement requires monthly payments of \$435 over three years, increasing 5.0% annually, with an implicit interest rate of 2.75% and final payment was made January 1, 2024. During the year ended June 30, 2024, principal and interest paid were \$3,329 and \$31, respectively.

On January 21, 2024, the County entered into an IT subscription license and services information technology agreement with Thomson Reuters for Attorney’s Office litigation software. An initial subscription liability in the amount of \$13,932 was recorded. The agreement requires monthly payments of \$600 over two years, increasing 6.0% annually, with an implicit interest rate of 6.50% and final payment due January 1, 2026. During the year ended June 30, 2024, principal and interest paid were \$3,267 and \$333, respectively.

On April 1, 2024, the County entered into an IT subscription license and services information technology agreement with Schneider Geospatial for Beacon Portal Development and litigation software. An initial subscription liability in the amount of \$44,306 was recorded. The agreement requires a prorated payment of \$5,697 in the first year and annual payments of \$22,788 over two years, with an implicit interest rate of 6.50% and final payment due June 1, 2026. During the year ended June 30, 2024, principal and interest paid were \$2,817 and \$2,880, respectively. Future principal and interest payments are as follows:

Year Ending June 30,	Litigation Software			Beacon Software		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 6,921	495	7,416	\$ 20,091	2,697	22,788
2026	3,744	72	3,816	21,398	1,390	22,788
Total	<u>\$ 10,665</u>	<u>567</u>	<u>11,232</u>	<u>\$ 41,489</u>	<u>4,087</u>	<u>45,576</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2024	\$ 27,012	3,192	30,204
2025	25,142	1,462	26,604
Total	<u>\$ 52,154</u>	<u>4,654</u>	<u>56,808</u>

(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 age 55. Sheriffs, deputies and protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

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

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

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

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

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

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

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the County contributed 9.44% of covered payroll for a total rate of 15.73%. The Sheriffs, deputies and the County each contributed 8.51% of covered payroll for a total rate of 17.02%. Protection occupation members contributed 6.21% of covered payroll and the County contributed 9.31% for a total rate of 15.52%.

The County's contributions to IPERS for the year ended June 30, 2024 were \$388,618.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the County reported a liability of \$1,303,895 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the County's proportion was 0.028888%, which was an increase of 0.003191% over its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$159,290. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 286,115	6,167
Changes of assumptions	-	43,927
Net difference between projected and actual earnings on IPERS' investments	220,108	-
Changes in proportion and differences between County contributions and the County's proportionate share of contributions	21,220	91,039
County contributions subsequent to the measurement date	388,618	-
Total	<u>\$ 916,061</u>	<u>141,133</u>

\$388,618 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ (38,718)
2026	(159,668)
2027	486,283
2028	85,038
2029	13,375
Total	<u>\$ 386,310</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100.0%</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 3,671,934	1,303,895	(681,269)

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, 2024.

(8) Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Taylor County and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>67</u>
	<u>68</u>

Total OPEB Liability – The County's total OPEB liability of \$340,284 was measured as of July 1, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2023)	2.60% per annum.
Rates of salary increase (effective June 30, 2023)	3.25% per annum, including inflation plus merit/productivity measures
Discount rate (effective June 30, 2023)	4.13% compounded annually
Healthcare cost trend rate (effective June 30, 2024)	7.00% initial rate decreasing annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 324,210
Changes for the year:	
Service cost	25,331
Interest	13,821
Differences between expected and actual experiences	(311)
Changes in assumptions	728
Benefit payments	<u>(23,495)</u>
Net changes	<u>16,074</u>
Total OPEB liability end of year	<u>\$ 340,284</u>

Changes of assumptions reflect a change in the discount rate from 4.09% in fiscal year 2023 to 4.13% in fiscal year 2024.

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 365,083	340,284	317,345

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 (6.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB liability	\$ 307,982	340,284	378,471

OPEB Expense – For the year ended June 30, 2024, the County recognized OPEB expense of \$16,074. The County utilized the alternative measurement method which results in all deferred outflows of resources and deferred inflows of resources related to OPEB being fully recognized in the current fiscal year.

(9) Risk Management

The County is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 803 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability and law enforcement liability. There have been no reductions in insurance coverage from prior years.

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

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

The County’s property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The County’s contributions to the Pool for the year ended June 30, 2024 were \$239,157.

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

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

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2024, no liability has been recorded in the County's financial statements. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$2,000,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Employee Health Insurance Plan

The Internal Service, Employee Group Health Fund was established to account for the partial self-funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Secure Benefits Systems. This agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$4,850. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Secure Benefits Systems from the Employee Group Health Fund. The County's contribution to the fund for the year ended June 30, 2024 was \$86,028.

The County was not required to obtain an actuarial report for the period ended June 30, 2024 since its plan qualifies as a “mini plan”. A liability is 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. There were no amounts payable from the Employee Group Health Fund at June 30, 2024. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid claims beginning of year	\$	-
Incurred claims		103,055
Payments on claims during the fiscal year		<u>(103,055)</u>
Unpaid claims end of year	\$	<u>-</u>

(11) Tax Abatements

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

Tax Abatements of Other Entities

Another entity within the County provided tax abatements for urban renewal and economic development projects pursuant to Chapter 15 and 403 of the Code of Iowa. For these types of projects, the other entity enters into agreements with developers which require the other entity, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount.

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Lenox	Urban renewal and economic development projects	\$ 6,848

Taylor County

Required Supplementary Information

Taylor County

Budgetary Comparison Schedule of
Receipts, Disbursements and Changes in Balances –
Budget and Actual (Cash Basis) – All Governmental Funds

Required Supplementary Information

Year ended June 30, 2024

	Actual	Budgeted Amounts		Final to
		Original	Final	Actual Variance
Receipts:				
Property and other county tax	\$ 4,878,409	4,786,538	4,786,538	91,871
Penalty and interest on property tax	30,529	-	-	30,529
Intergovernmental	5,396,871	8,030,902	8,030,902	(2,634,031)
Licenses and permits	23,642	5,600	5,600	18,042
Charges for service	368,961	333,950	333,950	35,011
Use of money and property	160,439	40,260	40,260	120,179
Miscellaneous	234,430	179,182	179,182	55,248
Total receipts	11,093,281	13,376,432	13,376,432	(2,283,151)
Disbursements:				
Public safety and legal services	2,329,387	2,383,880	2,542,380	212,993
Physical health and social services	1,270,385	1,371,838	1,371,838	101,453
County environment and education	506,880	615,288	625,676	118,796
Roads and transportation	4,795,869	4,702,700	4,968,700	172,831
Governmental services to residents	367,664	459,984	466,584	98,920
Administration	1,511,874	2,184,105	2,184,105	672,231
Debt service	306,300	306,850	306,850	550
Capital projects	28,691	3,020,000	3,020,000	2,991,309
Total disbursements	11,117,050	15,044,645	15,486,133	4,369,083
Deficiency of receipts under disbursements	(23,769)	(1,668,213)	(2,109,701)	2,085,932
Other financing sources, net	53,425	-	-	53,425
Change in balances	29,656	(1,668,213)	(2,109,701)	2,139,357
Balance beginning of year	7,615,646	5,606,428	5,606,428	2,009,218
Balance end of year	\$ 7,645,302	3,938,215	3,496,727	4,148,575

See accompanying independent auditor's report.

Taylor County

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2024

	<u>Governmental Funds</u>		
	<u>Cash</u>	<u>Accrual</u>	<u>Modified</u>
	<u>Basis</u>	<u>Adjustments</u>	<u>Accrual</u>
			<u>Basis</u>
Revenues	\$ 11,093,281	606,008	11,699,289
Expenditures	11,117,050	225,011	11,342,061
Net	(23,769)	380,997	357,228
Other financing sources, net	53,425	58,238	111,663
Beginning fund balances	7,615,646	94,659	7,710,305
Ending fund balances	<u>\$ 7,645,302</u>	<u>533,894</u>	<u>8,179,196</u>

See accompanying independent auditor's report.

Taylor County

Taylor County

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2024

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

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

Formal and legal budgetary control is based upon nine major classes of expenditures known as functions, not by fund. These nine functions are: public safety and legal services, physical health and social services, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds and the Debt Service Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$441,488. The budget amendments are reflected in the final budgeted amounts.

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

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

Taylor County

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

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

Required Supplementary Information

	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.028888%	0.025697%	0.239354% **	0.035457%
County's proportionate share of the net pension liability (asset)	\$ 1,304	971	(826)	2,491
County's covered payroll	\$ 3,716	3,692	3,597	3,538
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.09%	26.30%	(22.96)%	70.41%
IPERS' net position as a percentage of the total pension liability (asset)	90.13%	91.40%	100.81%	82.90%

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

** Overall plan net pension asset.

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
0.033274%	0.032317%	0.035010%	0.032409%	0.031002%	0.030002%
1,927	2,045	2,332	2,040	1,532	1,190
3,386	3,129	3,143	2,846	2,672	2,602
56.91%	65.36%	74.20%	71.68%	57.34%	45.73%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

Taylor County

Schedule of County Contributions

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

Required Supplementary Information

	2024	2023	2022	2021
Statutorily required contribution	\$ 389	359	346	339
Contributions in relation to the statutorily required contribution	(389)	(359)	(346)	(339)
Contribution deficiency (excess)	\$ -	-	-	-
County's covered payroll	\$ 4,148	3,716	3,692	3,597
Contributions as a percentage of covered payroll	9.38%	9.66%	9.37%	9.42%

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
336	324	283	286	258	242
(336)	(324)	(283)	(286)	(258)	(242)
-	-	-	-	-	-
3,538	3,386	3,129	3,143	2,846	2,672
9.50%	9.57%	9.04%	9.10%	9.07%	9.06%

Taylor County

Taylor County

Notes to Required Supplementary Information – Pension Liability

Year ended June 30, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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

Taylor County

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

For the Last Seven Years
Required Supplementary Information

	2024	2023	2022	2021
Service cost	\$ 25,331	34,575	37,813	33,821
Interest cost	13,821	8,681	10,911	12,328
Difference between expected and actual experiences	(311)	(25,875)	(67,145)	(16,126)
Changes in assumptions	728	(44,023)	18,747	28,536
Benefit payments	(23,495)	(21,856)	-	(7,078)
Net change in total OPEB liability	16,074	(48,498)	326	51,481
Total OPEB liability beginning of year	324,210	372,708	372,382	320,901
Total OPEB liability end of year	\$ 340,284	324,210	372,708	372,382
Covered-employee payroll	\$ 3,895,079	3,844,366	3,438,997	3,250,214
Total OPEB liability as a percentage of covered-employee payroll	8.7%	8.4%	10.8%	11.5%

See accompanying independent auditor's report.

2020	2019	2018
25,380	27,038	17,919
11,823	11,177	12,689
4,149	(27,951)	(137,357)
7,428	(7,445)	(24,723)
(15,854)	-	-
32,926	2,819	(131,472)
287,975	285,156	416,628
320,901	287,975	285,156
3,142,573	3,050,418	2,954,400
10.2%	9.4%	9.7%

Taylor County

Notes to Required Supplementary Information – OPEB Liability

Year ended June 30, 2024

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2024	4.13%
Year ended June 30, 2023	4.09%
Year ended June 30, 2022	2.19%
Year ended June 30, 2021	2.66%
Year ended June 30, 2020	3.51%
Year ended June 30, 2019	3.87%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.92%

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

Supplementary Information

Schedule 1

Taylor County
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2024

	Special Revenue				
	County Recorder's Records Management	Forfeitures	Local Option Sales Tax	Local Government Opioid Abatement	Total
Assets					
Cash, cash equivalents and pooled investments	\$ 1,069	19,540	601,273	31,002	652,884
Receivables:					
Accounts	309	-	-	-	309
Opioid settlement	-	-	-	191,099	191,099
Accrued interest	-	-	-	11	11
Due from other governments	-	-	17,498	-	17,498
Total assets	\$ 1,378	19,540	618,771	222,112	861,801
Deferred Inflows of Resources and Fund Balances					
Deferred inflows of resources:					
Unavailable Revenue:					
Other	\$ -	-	-	191,099	191,099
Fund balances:					
Restricted for:					
Opioid abatement	-	-	-	31,013	31,013
Other purposes	1,378	19,540	618,771	-	639,689
Total fund balances	1,378	19,540	618,771	31,013	670,702
Total deferred inflows of resources and fund balances	\$ 1,378	19,540	618,771	222,112	861,801

See accompanying independent auditor's report.

Taylor County

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

Year ended June 30, 2024

	Special Revenue				Total
	County Recorder's Records Management	Forfeitures	Local Option Sales Tax	Local Government Opioid Abatement	
Revenues:					
Local option sales tax	\$ -	-	212,249	-	212,249
Charges for service	1,279	-	-	-	1,279
Use of money and property	-	-	-	121	121
Miscellaneous	-	-	25,717	3,947	29,664
Total revenues	1,279	-	237,966	4,068	243,313
Expenditures:					
Operating:					
Public safety and legal services	-	-	5,000	-	5,000
Physical health and social services	-	-	-	8,141	8,141
County environment and education	-	-	142,724	-	142,724
Total expenditures	-	-	147,724	8,141	155,865
Excess (deficiency) of receipts over (under) expenditures	1,279	-	90,242	(4,073)	87,448
Fund balances beginning of year	99	19,540	528,529	35,086	583,254
Fund balances end of year	\$ 1,378	19,540	618,771	31,013	670,702

See accompanying independent auditor's report.

Taylor County
Combining Schedule of Fiduciary Net Position
Custodial Funds

June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Assets				
Cash, cash equivalents and pooled investments:				
County Treasurer	\$ -	1,588	588,795	70,732
Other County officials	22,310	-	-	-
Receivables:				
Property tax:				
Delinquent	-	41	83	1,766
Succeeding year	-	155,000	311,000	6,581,000
Total assets	22,310	156,629	899,878	6,653,498
Liabilities				
Accounts payable	2,041	-	63,750	-
Due to other governments	2,609	1,588	-	70,732
Trusts payable	17,660	-	-	-
Total liabilities	22,310	1,588	63,750	70,732
Deferred Inflows of Resources				
Unavailable revenues	-	155,000	311,000	6,581,000
Net Position				
Restricted for individuals, organizations and other governments	\$ -	41	525,128	1,766

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
5,042	27,223	1,828	214,512	44,786	954,506
-	-	-	-	-	22,310
139	1,934	5	-	-	3,968
520,000	1,573,000	198,000	-	1,000	9,339,000
525,181	1,602,157	199,833	214,512	45,786	10,319,784
-	-	-	-	-	65,791
5,042	27,223	1,828	214,512	12,551	336,085
-	-	-	-	25,852	43,512
5,042	27,223	1,828	214,512	38,403	445,388
520,000	1,573,000	198,000	-	1,000	9,339,000
139	1,934	5	-	6,383	535,396

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

Year ended June 30, 2024

	County Offices	Agricultural Extension Education	County Assessor	Schools
Additions:				
Property and other county tax	\$ -	125,218	275,339	5,512,416
State tax credits	-	9,217	20,145	376,705
Office fees and collections	187,356	-	-	-
Auto licenses, use tax and postage	-	-	-	-
Drivers license fees	-	-	-	-
Assessments	-	-	-	-
Trusts	-	-	-	-
Miscellaneous	-	-	167	-
Total additions	187,356	134,435	295,651	5,889,121
Deductions:				
Agency remittances:				
To other funds	60,818	-	-	-
To other governments	94,986	134,430	290,348	5,888,915
Trusts paid out	31,552	-	-	-
Total deductions	187,356	134,430	290,348	5,888,915
Change in net position	-	5	5,303	206
Net position beginning of year	-	36	519,825	1,560
Net position end of year	\$ -	41	525,128	1,766

See accompanying independent auditor's report.

Community Colleges	Corporations	Townships	Auto License and Use Tax	Other	Total
397,514	1,300,815	181,120	-	729	7,793,151
27,143	198,499	9,225	-	55	640,989
-	-	-	-	-	187,356
-	-	-	2,511,121	-	2,511,121
-	-	-	29,116	-	29,116
-	-	-	-	13,111	13,111
-	-	-	-	147,814	147,814
-	-	-	-	83,339	83,506
424,657	1,499,314	190,345	2,540,237	245,048	11,406,164
-	-	-	75,091	-	135,909
424,631	1,498,908	190,347	2,465,146	244,483	11,232,194
-	-	-	-	-	31,552
424,631	1,498,908	190,347	2,540,237	244,483	11,399,655
26	406	(2)	-	565	6,509
113	1,528	7	-	5,818	528,887
139	1,934	5	-	6,383	535,396

Taylor County

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

For the Last Ten Years

	2024	2023	2022	2021
Revenues:				
Property and other county tax	\$ 4,555,023	3,970,383	4,599,614	4,567,181
Local option sales tax	326,537	335,714	330,142	291,482
Penalty and interest on property tax	30,529	33,226	47,209	57,741
Intergovernmental	6,096,228	5,218,368	5,586,699	6,494,140
Licenses and permits	23,642	7,738	6,885	7,992
Charges for service	356,969	386,524	389,737	337,100
Use of money and property	160,361	80,714	31,748	45,346
Miscellaneous	150,000	202,974	217,460	216,922
Total	\$ 11,699,289	10,235,641	11,209,494	12,017,904
Expenditures:				
Operating:				
Public safety and legal services	\$ 2,338,001	1,994,223	2,051,710	1,794,049
Physical health and social services	1,276,080	1,267,720	1,330,988	1,373,935
Mental health	-	-	140,312	159,000
County environment and education	540,619	465,632	503,360	400,219
Roads and transportation	4,736,521	3,943,954	4,596,514	4,135,725
Governmental services to residents	367,293	400,967	370,051	364,541
Administration	1,748,556	1,045,523	1,106,078	884,268
Debt service	306,300	298,050	947,314	962,740
Capital projects	28,691	114,288	3,550	1,127,034
Total	\$ 11,342,061	9,530,357	11,049,877	11,201,511

See accompanying independent auditor's report.

2020	2019	2018	2017	2016	2015
4,397,018	4,264,033	3,922,160	3,604,824	3,572,048	3,553,111
265,008	258,392	129,833	214,492	216,613	199,132
16,548	35,286	34,201	32,003	30,783	32,793
5,330,913	5,707,191	4,876,057	5,353,030	5,214,924	4,476,827
10,105	6,630	5,710	5,284	6,297	13,673
376,384	236,124	352,992	413,874	213,362	226,729
50,557	46,623	38,326	39,215	53,838	83,608
179,383	174,571	199,475	252,317	192,703	222,099
10,625,916	10,728,850	9,558,754	9,915,039	9,500,568	8,807,972
1,739,212	1,647,467	1,561,358	1,588,224	1,526,825	1,251,207
1,269,854	1,261,926	1,234,413	1,279,399	985,114	1,019,411
157,570	144,000	95,508	95,642	141,450	146,341
451,602	311,756	228,110	238,045	417,695	183,274
3,868,040	3,994,224	4,233,036	4,295,584	3,051,454	3,131,219
335,448	313,206	324,015	364,445	340,789	333,788
897,495	915,620	823,747	751,252	685,828	681,521
960,378	947,889	951,723	953,603	1,184,630	1,011,973
181,070	914,523	39,771	698,401	1,491,432	3,121,078
9,860,669	10,450,611	9,491,681	10,264,595	9,825,217	10,879,812



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

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

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

To the Officials of Taylor County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Taylor County, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Taylor County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Taylor County's internal control. Accordingly, we do not express an opinion on the effectiveness of Taylor County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Taylor County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-001 and 2024-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-003 through 2024-006 to be significant deficiencies.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about Taylor County's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Taylor 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.

Taylor County's Responses to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Taylor County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Brian R. Brustkern, CPA
Deputy Auditor of State

July 24, 2025

Taylor County

Schedule of Findings

Year ended June 30, 2024

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2024-001 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the County’s financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	Applicable Offices
(1) All incoming mail is opened by an employee who is also authorized to make entries to the accounting records.	Auditor, Treasurer, Recorder, Engineer, Conservation, Sheriff
(2) Generally, one individual may have control over collecting, depositing, posting and maintaining receivable records for which no compensating controls exist.	Auditor, Treasurer, Recorder, Engineer, Conservation, Sheriff
(3) Bank accounts were not reconciled by an individual who does not sign checks, handle or record cash. Bank reconciliations were not reviewed periodically by an independent person for propriety.	Auditor, Treasurer, Recorder
(4) The person who signs checks is not independent of the person preparing the checks, approving disbursements, and handling cash.	Auditor
(5) The change fund and cash drawers are shared between employees.	Treasurer, Recorder

Cause – The County offices noted above have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect each County office’s ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Taylor County

Schedule of Findings

Year ended June 30, 2024

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

Responses –

County Auditor – As you stated above it is hard to segregate duties. Our office is trying to take turns opening the mail. Same with deposits, we take turns making the deposit. We will try to have other offices check our amount.

County Recorder – We will continue to segregate duties to the best of our ability.

County Treasurer – The office will review procedures and identify ways to segregate duties as much as possible and implement compensating controls where increase control can be achieved.

County Sheriff – We understand the importance of segregation of duties and with a small office it is difficult. However, we will review office procedures and attempt to maximize the best internal control.

County Conservation – With limited staff, segregation of duties is difficult. We will work with staff to obtain the maximum internal control under current circumstances.

Engineer – With limited staff, segregation of duties is difficult. We will work with staff to obtain the maximum internal control under the current circumstances.

Conclusion – Responses acknowledged. All offices should continue to review current operating procedures for the areas noted to obtain the maximum internal control possible. The officials should utilize current personnel to provide additional control through review of financial transactions, reconciliations and reports.

2024-002 Financial Reporting

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

Condition – Material amounts of capital assets, infrastructure, receivables, payables and prepaids were not properly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements. Also, several balances reported on the cash annual financial report (AFR) did not agree with the County's records.

Taylor County

Schedule of Findings

Year ended June 30, 2024

Cause – County policies do not require, and procedures have not been established, to require independent review of capital assets, infrastructure, receivables, payables and prepaids to ensure the County’s financial statements and the cash AFR are accurate and reliable.

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

Recommendation – The County should establish procedures to ensure all capital assets, infrastructure, receivables, payables and prepaids are identified and properly reported in the County’s financial statements. In addition, the County should establish procedures to ensure all financial activity is accurately reported in the AFR.

Response – The County will put policies and procedures in place to ensure that all capital assets, infrastructure receivables, payable and prepaids are properly recorded and included in the County’s financial statements. In addition, the County will put policies and procedures in place to ensure that all financial activity is accurately reported in the AFR. The Deputy Auditor will quarterly check claims for any large purchases.

Conclusion – Response accepted.

2024-003 Narcotics Petty Cash

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 controls, duties should be segregated so the authorization and custody of the assets are not under the control of the same employee. Properly designed policies and procedures and the implementation of the policies and procedures are an integral part of ensuring County assets are safeguarded.

Condition – Cash for narcotic investigations is not kept secure and prior approval to withdraw the cash is not required.

Cause – County policies do not require, and procedures have not been established to ensure cash is secured and a system is in place to approve, monitor and track the use of cash.

Effect – Lack of policies and procedures regarding the approval, safeguarding and monitoring and tracking the use of cash could allow for the loss or misuse of funds.

Recommendation – Policies and procedures should be developed to ensure cash is approved prior to withdraw and cash is secured, monitored and tracked by an independent person.

Response – We will work to develop facilities to protect narcotics cash and a pre-approval process.

Conclusion – Response accepted.

Taylor County

Schedule of Findings

Year ended June 30, 2024

2024-004 Journal Entries

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

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

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

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

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

Response – We have started having the Treasurer sign off on journal entries and will continue this process.

Conclusion – Response accepted.

2024-005 Disbursements

Criteria – Internal controls over safeguarding assets is a process, effected by an entity's governing body, management and other personnel designed to provide reasonable assurance regarding prevention or timely detection of unauthorized transactions and safeguarding assets from error or misappropriation. Such processes include establishing policies addressing proper supporting documentation, including properly marking supporting documentation as paid to prevent repayment of invoices.

Condition – We observed the same invoice paid twice by the County, resulting in an overpayment of \$4,534.

Cause – Policies and procedures were not established to ensure supporting documentation is effectively cancelled.

Effect – Disbursements could be paid multiple times if the supporting documentation is not marked as paid.

Recommendation – Procedures should be implemented to ensure supporting documentation is effectively marked as paid to prevent being paid again. The County should seek reimbursement for the overpayment.

Response – We will take closer steps into not duplicating claims paid. We will develop procedures for better communication with our departments to question if something has already been paid. We will review check invoice numbers paid in our system. We have received reimbursement for the overpayment noted.

Conclusion – Response accepted.

Taylor County

Schedule of Findings

Year ended June 30, 2024

2024-006 Reconciliation of Public Health Billings, Collections and Delinquent Accounts

Criteria – An effective internal control system provides for internal controls related to reconciling billings, collections, receivables and maintaining delinquent account listings to ensure the accuracy of collections, receivables and delinquent accounts.

Condition – Monthly reconciliations of billings, collections, receivables and delinquent accounts were not prepared.

Cause – Policies have not been established, and procedures have not been implemented to reconcile billings, collections and receivables and maintain delinquent account listings.

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

Recommendation – The Public Health Department should develop procedures to reconcile billings, collections and receivables. A listing of delinquent accounts should be prepared on a monthly basis. The Department should designate an independent person to review the reconciliations and monitor delinquents. The review of the reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

Response – We acknowledge the importance of accurate reconciliations and maintaining delinquent account listings, and we take your recommendations seriously.

We would like to clarify some points related to the findings and provide context to the challenges we faced during the audit. The audit noted that monthly reconciliations were not prepared due to the absence of established policies and procedures. However, we would like to emphasize that it is not a matter of not having policies or procedures in place, but rather a technical limitation stemming from our recently implemented software system. While the new system offers many financial reporting capabilities, it does not provide an easy way to generate a consolidated monthly report showing billings, collections, receivables, and outstanding balances across multiple months in a manner that meets the auditors' requirements.

Given the audit's timing—several months after the fiscal year had ended – backdating the information to cover the last 2-3 months of the fiscal year would have required manually extracting data from multiple separate reports. This process was both cumbersome and time-consuming for our small team, which hindered our ability to meet the auditors' request for detailed month-by-month backdated data. However, we were able to provide the auditors with up-to-date outstanding account balances, recent billings, and payments on the date of their visit, which we believe demonstrates our commitment to maintaining accurate financial records.

Moving forward, we are committed to improving our processes to meet the auditors' expectations. We will work closely with our staff to ensure that, on the last day of each month, reports showing pertinent information related to billings, collections, receivables, and delinquent accounts are generated in real-time. This will help ensure that our monthly reconciliations are accurate and can be reviewed as part of an effective internal control process.

Taylor County

Schedule of Findings

Year ended June 30, 2024

Additionally, we will work to designate an independent person to review the reconciliations and monitor delinquent accounts. The review process will be documented with the signature or initials of the reviewer and the date of the review, as recommended.

We will continue working diligently to enhance our processes. We are confident that with the steps outlined above, we will be able to meet the recommended standards for internal controls and ensure the accuracy of our collections, receivables, and delinquent accounts going forward.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

Taylor County

Schedule of Findings

Year ended June 30, 2024

Other Findings Related to Required Statutory Reporting:

2024-A Certified Budget – During the year ended June 30, 2024, disbursements exceeded the amount appropriated in one department prior to approval of an amendment and at year end.

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

Response – The Auditor will periodically check department balances before they exceed the amount appropriated. We have also sent out emails asking departments to please keep track of line item balances before they go negative.

Conclusion – Response accepted.

2024-B Questionable Expenditures – In accordance with Article III, Section 31 of the Iowa Constitution and an Attorney General’s Opinion dated April 25, 1979, public funds may only be spent for public benefit. Certain expenditures were noted which we believe may not meet the requirement of public purposes as defined in the Attorney General’s opinion since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

<u>Paid to</u>	<u>Purpose</u>	<u>Amount</u>
Adobe	Sales tax	\$ 14
Amazon	Sales tax	65
Apple	Sales tax	1
Cooks Direct	Sales tax	33
Dollar General	Sales tax	1

The payment of sales tax does not serve a public purpose.

Recommendation – The County should ensure all purchases are sales tax exempt.

Response – We have already sent a notice to remind all departments that we cannot pay sales tax. Each department will be responsible for monitoring going forward.

Conclusion – Response accepted.

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

Taylor County

Schedule of Findings

Year ended June 30, 2024

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

Name, Title and Business Connection	Transaction Description	Amount
Andrea Schrodtt Chad Schrodtt, Secondary Roads	Cleaning services	\$ 2,690
Jeffrey Cummings Tara Cummings, Treasurer's Office	Funeral services	2,636
Josh Weed, County Sheriff, owns Hawn Sanitation	Garbage and sanitation services and rental	2,241
Andy Thomas, Julie Thomas, County Nurse	Maintenance for the courthouse	26,460
Todd Brill Annie Brill, Public Health	Repairs	680
Shawn Culp Sheila Culp, Maintenance	Snow removal	570
Drake Electric LLC Crystal Drake, Public Health	Electrical repairs	216
Garrison Motsinger, stepson of Chad Schrodtt, Secondary Roads	Cemetery mowing	150

The transactions with Andrea Schrodtt, Jeffrey Cummings, Josh Weed, Todd Brill, Shawn Culp, Drake Electric, LLC and Garrison Motsinger do not appear to represent a conflict of interest in accordance with Chapter 331.342(2)(j) of the Code of Iowa since the total transactions were less than \$6,000 during the year.

In accordance with Chapter 331.342(2) (c) and (j) of the Code of Iowa, a portion of the transactions with Andy Thomas may represent a conflict of interest since the portion of the total transactions not competitively bid exceeded \$6,000 during the fiscal year. The County bid for services provided totaling \$17,417 of the \$26,460.

Recommendation – The County should consult legal counsel to determine the disposition of this matter.

Response – The County will consider bidding out these services in the future.

Conclusion – Response accepted.

2024-E Restricted Donor Activity – No transactions were noted between the County, County officials or County employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

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

Taylor County

Schedule of Findings

Year ended June 30, 2024

2024-G Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not. However, for two of the four Board Minutes tested, there was no evidence of publication as required by Chapter 349.18 of the Code of Iowa.

Recommendation – The County should publish Board minutes as required by Chapter 349.18 of the Code of Iowa.

Response – We have established a new policy of the Auditor providing the Deputy Auditor with the minutes. The Deputy Auditor then attaches claims to be paid. The Deputy Auditor then sends to the paper. She does not provide claims without minutes attached.

Conclusion – Response accepted.

2024-H Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the County’s investment policy were noted, except the County opened a bank account at First Interstate Bank. The bank account is not included on the depository resolution established by the Board of Supervisors as required by Chapter 12C.2 of the Code of Iowa.

Recommendation – A new resolution in amounts sufficient to cover anticipated balances at all approved depositories should be adopted by the Board.

Response – The bank changed names; we have updated the depository resolution this month with Resolution #2025-18.

Conclusion – Response accepted.

2024-I Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

2024-J County Auditor’s Bank Account – The County Auditor maintains a bank account for plat books, passports, and insurance transactions. The account had revenue of \$33,970, expenditures of \$31,003 and an ending bank balance of \$18,729. The financial activity of this account is not reflected in the County’s financial statements and has not been included in the County’s annual budget.

Recommendation – Collections for the plat books and passports should be remitted to the County Treasurer. Insurance funds should be moved to a General fund in order to properly reflect this activity in the County’s budget and financial statements.

Response – We will try to create a new fund for the plat books and passports. We will look into having this switched to pull from one of the Treasurer’s accounts.

Conclusion – Response accepted.

Taylor County

Schedule of Findings

Year ended June 30, 2024

2024-L County Auditor's Reports – According to Chapter 331.902 of the Code of Iowa, the County Auditor shall make a quarterly report to the Board of Supervisors, showing by type, the fees collected during the preceding quarter. The County Auditor shall pay, at least quarterly, to the County Treasurer the fees and charges collected. The County Auditor's fees and charges collected were not paid to the County Treasurer and the County Auditor did not provide required reports to the Board of Supervisors.

Recommendation – The County Auditor should remit collections to the County Treasurer and prepare and provide a report, at least quarterly, showing the fees collected during the preceding quarter, to the Board of Supervisors, as required.

Response – We will try to implement a system of reporting these fees quarterly to the Treasurer.

Conclusion – Response acknowledged. The County Auditor should also remit the collections to the County Treasurer.

Taylor County

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Cole L. Hocker, CPA, Director
Stephen J. Hoffman, CIA, Senior Auditor II
Mackenzie L. Johnson, Senior Auditor
Laurel P. Hoogensen, Senior Auditor
Allison L. Carlon, Staff Auditor
Hunter W. Penton, Staff Auditor
Amila Tursunovic, Staff Auditor
Katherine A. Koele, Assistant Auditor